

## Key features of the Decreasing Mortgage Cover Plan – guaranteed payments

This is an **important document** which gives you a summary of information about the Decreasing Mortgage Cover Plan. Please read this document **before** you decide to buy this plan.



The Financial Services Authority is the independent financial services regulator. It requires us, Zurich Assurance Ltd, to give you this important information to help you decide whether our Decreasing Mortgage Cover Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

## Its aims

The plan is designed to protect your repayment mortgage or commercial loan by paying out either of:

- **Life cover only**  
We'll pay a cash sum called 'life cover' if you die during the plan's term.
- **Life or earlier critical illness cover**  
We'll pay the cash sum if, during the plan's term, you die or are diagnosed with a critical illness that meets our plan definition. The plan will then end – it only pays out once.

If your plan includes life or earlier critical illness cover you can include extra life cover. If you do this and we pay a critical illness claim, your life cover will continue but we will reduce it by the amount of critical illness cover paid out.

If no claim has been paid the plan will end at the end of the term you have chosen.

You may be able to include various optional benefits, such as payment protection benefit. Further details of these optional benefits can be found in the 'What other benefits can I choose?' section, on page 5 of this key features document.

## Your commitment

- To make regular payments over the plan's term
- To give us all the information we ask for when applying for your plan and when making a claim. If you don't it could mean that your plan will not pay out. You should not assume that we will write to your doctor – it is your responsibility to complete the application form properly.
- To tell us if, between making your application and when your plan starts, there is any change in:
  - your personal health;
  - your family medical history;
  - your occupation;
  - your address;
  - the frequency and extent of your foreign travel;
  - any hazardous leisure activities you do;
  - your alcohol consumption;
  - your smoking habits;
  - your use of drugs (for example, cocaine or heroin).

If you don't tell us of anything that alters any answers you have given, whether or not you seek medical advice, it could mean that your plan will not pay out.

- You must tell us within the stated time limits of any claim you wish to make. These are set out in the terms and conditions.

## Risk factors

- If you don't make your payments, your plan will end, your cover will stop after 30 days and you'll get nothing back. If your health has changed we may not be able to offer you cover in future or we may offer a new plan on different terms or at a higher cost or both.
- If your mortgage interest rate increases to more than 10%, your cover may not be enough to pay off your mortgage if you claim.
- The plan has no cash-in value at any time.
- We will not pay a claim if you do not fully and truthfully disclose any information we request.
- We may apply specific exclusions when we accept your application. If we do this we'll tell you in your acceptance letter and plan schedule.
- We will not pay a claim for any critical illness cover if the claim arises from an excluded cause, or does not meet the plan definition exactly.
- If your plan includes total permanent disability – own occupation 'own occupation' is interpreted as the one you stated when making your application. If you later change occupation, you will only be able to claim the benefit if you can prove that you cannot perform the occupation you had at the time your plan started.
- If you decide you no longer want the plan, you should let us know within 30 days from the date you get your plan documents. If circumstances beyond your control prevent you from contacting us within 30 days, you can still ask us to cancel. If we receive a request after 30 days, we look at each case individually and decide whether to give a refund.

If you have included payment protection benefit in your plan:

- We will not pay a claim for payment protection benefit if the claim arises from an excluded cause.
- If your earnings are below the level needed to justify the amount of payment protection benefit you have chosen, we'll pay you a reduced amount of benefit, but will not refund any of your payments.
- Receipt of the payment protection benefit may affect your eligibility to receive some State means-tested benefits.
- The payment protection benefit may reduce the amounts payable under any other insurance plans you have that provide disability cover for illness or injury.
- If you have received payment protection benefit and later make a critical illness claim for the same condition, then from what we pay you in critical illness benefit we will deduct the amount of payment protection benefit payments we have already made.
- We may reduce the payment protection benefit by any income you receive during your incapacity.

