

Terms & Conditions

**Over 50
Life Insurance**



Terms and Conditions

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Welcome to Royal London

These terms and conditions contain all the details of your Over 50 Life Insurance, and outline your relationship with Royal London, the provider of this product. So please keep this booklet in a safe place as you may need it in the future.

Your demands and needs

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

This policy meets the demands and needs of someone aged between 50 and 80, who wants to make sure that a Payout of up to £10,000 is paid out when they die.

Wherever we say 'you' or 'your' in this booklet, we mean the person covered by this policy. And wherever we say 'we', 'us' or 'our', we mean The Royal London Mutual Insurance Society Limited, which we'll refer to just as Royal London.

Your policy schedule, the information that you provided in your application and these terms and conditions make up your legal agreement with Royal London.

Your policy schedule contains the details of your cover, such as the monthly payments and the amount we'll pay for a claim. It is sent to you at the start of your policy and if your policy is amended.

Full information on Making Changes can be found on page 9.

Royal London is a mutual insurance company, which means it is owned by some of its customers. These are our members. Purchasing an Over 50 Life Insurance policy does not make you a member of Royal London.

Finally, whenever we communicate with you, it will always be in English.

Please make sure that we have the right details

You need to check your policy schedule when you receive it to make sure that all the information we hold about you is correct. If you spot any errors, or have any questions about your policy, please call us on **0345 600 7788**.

For your application to be accepted by us, you must be eligible for a policy, this means you must be between 50 and 80 years old and a UK resident at the time your policy started.

If you gave us an incorrect date of birth, or incorrectly stated that you were a UK resident when buying your policy, we may be unable to pay a claim and may cancel your policy.

If because of your age we would have offered you a policy for a different amount, we'll change the amount your policy will pay out, to reflect your correct age. If you'd paid too much for your cover because of the error, we'd also refund any overpayments.

① How does my Over 50 Life Insurance work?

Your Over 50 Life Insurance pays out an amount of money when you die. We call this the Payout. The amount we'll pay out for a claim depends on when you die, as explained below.

You can find the value of your full Payout by checking your policy schedule, which is sent to you when we accept your application.

If you die after the first year we'll pay the full Payout if all of the monthly payments have been made. You agreed with us how much to pay each month when you bought your policy. You can make some changes to the monthly payments as explained further in these terms and conditions.

Please see the section about what happens if I stop paying on page 5 for more information..

If you die within the first year, you'll only receive the full Payout if your death is accidental, as explained below.

If you die during the first year

Accidental death

If you die within the first year of this policy as a result of an accident, we'll pay the full Payout. When we say 'accident', we mean an event that causes physical injury which could not have been predicted and was not intentional.

In the first year of your policy, suicide would not be classed as accidental death and we'll return all the payments made up to that point.

Non-accidental death

If you die during the first year of your policy and it wasn't because of an accident, we'll return all the monthly payments made up to that point.

For example, if your monthly payments were £20 and you made six payments before you died, we'd refund the £120 you'd paid us.

How long will I pay for?

The first payment has to be made when your policy starts. You'll then make monthly payments until the anniversary of your policy on or after your 95th birthday or until you die – whichever is sooner.

The anniversary of your policy on or after your 95th birthday will be shown as the 'Final Payment Date' on your policy schedule.

- ! **Depending on how long you live, it's possible you could end up paying more in total for your policy than it pays out when you die.**
- ! **It's important to be aware that your Payout doesn't increase over time – and may be affected by inflation. This means that the price of things, such as funeral expenses, may become more expensive as time goes on, and your final Payout may be worth less.**

How do I pay for my policy?

Your policy has to be paid for by monthly Direct Debit by you or another person on your behalf. It is your responsibility to ensure that payments are made.

Unless we've agreed otherwise, we'll collect payments each month until the Final Payment Date, or until you die if that is earlier. We'll also stop taking payments if your policy is cancelled.

What happens if I miss a payment?

If you miss a payment, you'll have 60 days starting from the date of the missed payment to pay it. If you pay the full amount within this period your policy won't be affected.

If you die within this 60-day period, any claim we pay would be reduced by the amount of any unmade payments. So if we were supposed to pay out £3,050 after your death, you'd missed a payment of £10 and you die within 60 days, we'd pay £3,040 instead.

If you're struggling to make payments, please get in touch. You can ask us to reduce your monthly payments, but this means we'll reduce your Payout.

Please see the section about making changes on page 9 for more information

What happens if I stop paying?

If you miss a payment and it is not paid back within 60 days, our next step will depend on how long the payments have been made for.

If less than half the payments have been made between the start of your policy and your Final Payment Date, we'll cancel your policy. You won't get any payments back and you'll no longer qualify for a Payout when you die.

If more than half the payments have been made between the start of your policy and your Final Payment Date, your policy will still qualify for a Payout when you die, under our Payout Promise feature.

Unless we've agreed otherwise, once 60 days have passed after a missed monthly payment you can't start making payments again or make up missed payments.

