



PLAN DETAILS FOR **PEGASUS WHOLE OF LIFE PLAN**

April 2016



WE GIVE THIS BOOKLET TO EVERYONE WHO BUYS A PEGASUS WHOLE OF LIFE PLAN. IT CONTAINS THE PLAN'S TERMS AND CONDITIONS, AND IT TELLS YOU HOW YOUR PLAN WORKS. IT ALSO EXPLAINS HOW TO MAKE A CLAIM, KEEP YOUR PREMIUMS UP-TO-DATE AND HOW TO MAKE CHANGES.

These terms and conditions are part of the contract between the plan owner and **Royal London** so please keep them in a safe place, as **you** may need them in the future. It's also important that **you** take time to read **your** plan's contract documents.

The contract between **you** and **Royal London** consists of **your application to us**, these terms and conditions, the cover summary for each cover that **you** buy and any **endorsements** to these terms and conditions that **we** give **you**. Where there's a conflict between these terms and conditions and the cover summary, the terms set out in the cover summary will apply.

Cancelling your plan

If, after taking out the plan, **you** feel it isn't suitable, **you** may cancel it by writing to **us** at the address shown on page 4. **You** have 30 days from the date **you** receive **your** cover summary and plan details to cancel **your** plan. If **you** cancel in this time, **we'll** refund any payments you've made to **us**. See page 15 for more information on cancelling **your** plan.

If **you** would like this booklet or any other information in large print, in braille or on audio CD, please call **0345 6094 500**.

Before you start, please note:

Any words in **bold** are defined in section 6.

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TELLING US ABOUT CHANGES

Changes before your plan starts

You must tell **us** if there's a change to anything **you** put in **your application** after **you've** applied for **your** plan, but before the **date we assume risk**. These changes could be affecting **you** or the **person covered**. For example, a change to health, **occupation** or leisure activities. If **you** don't let **us** know about any changes **we** might not pay out. Or, **we** might change the terms of **your** plan or cancel it.

We'll give **you** a copy of **your application** form, and any other information **we've** been given, if **you** ask **us**. It will help if **you** have **your** plan number to hand when **you** contact **us**.

Changes at any time

At any time, please remember to tell **us** if:

- **You** or the **person covered** change **your** name.
- **You** change **your** address.
- **You** change **your** bank account.

You can contact **us** in the following ways:



0345 6094 500



protectionhelp@royallondon.com



0345 6094 522



Royal London, 1 Thistle Street,
Edinburgh EH2 1DG



royallondon.com

If **you** phone **us**, **we** might record or monitor **your** call so **we** have an accurate record of anything **you** tell **us**.

1. ABOUT THE COVER

The Pegasus Whole of Life Plan provides Life Cover for the whole of **your** life. This pays out when the **person covered** dies or is diagnosed with a **terminal illness** that meets **our** definition.

You can also choose Waiver of Premium (Sickness). This pays **your** premiums if the **person covered** can't **work** or carry out a number of **living tasks** because of an illness or injury and they meet **our** definition of **incapacitated**.

2. HOW YOUR PLAN WORKS

Paying claims

How to make a claim

If **you** or **your** representatives want to make a claim, please call **us** on **0345 609 4500**. Before **you** call, please read through the information in this section. Please contact **us** as soon as possible, so **we** can help **you** as quickly as **we** can. It will help **us** if **you** have **your** plan number to hand when **you** contact **us**.

For Waiver of Premium (Sickness), if the **person covered** is living or working outside **the UK** and **you** want to make a claim, **we** might need them to return to one of the countries listed opposite. This doesn't apply to claims for Life Cover.

- | | |
|-------------------|-------------------|
| • The UK | • Isle of Man |
| • Australia | • Italy |
| • Austria | • Japan |
| • Belgium | • Latvia |
| • Bulgaria | • Liechtenstein |
| • Canada | • Lithuania |
| • Channel Islands | • Luxembourg |
| • Cyprus | • Malta |
| • Czech Republic | • The Netherlands |
| • Denmark | • New Zealand |
| • Estonia | • Norway |
| • Finland | • Poland |
| • France | • Portugal |
| • Germany | • Slovakia |
| • Gibraltar | • Slovenia |
| • Greece | • South Africa |
| • Hong Kong | • Spain |
| • Hungary | • Sweden |
| • Iceland | • Switzerland |
| • Ireland | • USA |

What happens when you make a claim

We'll send **you** a claim form – please fill it in and send it back to **us**. Depending on what **your** claim is for, **we'll** also ask for other information. For example:

- A birth, marriage or death certificate.
- Medical information, or medical records.
- Proof that **your** or the **person covered's** name has changed.

