



PERSONAL MENU PLAN **INCOME PROTECTION**

Plan details - January 2018



WE GIVE THIS BOOKLET OF TERMS AND CONDITIONS TO EVERYONE WHO BUYS INCOME PROTECTION UNDER THE PERSONAL MENU PLAN. IT TELLS YOU HOW YOUR COVER WORKS AND EXPLAINS HOW TO MAKE A CLAIM, KEEP YOUR PREMIUMS UP-TO-DATE AND HOW TO MAKE CHANGES TO YOUR COVER.

These terms and conditions are part of the contract between **you**, the plan owner, and **Royal London**. Please keep them in a safe place, as **you** may need them in the future.

The contract between **you** and **Royal London** consists of **your application** to **us**, these terms and conditions, **your** cover summary (which will detail each cover that **you** buy from **us**) and any **endorsements** to these terms and conditions that **we** give **you**. Where there's a conflict between these terms and conditions and **your** cover summary, the terms set out in **your** 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. If **you** do this within 30 days of receiving **your** cover summary and plan details, **we'll** return any premiums **you've** paid. If **you** cancel after the first 30 days, **we** won't refund any of **your** premiums. For information on cancelling **your** cover, see page 17.

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

Before you start, please note:

Any words in **bold** are defined in section 4 of this booklet.

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TELLING US ABOUT CHANGES

Changes before your cover starts

You must tell **us** if there's a change to anything in **your application** in the time after **you've** applied for **your** cover, 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 of the **person covered** or a change to **your** or the **person covered's** country of residence. If **you** don't let **us** know about any changes **we** might not pay out if **you** make a claim. Or, **we** might change the terms of **your** cover or cancel it.

We'll give **you** a copy of **your application** 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 any of the following change:

- **you** stop being resident in **the UK**, Jersey, Guernsey or the Isle of Man
- **your** name, or the name of the **person covered**
- **your** address
- **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. HOW YOUR COVER WORKS

Income Protection is designed to pay out if the **person covered** can't **work** because of an illness or injury and they meet the requirements of **our** definition of **incapacitated**, or **they're** diagnosed with a **terminal illness** that meets **our** definition. **You'll** find **our** definitions of **incapacitated** and **terminal illness** in section 4.

If you have Income Protection **we** automatically include Fracture Cover, Hospitalisation Payment, Additional Payment on Death and Back to Work Payment.

How to make a claim

If **you** or **your** representatives want to make a claim, please call **us** on 0345 6094 500.

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**. Before **you** call, please read through the information below.

If the **person covered** is living or working outside **the UK** and **you** want to make a claim, **we** might need the **person covered** to return to one of the countries listed opposite.

- | | |
|-------------------|-------------------|
| • 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

Please provide any information **we** ask **you** for. 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
- the **person covered's** earnings
- proof of change of name.

We'll pay what **we** consider to be 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 the circumstances at the time, and whether the plan that **your** cover is under has been assigned or put under trust.

We usually pay the owner of the plan the cover is under 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 joint plan owners, **we'll** pay them jointly. If one of the joint plan owners has died, **we'll** pay the survivor of them.

If the plan that **your** cover is under 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 that **your** cover is under is written in 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, validly altered or whether it has been terminated.

When we will and won't pay a claim

Claims for Income Protection

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

- ask the **person covered** to be examined by a doctor or health specialist **we** choose, or
- ask for any other evidence **we** may

reasonably require, for example a report from a GP or treating consultant.

We'll pay a claim if:

- Income Protection is shown on **your** cover summary,
- during the **term of the cover** the **person covered**
 - meets the requirements of **our** definition of **incapacitated** for a continuous period longer than the **deferred period** shown on **your** cover summary, or
 - meets the requirements of **our** definition of **terminal illness**, and
- the information **you** send **us** is correct and complete, and **your** claim is valid according to these terms and conditions.

You'll find **our** definition of **incapacitated**, **terminal illness** and their relevant requirements in section 4.

We'll continue paying until:

- the **person covered** no longer meets the requirements of **our** definition of **incapacitated**,
- the **person covered** goes back to **work**,
- the **cover payment period** ends – if one's shown in the additional features of **your** cover summary,
- the **term of the cover** reaches an end, or
- the **person covered** dies.

We won't pay a claim if:

- it's the result of an **exclusion** shown on **your** cover summary,
- it's the result of **intentional self-inflicted injury**, or

- the **person covered** doesn't meet the requirements of **our** definition of **incapacitated**.

