

keyfacts®

Life Insurance with optional **Serious Illness Benefit**

Policy Summary





Policy Summary

This summary sets out the key details of Royal London's Life Insurance ('Life Cover') with optional Serious Illness Benefit. It explains what the policy does and doesn't cover.

Just to be clear, this booklet is only a summary of your policy and doesn't contain the full terms and conditions. The full terms and conditions are contained in a separate booklet, which will be sent to you when your policy starts. You can also find them on our website by selecting the 'Life Insurance' section followed by 'Direct Life Insurance' and then the 'Important Things to Know' section which is located at the top of the page or ask us to post you a copy.

If you have any questions, please call us on **0345 600 7788**. Lines are open 8am to 6pm Monday to Friday, excluding bank holidays.



We can't give you financial advice – so you should read this summary to help you decide if this policy is right for you. If you're not sure, contact a financial adviser.

You can find one in your area at **www.unbiased.co.uk** or by calling **0800 011 9671**. You may have to pay for financial advice so be sure to check the costs beforehand.

Who can take out this Policy?

To take out a Life Cover policy with Royal London, you must be a UK resident aged between 18 and 70.

Your demands and needs

Royal London can only give you facts, not personalised advice. You need to use this information to decide if this policy is suitable for you.

This policy meets your demands and needs if you want cover if you die or are diagnosed with a terminal illness during the length of your policy. You want to make sure that a single amount of money is paid out.

If chosen, the optional Serious Illness Benefit meets your demands and needs if you want cover for a serious illness. You want to receive a single amount of money, if you are diagnosed with one of six defined serious illnesses during the length of your policy.

What is Life Cover and what are its advantages

Life Cover is a life insurance policy designed to pay out an amount of money when you die. Or if you develop a terminal illness and are expected to survive for less than 12 months.



You must meet our terminal illness definition while the policy is in place. Please see section 2 of the terms and conditions for our terminal illness definition.

Choose from two types of Life Cover

You can choose from two types of cover; level and decreasing.

The amount of cover you have is called your Life Payout.

The maximum Life Payout you can have across all Royal London Life insurance policies depends on your age on the date that policy starts:

Current age	Life Payout up to
<30	£ 750,000
30-34	£ 750,000
35-39	£ 650,000
40-44	£ 500,000
45-49	£ 475,000
50-54	£ 350,000
55-59	£ 225,000
60-64	£ 100,000
65-70	£ 100,000

Level cover stays the same over the term of your policy. It might be chosen in order to pay off an interest only mortgage.

Decreasing cover reduces each month over the term of your policy. It has been designed to match the reducing amount owed on a repayment mortgage with a fixed interest rate of 7%. It might be chosen to pay off a repayment mortgage, but it won't be directly linked to your mortgage. So if your mortgage has a higher interest rate, or the term and amount of cover are less than your mortgage, then the policy might not pay out enough to pay it off in full.



It's important to be aware that your Life Payout doesn't increase over time – and may be affected by inflation. This means that the price of things you buy may become more expensive as time goes on, and your Life Payout may be worth less. You might need to review and update your cover from time to time to make sure it remains adequate for your needs.

What is optional Serious Illness Benefit and what are its advantages?

Serious Illness Benefit is an optional type of cover that you may be able to add to your Life Cover. If you have Serious Illness Benefit, you'll pay an extra premium for this. You can't have this cover on its own.

Serious Illness Benefit is designed to pay out an amount of money if you develop one of the illnesses described in this section. The amount you're covered for is called the Serious Illness Payout. This can't be less than £1,000. The most we'll cover you for depends on your age.

<u>Age</u>	<u>Serious Illness Payout up to</u>
18 – 44	£350,000
45 – 49	£275,000
50 – 70	£125,000



You must meet the relevant medical definition while your policy is in place. And you must survive for 30 days from the date you meet the relevant medical definition before we'll pay a claim.