# Questions and answers

## What is a Decreasing Mortgage Cover Plan – guaranteed payments?

It's a plan that provides either:

- life cover only which means we'll pay a cash sum if you die during the plan's term or are diagnosed with a terminal illness, before the last 12 months of the term of the plan, and are expected to live for less than 12 months; or
- life or earlier critical illness cover which means we'll pay:
  - a cash sum, called life cover, if you die during the plan's term; or
  - a cash sum, called critical illness cover, if you are diagnosed with an earlier critical illness, that meets our plan definition.

If your plan includes life or earlier critical illness cover you can include extra life cover. If you do this and we pay a critical illness claim, your life cover will continue but we will reduce it by the amount of critical illness cover paid out. If no claim has been paid the plan will end at the end of the term you have chosen.

You may be able to include various optional benefits, such as payment protection benefit. Further details of these optional benefits can be found in the 'What other benefits can I choose?' section, on page 5 of this key features document.

The life cover and critical illness cover decrease each month and are designed to reach zero by the end of the term. The plan is designed to protect your repayment mortgage and should pay off your outstanding mortgage if you claim, provided that:

- the initial amount of cover (or where both life cover and critical illness cover are included and are for different amounts, the lowest level of cover) matches your outstanding repayment mortgage;
- you keep your mortgage payments up to date; and
- your mortgage interest rate stays at 10% or less.

If interest rates stay below 10% during the term of your mortgage, the cover could be more than you need to pay off your mortgage.

## Who can the plan cover?

The plan can cover one person or two people jointly.

You must be between 16 and 64 years old when the plan starts, and the plan must end on or before your 70th birthday. If the plan covers two people, these age restrictions apply to both of you. There are lower maximum age limits that apply to certain of the optional plan benefits described below. For full details of these please see section 2 of the terms and conditions.

The plan can be taken out on someone else's life as long as they agree and the planholder can show that they would suffer financially if the life assured were to die or be diagnosed with a critical illness, that meets the plan's definition, during the term of the plan.

When your plan starts you must be living in the United Kingdom and intend to stay here.

## How much does the plan cost?

You make regular payments to maintain your chosen cover. You can make payments monthly or yearly by direct debit. You can also make yearly payments by cheque.

The amount you pay depends on all the following:

- your personal circumstances – for example, your age, health, sex, occupation and whether you smoke;
- the amount and type of cover you choose;
- how long you decide you want the cover to last.

## Can my payments change in the future?

Providing you do not ask us to change the level of cover on your plan, your payments will stay the same throughout the term of the plan.

### What if I stop paying?

If you stop making payments, your cover and plan will end after 30 days. You won't get any of your payments back.

You can ask us to start the plan again up to 90 days after your payments stopped. To help us consider your request we will ask you to provide details of your current health and activities. If we agree to reinstate your plan, you will need to send us a cheque for the payments you have missed.

### How much does the plan pay out?

You decide the initial amount of cover when you take the plan out.

The initial amount of cover decreases each month and is designed to reach zero by the end of the term.

If you have included critical illness cover in your plan, and make a successful claim under the children's critical illness benefit, we will pay an amount equal to half of the level of critical illness cover provided by the plan at the date of claim subject to a maximum of £25,000. We will only pay one claim for each child. Any such payment will not reduce your cover. If you have any other Zurich plans that pay children's critical illness benefit, we'll deduct the amount we pay out under other plans from the amount we pay out under this plan.

If you have included life or earlier critical illness cover and extra life cover, then the amount of life cover payable if you die during the term of the plan will be reduced by the amount of any earlier critical illness cover paid out (except where the critical illness claim is under the children's critical illness benefit).

### What other benefits can I choose?

If you choose any of the following benefits, your payments will be higher. Further details of these additional benefits can be found in section 2 of the terms and conditions.

#### **Total permanent disability own occupation**

If you have included critical illness cover in your plan you may (depending upon your occupation) be able to include cover at the same level as your critical illness cover, against being totally

permanently disabled from performing your own occupation. This benefit is only available when the plan starts; it cannot be added later. You can't include this benefit if you are aged 55 or over when the plan starts. It's available until the plan anniversary following your 60th birthday. If you choose this benefit but later decide you no longer want it, we can remove the benefit, as long as the new payment amount does not go below the current minimum amount for the plan.