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

- **you** or the **person covered** didn't answer the questions on **your application** fully, honestly and to the best of **your** or their knowledge and ability,
- **you** didn't tell **us** about a change in circumstances between when **you** originally submitted **your application** and the **date we assumed risk**. This includes information about the health, **occupation** or leisure activities of the **person covered**, or **your** or the **person covered's** country of residence, or
- **you** don't send **us** everything **we** ask for, or if the information **you** do provide is incorrect or incomplete.

Connected claims

A connected claim happens if:

- **we** start to pay a claim, but stop paying because the **person covered** no longer meets the requirements of **our** definition of **incapacitated**, but
- within the next 52 weeks of **us** stopping making payments, the **person covered** meets the requirements of **our** definition of **incapacitated** once again, so **you** want to make a further claim.

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,

- the **person covered** meets the requirements of **our** definition of **incapacitated** from the same cause as the original claim, and
- the **person covered** is in the same **occupation** when the further claim starts.

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

How your cover payment period affects a connected claim

If the additional features of **your** cover summary shows **you** have a **cover payment period**, **we'll** pay a connected claim for the remainder of this **cover payment period** only if the **person covered** returns to **work** before this **cover payment period** ends.

This remainder is the difference in time between the length of **your cover payment period** and how long in months **we** paid **your** original claim for before the **person covered** went back to **work**. For example, if **your cover payment period** is 24 months and **we've** paid **your** claim for eight months, **we'll** pay a connected claim for another 16 months if the **person covered** has to stop **work** again, they meet the requirements of **our** definition of **incapacitated** and **we** can treat the claim as a connected claim.

If the **person covered** goes back to **work** after the end of the **cover payment period**, **we** won't pay any further claim under this cover until the **person covered** has been back at **work** for at least 52 continuous weeks.

Claims for Fracture Cover

To make a claim for Fracture Cover **you** or the **person covered** must:

- tell us **you** want to claim as soon as possible,
- provide evidence of the **bone fracture**, such as the hospital discharge summary or a letter from the **person covered's** GP, and
- provide any additional information that **we** may reasonably request, such as information relating to the cause of the claim or the answers to the questions in **your** original **application**.

We'll pay a claim if:

- Income Protection is shown on **your** cover summary,
- during the **term of the cover** the **person covered** is diagnosed with a **bone fracture**, and
- the information **you** send **us** is correct and complete, and **your** claim is valid according to these terms and conditions.

You'll find **our** definition of **bone fracture** and the relevant requirements in section 4.

We'll only pay two Fracture Cover claims for the **person covered** and only pay once for each **bone fracture** type within any 12 month period. A 12 month period runs from the start date of **your** Income Protection and each subsequent 12 month anniversary thereafter.

We won't pay a claim for Fracture Cover if the **bone fracture** is:

- the result of an **exclusion** shown on **your** cover summary,
- the result of **intentional self-inflicted** injury, or

- classified as fatigue, stress or hairline.

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

- **you** or the **person covered** didn't answer the questions on **your application** fully, honestly and to the best of **your** or their knowledge and ability,
- **you** didn't tell **us** about a change in circumstances between when **you** originally submitted **your application** and the **date we assumed risk**. This includes information about the health, **occupation** or leisure activities of the **person covered**, or **you** or the **person covered's** country of residence, or
- **you** don't send **us** everything **we** ask for, or if the information **you** do provide is incorrect or incomplete.

We'll pay Fracture Cover claims directly into the account from which premiums are being paid, unless **you** tell **us** otherwise.

Claims for Hospitalisation Payment

To make a claim for Hospitalisation Payment **you** or the **person covered** must:

- tell us **you** want to claim as soon as possible,
- provide evidence of the **person covered** being hospitalised, such as the hospital discharge summary or a letter from the **person covered's** GP, and
- provide any additional information that **we** may reasonably request, such as information relating to the cause of the claim or the answers to the questions in **your** original **application**.

We'll pay a claim if:

- Income Protection is shown on **your** cover summary,
- during the **term of the cover** the **person covered** is hospitalised due to **incapacity** for more than 6 consecutive nights during the **deferred period**, and
- the information **you** send **us** is correct and complete, and **your** claim is valid according to these terms and conditions.

We'll only pay a claim for Hospitalisation Payment for the **person covered** for a maximum of 90 nights during the **term of the cover**.

We won't pay a claim for Hospitalisation Payment if:

- it's the result of an **exclusion** shown on **your** cover summary, or
- it's the result of **intentional self-inflicted injury**.

