

# the skandia plan

## key features

This Key Features document gives you the main points about The Skandia Plan you are buying. It includes an illustration which shows your level of cover and premium, the amount you may get back in the future, information about the charges and fund descriptions. Please read it carefully and keep it with your policy documents.

### its aims

To pay a cash sum on your death (known as 'life cover').

To insure against ill-health, if you require it.

To allow you to change the amount of life cover, and any ill-health cover, when your circumstances change.

### your commitment

You agree to pay a regular monthly or yearly premium for life.

## risk factors

There are circumstances when we will not pay out a claim, please see [what circumstances will stop the insurance paying out?](#)

You may need to increase your premiums after the tenth year to ensure the life cover, and any ill-health cover, lasts for as long as you need it.

How much you pay will be affected by:

- the increasing cost of life cover, and any ill-health cover, as you get older
- charges, which may turn out to be higher than illustrated, and
- investment returns.

If you cash in the Plan you may get little or nothing back, even after many years.

If you stop paying regular premiums, your life cover will stop once the value of your plan is zero. This could happen immediately after your regular premiums stop. Any ill-health cover will stop immediately.

If you increase your cover using the increase options (including the automatic inflation option), your premiums may rise by a higher percentage than the increase in cover.

Some fund links may carry specific risks. Further details of the investment objectives are available from your financial adviser or our Head Office. If you have any doubts surrounding the suitability of this transaction and you have not already received investment advice, please contact your financial adviser.

## what is the skandia plan?

It's an insurance policy designed to give you a relatively high level of life cover throughout your life with the flexibility to meet your changing needs.

You choose how much life cover you need and whether you need to include ill-health cover.

The premiums you pay are put into investment funds. Some money is taken out of the funds each month to pay for life cover, charges, and any ill-health cover you have selected. The majority of charges are taken in the early years to meet the setting-up costs. Your Plan will have no value during this period.

At any time, there may be more in your fund than is necessary to meet the above costs; this will depend on how much your fund has grown and how much the life cover costs.

Details of how this Plan might work for you are included in the illustration inside this leaflet.

If your needs change in the future, you can alter the level of cover and/or the amount you pay. It's sometimes possible to do this without providing medical evidence.

If your circumstances change you should check with your financial adviser to see if this Plan still meets your needs.

## can I insure someone else?

Yes. You can apply for insurance for yourself or joint cover for you and another person. Alternatively, you can apply for one or two people not including you, providing you have an insurable interest.

If you have insurance on joint lives payable on the first life assured to die, we will pay a claim on the first person to die and the insurance on the other life will stop.

If you have insurance on joint lives payable on the last life assured to die, we will pay a claim after both lives assured have died.

### Key employee protection

A company can insure a key employee by applying for a 'life of another' Plan. If accepted, this type of plan will pay a cash sum to the company if the key employee becomes totally and permanently disabled or dies.

### Business Assurance

Partners in a business can each apply for a Plan to pay a cash sum to other(s) if one becomes totally and permanently disabled or dies.

## what options are available at extra cost?

### Waiver of Premium

If you include this benefit, we will waive your commitment to pay premiums if you cannot work because of total disability following an accident or serious illness.

We will waive your commitment to pay premiums after you have been unable to work for six months. We will continue to pay them until the earliest of:

- your 65th birthday (for men) or 60th birthday (for women)
- your recovery
- your return to any form of gainful occupation
- your death
- payment of the full sum assured.

### Total Disability Benefit

If you include this benefit, we will pay the cash sum if you become totally, permanently and irreversibly disabled.

To claim you must be below age 60 at the date of claim, and unable to follow any gainful occupation. Where two people are covered, the cash sum will be paid if either person suffers total disability before age 60.

Following a successful claim, the insurance will come to an end.

Please refer to your financial adviser or the Technical Guide if you require further information.

## what circumstances will stop the insurance paying out?

We will not pay out if you do not disclose all requested information.

We will not pay a claim for total disability benefit or waiver of premium benefit if the claim is caused directly or indirectly or was accelerated from either of the following:

- self-inflicted injury
- drug or alcohol abuse
- participation in any criminal act
- war
- hazardous pursuits
- aviation
- pregnancy or childbirth.

We will also not pay a total disability benefit or waiver of premium benefit claim:

- if you change your occupation to something considered to be of a more hazardous nature
- in some cases, if you are travelling or living abroad.

We will not pay some or all of the life cover on death as a result of suicide in the first two years of your insurance.

Full details of the exclusions and limitations are contained in the Technical Guide and the Policy Terms, which are available on request.

## how are my premiums invested?

Premiums will be allocated to units in your chosen fund(s).