Please ask if you want to know what this is. We will adjust your payments to reflect the fact that the benefit has been removed. Once removed, the benefit cannot be included again in future.

#### **Payment protection benefit**

If you choose to include payment protection benefit, we'll pay you an amount every month, if you are unable to perform your own occupation because you are incapacitated due to illness or injury, after the plan has started, for longer than the deferred period you've chosen. However, some occupations need a high level of medical fitness, a licence to perform the occupation or total dependence on the use of your hands or voice. In these cases we'll apply a Special Definition of Disability which means that we may stop the payment protection benefit at any time after 12 months if, in our opinion, you could return to any work in a new occupation to which you are suited because of your education, training, retraining or experience. Your plan schedule will say if this applies to you.

You can choose how soon after you become incapacitated you want the benefit to start. This is called the deferred period and you can choose a deferred period of three months, six months or 12 months. Your plan schedule shows the deferred period you've chosen. Once we have agreed your claim you stop making payments to the plan for the duration of your claim. If you choose a joint-life plan, you can choose whether the payment protection benefit is available on one life or both lives and you can also choose different deferred periods for each person.

You can only add this benefit when the plan starts; you can't add it later. You can remove the benefit after the plan has started but, once removed, the benefit cannot be included again in future. If you remove this benefit we will adjust your payment to reflect this. To include this benefit your plan must have a term of at least five years. This benefit, if selected, must end no later than the anniversary following your 65th birthday. You can't choose to include this benefit if you have chosen the waiver of payment benefit.

If your plan includes payment protection benefit, it will also automatically include rehabilitation benefit and will also normally include proportionate benefit.

- Rehabilitation benefit – If, after a period of claiming payment protection benefit, you are able to return to your previous job in a reduced capacity and at a lower income, then we will pay a reduced benefit that takes account of your lost earnings. We will pay this for a period of up to 12 months after you return to work.
- Proportionate benefit – If, after a period of claiming payment protection benefit, you are unable to return to your previous job but are able to start a different and lower-paid job, then we will pay a reduced benefit.

Proportionate benefit is not available if we have applied a Special Definition of Disability.

### **Waiver of payment benefit**

If you choose this benefit, we'll make your payments for you if you are incapacitated (after the plan has started) and are unable to perform your own occupation because of illness or injury for at least six months (called the deferred period). You must carry on making payments during the deferred period or until a claim is accepted if later.

This benefit is only available when the plan starts. It cannot be added later. You can't include this benefit if you:

- are aged 55 or older when the plan starts;
- have chosen payment protection benefit; or
- have not been accepted on our normal terms.

This benefit stops on the plan anniversary following your 65th birthday.

### **How flexible is it?**

#### **Free cover**

Free cover may be available during the period between exchange of contracts (missives in Scotland) and completion.

Your adviser will explain when you should start your plan. He or she will also provide details of any free cover which might apply to you, how it works, and the conditions that apply.

Full details are available in the **Mortgage Protection – free cover terms and conditions** which are available from your adviser.

#### **Increasing your level of cover**

The plan may include a guaranteed insurability option. This means you can increase your cover, in connection with a mortgage increase or commercial loan, without having to give us any more details about your health or activities. You must be aged under 55 to use this option.

However, your health, activities or both may mean that we can't include this option in your plan. We'll tell you in your plan schedule if the guaranteed insurability option does not apply to you.

If the plan covers two people, the older person must be aged under 55 at the time the option is exercised and both have to agree in writing before the option can be used. The term of the plan will stay the same.

For full details of this option, please see section 6 of the terms and conditions.

#### **Separation option**

If you took out your plan jointly to protect a mortgage, this option allows either or both of you to continue your cover, using separate plans, without giving us any more details about your health or activities.