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

- **you** or the **person covered** didn't answer the questions on **your application** fully, honestly and to the best of **your** or their knowledge and ability,
- **you** didn't tell **us** about a change in circumstances between when **you** originally submitted **your application** and the **date we assumed risk**. This includes information about the health, **occupation** or leisure activities of the **person covered**, or **your** or the **person covered's** country of residence, or
- **you** don't send **us** everything **we** ask for, or if the information **you** do provide is incorrect or incomplete.

We'll pay a Hospitalisation Payment claim directly into the account from which premiums are being paid, unless **you** tell **us** otherwise.

Connected claims

A connected claim happens if:

- **we** start to pay a claim, but stop paying because the **person covered** leaves hospital, but
- within the **deferred period**, the **person covered** is hospitalised once again, so **you** want to make a further claim.

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,
- the **person covered** is hospitalised from the same cause as the original claim, and
- the **person covered** is in the same occupation when the further claim starts.

We'll start to pay a connected claim again straightaway.

Claims for Additional Payment on Death

We'll pay a claim if:

- Income Protection is shown on **your** cover summary,
- during the **term of the cover** the **person covered** dies, and
- the information **you** send **us** is correct and complete, and **your** claim is valid according to these terms and conditions.

We won't pay a claim if:

- it's the result of an **exclusion** shown on **your** cover summary,
- it's the result of **intentional self-inflicted injury**, unless it's a claim for death more than 12 months after **your** cover starts or restarts.

Claims for Back to Work Payment

We'll pay a claim if:

- Income Protection is shown on **your** cover summary and this has a **deferred period** of 13, 26 or 52 weeks,
- **we've** been paying a claim for Income Protection and the **person covered** recovers sufficiently to go back to **work** in their own **occupation** or another **occupation**, in a capacity that means they are no longer suffering any loss of earnings, and
- the information **you** send **us** is correct and complete, and **your** claim is valid according to these terms and conditions.

We'll only pay this once we have stopped paying the claim under Income Protection. This includes any amount **we** pay because the **person covered** goes back to **work** in their own **occupation** part time or goes back to work in a different **occupation** with lower earnings.

If **we** pay any subsequent claim under Income Protection, **we'll** only pay a Back to Work Payment following the subsequent claim ending if **we** start paying the subsequent claim more than six months after **we** paid a Back to Work Payment on the previous claim.

How much we'll pay

Claims for Income Protection

If **your** cover is payable as level regular payments

We'll pay 1/12th of the lower of:

- the amount of cover shown on **your** cover summary, or
- the **maximum annual benefit** available based on the **person covered's pre-incapacity earnings**.

If when **you** make a claim, the **maximum annual benefit** available based on the **person covered's pre-incapacity earnings** is lower than the amount of cover shown on **your** cover summary, **we'll** pay 1/12th of the lower of:

- the **maximum annual benefit** available based on the **person covered's pre-incapacity earnings** subject to a minimum of £1500 each month, or
- the amount of cover shown on **your** cover summary.

If **your** cover is payable as increasing regular payments

We'll pay 1/12th of the lower of:

- the amount of cover shown on **your** cover summary or the amount **we've** written to tell **you** following an increase, whichever is greater, or
- the **maximum annual benefit** available based on the **person covered's pre-incapacity earnings**.

Your amount of cover will continue to increase each year on the date the plan **your** cover is under 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**. If **you** select this option **your** premiums will also increase each year. This is explained further on page 11.

Your amount of cover will increase each year and will continue to increase yearly, as long as the maximum amount of cover of £250,000 is not reached. If the maximum amount of cover is reached, **we** won't allow any more increases to **your** amount of cover. If **you** selected the maximum amount of cover of £250,000 when **your** cover started, **your** cover will increase once only, on the first anniversary of the plan starting.

If when **you** make a claim, the **maximum annual benefit** available based on the **person covered's pre-incapacity earnings** is lower than the amount of cover that **you** have (either as shown on **your** cover summary or the amount it has increased to), **we'll** pay 1/12th of the lower of:

- the **maximum annual benefit** available based on the **person covered's pre-incapacity earnings** subject to a minimum of £1500 each month, or
- the amount of cover shown on **your** cover summary or the amount it has increased to.

If the person covered isn't in work when you claim

If the **person covered** isn't in **work** when **you** claim, **we** won't pay more than £1500 each month.

If the person covered has other income

We'll reduce the amount **we** pay so that the total income **you** receive equals the lower of £1500 each month or the cover amount **you've** chosen as shown on **your** cover summary if:

you have any other plan with **us**, or with any other company, that would, if the **person covered** were to meet the requirements of **our** definition of **incapacitated**, replace all or part of their **pre-incapacity earnings**, or

- the **person covered** continues to receive income from any other form of **employment** or **self-employment** while they meet the requirements of **our** definition of **incapacitated** in section 4, and
- the income from this cover, together with the income from those other sources, would exceed the **maximum annual benefit** available based on the **person covered's pre-incapacity earnings**.

