

Your policy conditions

Whole of Life

Pays a lump sum on death or diagnosis of a defined terminal illness.



Welcome to Royal London

Thank you for choosing our Whole of Life policy.

We are Royal London Mutual Insurance Society Limited (“Royal London”). On 4 April 2023, Royal London acquired the UK individual protection business from Scottish Equitable PLC (“Scottish Equitable”). The transfer was finalised on 1 July 2024, as part of the insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (known as a “Part VII Transfer”).

We can't provide advice but we do provide technical support and information to our policyholders and financial advisers. If you're unsure if this policy is suitable for you, you should speak to a financial adviser.

If you don't already have an adviser, you can find one in your area by visiting our website royallondon.com/financial-adviser. Advisers may charge for their services – though they should agree any fees with you up front.

What we mean by 'you'

In this booklet 'you' means the person(s) who own(s) the policy from time to time – in other words, the person(s) who is/are legally entitled to a payment from it.

If the policy has been placed under trust, this will be the trustees, or their absolute assignees. The person(s) who applied for the policy are likely to be trustees (usually with at least one other person).

If the policy has not been placed under trust, this will be the person(s) who applied for the policy, or their absolute assignees.

Your contract

Your Whole of Life policy is a contract of insurance between you and us. It includes:

- The application, including the declarations made.
- This booklet.
- The policy schedule.
- Any further policy schedules and policy conditions booklets we issue to you following the exercise of an option.
- Any documents we give you that make changes to your policy.

This booklet explains the detail of your policy. It's important you read this booklet and keep it in a safe place with your policy schedule and any other documents we give you that make changes to your policy.

Plain English

We have tried to use plain English in this booklet but avoiding all technical terms is difficult. If there's anything that's unclear please let us know.

Contact us

If you or your family need to make a claim, call us and speak to a member of our experienced claims team on **03456 00 04 93** Monday to Friday (excluding bank holidays), 8.30am to 5.30pm (call charges may vary). They'll help you through the process and explain what's required to make and settle a claim.

If you've got any questions about your policy you should contact your financial adviser in the first instance. You can also contact us using the details below.



03456 00 14 02

Monday to Friday (excluding bank holidays),
8.30am to 5.30pm (call charges will vary)



protect_support@insurance.royallondon.com



royallondon.com/manage-your-aegon-protection-policy



Royal London Protection

Customer Service

Sunderland

SR43 4JY

Our email system and the way we deal with data internally is secure. However, we're unable to ensure the security of emails before they reach us, so please consider this and do not include any personally sensitive, financial or banking information that has not been appropriately secured.

What's inside

1. Your Whole of Life policy	4	5.1.5 Exercising the guaranteed insurability options more than once	12
1.1 Understanding your policy	4	5.2 Gift inter vivos conversion option	12
1.2 Life insurance under this Whole of Life policy	4	5.2.1 What gift inter vivos is	12
1.3 Who can take out this policy	4	5.2.2 When you can use the GIV conversion option	12
1.4 What you are insured for	4	5.2.3 Exercising a GIV conversion option	12
1.5 Who we will pay a valid claim to	5	5.2.4 The GIV policy	12
1.6 Inflation-linking	5	5.2.5 Protecting against inheritance tax changes	12
1.6.1 What inflation-linking means	5	5.2.5.1 Maximum increase in sum insured	13
1.6.2 How we measure inflation	5	5.3 Joint-life separation option	13
1.6.3 Increasing your sum insured and payments	5	5.3.1 What joint-life separation is and when you can use it	13
1.6.4 Stopping inflation-linking on your policy	5	5.3.2 What we would need	13
1.7 What we need before we can provide the insurance	5	5.3.3 Your single-life policies	13
2. Holding your policy in trust	6	6. Making a claim	14
3. Your payments	6	6.1 Information we will need to consider a claim	14
3.1 When you need to make payments	6	6.2 If the insured person has a terminal illness	14
3.2 What happens if you miss a payment	6	6.3 When we will not pay a claim	14
4. Protecting your payments	6	7. General conditions	14
4.1 When we will protect your payments	6	7.1 Cancelling your policy	14
4.2 Definitions of incapacity	6	7.2 Changes to your policy	15
4.3 The three definitions of incapacity	7	7.3 Notices	15
4.4 Making a claim	8	7.4 Agreement of Royal London	15
4.5 What happens if inflation-linking applies to your policy	8	7.5 Payments made under the policy	15
4.6 How we make your payments for you	8	7.6 The law that applies to your policy	15
4.7 When we will not protect your payments	8	Addendum to the policy conditions – describing free cover	15
5. Meeting your changing needs	9	A1 Eligibility for free cover	15
5.1 Increasing the amount you are insured for (Guaranteed insurability options)	9	A2 Period during which free cover applies	15
5.1.1 Exercising a guaranteed insurability option	9	A3 Amount of free cover	15
5.1.2 When the guaranteed insurability options are not available	9	A4 When we would pay the free cover amount	16
5.1.3 Maximum age limits for the options	10	A5 When we will not pay the free cover amount	16
5.1.4 Life-changing events	10		