Your Serious Illness Payout won't change over time, and will be paid as a single payout.

The six serious illness conditions covered are:

- **Cancer** – *but not early stage cases*
- **Heart attack** – *where your heart becomes less efficient as a pump*
- **Stroke** – *which causes permanent damage to your nervous system*
- **Multiple sclerosis** – *with persisting symptoms*
- **Benign brain tumour** – *requiring treatment or causing permanent damage to your nervous system*
- **Dementia** – *resulting in permanent symptoms*



Please see section 3 of the terms and conditions for full details of the medical definitions that need to be met before we'll pay a claim.

If you have Serious Illness Benefit, you automatically also have Children's Benefit. This covers your children if they meet one of the medical definitions of the conditions listed on the previous page. It will pay out 25% of your Serious Illness Payout, up to a maximum of £25,000.

Your children are covered from the age of 30 days until they're 18 years old. If they are in, or start, full time education, this cover extends until they turn 21.

We'll pay one claim per child for each policy with Serious Illness Benefit that you have in place.



Your child must survive for 30 days from the point their condition meets the relevant medical definition before we'll pay a claim.



Please see section 3 of the terms and conditions for more information on Children's Benefit.

When we won't pay claims

Suicide in the first year

During the first year of your policy, which begins on the start date shown on your policy schedule, we won't pay a claim for suicide.

We also wouldn't pay a claim if your death is a result of your own intentional actions. This would include if you attempt suicide and survive, but later die from complications relating to your attempt. This would also apply in the first year of your policy were you to suffer a terminal illness as a result of your own intentional actions.



Please see section 2 of the terms and conditions for more information.

If illnesses don't meet our definitions

Before we pay a claim for terminal illness, it must meet our definition of a terminal illness.



Please see section 2 of the terms and conditions for our terminal illness definition.

If you have Serious Illness Benefit, we'll only pay a claim for an illness which is covered by this policy, and meets the relevant medical definition. You must survive for 30 days from the point your illness meets the relevant medical definition before we'll pay a claim.



Please see section 3 of the terms and conditions for our full medical definitions.

If you give us the wrong information

You must take care to make sure that any information you give us is correct and accurate to the best of your knowledge and belief.

If you give us wrong or inaccurate information, and this affects the cover we offer you, we may make changes to your policy. We might also cancel the policy or reject claims.

How to make a claim

If the policyholder has died, or has been diagnosed with a terminal illness, please call us on **0345 266 5400** to register a claim. Lines are open 8am to 6pm Monday to Friday, excluding bank holidays.

You should also call this number if you have Serious Illness Benefit and have developed a condition which is covered by this policy.

We'll then send out a claim form, which needs to be filled in and returned to us.



Find out more in section 4 of the terms and conditions booklet on page 18.

What will I pay?

You can make monthly payments from as little as £7. You will pay extra if you choose optional Serious Illness Benefit. Payments will be made by monthly direct debit.

If you stop paying

If you miss a payment, you'll have 60 days starting from the date of the missed payment to pay it. If you pay the full amount within this period your policy won't be affected. If you miss a payment and it is not paid within these 60 days, then we will cancel your policy straight after the end of the 60th day and you will no longer be covered.



Find out more in section 5 of the terms and conditions on page 21.

Payment holiday

If you'd like to take a break of up to 6 months from making your monthly payments, please call us on **0345 600 7788** to talk about your options. Lines are open 8am to 6pm Monday to Friday, excluding bank holidays. At any time after the first year of your policy you can ask us for a payment holiday. You can only take up to 2 payment holidays and these must be at least 12 months apart.

For your policy to continue after each holiday you'll have to make up the missed payments or reduce your payout amount, and start making your monthly payments again.



Find out more in section 5 of the terms and conditions on page 22.

Making changes

What changes can I make?

Reduce your monthly payments

If you're struggling to keep up your monthly payments for Life Cover, we'll allow you to reduce them to as little as £7 a month.