If the person covered goes back to their own occupation part-time

If **we've** been paying a claim, and the **person covered** goes back to **work** in their own **occupation** part-time, with reduced earnings as a direct result of their illness or injury, **we'll** pay a reduced amount. Here's how **we** work this out:

$$\frac{(\text{pre-incapacity earnings} - \text{reduced earnings}) \times \text{normal cover}}{\text{pre-incapacity earnings}}$$

In this formula, 'normal cover' means the amount **we'd** pay if the **person covered** continued to meet the requirements of **our** definition of **incapacitated** and doesn't go back to **work**. Where the reduced earnings amount varies, the amount **we'll** pay will also vary. **We'll** need to see evidence of the reduced earnings amount.

We'll pay this reduced amount provided that the **person covered**:

- goes back to **work** for less than 30 hours a week,

- worked more than 30 hours a week before meeting the requirements of **our** definition of **incapacitated**, and
- has earnings from part-time **work** which are less than their earnings when they met the requirements of **our** definition of **incapacitated**.

We'll continue to pay a reduced amount based on this formula until:

- the **person covered** goes back to working their full contractual hours,
- the earnings from their part-time **work** in their own **occupation** are more than their **pre-incapacity earnings**,
- the **cover payment period** ends – if one's shown in the additional features in **your** cover summary,
- the **term of the cover** reaches an end, or
- the **person covered** dies.

If the person covered goes back to work in a different occupation

If the **person covered** meets the requirements of **our** definition of **incapacitated** but goes back to **work** in a different **occupation** with lower earnings, **we'll** pay a reduced amount. **We** work this out using the same formula and conditions as set out in the 'How much we'll pay if the **person covered** goes back to their own **occupation** part-time' section opposite.

We'll continue to pay a reduced amount based on this formula until:

- the **person covered** no longer meets the requirements of **our** definition of **incapacitated**,

- the **person covered's** earnings from the different **occupation** are more than their **pre-incapacity earnings**,
- the **cover payment period** ends – if one's shown in the additional features in **your** cover summary,
- the **term of the cover** reaches an end, or
- the **person covered** dies.

We work out the amount of cover on the date the **person covered** met the requirements of **our** definition of **incapacitated**. **We** won't take into account any change to the amount of cover after this, apart from changes covered in the previous page.

Claims for Fracture Cover

We'll pay the amount shown in the following table for each type of **bone fracture** during the **term of the cover**.

Open fracture of the skull	£4,000
Closed fracture of the skull	£2,500
Fracture of the cheekbone	£1,500
Fracture of the jaw	£2,000
Fracture of the collar bone	£1,000
Fracture of the shoulder blade	£1,500
Fracture of the sternum	£1,500
Fracture of the arm	£2,500
Fracture of one or more ribs	£1,000
Fracture of the vertebra	£2,000
Fracture of the wrist	£1,500
Fracture of the hand (excluding fingers and thumbs)	£1,500
Fracture of the pelvis	£2,000
Fracture of the upper leg	£4,000
Fracture of the knee	£4,000
Fracture of the lower leg	£2,500
Fracture of the ankle	£2,000
Fracture of the foot (excluding toes)	£1,500

If the **person covered** is diagnosed with more than one type of **bone fracture** at the same time, we'll pay for multiple **bone fractures** up to a maximum of £4,000 for each claim.

Claims for Hospitalisation Payment

We'll pay £100 for each night the **person covered** is hospitalised after the sixth consecutive night, subject to a maximum number of 90 nights during the **term of the cover**.

Claims for Additional Payment on Death

If **your** premiums are payable monthly, we'll pay an amount equal to 12 times the monthly premium for Income Protection being paid at the date the **person covered** dies, plus the plan charge shown on **your** cover summary for the plan **your** cover is under during the **term of the cover**.

If **your** premiums are payable yearly, we'll pay an amount equal to the yearly premium for Income Protection being paid at the date the **person covered** dies, plus the plan charge shown on **your** cover summary for the plan **your** cover is under during the **term of the cover**.

Claims for Back to Work Payment

If the additional features section of **your** cover summary shows a **cover payment period**, one month after the **person covered** returns to **work**, we'll pay 25% of the normal cover; and two months after the **person covered** returns to **work**, we'll pay 10% of the normal cover.