1. Your Whole of Life policy

1.1 Understanding your policy

Terms used in your policy schedule	Terms used in this booklet	What they mean
Benefit	Your insurance	The insurance under the policy
Benefit amount	Sum insured	The amount of money we will pay on a valid claim
Defined terminal illness	Terminal illness	An illness for which there is no known cure or one that has progressed to the point that it cannot be cured and, in either case, the insured person's attending Consultant and our Chief Medical Officer believe it will lead to the insured person's death within 12 months
Life assured	Insured person	The person or persons whose lives are insured
Policy start date	Policy start date	The date your insurance under this policy starts. You may be entitled to free cover before this date
Policyholder	You	The person or persons who own the policy from time to time
Premiums	Your payments	The cost of your policy
Standard exclusions	When we will not pay a claim	When we will not pay a claim
Waiver of premium	Protecting your payments Waiver of premium	For an extra cost you can protect your payments in certain circumstances

1.2 Life insurance under this Whole of Life policy

Our Whole of Life insurance policy pays out a specified amount of money, the sum insured:

- a if the policy is on a single-life basis, when the insured person dies or is diagnosed with a terminal illness on or after the policy start date;
- b if the policy is on a joint-life, first-death basis, when the first of the insured persons dies or is diagnosed with a terminal illness on or after the policy start date, or
- c if the policy is on a joint-life, second-death basis, when the first of the insured persons dies either during the free cover period (as described in A2 of the Addendum to this booklet) or on or after the policy start date and the other insured person dies or has been diagnosed with a terminal illness on or after the policy start date.

To avoid doubt, where the policy is on a joint-life, second-death basis, we do not pay the sum insured if both insured persons have been diagnosed with a terminal illness but neither has died.

Once we have paid out the sum insured, the policy comes to an end.

1.3 Who can take out this policy

You can take out this policy if you are between the ages of 18 and 84 and are resident in the UK. You must also be resident in the UK to exercise any of the options available under the policy (as described in condition 5). There are some age restrictions on the options available under this policy, and these are explained in the relevant conditions.

You can apply either on your own for a single-life policy, or with another person for a joint-life policy.

1.4 What you are insured for

The sum insured, any options that you have chosen, and any specific exclusions that apply to your policy are shown on your policy schedule.

If you are entitled to any free cover in the period before your policy start date, this will be explained in our Whole of Life **Key features** document available at the time of your application. We also describe free cover in the Addendum to this booklet.

1.5 Who we will pay a valid claim to

This table sets out who we will pay the sum insured to if you make a valid claim.

Type of policy	Who we will pay the sum insured to on a valid claim being made	
	Policy subject to valid trust	Policy not subject to valid trust
Single life	Trustees or their absolute assignees	Executor, administrator, absolute assignees
Joint life, first death		Survivor, executor, administrator, absolute assignees
Joint life, second death		Executor, administrator, absolute assignees

We will not, however, pay to trustees (or their absolute assignees) on a valid claim being made unless we have evidence that satisfies us that valid trusts have been declared of the policy, and we have any other evidence or information that we may reasonably need as evidence of legal title to the policy.

1.6 Inflation-linking

1.6.1 What inflation-linking means

Inflation-linking means that the sum insured and your payments automatically increase each year to take account of inflation. Your policy schedule will say if inflation-linking applies to your policy.

1.6.2 How we measure inflation

We measure inflation by looking at the change in the Retail Prices Index (RPI) over a 12-month period. The 12-month period used is the 12 months ending three months before the anniversary of your policy. If the RPI we use is not published any more, we will choose a similar index.

1.6.3 Increasing your sum insured and payments

Where inflation-linking applies, your sum insured increases every year by the percentage increase in RPI (as described in condition 1.6.2), subject to a maximum of 10%.

At the same time, your payments will increase to pay for the higher sum insured. Each year, your payments will increase by twice the percentage increase applied to your sum insured.

Here's an example of how inflation-linking could work. These figures are for illustrative purposes only:

	Before inflation-linking	Increase in RPI over the 12-month period	The increase we will apply	After inflation-linking
Sum insured	£100,000	2%	2%	£102,000
Your payment	£100	2%	4%	£104

We will tell you what we will increase your sum insured to and what your new payments will be before we increase them.

If, over the 12-month period, the change in the RPI is negative, we will not reduce your sum insured or your payments.

1.6.4 Stopping inflation-linking on your policy

We will stop inflation-linking on your policy if the increase would take your sum insured over the highest sum insured we allow. We will tell you if this happens and if necessary change the amount of your payments as a result.

You can ask us to remove inflation-linking and change to fixed payments at any time by contacting us. If you do, your sum insured will no longer increase in line with RPI and, unless you make other changes to your policy, your payments will stay the same. In the future, if you decide that you want us to start increasing the sum insured again you should contact us. We may not be able to offer you inflation-linking again.