If your plan does not include critical illness cover, or payment protection benefit, the option must be used at least 12 months before the end of the term.

If your plan does include critical illness cover, payment protection benefit or both the option must be used at least five years before the end of the term. You both have the option of starting a new plan in your sole name if:

- the mortgage on your existing property is rearranged and it is in the name of either one of you only; or
- either of you take out a new mortgage on a new property.

The new plan must start within 30 days of the date the mortgage is rearranged or the new mortgage started whichever is relevant. We'll need a copy of the lender's offer letter.

We need this no more than 30 days before the mortgage is due to be released to you or up to 30 days after it has been released.

This option will only be available if we are offering an appropriate plan at the time you want to use this option.

For full details of this option, please see section 6 of the terms and conditions.

## When does the plan pay out?

### Plans providing life cover only

The plan pays out if you die during the term of the plan, or if you are diagnosed, before the last 12 months of the term of the plan, with a terminal illness and are expected to live for less than 12 months.

### Plans providing life or earlier critical illness cover

The plan will pay out if during the plan term:

- you are diagnosed with one of the critical illnesses that meets the plan's definition; or
- you die.

### Plans providing life or earlier critical illness cover and extra life cover

The plan will pay out if during the term of the plan:

- you are diagnosed with a critical illness that meets the plan definition; or
- you die, or are diagnosed as being terminally ill before the last 12 months of the term of the plan. The amount of life cover payable will be reduced by the amount of any earlier critical illness cover payment.

## Terminal illness claims

Subject to certain requirements (which are determined by the amounts of critical illness cover and life cover you have on your plan) the plan pays a cash sum if you are diagnosed with a terminal illness. The following examples illustrate when a terminal illness claim will be paid.

Benefit amount paid on	Plan providing		
	£50,000 of life cover only	£50,000 of life cover or earlier critical illness cover	£50,000 of life cover or earlier critical illness cover with extra life cover of £25,000
Diagnosis at any time during the term of your plan that you have a terminal illness, and have less than 12 months to live.	N/A	£50,000	£50,000
Diagnosis, before the last 12 months of the term of your plan, that you have a terminal illness, and have less than 12 months to live.	£50,000	N/A	£25,000

For full details of terminal illness benefit please see section 2 of the terms and conditions.

### Children's critical illness benefit

If your plan includes critical illness cover it will automatically include children's critical illness benefit.

Your children are covered from the age of three months until their 18th birthday. You can only make one claim for each child but there is no limit to the number of children covered.

If you are claiming for the children's critical illness benefit, the child must survive for at least 14 days after diagnosis. If you claim for your child, your plan will continue at the level of it is at the time of claim.

### Plans including total permanent disability own occupation

The plan will pay the critical illness cover if you are permanently disabled from performing your own occupation. For this purpose 'your own occupation' is the one you state when making your application, even if this has changed by the time you claim.

### Plans including payment protection benefit

Providing we have not fully paid out either the critical illness cover or life cover, the plan will pay out a monthly benefit, starting on the first of the month after the end of the deferred period you have chosen and then monthly in arrears, while you are unable to do the main activities of your usual paid job due to illness or injury.

#### For example:

You're sick and unable to work from 12 November.

- If the deferred period is six months, it will end on 11 May.
- We'll make the first payment on 1 June; this payment will cover the period from 11 May to the end of May.
- We'll make the first full payment on 1 July.

If you return to work part way through a month, the final payment we make will be a proportionate part of a month's benefit.

### Plans including waiver of payment benefit

Providing we have not fully paid out either the critical illness cover or life cover and you suffer an illness or injury (during the term of the plan) that results in you being unable to do the main activities of your usual paid job for longer than the deferred period of six months, we will make your payments to the plan (from the end of the deferred period) while you are unable to work.