Payout Promise

We'll pay at least half of your full Payout when you die if at least half of the payments have been made between the start of your policy and the Final Payment Date. This is called a 'Payout Promise'.

If your monthly payments stop or your policy is cancelled and you qualify for a Payout Promise, we'll contact you to let you know how much this will be. The amount of your Payout Promise will depend on how many payments have been made.

We calculate this by multiplying your full Payout by the number of monthly payments that have been made. We then divide this by the total number of months from the start of your policy to your Final Payment Date.

Payout Promise example

If you took out a policy on your 75th birthday, you agree to make monthly payments until your 95th birthday.

That's 20 years, or 240 months.

Expected monthly payments = 240

Let's say your full Payout would be £3,500.

Full Payout = £3,500

If you then stopped making payments after exactly 15 years, you've made 180 payments.

Payments made = 180

We'd calculate your **Payout Promise** by first, dividing the payments made by the expected monthly payments.

$180 \div 240 = 0.75$

We then multiply this number by the **Full Payout** amount expected.

$0.75 \times \text{£}3,500 = \text{£}2,625$

That gives a Payout Promise of £2,625

which we'd pay out when you die, even though you don't make any more payments.

2 How to make a claim

If the person covered by this policy – also known as the policyholder – has died, then please call **0345 266 5400** to register a claim.

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

What happens next?

Once we've received the claim form, we may ask for more information. We won't be able to pay a claim until we've received all the information we need.

Documents we may need to see include:

- Proof of the policyholder's death such as the original death certificate
- The original birth certificate of the policyholder
- Evidence of a change of name – for example, a marriage certificate

Depending on the claim, we may need to see other documents. But we'll only ask for things that we reasonably need to approve the claim. For example, medical records in the case of an accidental death claim in the first year.

Who do we pay the claim to?

We'll pay the claim to the people who are legally entitled to receive it. This is often the policyholder's personal representatives.

! A 'personal representative' is a person in charge of the policyholder's estate.

! 'Estate' is the term used to describe a person's collective belongings and debts after their death.

We may need to see the original grant of representation (or grant of confirmation in Scotland) before we pay the claim. This is a document issued by a court, which proves who the personal representatives of the estate are.

How we pay the claim

Once we've approved a claim, we'll normally pay the money into a UK bank account within 10 working days. We can also arrange to send a cheque.

If we've received any payments since the death of the policyholder, we'll also refund these when we pay the claim.

And if the payment of the claim, or the return of any additional payments, is delayed by more than two months, we'll add interest to the amount we pay. The rate we use is the Bank of England base rate minus 0.5%, subject to a minimum interest rate of 0.5%. Interest is calculated on a daily basis.

If this policy was placed in trust

A trust is a legal arrangement which allows a policy to be held by someone else – the 'trustees'. The trustees are chosen by the policyholder.

If you choose to place your policy in trust, you must send a copy of the trust deed to: Customer Services, Royal London House, Alderley Park, Congleton Road, Nether Alderley, Macclesfield, SK10 4EL.

If your policy is placed in a trust, we'll make the Payout to the trustees. The trustees would then follow the trust's instructions to distribute the Payout to the people who will benefit from the trust.

We'll need to see the original trust deed – which is a document that lays out the rules of the trust – before paying the claim. We'll also need to see any documents which change the trust deed.

If this policy has been assigned to someone else

If this policy is assigned to someone else, we'll pay the claim to the person this policy has been assigned to. This can only be done with a deed of assignment.

To assign a policy, you must send a notification of the assignment to: Customer Services, Royal London House, Alderley Park, Congleton Road, Nether Alderley, Macclesfield, SK10 4EL.

We'll need to see the original deed of assignment before paying the claim.

If this policy includes the Funeral Benefit Option

If you add the Funeral Benefit Option to your policy, you're agreeing for the funeral provider to arrange your funeral when you die. This means we'll send the Payout directly to the funeral provider. However, if you die in the first year of your policy, we'll make the Payout to your estate.

Your Funeral Benefit Option agreement is with the funeral provider, who will send you a welcome pack. This will explain all the details of the Funeral Benefit Option.

The funeral provider, not Royal London, is responsible for providing and arranging your funeral.

You or your personal representatives can remove the Funeral Benefit Option from your policy at any time by contacting us. We'll then tell the funeral provider that the Funeral Benefit Option has been cancelled, and make the Payout to your estate on your death.

! If the Funeral Benefit Option is removed, you cannot add it back on at a future date.

! If you have added the Funeral Benefit Option to your policy, your policy can't be placed in trust or assigned to someone else, unless the Funeral Benefit Option is cancelled.

Will my Payout be taxed?

Your Payout will be free from UK income tax and capital gains tax. However, it may form part of your estate when you die – so inheritance tax may have to be paid on this.

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

If you're unsure of your tax position you should seek professional advice, you may be charged for this service.

3 Making changes

To make changes, please call **0345 600 7788**.

Changes we need to know about

You need to let us know if you change your name, address or bank account. If you leave the UK to live in another country permanently, it could mean that you can't make changes to this policy.