1.7 What we need before we can provide the insurance

Before we can provide the insurance, we will ask some questions about the health and lifestyle of the insured person(s). We may also need medical or other evidence. We will tell them what evidence we need. When we have everything we need we will tell you if we can provide the insurance and how much it will cost you. If you ask us to make a change to your policy we might need to ask some questions to help us consider whether we can agree to your request.

Whenever we ask for information, you and the insured person(s) must make sure the answers are accurate. Reasonable care should be taken by the respondent to answer the questions we ask honestly and to the best of their knowledge. If not, we might cancel your policy (see condition **7.1**).

If the application is made online, we will send a summary of the questions we ask and the answers given. When this summary is received, it is important that the answers given are checked, as we rely on this information to decide on the conditions of your policy. You must tell us immediately if any of the answers are incorrect.

2. Holding your policy in trust

Where your policy is placed in trust your policy schedule will name the trustees of the trust as the policyholder. However, we will not pay to trustees (or their absolute assignees) on a valid claim being made unless we have evidence that satisfies us that valid trusts have been declared of the policy, and we have any other evidence or information that we may reasonably require as evidence of legal title to the policy.

We will need instructions from all the trustees before we can make a change to your policy.

When you use any of the options explained in this booklet, a new policy or policies will be issued under this contract for that option. The new policy/policies will be subject to the trust applying to your original policy.

3. Your payments

3.1 When you need to make payments

Your policy schedule shows how much you need to pay and the date when your payments are due. Your payments will stay the same, unless:

- a inflation-linking applies (see condition **1.6**);
- b you ask us to change your policy (see conditions **5** and **7.2**), or
- c we need to change your policy (see condition **7.2**).

As part of your application you will complete a **Direct Debit instruction** form (unless agreed otherwise). We will collect your payments direct from your bank or building society account. You should make sure there is enough money in your account for your payments. We can only accept payments from a bank or building society approved by us.

3.2 What happens if you miss a payment

You have 30 days from the date your payment is due to make the payment. If we have not received a payment we will let you know. If we do not receive your payment within the 30 days, we will cancel your policy. This would mean that we would not pay out if you made a claim.

After the 30 days, we might agree to restart the insurance, although we do not have to do this. To help us decide, we may ask some more questions, for example about the health and lifestyle of the insured person(s). We may need medical or other evidence to support the answers. We will tell them what evidence we need. If the circumstances of the insured person(s) have changed since you first applied, it might cost you more to restart your policy. If we agree to restart the insurance, you will have to pay all your missed payments.

If there is a valid claim within the 30 days from the date your payment is due and before we receive it, we will deduct the amount of all missed payments from the sum insured.

4. Protecting your payments

4.1 When we will protect your payments

For an extra cost you can protect your payments if the insured person is incapacitated and continuously unable to work for more than 26 weeks. This is called waiver of premium. If you choose this benefit it will end on the insured person's 67th birthday.

If your policy is joint life, you can choose to have waiver of premium for either or both of the insured persons.

4.2 Definitions of incapacity

There are three definitions of incapacity to choose from. They are described in condition **4.3**. If you use this option the incapacity definition you choose will be shown on your policy schedule. If the insured person is not in paid employment (including self-employment where regular earnings are being taken) when they first become incapacitated, we will use the activities of daily work definition to decide if we will pay your claim: this means that, no matter which incapacity definition was chosen by you, the insured person must satisfy the activities of daily work incapacity definition before we will make your payments for you.

Where you have a joint-life policy, and you have chosen waiver of premium for both insured persons, you can choose a different incapacity definition for each.

We will make your policy payments for you, after 26 weeks, if the insured person is assessed as having continuously met the incapacity definition applying to them. Where you have a joint-life policy with waiver of premium applying for both insured persons, only one of them needs to have been assessed as meeting the incapacity definition applying to them. Both insured persons do not need to be incapacitated.

4.3 The three definitions of incapacity

For the purpose of these definitions, occupation means a trade, profession or type of work undertaken for profit or pay. It does not matter where the insured person lives or if a job is available. The three definitions are:

Own occupation

This applies if the insured person is unable to do the material and substantial duties of their own occupation as a result of accident or sickness and they are not doing any other occupation. The material and substantial duties are those that are normally needed for, and/or form a significant and integral part of, the performance of the occupation that cannot reasonably be omitted or modified.

Any suited occupation

This applies if, as a result of accident or sickness, the insured person is unable to do their own occupation and unable to do all other occupations for which they are reasonably suited by education, training or experience.

Activities of daily work

This applies if the insured person has:

- a** An inability to perform three or more of the following activities:

Walking – the ability to walk a distance of 200 metres on a level surface without stopping due to breathlessness, angina or severe discomfort, and without the assistance of another person but including the use of appropriate aids, for example a walking stick.

Climbing – the ability to walk up and down a flight of 12 stairs with the use of a handrail and taking a rest.

Bending – the ability to get into or out of a standard saloon car, or the ability to bend or kneel to pick up a teacup (or similar object) from the floor and straighten up again without the assistance of another person but including the use of appropriate aids.