If the additional features section of **your** cover summary doesn't show a **cover**

payment period, one month after the **person covered** returns to **work**, we'll pay 50% of the normal cover; and two months after the **person covered** returns to **work**, we'll pay 25% of the normal cover.

In this section 'normal cover' means the monthly amount we were paying immediately before the **person covered** returned to **work**.

Your Premiums

It's really important that **you** keep up to date with paying **your** premiums.

When your premiums are due

Your first premium is due on the date **your** cover starts. We'll collect it on this date or shortly after, by direct debit. **Your** last premium is due on the date shown on **your** cover summary. We'll tell **you** before we collect the first premium.

If you're paying your premiums monthly

You must pay a premium every month from the date **your** first premium is due to **your** last. **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 your premiums yearly

You must pay a premium every year from the date **your** first premium is due to **your** last. **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 the plan **your** cover is under – so **you** won't be covered at all 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. **We'll** need **you** to tell **us** if there has been a change to the health, **occupation** or leisure activities of the **person covered** since **your** plan start date, so 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 your cover is level regular payments

As long as **you** pay **your** premiums on time, **your** premiums won't change for the **term of the cover**.

If your cover is payable as increasing regular payments

Your premium will increase once a year, on the anniversary of **your** plan start date, which is shown on **your** cover summary. The increase each year will be based on:

- how much **your** amount of cover is increasing by,
- the age of the **person covered** at the time of each increase,
- how long **your** cover has to go to the end date shown on **your** cover summary,
- the premium rates **we** used when **your** cover started, and
- any additional premium **you** pay if **we** didn't accept **your** cover on **standard terms**.

We'll write to tell **you** how much the increase will be at least a month before it takes place. Unless **we** hear from **you**, **we'll** start collecting the increased premium from the date **we** tell **you**. For more information on increasing cover, see page 15.

2. CHANGING YOUR COVER

Increasing cover

This only applies where **you** have chosen **your** amount of cover to be payable as increasing regular payments.

The amount of cover will increase each year on the anniversary of the date **your** plan started, which will be shown on **your** cover summary. The additional features in **your** cover summary shows whether **your** cover will increase each year by a fixed rate or by the **retail price index**. As **your** amount of cover increases, **your** premiums will also increase.

We'll write to **you** at least a month before the increase takes place to tell **you** how much the increase in **your** amount of cover will be and how much **your** new premium will be. If **you** don't want **your** amount of cover or **your** premium 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 to **your** amount of cover.

If, as a result of an increase, the total amount of Income Protection on all plans that **you** have with **us** would be more than £250,000 a year, **your** cover won't increase. **We'll** tell **you** if this happens. When working out **your** total amount of cover **we** include all cover **you** have under the plan that this cover is under, as well as any other plan **you** have with **us**.

If **you** add a new cover to **your** plan, **your** new cover may start on a different day than **your** plan started. The date **your** original plan started can be found on **your** original cover summary. Where this happens, the first increase in **your** amount of cover for **your** additional cover will be on the first anniversary of **your** plan start date which comes after this additional cover has been in force for 12 months.

Cover Increase Options

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

How it works

You can increase **your** amount of cover, without giving **us** any medical information, if the **person covered**:

- gets married or divorced, or enters into or dissolves a civil partnership
- increases their mortgage
- has or adopts a child
- gets an increase in salary.

All **we** need to see is some evidence of the event, for example the certificate for the marriage, civil partnership, birth or adoption, or a copy of their mortgage loan offer, or a letter from their employer confirming an increase in salary.

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

And the **person covered** must be under the age of 55. **We'll** work out a new premium

for **your** cover, and **you** can then decide whether **you** want to go ahead with the increase.

Limits on increasing your cover

You can increase **your** cover more than once but the total **you** can increase **your** cover by is the lowest of:

- half **your** original amount of cover,
- the **maximum annual benefit** available based on the **person covered's pre-incapacity earnings** less the total amount of cover **you** have before the increase,
- the maximum amount of cover **we** offer at the time of the increase less the total amount of cover **you** have before the increase, or
- £10,000 a year.

If **you** have more than one type of cover or more than one plan with **us** on the life of the same **person covered**, the limits apply to all of them added together – not separately to each cover or plan.

Your new cover will have the same additional features as **your** original cover, which are shown on **your** cover summary. **Your** new cover will be on the terms and conditions that **we** offer at the time of the increase. It must last at least as long as **our** minimum term at that time, but no longer than the time remaining on **your** original cover. **You** can find the end date of **your** original cover on **your** cover summary that **we** sent to **you** at the time **you** took out **your** original plan. So, if the time remaining on **your** original cover is less than **our** minimum term at that time, **you** can't increase **your** cover in this way.