We'll pay the reasonable cost of all medical reports or evidence **we** ask for.

Who we'll pay

We'll pay the cover amount to the person who is legally entitled to receive it. This will depend on **your** claim, **your** circumstances at the time, and whether the plan has been assigned or put under trust.

We usually pay the plan owner or, if they've died, their personal representatives. If a personal representative wants to claim, they must send us an original Grant of Representation or Confirmation. If there are two plan owners **we'll** pay them jointly. If one of them has died, **we'll** pay the survivor of them.

If the plan has been assigned, **we'll** pay the assignee. If an assignee wants to claim, they must send **us** the original deed of assignment.

If the plan is under trust, **we'll** pay the trustees. The trustees must then follow the terms of the trust to distribute the money to the chosen beneficiaries. If trustees want to claim, they must send **us** the original Trust Deed, and any original deeds altering the trust. **We** won't be responsible for checking that the trust has been properly established or terminated.

When we will and won't pay a claim

If the information **you** send is correct and complete and **your** claim is valid, according to these terms and conditions **we'll** pay **your** claim.

If **you** don't send **us** everything **we** ask for, or if the information **you** provide is incorrect or incomplete, **we** might not be able to pay **your** claim.

We might also stop or not pay **your** claim if:

- **You** or the **person covered** didn't answer the questions on **your** original **application** fully, honestly and to the best of **your** or their knowledge.
- **You** didn't tell **us** about a change in **your** or the **person covered's** circumstances between when **you** originally submitted **your application** and the **date we assumed risk**. This includes information about the **person covered's** health, **occupation** or leisure activities.

Claims for death and terminal illness

When we'll pay

- If there's one **person covered**, **we'll** pay a claim when the **person covered** dies or meets **our** definition of **terminal illness**.
- If there are two **people covered** and the additional features of **your** cover summary shows the cover is payable on the first event, **we'll** pay a claim if either person dies or meets **our** definition of **terminal illness**.
- If there are two **people covered** and the additional features of **your** cover summary shows the cover is payable on the second event, **we'll** pay a claim when both people have died or have met **our** definition of **terminal illness**.

When we won't pay

We won't pay a claim if:

- The claim is for death and it's the result of intentional self-inflicted injury within 12 months of the cover starting or restarting.
- The claim is for **terminal illness** and the **person covered** doesn't meet **our** definition of **terminal illness**, or
- It's the result of any **exclusion** shown on **your** cover summary.

You'll find **our** definition of **terminal illness** in section 6.

Claims for incapacity

This applies if you have Waiver of Premium (Sickness).

When we'll pay

We'll pay a claim if the **person covered** meets **our** definition of **incapacitated** for a continuous period longer than the **deferred period** shown on **your** cover summary. You'll find **our** definition of **incapacitated** in section 6.

We'll continue paying until one of either:

- The **person covered** no longer meets **our** definition of **incapacitated**.
- The **person covered** goes back to **work**.
- The cover ends, or
- The **person covered** dies.

To confirm that the **person covered** meets **our** definition, we might:

- Ask the **person covered** to be examined by a doctor or health specialist we choose.
- Ask for any other evidence we may reasonably require to consider the claim, or to confirm that the **person covered** still meets **our** definition of **incapacitated**.

When we won't pay

If we don't get the information that we ask for, (for example, medical information), we might not pay **your** claim.

If there's more than one **person covered** for Waiver of Premium (Sickness) and both meet **our** definition of **incapacitated** at the same time we'll only cover the plan premiums once.

Connected claims

This applies if you have Waiver of Premium (Sickness).

A connected claim happens if we start to pay a claim, and the **person covered** no longer meets **our** definition of **incapacitated** but then within the next 52 weeks meets **our** definition of **incapacitated** once again.

We'll treat **your** further claim as connected as long as the **person covered**:

- Didn't go back to **work** again against their doctor's advice.
- Meets **our** definition of **incapacitated** from the same cause as the original claim, and
- Is in the same **occupation** when the further claim starts, and
- **You** tell us within two weeks of the date the **person covered** stops **work** again.

A connected claim doesn't have a **deferred period**, so we'll start to pay the claim again straightaway.

How much we'll pay

If cover is payable as a level lump sum

We'll pay the amount of cover shown on **your** cover summary.

If cover is payable as an increasing lump sum

We'll pay:

- The amount of cover shown on **your** cover summary, or
- The amount **we've** written to tell **you** following an increase, if that's greater.