If you choose to reduce your monthly payments, this will reduce your Life Payout.

However, if you have Serious Illness Benefit you may not be able to reduce your total monthly payments to £7. This is because the cost of Serious Illness Benefit is worked out separately although we take both payments at once.

Any Serious Illness Payout you have can't be reduced, but you can choose to remove Serious Illness Benefit from your policy.

Reduce the length of your policy

You can choose to reduce the duration of this policy. For example, you might choose to reduce a 25-year policy to a 20-year policy. But you can't reduce its length to less than 5 years.



If you reduce the length of your policy, Life Cover and any optional Serious Illness Benefit you have will end on the same date.

You can reduce the duration of your policy more than once, but your monthly payment can't fall below £7 per month for your life cover.

What changes can't I make?

You can't make changes in the first month

You can't make any changes to your Life Cover policy within its first month.

You can't increase your cover

You can't increase your payments or your Life Payout. You also can't increase the length of time this policy is in place.

You can't add Serious Illness Benefit to a policy which has already started.

And you can't increase your Serious Illness Payout once your policy has started.

To do either of these you would need to take out a new policy.



Find out more in section 6 of the terms and conditions booklet on page 24.

How long does my policy last?

Your policy will remain in place until the end date shown on your policy schedule, which we'll send you when you take out a policy. Or it will end sooner if you die or meet our terminal illness definition before this end date. It may also end sooner than the end date if the policy is cancelled or you miss payments.

It will not automatically end if a Serious Illness Benefit claim is paid.

Once we've paid your claim for a serious illness your Serious Illness Benefit (including Children's Benefit) will stop. The rest of your policy will continue and your future monthly payments will be reduced as you won't be paying for your Serious Illness Benefit. As long as you keep paying, your life insurance policy will stay in place for the duration of your policy.

Both Life Cover and Serious Illness Benefit only pay out on death or in the event of a serious / terminal illness, there is no cash-in value.

Cancelling this policy

If you cancel within 30 days of the date you received your policy schedule, we'll refund any monthly payments that you have made. You can cancel after 30 days has passed, but you won't get any refund.

If you want to cancel, please call **0345 600 7788**. Lines are open 8am to 6pm Monday to Friday, excluding bank holidays.



Find out more in section 8 of the terms and conditions booklet on page 27.

How to complain

If you want to make a complaint, please call **0345 600 7788**.

Office hours are Monday to Friday 8.00am - 6.00pm (excluding Bank Holidays). Calls to 03 numbers usually cost no more than to geographic numbers (01 or 02) and are usually included in call packages, please check with your phone company to see if they are included in your package.

If you're not happy with our response, you may be able to take your claim to the Financial Ombudsman Service.



Find out more in section 7 of the terms and conditions booklet on page 26.

Will my payout be taxed?

Your payout will be free from UK income tax and capital gains tax.

However, it may form part of your estate when you die – so inheritance tax may have to be paid.

Please bear in mind that tax rules may change in the future, which could affect the taxes paid on your payout.



If you're unsure of your tax position you should seek professional advice from a qualified tax advisor.

How is my policy protected?

Your policy is covered by the Financial Services Compensation Scheme (FSCS).

In the unlikely event that Royal London was unable to pay claims because it had stopped trading, you should be able to claim from the FSCS. You can find out more by visiting www.fscs.org.uk



You can contact the scheme directly using the contact details set out in section 9 of the terms and conditions booklet on page 28.

Where can I find out about Royal London's financial situation?

We want to provide you with clear information about Royal London's financial position, so we have created a Solvency and Financial Condition Report. In it, you'll find more details about Royal London's business and company performance. The report is produced annually, and you can access it at royallondon.com/solvency



Royal London
royallondon.com

We're happy to provide your documents in a different format, such as braille, large print or audio, just ask us when you get in touch.

This product is made of material from well-managed FSC®-certified forests, recycled materials, and other controlled sources.

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