Communicating – the ability to:

- a** clearly hear (with a hearing aid or other aid if normally used) conversational speech in a quiet room; or
- b** understand simple messages, or
- c** speak with sufficient clarity to be clearly understood.

Reading – having eyesight, even after correction by spectacles or contact lenses, sufficient to read a standard daily newspaper or to pass the standard eyesight test for driving. Failure for this activity would include being certified blind or partially sighted by a registered ophthalmologist.

Dexterity – the physical ability to use hands and fingers, such as being able to communicate effectively using a pen, pencil or keyboard.

Responsibility and independence – the ability to independently make arrangements to see a doctor and take regular medication as prescribed by a medical practitioner, or similarly qualified medical doctor.

Financial competence – the ability to recognise the transactional value of money and the handling of routine financial transactions such as paying bills or checking change when shopping.

or

- b** **Mental incapacity** – an organic brain disease or brain injury (confirmed by neurological investigation) which has affected their ability to reason and understand and has caused deterioration to an extent that they can no longer look after themselves without the need for continual supervision and assistance of another person.

or

- c** **Mental ill-health** – a Severe Mental Illness Classification ICD-10 Code and is under the supervision of the mental health team at its highest level (with or without Supervision Register) or equivalent.

4.4 Making a claim

If you want to make a claim for waiver of premium, you must notify us within six weeks of the insured person becoming incapacitated. We will obtain any information we need and might ask for the insured person to be examined by a medical health professional appointed by us. Late notification may affect the date we start making your payments for you.

If we agree to make your payments, we will continue to make them until the earliest of:

- the insured person no longer meeting the definition of incapacity;
- the insured person's 67th birthday, or
- the insured person's death.

We will keep in regular contact with the insured person throughout their incapacity and may ask for updated reports. We will tell them when we need the reports and what format they should be in. We might also ask for them to be examined by a medical health professional appointed by us. No payment is required for any evidence requested by us.

4.5 What happens if inflation-linking applies to your policy

If you have chosen for your payments to be increased by inflation-linking (see condition 1.6), and we are making your payments following a valid claim for waiver of premium, inflation-linking will continue to apply. If an inflation-linked increase comes into effect during the waiver claim period, we will make your payments based on the increased payment level.

4.6 How we make your payments for you

How we make your payments for you depend on whether you pay monthly or yearly.

For monthly payments your direct debit will be cancelled and your payments will be made by us until the benefit ends, as described in condition 4.4.

For yearly payments we will pay 1/12th of your yearly payment each month until the benefit ends, as described in condition 4.4.

If you make yearly payments:

- a** if the insured person becomes incapacitated part way through the year, a partial refund will be made for each full month of that year that they are incapacitated, or
- b** if part way through the year the insured person is no longer incapacitated, or reaches their 67th birthday, a payment for the remaining full months of the year will be payable by you.

If within six months of us no longer making your payments the insured person is, for the same reasons, assessed as meeting the incapacity definition applying to them, we will make your payments without you having to wait another 26 weeks.

4.7 When we will not protect your payments

We will not protect your payments:

- once the insured person is 67 years old;
- if the insured person travels or lives outside the home countries* and designated countries** for more than 13 weeks at a time in any 12-month period. Your cover will start again when they have been back in the home countries* for 39 continuous weeks, or
- if the insured person travels or lives within the designated countries** for more than 26 weeks at a time in any 12-month period. Your cover will start again when they have been back in the home countries* for 26 continuous weeks.

(* and ** please see details on the next page)

If the insured person is incapacitated during any time that we are not protecting your payments you can only make a waiver of premium claim when your cover starts again. If your waiver of premium claim is accepted, we will make your payments after 26 weeks.

We will not make your payments for you if:

- you have not made all your payments to date;
- the illness or injury is excluded on your policy schedule;
- the incapacity results from or is directly related to:
 - alcohol or drug abuse
 - war, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion
 - conditions due to any Acquired Immune Deficiency Syndrome (AIDS)
 - infection with Human Immunodeficiency Virus (HIV) unless it was caused by one of the following:
 - a** a blood transfusion given as part of medical treatment
 - b** physical assault
 - c** an incident occurring during the course of performing normal duties of employment, after the start of your policy and satisfying all of the following:
 - i** the incident must have been reported to appropriate authorities and have been investigated in accordance with the established procedures

- ii where HIV infection is caught through a physical assault or as a result of an incident occurring during the course of performing normal duties of employment, the incident must be supported by a negative HIV antibody test taken within five days of the incident
- iii there must be a further HIV test within 12 months confirming the presence of HIV or antibodies to the virus
- iv the incident causing infection must have occurred in one of the home countries* or one of the designated countries**

* Home countries are the United Kingdom, the Channel Islands and the Isle of Man.

** Designated countries are the European Union member states (excluding the United Kingdom), Andorra, Australia, Canada, Gibraltar, Iceland, Liechtenstein, Monaco, New Zealand, Norway, San Marino, Switzerland, Turkey, the Vatican City State and the United States of America.