We'll work out the amount of cover from the date the claim becomes payable. **We** won't take into account any change to the amount of cover after this date.

Waiver of Premium (Sickness)

We'll pay **your** plan premiums for **you**.

3. YOUR PREMIUMS

Premium types and frequency

Premiums are payable for the lifetime of **your** plan. It's really important that **you** keep up-to-date with paying **your** premiums. Otherwise, **we** might have to cancel **your** plan.

When your premiums are due

Your first premium is due on the date **your** plan starts. **We'll** collect it on this date or shortly after, by direct debit.

If you're paying monthly

You must pay a premium every month. **Your** premiums are usually due on the same day of the month that **your** plan started. If **you'd** rather **we** collected **your** premiums on a different day of the month, please ask **us**.

If you're paying yearly

You must pay a premium every year. **Your** premiums are usually due on the same day of the year that **your** plan started. If **you'd** rather **we** collected **your** premiums on a different day in the same month, please ask **us**.

What happens if you don't pay a premium

If **you** don't pay **your** first premium, **your** plan won't start – so **you** won't be covered.

If any other premium is five weeks overdue, **we'll** cancel **your** plan – so **you** won't be covered any more. **We'll** write to **you** to tell **you** that **we've** cancelled **your** plan.

What to do if we cancel your plan

If **we** cancel **your** plan because **you** didn't pay a premium, **you** can ask **us** to restart it.

Please get in touch and **we'll** tell **you** what **we** need before **we** can restart **your** plan. However, there may be times when **we** can't restart **your** plan. If this happens, **we'll** explain our decision to **you**.

When and how your premiums could change

If **you** choose Waiver of Premium (Sickness), this cover will end at age 90. This means **your** premium will automatically reduce when this cover comes to an end.

Guaranteed premiums

If your cover is a level lump sum

As long as **you** pay **your** premiums on time and **you** don't make changes to **your** plan, **your** premiums won't change.

If your cover is an increasing lump sum

On each anniversary of **your** plan starting, **your** premium will increase by the rate shown in the additional features section of **your** cover summary, multiplied by two.

We'll tell **you** how much the increase will be at least a month before it takes place.

Reviewable premiums

The cost of **your** life cover increases with age. Reviewable premiums will therefore increase significantly at each review. When **we** work out how much **your** premiums should be, **we'll** look at different factors such as:

- the future level of claims **we** expect to pay
- the amount of money **we'll** pay to reinsurance companies with whom **we** share the costs of claims

- the number of plan owners who give up their plans early
- **our** expenses
- inflation
- investment returns
- taxes
- the amount of money **we** need to hold as financial reserves

There's no limit to the amount that **your** premium may increase by. The increase will be based on **our** consideration of the factors above. **Your** new premium might be higher than a guaranteed fixed premium would have been. When it goes up, **you** might not be able to afford **your** premiums. This means **you** may have to reduce **your** cover to keep **your** premiums lower.

If your cover is a level lump sum

As long as **you** pay **your** premiums on time, **your** premium won't change for the first 10 years of **your** plan. They'll be reviewed every five years after that and will go up significantly.

If your cover is an increasing lump sum

As long as **you** pay **your** premiums on time, **your** premium won't change for the first 10 years of **your** plan, apart from the changes described in this section. They'll be reviewed every five years after that and will go up significantly.

On each anniversary of **your** plan starting, **your** premium will increase by the rate shown in the additional features section of **your** cover summary, multiplied by two.

We'll tell **you** how much the increase will be at least a month before it takes place.

If **you** make changes to **your** plan, **your** premiums might change.

4. CHANGING YOUR PLAN

Increasing cover

This only applies to Life Cover that's payable as an increasing lump sum.

This amount of cover will continue to increase each year on the date **your** plan started. The additional features in **your** cover summary will show whether **your** cover will increase by a fixed rate or by the **retail price index**.

We'll write to **you** at least a month before the increase takes place to tell **you** how much the increase will be and how much **your** new premium will be. If **you** don't want the amount of **your** cover to increase, **you** must tell **us** at least five days before the increase is due to take place and **we'll** cancel the increase. If **we** cancel two consecutive increases **we** won't offer **you** any further increases.

Cover Increase Options

Your plan comes with Cover Increase Options if **we** give **you** **standard terms**. This means **you** can increase **your** cover in certain circumstances, without giving **us** any medical information.