### What conditions does critical illnesses benefit cover?

The complete list of conditions we cover is set out below. These headings are only a guide to what is covered. The full definitions of the illnesses covered and the circumstances in which you can claim are given in the 'Critical illnesses and operations' section of the terms and conditions. These typically use medical terms to describe the illnesses but in some cases the cover may be limited. For example:

- Some types of cancer are not covered.
- To make a claim for some illnesses, such as stroke, you need to have permanent symptoms, and for others, such as a heart attack, the illness must be of a specified severity.

If you would like to see a copy of the terms and conditions please ask your adviser or contact us direct.

The medical conditions and operations we cover are as follows:

- Alzheimer's disease before age 65 – resulting in permanent symptoms.
- Aorta graft surgery – for disease.
- Aplastic anaemia – resulting in permanent symptoms.
- Bacterial meningitis – resulting in permanent symptoms.
- Benign brain tumour – resulting in permanent symptoms.
- Blindness – permanent and irreversible.
- Cancer – excluding less advanced cases.
- Coma – resulting in permanent symptoms.
- Coronary artery by-pass grafts – with surgery to divide the breastbone.

- Creutzfeldt-Jakob Disease (CJD)
    - requiring continuous assistance.
  - Deafness – permanent and irreversible.
  - Heart attack – of specified severity.
  - Heart-valve replacement or repair
    - with surgery to divide the breastbone.
  - HIV caught in the UK from a blood transfusion, by physical assault or at work in an eligible occupation.\*
  - Kidney failure – requiring dialysis.
  - Liver failure – end stage.
  - Loss of independent existence after age 65
    - resulting in permanent symptoms.
  - Loss of hands or feet
    - permanent physical severance.
  - Loss of speech – permanent and irreversible.
  - Major organ transplant.
  - Motor neurone disease
    - resulting in permanent symptoms.
  - Multiple sclerosis – with persisting symptoms.
  - Paralysis of limbs – total and irreversible.
  - Parkinson’s disease before age 65
    - resulting in permanent symptoms.
  - Pre-senile dementia before age 65
    - resulting in permanent symptoms.
  - Primary pulmonary arterial hypertension
    - resulting in permanent symptoms.
  - Progressive supranuclear palsy.
  - Stroke – resulting in permanent symptoms.
  - Terminal illness.
  - Third degree burns
    - covering 20% of the body’s surface area.
  - Total permanent disability before age 65.
  - Traumatic head injury
    - resulting in permanent symptoms.
- \* The eligible occupations for HIV caught at work are:
- any occupation which provides accident and emergency, medical, laboratory, phlebotomy, dental or nursing services;
  - the police force;
  - the prison service.

### Can children have critical illness cover?

Your children are also covered for the conditions in the following list at no extra cost. Child cover

applies from the date each child reaches the age of three months and lasts until their 18th birthday, as long as the plan is still running.

The conditions covered under children’s cover are as follows:

- Aorta graft surgery – for disease.
- Aplastic anaemia
  - resulting in permanent symptoms.
- Bacterial meningitis
  - resulting in permanent symptoms.
- Benign brain tumour
  - resulting in permanent symptoms.
- Cancer – excluding less advanced cases.
- Coronary artery by-pass grafts
  - with surgery to divide the breastbone.
- Creutzfeldt-Jakob Disease (CJD)
  - requiring continuous assistance.
- Heart attack – of specified severity.
- Heart-valve replacement or repair
  - with surgery to divide the breastbone.
- HIV caught in the UK from a blood transfusion.
- Kidney failure – requiring dialysis.
- Liver failure – end stage.
- Major organ transplant.
- Motor neurone disease
  - resulting in permanent symptoms.
- Multiple sclerosis – with persisting symptoms.
- Paralysis of limbs – total and irreversible.
- Primary pulmonary arterial hypertension
  - resulting in permanent symptoms.
- Progressive supranuclear palsy.
- Stroke – resulting in permanent symptoms.
- Terminal illness.
- Total permanent disability (being irreversibly disabled in a way that, if he or she were an adult, he or she would be unable to carry out any gainful occupation).