5. Meeting your changing needs

We have a number of options you may be able to use once your policy has started.

If we agree to you exercising any of these options, we will issue you with a separate policy or policies under this contract for that option. The policy conditions for that option policy may be different from those set out in this booklet, to reflect current terms and conditions available at the time of exercise of the option.

Where your original policy was placed in a valid trust, any new option policy issued will be subject to the same trust.

Before we agree to make a change we may ask more questions about the insured person's health and lifestyle and for medical or other evidence to support the answers. A change may result in an increase in the cost to you.

5.1 Increasing the amount you are insured for (Guaranteed insurability options)

You may be able to increase the sum insured by exercising one or more of the guaranteed insurability options available under the policy. You can do this if any of the life-changing events described in condition 5.1.4 happen to the insured person(s), and any other conditions we have set out are met. Although we will not need to be given any more medical information about the insured person(s), we will ask for confirmation of residency, occupation, smoking activity and leisure pursuits to calculate your new payment amounts. It is likely that your payments will increase.

There are limits on the amount that the sum insured can be increased by, and these are detailed in condition 5.1.4.

The sum insured to be increased will be the initial sum insured, increased by inflation-linking if that applies to the policy, and reduced by any amounts of sum insured that have been converted to sum insured under a gift inter vivos policy (see condition 5.2).

Any separate policy or policies issued to you under this option will be on the same basis as your original policy unless we agree otherwise.

5.1.1 Exercising a guaranteed insurability option

If you want to exercise one of the guaranteed insurability options, you must apply to have your sum insured increased within six months of the life-changing event for that option (as described in the table in condition 5.1.4) happening.

If we agree to you exercising the guaranteed insurability option, we will issue a new policy under this contract in relation to the option.

Any inflation-linking and/or waiver of premium benefit chosen under your original policy will also apply to your guaranteed insurability option policy, as will any exclusions applying under your original policy.

5.1.2 When the guaranteed insurability options are not available

The guaranteed insurability options are not available:

- a if the insured person, or for a joint-life policy either insured person, was rated because of their medical or family history – if this applies to your policy, we will tell you before the policy start date and it will be stated on your policy schedule;
- b if the maximum age limit for the option (as described in condition 5.1.3) has been reached;
- c under any gift inter vivos policy or guaranteed insurability option policy issued under this condition 5;
- d during the 26-week deferral period for a waiver of premium claim, or
- e during any period in which we are making your payments under a waiver of premium claim.

5.1.3 Maximum age limits for the options

For all of the guaranteed insurability options other than the inheritance tax liability option, the insured person must be no older than 55 on their next birthday. For the inheritance tax liability option, it is 70 years old on their next birthday.

If you have a joint-life policy, the maximum age limit will apply to the elder of the insured persons after which the options cannot be exercised.

5.1.4 Life-changing events

Guaranteed insurability event	Maximum increase in your initial sum insured plus attained inflation-linking increases, if applicable, to your policy less any sum insured converted to sum insured under a gift inter vivos policy	Evidence required
Lifetime guaranteed insurability options		
Birth or legal adoption of a child – the birth of a child of the insured person's or the legal adoption by them of a child.	The lower of: <ul style="list-style-type: none"> • 50%, or • £150,000 	An extract copy of the birth or adoption certificate (from the Registrar of Births, Deaths and Marriages) of the child born or adopted. We cannot accept a photocopy.
Marriage or civil partnership – the insured person gets married or enters into a civil partnership.	The lower of: <ul style="list-style-type: none"> • 50%, or • £150,000 	An extract copy of the marriage or civil partnership certificate (from the Registrar of Births, Deaths and Marriages). We cannot accept a photocopy.
Change of home, home improvement or home extension – the mortgage on the insured person's main residence increases because they either move home, carry out improvements or build an extension to their main residence.	The lower of: <ul style="list-style-type: none"> • 50%, or • £150,000 	Written evidence from the lender and previous lender (if the insured person is increasing their mortgage) that clearly shows the increase in the mortgage.
Career change/promotion – if the insured person changes their job or is promoted and their yearly basic salary (that is their salary before income tax and National Insurance contributions are taken but excluding any other taxable benefits that might be payable and any employer contributions to any pension arrangements) increases by at least 10%.	The lowest of: <ul style="list-style-type: none"> • 50%; • four times the increase in salary, or • £150,000. <p>We will not increase your sum insured if the insured person:</p> <ul style="list-style-type: none"> • is self-employed; • is an owner director of a company that employs them, or • controls the rate of their basic salary. 	Written evidence from the insured person's employer and/or previous employer that clearly shows the increase in basic salary.
Divorce or dissolution of civil partnership – If you have a single-life policy and the insured person divorces or dissolves a civil partnership.	The lower of: <ul style="list-style-type: none"> • 50%, or • £150,000 	An extract copy of the decree absolute or dissolution certificate. We cannot accept a photocopy.