How it works

For personal and business Cover Increase Options, the **person covered** must be under age 55 at the time of the increase or under age 70 for inheritance tax (IHT) Cover Increase Options. If there's more than one **person covered**, both must be under age 55 or under age 70 for IHT Cover Increase Options.

You need to ask **us** to increase **your** cover within six months of the event happening.

We'll work out a new premium for **your** cover, and **you** can decide whether **you** want to go ahead with the increase.

Your new cover will have the same additional features as **your** original cover. And it will be on the terms and conditions **we** offer at the time of the increase.

Your premiums will be based on:

- **Our** pricing when **we** increase **your** cover.
- The **person covered's** age when **we** increase **your** cover.

We can't offer **you** Cover Increase Options if:

- **We** accepted **your** plan on non-**standard terms** – for instance, if **we** had to charge **you** a higher premium, or if **we** had to apply some **exclusions**.
- **We're** paying a claim, considering a claim, or if a medical practitioner has given the **person covered** a diagnosis or possible diagnosis that would allow **you** to claim.

Limits on increasing your cover

You can increase **your** cover amount more than once but the most **you** can increase **your** cover by for all events (under IHT and business Cover Increase Options), is the lower of:

- half **your** original cover amount, or
- £200,000

For personal Cover Increase Options **you** can increase **your** cover, without giving **us** any medical information, if the **person covered**:

- Gets married or divorced, or enters into or dissolves a civil partnership.
- Has or adopts a **child**.
- Increases their mortgage because of moving house or making home improvements.
- Gets an increase in salary.

For IHT Cover Increase Options, **you** can increase **your** cover, without giving **us** any medical information, if:

- The **person covered** gets an inheritance tax increase due to the increase in the value of their estate. This option must be used every five years from the date the plan starts. If not, the option will no longer be available.
- The Government announces an increase to the IHT tax rate or a reduction in the rates bands, exemptions or reliefs. In this instance **you** can increase **your** cover by the lower of:
 - the percentage increase in the IHT liability (for the purposes of this calculation **we'll** assume that the IHT liability before the changes was the same as the life cover amount), or
 - the actual amount of the increase in the IHT liability as a result of the change in legislation

For business Cover Increase Options **you** can increase **your** cover, without giving **us** medical information, if there's an increase:

- To **your** business mortgage or loan but not if there's an increase in **your** overdraft.

- In the value of a partner's, limited liability partnership member's or shareholder's interest in the business.
- In the value of a key person.

All **we** need to see is some evidence of the event:

- A certificate for the marriage, civil partnership, birth or adoption.
- A copy of the mortgage loan offer.
- A letter from the **person covered's** employer confirming an increase in salary.
- Written confirmation from the lender or a copy of the new loan offer.
- Evidence of the increase in the value of the partner's, member's or shareholder's interest.
- How the value of the key person has been calculated and **we** might need to see a copy of the business accounts.

Lifestyle review

If **we** accepted **your** cover on non-**standard terms** or smoker rates, and the **person covered** changes their lifestyle in a way that **you** think reduces the likelihood of a claim, **you** can ask **us** to review the terms for the cover. For example, perhaps the **person covered** was a smoker when the plan started but has now given up. **We** may need to ask for medical information.

If **we** can, **we'll** change the terms to reflect the **person covered's** new lifestyle. This may mean **we** could reduce **your** premium or remove an **exclusion**. If **we** can't change the terms, **we'll** explain why.

Any cover that was originally on non-**standard terms** won't include Cover Increase Options, even if **we** later review **your** terms.

Changing your plan in other ways

You can ask **us** to change **your** plan in other ways not included in this section. For example, **you** might want to increase **your** cover without using the Cover Increase Options, or reduce **your** cover. **You** can ask **us** to do this at any time. **We** might need to ask the **person covered** for new medical information. **We'll** tell **you** what **we** need to look at when **you** tell **us** how **you** want to change **your** plan.

You can't add a new cover or increase an existing cover if **you're** no longer resident in **the UK**, Jersey, Guernsey or Isle of Man. If **you** remove a cover, **you** may not be able to add it back on at a later date if **your** circumstances have changed.

5. GENERAL TERMS AND CONDITIONS

Source of covers

This plan is issued out of **our** Ordinary Long-Term Business Fund but is not eligible to participate in the profits of that fund or any other funds.

Membership of Royal London

This plan doesn't entitle **you** to membership of **Royal London**.

Cancelling your plan

When **your** plan starts **you** have the right to change **your** mind and cancel **your** plan. **You** have 30 days from the date **you** receive **your** cover summary and plan details to cancel **your** plan. If **you** cancel in this time **we'll** refund any premiums **you've** paid to **us**.