### When will the plan not pay out?

We will not pay a claim and we may cancel all cover under the plan if:

- you do not disclose all of the information we ask for when applying for your plan and when claiming your benefit. You should not assume that we will write to your doctor –

it is your responsibility to complete the application form properly; or

- you do not tell us about any of the following changes that happen between making your application and when your plan starts:
  - your personal health;
  - your family medical history;
  - your occupation;
  - your address;
  - the frequency and extent of your foreign travel;
  - any hazardous leisure activities you do;
  - your alcohol consumption;
  - your smoking habits;
  - your use of drugs (for example, cocaine or heroin).

If you don't tell us of anything that alters any answers you have given, whether or not you seek medical advice, it could mean that your plan will not pay out.

### What will stop any critical illness cover paying out?

We won't pay a critical illness claim if:

- the illness suffered does not meet the plan definition exactly;
- the illness suffered is an illness not covered by the plan;
- you do not tell us about the claim within six months of suffering or undergoing the listed illness or operation;
- the claim results from committing criminal acts, deliberate injury, alcohol or drug abuse, unreasonable failure to follow medical advice, self-inflicted injury, terrorism, war or civil commotion;
- the medical condition arises while you are living abroad and you do not return to one of the countries, listed at section 2 of the terms and conditions, for treatment;
- the claim is for a child for a medical condition from which he or she is already suffering (whether or not there were any symptoms) before the start of the cover.

For full details of what is covered please see the 'Critical illnesses and operations' section of the terms and conditions. Details of any limits to

your cover, are given in section 2 of the terms and conditions.

We may apply specific exclusions when we accept your application. If we do, these will be shown on your acceptance letter and plan schedule.

### What will stop the life cover paying out?

We won't pay out if you commit suicide within 12 months of the date the plan started or was reinstated. Instead, we'll refund the payments you've made. If the life cover has been increased, and you commit suicide within 12 months of the increase, then we'll pay the amount of life cover before the increase and refund the payments you've made for the increased cover. We won't pay the terminal illness benefit if you are diagnosed during the last 12 months of the term of the plan.

### What will stop the waiver of payment benefit paying out?

We won't pay the waiver of payment benefit if:

- You are suffering from infection with Human Immunodeficiency Virus (HIV) or conditions due to any Acquired Immune Deficiency Syndrome (AIDS);
- you had the illness or injury that caused the incapacity before the plan started;
- you weren't in a paid job when you became incapacitated;
- the illness or injury that caused the incapacity happens during the last six months of the term of the plan;
- the incapacity is caused directly or indirectly from war or civil commotion.

For full details of what is not covered please refer to section 2 of the plan terms and conditions.

Please see the 'What other benefits can I choose?' section of this key features document for information on the waiver of payment benefit.

### What will stop the payment protection benefit paying out?

We won't pay the payment protection benefit, proportionate benefit or rehabilitation benefit if we have already fully paid either the life cover or any critical illness cover or if the cause of the

claim arises, either directly or indirectly, from any of the following situations:

- You are suffering from infection with Human Immunodeficiency Virus (HIV) or conditions due to any Acquired Immune Deficiency Syndrome (AIDS).
- War or civil commotion.
- The medical condition arises while you are living abroad and you do not return to the United Kingdom or one of the other countries we specify. For a list of the specified countries see section 2 of the terms and conditions.
- Your incapacity starts when the benefit has (depending on the deferred period you've chosen), three, six or 12 months left to run.
- You have more than one job and can still do any part of any of them.

Also we won't pay the payment protection benefit if you weren't working when you suffered the illness or injury that led to your claim.

For full details of what is not covered please refer to section 2 of the plan terms and conditions.

Please see the 'What other benefits can I choose?' section of this key features document for information on payment protection benefit.

### What payment protection benefit is payable?

The total monthly benefit you can choose must not be more than 1% of the life cover amount. If the plan covers two people, and the payment protection benefit is on both, the total combined benefit must not be more than 1% of the life cover amount.