Guaranteed insurability event	Maximum increase in your initial sum insured plus attained inflation-linking increases, if applicable, to your policy less any sum insured converted to sum insured under a gift inter vivos policy	Evidence required
Business guaranteed insurability options		
Increase in partner's/shareholding director's interest or increase in business loan – if the percentage amount of the equity the insured person holds in a partnership or company in which they are an equity partner or owner director increases or they increase a business loan.	<p>The lower of:</p> <ul style="list-style-type: none"> • 50%; • the amount of the increase in the business loan; • the amount of the increase in capital that the insured person has invested in the partnership or company, or • £150,000. 	We will ask for evidence of the amount of the business loan or any other financial information that we think necessary.
Sole trader – if the insured person is a sole trader and their yearly net relevant earnings increase or they increase the amount of a business loan that they have taken out. Net relevant earnings are earnings: i immediately derived from a trade, profession or vocation, and/or ii employment, such as salary, wages, bonus, overtime, commission, and/or iii any part of a redundancy payment which exceeds the £30,000 tax exempt threshold, and/or iv benefits in kind which are chargeable to tax (applies to employees earning over £8,500, and to directors), and/or profit related pay (including the part which is not taxable).	<p>The lower of:</p> <ul style="list-style-type: none"> • 50%; • £150,000, or • Five times the increase in the insured person's net relevant earnings. 	Financial accounts for the insured person's business or written evidence from their lender and previous lender (if applicable) that clearly shows the increase in the business loan.
Inheritance tax guaranteed insurability option		
Except where you have a joint life, first death policy, if the insured person's potential inheritance tax liability has increased because: <ul style="list-style-type: none"> • their assets have grown; • there has been an increase in the inheritance tax rate, or • there has been a reduction in the inheritance tax rate bands, exemption or reliefs. 	<p>The lower of:</p> <ul style="list-style-type: none"> • 50% , or • £250,000 	Where the insured person's potential tax liability has increased because their assets have grown, we will need written evidence from a lawyer showing any assets that have been inherited, or any other information that confirms the increase in your assets.

5.1.5 Exercising the guaranteed insurability options more than once

Where you use the guaranteed insurability options on more than one occasion, the percentage increases in your sum insured will, on each occasion, be added together. When the combined increases reach the lower of:

- 50% of your initial sum insured plus attained inflation-linking increases (if applicable) less any sum insured converted to sum insured under a gift inter vivos policy, and
- £250,000

you will not be able to use any more guaranteed insurability options. No exercise of a guaranteed insurability option can take the sum insured above these limits.

5.2 Gift inter vivos conversion option

5.2.1 What gift inter vivos is

This gift inter vivos (GIV) conversion option lets you convert some of the sum insured under your original policy into sum insured under a GIV policy. It is intended to help cover the potential inheritance tax liability that the gift recipient would have to pay if the insured person died within seven years of making a gift that may be included as part of their estate when calculating the inheritance tax liability. If you use the GIV conversion option, your sum insured under your original policy and your payments for that sum insured will be reduced.

There is no terminal illness benefit under our GIV policy. The sum insured is only paid if the insured person dies.

The GIV policy is described in more detail in condition **5.2.4**.

5.2.2 When you can use the GIV conversion option

You can use the GIV conversion option if your policy is on a single-life basis, or is on a joint-life, second-death basis and one of the insured persons has died.

You can use the GIV conversion option more than once.

5.2.3 Exercising a GIV conversion option

If we agree to you exercising the GIV conversion option, the schedule for the new policy issued under this contract for this option will show your GIV sum insured over the seven-year period of the policy and the payments due for it. We will also issue a revised policy schedule for your original policy, to reflect the reduced sum insured and payments due under that policy following the conversion.

Any waiver of premium benefit chosen under your original policy will also apply to your GIV policy, as will any exclusions applying under your original policy.

Inflation-linking does not apply to GIV policies.

No new medical evidence is required when you apply to exercise this option.

5.2.4 The GIV policy

As the amount of inheritance tax liability for a GIV decreases to nil over a seven-year period, the sum insured under the GIV policy also decreases over a seven-year period. The table below shows the percentage of the sum insured converted from the original policy that would be paid in each policy year on the death of the insured person.

Unless the insured person dies during the seven-year period, or you have exercised the option in condition **5.2.5**, at the end of the seven-year period the GIV policy ends and no benefit is payable under it.

Policy year in which the insured person dies	Percentage of sum insured converted that we would pay under the GIV policy on the death of the insured person (%)
Years 1, 2 and 3	100
Year 4	80
Year 5	60
Year 6	40
Year 7	20

5.2.5 Protecting against inheritance tax changes

Once you have converted sum insured under your original policy to sum insured under a GIV policy, if the inheritance tax legislation changes so that the potential inheritance tax liability on the gift will be more, you can ask to:

- increase the sum insured under the GIV policy, and
- extend the term of the GIV policy in relation to such an increase

If you want to use this option, you must make the request within six months of the change in legislation. Increasing the sum insured will cost you more. You can exercise this option only once for each GIV policy you have.