You can cancel **your** plan by writing to **us**. **Our** address is on page 4 of this booklet.

You should also contact **your** bank to cancel **your** direct debit instruction.

If **your** plan is jointly owned, both owners must give **us** written notice. If **your** plan is under trust, or if **you've** assigned **your** legal rights under the plan to someone else, the trustees or assignee must give **us** written notice.

If **you** cancel **your** plan after 30 days, it will end on the day **your** next premium would be due. **You'll** still be covered by **your** plan until that date. So, if **you've** asked **us** to collect **your** premium on a different date to the one on which it's due, **we'll** still collect that premium from **you**. **We** won't refund any premiums **you've** paid to **us**.

For example, if:

- **your** plan started on 1 February
- **you** ask **us** to collect **your** premiums on the 15th day of each month, and
- on 10 April **you** ask **us** to cancel **your** plan
- **we'll** collect **your** premium due on 1 April because this became payable before **you** asked **us** to cancel **your** plan
- **we'll** collect this on 15 April because **you've** asked **us** to collect **your** premiums on that day, and
- **we'll** cancel **your** plan on 1 May because this is the first day on which **your** next premium would be due

If **you** don't pay **your** final premium:

- **we'll** cancel **your** plan from the date **your** final premium was due
 - **you** won't be covered from that date, and
 - **we** won't pay any claim under **your** plan
- If **you** cancel, **we'll** tell **you** the date on which **your** cover will end, and whether **you** need to pay a final premium.

Cash-in value

Your plan doesn't have any cash-in value at any time. So if **you** cancel it **you** won't get anything back.

Paying claims

We'll pay all claims by direct credit to a bank account or another method **we** agree with **you**.

Interest

We'll pay interest if payment of any claim is delayed by more than two calendar months after the claim event. The rate of interest will be the Bank of England base rate less 0.5% a year, with an overall minimum of 0.5% a year, calculated on a daily basis.

Exercise of discretion

We'll act reasonably and in good faith when exercising **our** discretion to make decisions that relate to **your** plan.

How we use your personal information and verify your identity

We may obtain personal information either from **you** directly, or with **your** consent, from **your** approved intermediary or from other sources such as **your** doctor or an identification agent.

We'll use your personal information, including sensitive personal information for the following purposes:

- providing and developing **our** products and services
- improving customer care
- verifying **your** identity and fraud prevention
- research and analysis
- marketing
- legal and regulatory reasons
- administering **your** plan

We'll keep **your** personal information for a reasonable time and **we** may also share information about **you** with other companies within the **Royal London Group**, **your** approved intermediary, service providers and agents and with third parties such as auditors, underwriters, reinsurers, medical agencies, identity authentication and fraud prevention agencies, other financial institutions and legal and regulatory bodies.

Your personal data may be processed in countries outside the European Economic Area. This processing will be carried out by experienced and reputable organisations and only on terms which safeguard the security of **your** data and comply with the requirements of the Data Protection Act 1998.

We may contact **you** by mail, phone, fax, email or other electronic messaging either directly or through **your** approved intermediary with further offers, promotions and information about **our** products and services that may be of interest to **you**. By providing **us** with this information **you** consent to being contacted by these methods for these purposes, although **you** can opt out from receiving these communications.

We may also share **your** information with carefully selected third parties, who may contact **you** by mail, phone, fax or electronic messaging to let **you** know about products and services which they believe may be of interest to **you**. By providing **us** with this information **you** consent to being contacted by these methods for these purposes.

We may carry out an identity authentication check to verify **your** identity. This involves checking the details **you** supply against those held on any databases that may be accessed by the reputable third party company which carries out **our** checks. This includes information from the Electoral Register and fraud prevention agencies.

We'll use scoring methods to verify **your** identity. A record of this search will be kept and may be used to help other companies verify **your** identity. **We** may

also pass information to financial and other organisations involved in money laundering and fraud prevention to protect **ourselves** and **our** customers from theft and fraud. If **you** give us false or inaccurate information and **we** suspect fraud, **we'll** record this and share this information with other organisations.

We may monitor and record phone calls and retain these for the purposes of training and quality assurance and to ensure that **we** have an accurate record of **your** instructions.

If **you** provide **us** with information about another person, **you** confirm that they've appointed **you** to act for them to consent to the processing of their personal data and that **you've** informed them of **our** identity and the purposes (as set out above) for which their personal data (including sensitive personal data) will be processed.