The current minimum amount you can choose, whether the plan covers one person or two people, is £100 a month and the maximum we'll pay each month is £4,000. The monthly benefit amount payable will not decrease each month, like the life cover or earlier critical illness cover do.

However, the maximum amount payable on any one life is half of that person's pre-incapacity earnings. If we reduce the benefit when a claim is made because the person's earnings have fallen, we will not refund any payments.

#### Example

Mortgage amount £50,000.

Decreasing Mortgage Cover Plan providing £50,000 of life cover.

Payment protection benefit of £500 a month (i.e. 1% of £50,000 the life cover amount).

Gross earned income, at the time of claim, is £800 a month.

We will pay a maximum payment protection benefit amount of £400 a month (i.e. 50% of £800).

If your plan includes life cover or earlier critical illness benefit and extra life cover, and you make a successful critical illness claim, then we will reduce the level of payment protection benefit proportionately.

#### Example

Decreasing Mortgage Cover Plan providing £50,000 of life cover or earlier critical illness cover and extra life cover of £50,000.

Payment protection benefit of £1000 a month (ie. 1% of £100,000 – the total life cover amount).

You suffer a critical illness that meets our plan definition and we pay £50,000. The plan continues to provide life cover only on a decreasing basis for an initial amount of £50,000 (ie. £100,000 minus £50,000).

The payment protection benefit is adjusted to £500 a month (ie. £50,000 x 1%).

We won't reduce your benefit if you receive:

- income support or other means-tested State benefits. However, the benefit payment from your plan may affect your eligibility for means-tested State benefits;
- income from savings and investments;
- the taxable value of any royalties from any patent or copyright or profits from selling shares or securities.

For full details of the payment protection benefit please see section 2 of the terms and conditions.

### What are pre-incapacity earnings?

If you are employed, this means your pre-tax earnings for PAYE assessment purposes including benefits in kind, bonuses or commission in the 12 months before you become unable to work.

If you are self-employed, this means your share of pre-tax profit from your trade, profession or vocation (for the purposes of Schedule D Case I and II of the Income and Corporation Taxes Act 1988), after deduction of trading expenses, in the 12 months before you become unable to work.

With some occupations your income may fluctuate, so we may average your income over a maximum of three years. We'll need financial information from you to support your claim.

### When will the payment protection benefit start?

It will start on the first day of the month after the end of the 'deferred period' you have chosen. We will pay it monthly in arrears from then on, provided you continue to meet the plan's definition of incapacity.

### How often can you claim payment protection benefit?

There's no limit on the number of times you can claim the benefit. However we will not pay it for the first time until you have been incapacitated for a continuous period longer than your chosen deferred period. If you have previously received the benefit and you are incapacitated again from the same cause within six months of returning to work, there won't be another deferred period before we start paying you the benefit again. To keep your cover going, you must start making payments to your plan when you return to work.

### For how long will you pay payment protection benefit?

We will pay you until the first of these events:

- You no longer meet our definition of incapacity.
- The payment protection benefit term comes to an end.

- The plan comes to an end.
- You are no longer suffering loss of earnings.
- The plan ends following a critical illness, terminal illness or death claim.

### Do I continue to make payments when claiming payment protection benefit?

You should continue to make payments to your plan until we have agreed your claim. If we agree your claim we will make payments for you while the benefit is payable. We will also refund any payments you have made after the end of the deferred period.

### What about tax?

You won't have to pay income tax or capital gains tax on any benefits the plan pays out.

If the plan is written under trust, the death benefit will not normally be liable to inheritance tax as part of your taxable estate. For plans not written in trust, the death benefit may be liable to inheritance tax.

We've based this information on our understanding of current UK law and HM Revenue & Customs practice. HM Revenue and Customs (HMRC) practice and tax law are complex and may change in the future. How they apply it will depend on individual circumstances.

### Can I change my mind?

If you decide to cancel your plan you should sign the statement, that is printed on the back of the letter sent to you with your plan documents, and return it to us at the address given on page 14 of this key features document. If you do this within 30 days of receiving your plan documents we will give you your money back.