Your new premiums will be based on:

- the same terms **we** applied to **your** original cover – or the terms that applied if **your** cover has been restarted,
- **our** pricing when **we** increase **your** cover, and
- the age of the **person covered** when **we** increase **your** cover.

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

- **we** didn't accept **your** cover on **standard terms** – so 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 make a claim,
- **you've** made a claim under **our** definition of **incapacitated** under this cover, **you** can't use Cover Increase Options within 12 months of **us** stopping **your** payments, or
- **you're** not resident in **the UK**, Jersey, Guernsey or Isle of Man.

Lifestyle review

If **we** didn't accept **your** cover on **standard terms** or **we** charged 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 **your** cover. For example, perhaps the **person covered** was a smoker when the cover started but has now given up.

We may need to ask for medical information about the **person covered**, or see proof that the **person covered** has changed their **occupation** before **we** make any changes to the terms of **your** cover.

3. GENERAL TERMS AND CONDITIONS

Source of covers

This cover 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

Neither **your** cover nor the plan that it is under, entitles **you** to membership of **Royal London** or participation in profit share.

Cancelling your cover

When **your** cover starts **you** have the right to change **your** mind and cancel **your** cover. If **you** do so within 30 days of receiving **your** cover summary and plan details, **we'll** refund any premiums **you've** paid to **us**. If **you** cancel after 30 days, **your** cover will end and **you** won't get anything back.

You can cancel **your** cover or the plan that it is under by contacting **us**. **Our** address is on page 4 of this booklet. **You** may also want to contact **your** bank to cancel **your** direct debit instruction. **You** should only do this if **you** intend to cancel all of the covers under **your** plan. If **you** intend to only cancel some of **your** covers, **we'll** automatically reduce the amount **we** collect once those covers have been cancelled.

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

If **you** cancel **your** cover, or the plan that **your** cover is under, after 30 days, **your** cover

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

Even if **we** later review **your** terms, cover that wasn't originally on **standard terms** cannot be changed to include Cover Increase Options.

Changing your cover in other ways

You can ask **us** to change **your** cover in other ways not included in this section. For example, **you** might want to add a new cover to **your** plan or reduce an existing cover. **You** can ask **us** to do this at any time. If **you** want to add a new cover to **your** plan, **we'll** need to ask the **person covered** for new medical information.

You can't add a new cover to **your** plan 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 or the circumstances of the **person covered** have changed.

will end on the day **your** next premium would be due. **You'll** still be covered 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**.

Because **you** are cancelling after the 30 day cancellation period, **we** won't refund any premiums **you've** paid to **us** for the cover **you're** cancelling.

For example, if:

- **your** cover started on 1 February,
- **you** ask **us** to collect **your** premium on the 15th day of each month, and
- on 10 April **you** ask **us** to cancel **your** cover,

then,

- **we'll** collect **your** premium due on 1 April because this became payable before **you** asked **us** to cancel **your** cover,
- **we'll** collect this on 15 April because **you've** asked **us** to collect **your** premium on that day, and
- **we'll** cancel **your** cover on 1 May because this is the first day on which **your** next premium would be due.

If **you** cancel, **we'll** tell **you** the date on which **your** cover will end, and whether **you** need to pay a final premium. If **you** don't pay **your** final premium:

- **we'll** cancel **your** cover 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.

Cash-in value

Your cover, and the plan that it is under, have no cash-in value at any time. This means that if **you** cancel **your** cover or the plan that it is under, after the 30 day cancellation period, **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** cover.

How we use your personal information and verify your identity

We (The Royal London Mutual Insurance Society Limited and **our** businesses and divisions) 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 **our** 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, **our** 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.

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 on pages 18 and 19) 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 methods listed on Page 19, 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 cover or cancel your cover

We may make changes to the terms and conditions applying to **your** cover (including **your** premiums) in the circumstances set out in the paragraphs numbered 1 to 4 on pages 20 and 21. **We** can separately make changes to how **we** use **your** personal information and verify **your** identity (details of which is set out on pages 18 and 19).

We will, where appropriate, take account of actuarial advice when **we** make any changes.

We may cancel **your** cover in the circumstances set out in paragraph 1.

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** cover (including **your** premiums) or cancel **your** cover if:

- **you** don't tell **us** about changes to any of the answers **you** or the **person covered** gave in the **application**, or to information provided in relation to **your application**, between the date it was completed and the **date we assume risk** on **your** cover,
- the **person covered** doesn't provide their consent for **us** to ask for medical information within six months of the start of **your** cover from any doctor they have 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 on the cover **we're** willing to provide,
- **you** make a claim and **we** find that **you** or the **person covered** haven't told **us** something that affects **your** cover, or
- **you** don't keep **your** premiums up-to-date.