A wide range of funds is available. Your financial adviser will help you choose the fund(s) most suited to your personal circumstances.

You can change your choice of funds whenever you wish, both for new premiums and/or your existing fund(s), as long as you are paying your regular premiums.

You can get further information about the funds from your financial adviser or us.

## what happens if I stop paying premiums?

If you stop paying premiums and your Plan has an encashment value, it will become 'paid-up'. The cover will remain in force and monthly charges for maintaining the life cover will be made by cancellation of units. The Plan will lapse and cover will cease when the Plan has no encashment value.

The Skandia Plan is designed to provide protection benefits and, therefore, may have little or no encashment value, especially in the early years.

The option to change your choice of fund(s) is not available if your Plan becomes paid-up.

Further details of the impact of your Plan becoming paid-up are available on request.

## can skandia change the terms of the contract?

Skandia reserves the right to amend certain contractual terms, some without prior notice, as explained in the Technical Guide and the Policy Terms which are available on request from your financial adviser or us. If we make such an amendment you may, if you wish, terminate the contract by exercising your option to surrender the policy.

## how to contact us

Your financial adviser will normally be your first point of contact.

If you have any questions, you can contact us in the following ways:

- Phone: 023 8033 4411
- Fax: 023 8022 0464
- Write to:  
Skandia Life Assurance Company Limited  
PO Box 37  
Skandia House  
Portland Terrace  
Southampton  
SO14 7AY.

## further information

### How can I make payments?

You must pay monthly premiums by direct debit. We will normally collect the initial direct debit payment within 10 days of us accepting the application. Subsequent direct debits will be collected on the first working day of the month.

You can pay yearly premiums by cheque or direct debit. For yearly direct debits we will collect subsequent premiums on the first working day of the month that the Plan's anniversary date takes place, 'the review date'. However, units are allocated on the review date.

### Can an application be cancelled?

After your application has been accepted you will receive a notice of your right to cancel. Once you have received all appropriate documentation and the notice you will then have 30 days to change your mind and cancel your application. You can do this either by completing and returning the notice referred to above or by letter to the customer service centre at the address shown under [how to contact us](#).

We will refund any money you have paid.

### How can I cancel my insurance in the future?

You can cancel The Skandia Plan at any time by sending written notification and your policy documents to our Head Office. We will not refund any premiums. You should contact your financial adviser first to discuss the options available to you. If your Plan has not gained an encashment value, it will lapse once you stop paying your premiums. In these circumstances it is not necessary to return the policy documents to us.

### Where can I find full details of The Skandia Plan?

Please read this document with the enclosed illustration. You can find full details in the Technical Guide and the Policy Terms. Descriptions, including charges, of any fund you may wish to select are available from your financial adviser or us.

### Law

The contract you are applying for is subject to the Laws of England and Wales.

If your application is accepted, we will send you Policy Terms which will confirm the law applying to the contract.

All our literature and future communications to you will be in English.

We provide all disclosure documents in accordance with the pre-contract disclosure requirements applying in the United Kingdom.

### What are the tax arrangements applicable to the Plan?

The underlying funds to which the Plan is linked are subject to taxation on income and gains. The unit prices take this into account.

Benefits are normally free from UK income tax and capital gains tax. On death, these payments may be subject to inheritance tax. You may be able to reduce the effects of inheritance tax by using an appropriate trust. Ask your financial adviser for details if you are interested in using a trust.

In certain circumstances there could be a liability to higher rate tax, or any entitlement to higher age-related allowances could be reduced or eliminated. Please contact us for further details or refer to the Technical Guide.

The Government may change the tax position described.

You may be subject to additional taxes or costs which are not accounted for within the contract. Please refer to your financial adviser for further details.

### How to complain

If you have a complaint, please write first to the Compliance Officer at the address shown (please see [how to contact us](#)).

If you are not satisfied with our response you can complain to the:

- Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR.

Complaining to the Ombudsman will not affect your legal rights.

### Policyholder protection

The Financial Services Compensation Scheme (FSCS) acts as a safety net for customers of financial services providers. If Skandia cannot meet its liabilities, the FSCS may arrange to transfer your policy to another insurer, provide a new policy or, if these actions are not possible, provide compensation.

For long-term insurance (such as pension plans and life assurance) the level of compensation you can receive from the Scheme is as follows:

- the first £2,000 of a claim is protected in full
- above this amount, the Scheme covers payment to 90% of the value of a policy in liquidation.

Full details are available on request.

**Skandia**

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Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

Skandia Life Assurance Company Limited (an incorporated company limited by shares) Registered number: 1363932 England

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