If circumstances beyond your control prevent you from contacting us within 30 days, you can still ask us to cancel. If we receive a request after 30 days, we look at each case individually and decide whether to give a refund.

### Will I get regular updates on my plan?

To make sure your plan continues to meet your needs you should regularly review your amount of cover. We'll send you a statement each year to help you.

## Other information

### How to complain

If you ever need to complain, contact us at the address on page 14. You can get details of our complaints-handling process on request.

If you're not satisfied with our response, you can complain to:

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

Telephone: 0845 080 1800

Email: [enquiries@financial-ombudsman.org.uk](mailto:enquiries@financial-ombudsman.org.uk)

Complaining to the Ombudsman won't affect your legal rights.

### Terms and conditions

This key features document gives a summary of the Zurich Decreasing Mortgage Cover Plan – guaranteed payments. It doesn't include all the definitions, exclusions, terms and conditions.

If you'd like a copy of the full terms and conditions, please ask your adviser or contact us direct.

We have the right to change some of our terms and conditions. We'll write to tell you if we make any changes.

This document complies with the Association of British Insurers (ABI) statement of best practice for critical illness cover, April 2006.

If you'd like more information about critical illness cover, please ask the ABI for a copy of its Guide to Critical Illness. Their address is:

ABI  
51 Gresham Street  
London EC2V 7HQ

or visit its website at [www.abi.org.uk](http://www.abi.org.uk)

We have based this information on our understanding of the law and practice as at June 2007. We make every effort to ensure that this information is helpful, accurate and correct but it may change or may not apply to your personal circumstances. Before taking any action you should always check with an appropriate adviser, as we cannot accept responsibility for any action taken on the basis of this information alone.

### Law

The law and courts of England will be used to decide any dispute.

### Compensation

Your adviser will recommend products that are suitable for your needs. You have a legal right to compensation if, at any time, an authority decides that a recommendation was unsuitable when it was made.

Your plan is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. The amount of any compensation depends on the type of business and the circumstances of the claim. If you need more information, you can contact the FSCS at:

Financial Services Compensation Scheme  
7th Floor, Lloyds Chambers  
1 Portsoken Street  
London  
E1 8BN

Telephone 0207 892 7300

or visit its website at [www.fscs.org.uk](http://www.fscs.org.uk)

# How to contact us

Your adviser will normally be your first point of contact. We won't be able to give you financial advice.

To make a claim, contact us (our details are below) or your adviser. We'll let you or your representative know what information we need so that we can process the claim as quickly as possible.

## [To claim for Life cover](#)

Telephone number 0870 243 0827  
Opening hours 9am to 5pm

## [To claim for Critical illness cover](#)

Telephone number 0870 850 0786  
Opening hours 9am to 5pm

## [To claim for Payment protection benefit](#)

Telephone number 0870 850 0786  
Opening hours 9am to 5pm

## [To claim for Waiver of payment benefit](#)

Telephone number 0870 850 0786  
Opening hours 9am to 5pm

If you have any questions at any time you can phone or write to us.



**Phone:** 01793 514514

between Monday and Friday 8.30am to 6pm.

We may record or monitor calls to improve our service.



**Write to:**

Zurich Assurance Ltd  
UK Life Centre  
Station Road  
Swindon  
SN1 1EL  
UK

## Keep in touch

It is important that we keep in touch so if you change your address or any of your contact details, please let us know.

We'd like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

## All our literature is available in large print or braille or on audiotape or CD.

If you are a textphone user, we can answer any questions you have through a Typetalk Operator. Please call us on 18001 01793 514514. Or, if you'd prefer, we can introduce your adviser to a sign-language interpreter.

Please let us know if you would like a copy of this in large print or braille or on audiotape or CD.



This key features document follows the Association of British Insurers Statement of Best Practice for Critical Illness Cover and Income Protection Insurance.

*Because change happenz<sup>®</sup>*

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Telephone: 01793 514514.