2. **We** may make changes to the terms and conditions applying to **your** cover (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** cover,
- 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 the plan that **your** cover is under is taxed is changed.

3. **We** may make changes to the terms and conditions applying to **your** cover (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** cover (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** cover.

Contract

The Personal Menu Plan is a contract between **you** and **Royal London** based on **your application** to **us**. These terms and conditions are part of the contract between **you** and **us** and should be kept in a safe place. The contract consists of **your application**, these terms and conditions, **your** cover summary for each cover **you** buy and any **endorsements** to these terms and conditions that **we** give **you**. Where there's a conflict between the terms and conditions and **your** cover summary, the terms set out in **your** cover summary will apply.

Mis-statement of age

If when **you** took out **your** cover **we** were told the **person covered** is older than they really are, **we'll** reduce **your** premiums to the amount that **you** 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** cover **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.

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 three 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



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** legal rights.

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 www.fscs.org.uk.

Law

The law of England and Wales applies to **your** cover and the plan that it is under.

Notices of assignment

If **you** assign any of **your** legal rights relating to the plan that **your** cover is under 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 **your** cover is under in trust.

Rights of third parties

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

4. DEFINITIONS OF THE WORDS WE USE

This section explains all of the words in **bold** found within this booklet.

Application

This is the application to **Royal London** completed either on paper, online or over the phone containing the information and the answers to the questions that **we** have used to set up **your** cover and includes any related information provided to **us** (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 then complete **your** online **application** doesn't form part of **your application**.

Appropriate medical specialist

For the purposes of this cover is a consultant employed at a hospital within the geographical limits listed below who is a specialist in an area of medicine appropriate to the cause of the claim.

- | | |
|-------------------|-------------------|
| • 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 |

Bone fracture

Bone fracture means any of the following types of fracture :

- Open fracture of the skull
- Closed fracture of the skull
- Fracture of the cheekbone
- Fracture of the jaw
- Fracture of the collar bone
- Fracture of the shoulder blade
- Fracture of the sternum
- Fracture of the arm
- Fracture of one or more ribs
- Fracture of the vertebra
- Fracture of the wrist
- Fracture of the hand (excluding fingers and thumbs)
- Fracture of the pelvis
- Fracture of the upper leg
- Fracture of the knee
- Fracture of the lower leg
- Fracture of the ankle
- Fracture of the foot (excluding toes)

Cover payment period

The length of time **we'll** pay **your** claim. This is shown on **your** cover summary.

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** cover, or the plan that **your** cover is under, or
- the date cover starts as shown on **your** cover summary.

Deferred period

The period of time between when the **person covered** first meets the requirements of **our** definition of **incapacitated** and when **you** will receive **your** first payment from **us**. The **deferred period** is shown in the additional features section of **your** cover summary. Unless **you** have a connected claim (see page 9) or the **person covered** is diagnosed with a **terminal illness**, we won't pay a claim until the end of the **deferred period**.

Employed

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

Endorsements

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

Exclusion

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

Full-time

Means the **person covered** is in a full-time (more than 16 hours each week) paid **occupation**.

Incapacitated or Incapacity

We'll pay if the **person covered** meets the requirements of **our** definition of **incapacitated** or **incapacity**.

For the purpose of the requirements, own **occupation** means the trade, profession or type of **work** that the **person covered** does for profit or pay. It isn't a specific job with any particular employer and is irrespective of location and availability.

1. Own Occupation

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.

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

2. Serious Illness

If, before age 70, the **person covered** meets any of the following definitions, **we'll** pay the claim if they're unable 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 3 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 3 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.

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

3. Everyday Tasks

If, before age 70, the **person covered** is unable to do 3 of the following 9 tasks, **we'll** pay the claim whilst they're unable to **work** in their own **occupation** in any capacity.

Loss of the physical ability through an illness or injury to do at least 3 of the 9 everyday tasks listed below.

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 5 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.

Intentional self-inflicted injury

Means any injury the **person covered** has suffered that is in **our** reasonable opinion the result of a deliberate act by the **person covered**.

Maximum annual benefit

The maximum annual benefit is the lower of:

- 65% of the first £15,000 of the **person covered's pre-incapacity earnings** plus 55% of their **pre-incapacity earnings** above £15,000, and
- £250,000.