You have the right to ask for a copy of the information that **we** hold on **you**, for which **we're** entitled to charge a small fee. **You** can ask **us** to correct any inaccuracies in **your** information.

If **you** have any questions about how **we'll** use **your** personal information, or if **you** would like to receive **our** marketing communications by some but not all of the above methods, please contact **us**:



0345 6094 500



protectionhelp@royallondon.com



0345 6094 522



Royal London, 1 Thistle Street,
Edinburgh EH2 1DG

When we may change the terms and conditions applying to your plan or cancel your plan

We may make changes to the terms and conditions applying to **your** plan (including **your** premiums) in the circumstances set out in points 1 to 4 numbered below or **we** may cancel **your** plan in the circumstances set out in point 1. **We** will, where appropriate, take account of actuarial advice when **we** do so.

We'll normally give **you** 90 days' written notice of a change. This may not be possible for changes which are outside **our** control.

We'll give **you** as much notice as **we** can in such circumstances.

1. **We** may make changes to the terms and conditions applying to **your** plan (including **your** premiums) or cancel **your** plan if:
 - **You** don't tell **us** about changes to any of the answers **you** or the **person covered** gave in **your application**, or to information provided in relation to **your application**, between the date it was completed and the **date we assume risk** on **your** plan.
 - The **person covered** doesn't provide their consent for **us** to ask for medical information within six months of the start of **your** plan from any doctor they've consulted about their physical or mental health to check the accuracy of any statement made in, or in connection with, **your application**.
 - Any question answered or any statement made in, or in connection with, **your application** is inaccurate or misleading and this affects **our** decision of what cover **we're** willing to provide under **your** plan.

- **You** make a claim and **we** find that **you've** not told us something that affects **your** cover.
 - **You** don't keep **your** plan premiums up-to-date.
2. **We** may make changes to the terms and conditions applying to **your** plan (including **your** premiums) that **we** reasonably consider are proportionate in the circumstances if, because of a change in legislation, regulation or established practice in relation to such legislation or regulations, or any relevant change or circumstance beyond **our** control:
- It becomes impracticable or impossible to give full effect to the terms and conditions applying to **your** plan.
 - Failing to make the change could, in our reasonable opinion, result in **Royal London's** policyholders not being treated fairly, or
 - The way that **we're** taxed or the way that **your** plan is taxed is changed.
3. **We** may make changes to the terms and conditions applying to **your** plan (including **your** premiums) that **we** reasonably consider won't adversely affect **you**. These may include, for example, changes needed to reflect new services or features that **we** wish to make available to **you**.
4. **We** may make changes to the terms and conditions applying to **your** plan (including **your** premiums) if **we** become aware of any error or omission in this plan details booklet. **We'll** only make such changes to bring the plan details booklet into line with **your** cover summary or the key facts document relevant to **your** plan.

Mis-statement of age

If when **you** took out **your** plan **we** were told the **person covered** is older than they really are, **we'll** reduce the premiums to the amount that would have been charged if **we'd** been told their correct age and refund any overpayment **you've** made.

If when **you** took out **your** plan **we** were told the **person covered** is younger than they really are, **we'll** reduce the amount of cover to the amount that would have been available if **we'd** been told their correct age. This means that, on a claim, **we'll** pay an amount which is lower than the amount shown on **your** cover summary.

Change of occupation

You don't need to tell us if the **person covered** changes their **occupation**. **We'll** assess any claim based on their **occupation** immediately before the claim event happens.

Complaints

We hope that **you'll** never have reason to complain, but if **you** do, **you** can contact **us**:



0345 6094 500



protectionhelp@royallondon.com



Royal London, 1 Thistle Street,
Edinburgh EH2 1DG

We'll always try to resolve complaints as quickly as possible. If **we're** unable to deal with a complaint within five working days of receiving it, **we'll** send **you** a letter to acknowledge **your** complaint and give **you** regular updates until **your** complaint is resolved.

We can give **you** more information about **our** complaint handling procedures on request. **We're** committed to resolving complaints whenever possible through **our** complaints procedures. If **we** can't resolve a matter satisfactorily, **you** may be able to refer **your** complaint to the Financial Ombudsman Service.