5.2.5.1 Maximum increase in sum insured

The increase in the sum insured from exercising this option must not be more than the amount needed to cover the increase in the inheritance tax liability.

Following the exercise of this option, your sum insured must not be more than twice the GIV sum insured when the policy started. If your GIV policy has been endorsed to reduce the sum insured, your sum insured following the exercise of this option must not be more than twice the amount the GIV sum insured would have been at the start of the policy to give you the sum insured immediately before the exercise of this option.

5.2.5.2 Term extension in relation to the increase

The term of the GIV policy in relation to the increase in sum insured will be the shorter of:

- the period needed to cover any inheritance tax liability, or
- seven years plus the remaining period of your GIV policy, to the lower number of whole years when this option is used.

To avoid doubt, the seven-year term for your original GIV sum insured will not change.

5.3 Joint-life separation option

5.3.1 What joint-life separation is and when you can use it

If the insured persons divorce or dissolve a civil partnership, providing neither of them have reached their 71st birthday, you might be able to split a joint-life policy into two separate single-life policies without us having to be given more medical information or evidence.

Due to the medical history or personal circumstances of the insured persons, this option may not be available to you. If that is the case we will tell you before your policy starts, and it will be stated on your policy schedule.

5.3.2 What we would need

If you want to exercise this option, we would need an extract copy of the decree absolute or dissolution certificate. We cannot accept a photocopy.

5.3.3 Your single-life policies

Joint life, first death

If you have a joint-life, first-death policy, the maximum sum insured under each replacement single-life policy is 100% of the sum insured under the joint-life policy.

Joint life, second death

If you have a joint-life, second-death policy, you can split the sum insured between the two single-life policies, but the total of the two new sums insured cannot be more than 100% of the sum insured under the joint-life policy. The split of the original sum insured is subject to the new sum insured under each policy not exceeding that insured person's inheritance tax liability immediately following the divorce or dissolution.

We will adjust the payments due for each of the two new policies to reflect:

- what it would have been if you had taken out a single-life policy when your policy started;
- any payment increases as a result of inflation-linking; and
- the split of the original sum insured.

Any inflation-linking and/or waiver of premium benefit chosen under the joint-life policy will also apply to your single-life policies, as will any exclusions applying under your joint-life policy.

6. Making a claim

6.1 Information we will need to consider a claim

Depending on the claim, before payment can be made, we might have to obtain some medical information. There will be no cost for the medical information requested by us.

We will also need to confirm a number of things, including:

- a who should legally receive the claim amount, and
- b the age(s) of the insured person(s).

We will not pay to trustees (or their absolute assignees) unless we have evidence that satisfies us that valid trusts have been declared of the policy, and we have any other information that we may reasonably require as evidence of legal title to the policy.

6.2 If the insured person has a terminal illness

If the insured person has a terminal illness, in addition to the requirements in condition **6.1**, we will need to write to their attending Consultant for confirmation that the following definition of terminal illness is satisfied:

- a there is no known cure for their illness or it has progressed to the point that it cannot be cured, and
- b in the Consultant's opinion, the illness is expected to lead to the insured person's death within 12 months. This view must also be supported by our Chief Medical Officer.

The Consultant providing the report must be from a hospital in one of the home countries* or designated countries**.

* Home countries are the United Kingdom, the Channel Islands and the Isle of Man.

** Designated countries are the European Union member states (excluding the United Kingdom), Andorra, Australia, Canada, Gibraltar, Iceland, Liechtenstein, Monaco, New Zealand, Norway, San Marino, Switzerland, Turkey, the Vatican City State and the United States of America.

6.3 When we will not pay a claim

We will not pay out on a claim if the insured person commits suicide within 12 months of:

- your policy starting;
- your policy being restarted (see condition **3.2**); and/or
- other than in relation to inflation-linking increases, the sum insured being increased (only for that increased amount).

No claim can be considered where your policy has been cancelled (see condition **7.1**).

7. General conditions

7.1 Cancelling your policy

When you can cancel your policy

After your policy has started we will send you a notice of your right to cancel. You then have 30 days to change your mind and get a full refund of all payments you have made to us.

If after the 30 days you decide you want to cancel the policy, you can do so at any time by contacting us. If you cancel your policy we will not pay out the sum insured and you will not get anything back.

Where you have more than one policy under this contract, you may be able to cancel one or more of those policies without having to cancel all of them.

When we will cancel your policy

Once your policy starts we will not cancel it unless:

- you have missed a payment. We have explained this in more detail in condition **3.2**; or
- you, the applicant for the policy (if you are not the applicant) or the insured person act fraudulently or provide untrue, inaccurate or misleading information when a claim is made, when an application is made to change a policy, or when there is an application to restart payments.

We may cancel your policy if we decide that you, the applicant or the insured person would have known, or should have known, the true answer to a question we asked but you, the applicant or the insured person have deliberately or recklessly given a false answer. This is known as deliberate or reckless misrepresentation. If we cancel the policy due to this deliberate or reckless misrepresentation we will not repay any payments made and we will not pay out the sum insured.