For example:

If the **person covered** has **pre-incapacity earnings** of £45,000 each year, the **maximum annual benefit** would be calculated as

65% of £15,000 = £9,750

plus 55% of £30,000 (£45,000-£15,000) = £16,500

Total maximum annual benefit = £26,250

If the **person covered** has **pre-incapacity earnings** of £14,500 each year, the **maximum annual benefit** would be calculated as

65% of £14,500 = £9,425

Occupation

Means a trade, 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.

Ordinary UK driving licence

Means a group 1 licence as defined in The Motor Vehicles (Driving Licences) Regulations 1999 as amended by The Motor Vehicles (Driving Licences) (Amendment) Regulations 2012, The Motor Vehicles (Driving Licences) Regulations (Northern Ireland) 1996 and any future amendment to the legislation which defines a group 1 licence.

Permanent

Expected to last throughout life with no prospect of improvement, irrespective of when the cover ends or the **person covered** expects to retire.

Person covered

The person named as such on **your** cover summary.

Pre-incapacity earnings

If the **person covered** is **employed** this means their total pre-tax earnings for PAYE assessment purposes in the 12 months before they became **incapacitated**.

This may include:

- the taxable value of any of the following benefits shown on form P11D that will be lost as a result of the **person covered's incapacity**:
 - living accommodation where they live and pay council tax
 - company car when used for private use
 - car fuel which is provided for use with their company car
 - beneficial loans including loans for travel tickets
 - insurance such as critical illness insurance, private medical insurance and accident and travel insurance
 - regular bonuses and commission received by them.
- dividends received by them from a private limited company in which they and no more than three other shareholders are **employed as full-time** working directors. The dividend amount must:
 - represent their share in the net trading profit of that company from its normal regular business,
 - be consistent with the trading position of the company, and
 - stop being paid as a result of **incapacity**.

- the salary or dividends received by the **person covered's** spouse or cohabiting partner where the **person covered** is **employed** by the same company as them. The **person covered's** spouse's or cohabiting partner's salary would need to be a nominal amount (up to a maximum of £11,500 a year), and they do not contribute towards generating the profit of the company.

Any dividend amount received by a spouse or cohabiting partner must:

- represent their share in the net trading profit of that company from its normal regular business,
- be consistent with the trading position of the company, and
- stop being paid as a result of the **person covered's incapacity**.

Any salary, dividends or any form of private disability benefits being received by **the person covered's** spouse or cohabiting partner when the **person covered** meets the requirements of our definition of **incapacitated** will be treated as continuing income for the **person covered** for claims assessment purposes.

If the **person covered** is **self-employed** this means:

- their total share of pre-tax profit from their trade, profession or vocation for the purposes of Part 2 of the Income Tax (Trading and Other Income) Act 2005 for the 12 months before they became **incapacitated**, and
- their share of the amount of any regular or fixed payment the **person covered** is required to make:
 - by legislation,
 - by regulation,
 - under a contract to purchase goods or receive services, or
 - in respect of a loan, mortgage or credit agreement used to purchase premises, plant, machinery, raw materials or equipment,

that is necessary for the continuous operation of their trade, profession or vocation and has been paid for at least the last 36 months at the time the **person covered** first met the requirements of our definition of **incapacitated**, but only for so long as the **person covered** remains liable for those payments. This means that if the **person covered** is no longer liable for one or more of these payments, we'll reduce the amount that can be included as pre-incapacity earnings accordingly and we may reduce how much we'll pay.

The following amounts are not included.

Any amount payable:

- to or for the benefit of a person employed by the **person covered** under a contract of employment,
- in respect of national insurance or any tax other than:
 - business rates,
 - vehicle excise duty in respect of a vehicle used for the purposes of the **person covered's** trade, profession or vocation,
 - insurance premium tax, or
 - value added tax, or
- in respect of any contract to purchase goods or receive services, loan, mortgage or credit agreement entered into or renewed after the **person covered** first met the requirements of **our** definition of **incapacitated**.

If the **person covered's** earnings vary significantly from one year to another, for example because they are made up mainly of commission or bonuses, **we'll** use their average earnings over the last three years immediately before the claim.

Income received from savings and investments aren't included in **our** definition of **pre-incapacity earnings**.

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

The Royal London Mutual Insurance Society Limited.

Royal London Group

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
- if in **the UK**, 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 cover is on standard terms unless **we've** charged an extra premium or applied an **exclusion** to **your** cover.

Term of the cover

The period between the date **your** cover starts (as shown on **your** cover summary) and the date **your** cover ends. Unless the **person covered** dies, the date **your** cover ends is the date shown on **your** cover summary.

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.

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.



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