If **you** make a complaint, **we'll** send **you** a leaflet explaining the Financial Ombudsman Service. The leaflet is also available on request or **you** can contact the Ombudsman direct:



Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square London
E14 9SR



0800 0234 567
(calls to this number are now free on
mobile phones and landlines)



0300 1239 123
(calls to this number cost no more
than calls to 01 and 02 numbers)



**complaint.info@financial-
ombudsman.org.uk**



www.financial-ombudsman.org.uk

The Financial Ombudsman Service has been set up by law to help settle individual disputes between consumers and financial firms. They can decide if **we've** acted wrongly and if **you've** lost out as a result. If this is the case, they'll tell **us** how to put things right and whether this involves compensation.

Their service is independent, free of charge and **we'll** always abide by their decision. If **you** make a complaint, it won't affect **your** right to take legal proceedings.

If we can't meet our liabilities

Your plan is covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation if **we're** unable to pay claims due to, for example, insolvency. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme.

Law

The law of England and Wales applies to this plan.

Notices of assignment

If **you** assign any of **your** legal rights under the plan to someone else, **we** must see notice of the assignment. Please send the notice to:



Royal London, 1 Thistle Street,
Edinburgh EH2 1DG

An assignment could take place when **you're** using the plan as security for a loan or have put the plan under trust.

Rights of third parties

No term of this contract is enforceable under the Contracts (Rights of Third Parties) Act 1999 (the Act) by a person who is not party to this contract but this doesn't affect any right or remedy of a third party which may exist or be available otherwise than under the Act.

6. DEFINITIONS OF THE WORDS WE USE

This section explains all of the words in **bold** found within the plan details.

Application

This is the **application** completed either on paper, online or over the phone containing the information that **Royal London** has used to set up the plan and includes any related information provided to **Royal London** (or to the medical examiner for **Royal London** or a third party acting on behalf of **Royal London**). Any data capture form used by **your** financial adviser in order to complete the online **application** doesn't form part of **your application** to **Royal London**.

Date we assume risk

The **date we assume risk** is the later of:

- The date **you** or anyone acting on **your** behalf contacts **us** to ask **us** to start **your** plan, or
- The date cover starts shown on **your** cover summary.

Deferred period

The period between the **person covered** first meeting the definition of **incapacitated** and getting their first payment from **us**. The **deferred period** is shown in the additional features section of **your** cover summary. **We** won't pay a claim under any cover until the end of its **deferred period**.

Employed

The **person covered** working for remuneration under a contract of employment and paying class 1 National Insurance contributions.

Endorsements

Means documents from **us** to add additional information to **your** plan to amend existing wording which become part of the terms and conditions. **We'll** send an endorsement to **you** only if **we've** the ability to make certain types of changes to **your** plan.

Exclusion

Means a reason shown on **your** cover summary when **we** won't pay a claim.

Full-time

The **person covered** must be in **full-time** (more than 16 hours each week) paid **occupation**.

Incapacitated

We'll pay if the **person covered** meets one of **our** following four definitions of **incapacitated**.

1. Own Occupation Definition

Loss of the physical or mental ability, before age 70, through an illness or injury to the extent that the **person covered** is unable to do the material and substantial duties of their own occupation. The material and substantial duties are those that are normally required for, and/or form a significant and integral part of, the performance of their own occupation that can't reasonably be omitted or modified.

Own occupation means the trade, profession or type of work they do for profit or pay. It isn't a specific job with any particular employer and is irrespective of location and availability.

If the **person covered** isn't in **full-time** paid occupation immediately before the start of the period of incapacity, **we'll** assess the claim based on the serious illness definition.

2. Serious Illness Definitions

If the **person covered** meets any of the following definitions **we'll** continue to pay the cover if they're unable, before age 70, to work in their own occupation in any capacity.

- **Blindness** – permanent and irreversible loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.
- **Cancer** – undergoing chemotherapy or radiotherapy in hospital or having received one of those treatments in hospital within the last three months.
- **Complete dependency** – being totally incapable of caring for oneself, requiring 24 hour medical supervision in a hospital or nursing home.
- **Deafness** – permanent and irreversible loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.
- **Dialysis** – undergoing dialysis in hospital or having received the treatment in hospital within the last three months.

- **Organic brain disease** – an organic brain disease or brain injury which:
 - Affects the ability to reason and understand, and
 - The condition has deteriorated to the extent that continual supervision and the assistance of another person is required.
- **Terminal illness** – a definite diagnosis by the attending consultant of an illness that satisfies both of the following:
 - The illness either has no known cure or has progressed to the point where it cannot be cured, and
 - In the opinion of the attending consultant, the illness is expected to lead to death within 12 months.

If the **person covered** isn't in **full-time** paid **occupation** and doesn't meet any of the serious illness definitions immediately before the start of the period of incapacity, **we'll** assess the claim based on the everyday tasks definition.