We may also cancel your policy, or not pay out the full amount of the sum insured, if you, the applicant or the insured person have carelessly given a false answer to a question we asked where we would have made a different decision about the insurance if you, the applicant or the insured person had answered honestly and in full. This is known as careless misrepresentation. The action we take will depend on what we would have offered had the relevant question been answered honestly and in full. If we would still have offered the policy but on different terms for the same payment, the policy will be altered to reflect these different terms. If we cancel the policy, this will be because we would not have offered the policy had the relevant question been answered honestly and in full: in these circumstances we will repay the payments made but not pay out the sum insured.

7.2 Changes to your policy

When you ask us to make a change to your policy, we might change the terms of your policy. This could mean that your payments increase.

We can make some changes to your policy without your agreement in a reasonable and proportionate manner where we believe it is necessary or prudent. This might include, for example:

- where we consider it will make your plan easier to understand or fairer to you;
- to allow us to provide an improved, more efficient, or lower-cost service to you;
- to reflect market conditions and general industry practice;
- to reflect any changes to the costs we face in providing services to you;
- because of changes in the way we do business;
- to take account of any changes in legislation, codes of practice or regulations and to take account of any decisions made by a court, ombudsman, regulator or similar body, and/or
- because of changes in technology.

We will give you at least 30 days' notice of the change, unless:

- it is not practical;
- it would result in us being unable to comply with legal or regulatory changes, and/or
- it is not possible in which case we will give you as much notice as we can.

7.3 Notices

All notifications and correspondence must be sent to us at Royal London Protection, Customer Service, Sunderland SR43 4JY.

We will always communicate in English.

We will not accept or process any claim, request or instruction made by you under the policy until we have received all documentation and information we need.

If you assign any of your legal rights under your policy to someone else we must see the assignment. You might not be able to assign your policy where it is held in trust.

If you use your own trust, after the policy has started, you will need to send us the trust deed so we can update our records.

7.4 Agreement of Royal London

Where Royal London's agreement, consent or approval is needed in relation to any action under the policy, you cannot take that agreement, consent or approval as having been given until we have confirmed it in writing.

7.5 Payments made under the policy

Unless we agree otherwise:

- a all payments made to and by us under the policy must be made in sterling, and
- b we will make payments of benefits only to a bank account in the United Kingdom.

7.6 The law that applies to your policy

Your policy is governed by the laws of England and Wales.

Addendum to the policy conditions – describing free cover

In this addendum:

'You' means the person(s) who has/have applied for the policy.

Free cover does not form part of the policy.

A1 Eligibility for free cover

To be eligible for free cover, at the time of your application:

- a for a single-life policy, you must be under the age of 70;
- b for a joint-life policy, you must both be under the age of 70;
- c you must not have applied, or be in the process of applying, for similar insurance with another insurance company, or
- d you must not have a diminished mental capacity.

A2 Period during which free cover applies

If you are eligible for free cover, it will apply in the period between the date we receive your fully completed application (including the completed direct debit, where applicable) and whichever is the earliest of:

- the day before the policy is issued;
- the day we tell you we cannot offer you cover; or
- 90 days from when we received your application.

A3 Amount of free cover

The amount of free cover provided is the lower of:

- a the sum insured you have applied for, and
- b £1 million.

A4 When we would pay the free cover amount

If free cover applies to you, provided the conditions in **A5** do not apply, we will pay the free cover amount:

- a** where you have applied for a single-life policy, if you die during the free-cover period (as described in **A2**);
- b** where you have applied for a joint-life, first-death policy, if one of you dies during the free-cover period (as described in **A2**), or
- c** where you have applied for a joint-life, second-death policy, if both of you die during the free-cover period (as described in **A2**).

If there is a valid claim during the free cover period:

- a** if you have declared valid trusts of any free cover available to you before the policy is issued, we will pay the free cover amount to the trustees. However, we will not pay to trustees unless we have evidence that satisfies us that such valid trusts have been declared, or
- b** if you have not declared valid trusts of any free cover available to you before the policy is issued, or we do not have satisfactory evidence of such a trust, we will pay the free cover amount in the same way as a valid claim under the policy would be paid in the same circumstance (see condition **1.5**).

A5 When we will not pay the free cover amount

We will not pay the free cover amount if:

- a** you die, directly or indirectly, from a condition that caused symptoms before you applied or a condition you were aware of when you applied, or
- b** you commit suicide.



Royal London
royallondon.com

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

The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 117672. Registered in England and Wales, company number 99064. Registered office: 80 Fenchurch Street, London, EC3M 4BY. Royal London Marketing Limited is authorised and regulated by the Financial Conduct Authority and introduces Royal London's customers to other insurance companies. The firm is on the Financial Services Register, registration number 302391. Registered in England and Wales company number 4414137. Registered office: 80 Fenchurch Street, London, EC3M 4BY.