3. Everyday Tasks Definition

Loss of the physical ability through an illness or injury, before age 70, to do at least three of the nine everyday tasks listed on page 23 and the **person covered** is unable to work in their own occupation in any capacity.

The **person covered** must need the help or supervision of another person and be unable to perform the task on their own, even with the use of special equipment routinely available to help and having taken any appropriate prescribed medication.

The everyday tasks are:

- **Sitting** – sit in a chair for at least 30 minutes without unreasonable discomfort.
- **Standing** – stand and perform light tasks such as making a cup of tea, using one hand for support, for a period of at least five minutes.
- **Walking** – the ability to walk more than 200 metres on a level surface.
- **Climbing** – the ability to climb up a flight of 12 stairs and down again, using the handrail if needed.
- **Lifting** – the ability to pick up an object weighing 2kg at table height and hold for 60 seconds before replacing the object on the table.
- **Bending** – the ability to bend or kneel to touch the floor and straighten up again.
- **Getting in and out of a car** – the ability to get into a standard saloon car, and out again.
- **Maintaining an ordinary UK driving licence** – reasonable medical opinion prevents the person covered obtaining an ordinary **UK** driving licence.
- **Writing** – the manual dexterity to write legibly using a pen or pencil, or type using a desk top personal computer keyboard.

If the **person covered** is age 70 or over at the start of a period of incapacity, the living task definition will apply. If the person covered reaches age 70 while a cover is being paid, **we'll** reassess the claim at the time based on the **living tasks** definition. This might mean **we** stop paying the cover.

4. Living Tasks Definition

Any illness or injury which prevents the **person covered** from doing at least three out of the six **living tasks** either with or without the use of mechanical equipment, special devices or other aids and adaptations in use for disabled persons.

The six **living tasks** are:

- **Washing** – the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means.
- **Getting dressed and undressed** – the ability to put on, take off, secure and unfasten all garments and, if needed, any braces, artificial limbs or other surgical appliances.
- **Feeding yourself** – the ability to feed yourself when food has been prepared and made available.
- **Maintaining personal hygiene** – the ability to maintain a satisfactory level of personal hygiene by using the toilet or otherwise managing bowel and bladder function.
- **Getting between rooms** – the ability to get from room to room on a level floor.
- **Getting in and out of bed** – the ability to get out of bed into an upright chair or wheelchair and back again.

Intentional self-inflicted injury

If the cause of the claim is the **person covered's** death, **intentional self-inflicted injury** means in **our** reasonable opinion the most likely cause of death is that the **person covered** took their own life, whether or not specifically shown as a verdict or cause of death in a death certificate, coroner's report or other equivalent documentation.

Occupation

A trade or profession or type of work undertaken for profit or pay. It's not a specific job with any particular employer and is independent of location and availability.

Person covered

The person shown as such on the cover summary.

Retail price index

This is the percentage increase in **the UK** government's **retail price index** (or if that index is no longer available, such other index as **we** reasonably determine to be equivalent) over the 12-month period ending three months before the anniversary of the date the plan started, subject to a minimum of 2% and a maximum of 10%.

Royal London

Royal London means the Royal London Mutual Insurance Society Limited.

Royal London Group

Royal London Group means **Royal London** and its subsidiaries.

Self-employed

The **person covered** working:

- alone
- or with others in partnership
- or as a member of a limited liability partnership, and
- paying class 2 National Insurance contributions and being assessable to income tax under Part 2 of the Income Tax (Trading and Other Income) Act 2005

Standard terms

Your plan is on **standard terms** unless **we've** charged an extra premium or applied an **exclusion to your** cover, in which case it will be on non-standard terms.

Terminal Illness

Our definition of **terminal illness** is a definite diagnosis by the attending consultant of an illness that satisfies both of the following:

- The illness either has no known cure or has progressed to the point where it cannot be cured, and
- In the opinion of the attending consultant the illness is expected to lead to death within 12 months.

The UK

Means Scotland, England, Wales and Northern Ireland.

We or us or our

Means **Royal London**.

Work

Being employed or **self-employed**.

You or your

Means the plan owner or their legal successors except where a different meaning is given in these terms and conditions.



Royal London

1 Thistle Street, Edinburgh EH2 1DG

royallondon.com

All literature about products that carry the Royal London brand is available in large print format on request to the Marketing Department at Royal London, 1 Thistle Street, Edinburgh EH2 1DG.

All of our printed products are produced on stock which is from FSC® certified forests.

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