Reducing your monthly payments

If you're struggling to keep up your monthly payments, we'll allow you to reduce them to as little as £3.95 a month. But this will reduce the amount that we pay out when you die. If you already pay £3.95 or less, you cannot reduce your monthly payments further.

Please see the section about Payout Promise on page 6 for more information.

Can I increase my monthly payments?

You can't increase your payments or the full Payout of your policy. However, you may be able to take out further Over 50 Life Insurance policies with Royal London.

Any additional Over 50 Life Insurance policy taken out will be subject to any terms applicable to that policy at the time it is taken out.

The most we'll pay across all Over 50 Life Insurance policies you hold is £10,000.

We'll cancel policies or reduce your monthly payments if they'd break this limit.

How we can make changes

Our aim is never to make changes to your policy. However, we may have to do so for the following reasons:

- In circumstances beyond our control – such as a change in law, taxation or regulation or where we need to comply with a legal or regulatory decision or recommendations.
- To correct an error where it is reasonable to do so – such as if something is missing from your policy terms which mean that there is an inconsistency with your policy schedule or the policy summary document.
- To allow for changes in the way we administer Over 50s policies where we consider it necessary to do so. For example, where it becomes impractical or impossible for us to provide your policy as is; or if it could result in our customers being treated unfairly.
- Where we want to make a new service or feature available to you, or make a reasonable change that won't be unfavourable to you.

Wherever possible, we'll do our best to give you advance notice before we make a change. If any change is to your disadvantage, we'll aim to tell you in writing 30 days before we make it. If that's not possible, we may have to give you less notice but we'll let you know as soon as we reasonably can.

We may send you a letter that sets out the changes to your policy terms, which will also form part of your legal agreement with us. You may hear us call this an 'endorsement letter'.

This section doesn't apply to our ability to make changes to how we handle your personal information.

For full details explaining how your personal information will be used see page 14.

Payment Holiday

If you'd like to take a break from making your monthly payments, please call us on 0345 600 7788 and we can talk to you about your options.

At any time after the first year of your policy, you can ask us for a payment holiday. You can only take up to 2 payment holidays and these must be at least 12 months apart.

Taking a payment holiday means you can have a break of up to six months from making your monthly payments and your policy will still continue. After each holiday you will have the option to either make up all the missed payments, otherwise we'll reduce your Payout proportionally by the amount of missed payments against the total payments you make for your policy during the pay-out term. You can see an example of this calculation in the Payment Holiday section of these terms and conditions.

If your Payout changes, we'll let you know how much we'll reduce it by and we'll send you an updated policy schedule. You must restart your monthly payments for your policy to continue after your payment holiday.

If your Payout amount reduces because of a payment holiday, it will also affect the amount of any Payout under our Payout Promise.

If we accept a claim during a payment holiday the Payout amount will be reduced by the amount of any unmade monthly payments. You cannot take out another Royal London Over 50 Life Insurance policy or make any changes to your current policy during a payment holiday.

If a policy has been placed in trust we would take a payment holiday instruction from the trustees. If the policy has been assigned to someone else, known as the assignee, then the payment holiday instruction would need to be given by the assignee.

Payment Holiday example

If you are 65 years old, paying £20 month with a Payout of £3,850 and take a 6 month payment holiday.

You stop paying premiums at age 95, which equates to a pay-out term of 30 years, which is 360 monthly payments (30 years x 12 months in a year).

6 missed payments out of 360 payments is 1.66% of the total payments.

As a result, your Payout would be reduced by 1.66%. 1.66% of the Payout amount (£3,850) is £64.

£3850 minus £64 equals the final Payout of £3,786.

At the end of your payment holiday we'd reduce your Payout to £3,786.

We'd send you an updated policy schedule confirming this change.

If you chose to pay back the payments you missed instead of reducing your Payout, you'd have to pay us £120 (6 x £20 monthly payments) at the end of your payment holiday for your policy to continue.

4 Making a complaint

We hope that you never have a reason to complain about your Over 50 Life Insurance. If you do, we'd like to put things right. Please contact us using the details below.

If you write to complain, please supply your policy number.

Phone: 0345 600 7788

Email: customer.relations@royallondon.com

Post: Royal London House, Alderley Park, Congleton Road,
Nether Alderley, Macclesfield, SK10 4EL.

We'll do our best to resolve your complaint within eight weeks. If we don't, or if you aren't satisfied with our final response to the complaint, you can then contact the Financial Ombudsman Service.

This is an impartial service. It can examine your complaint and make a legally binding decision on what we should do.

Financial Ombudsman Service contact details

Phone: 0800 023 4567 or 0300 123 9123.

Post: The Financial Ombudsman Service, Exchange Tower, London E14 9SR

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Using the Financial Ombudsman Service doesn't affect your legal rights.

If you, or your personal representatives, are not happy with the Ombudsman's decision, you may still be able to take legal action against Royal London.

The law of England and Wales applies to this policy. Any legal claims relating to this policy will be heard in the courts of England and Wales.

Only Royal London and you or your personal representatives have the right to enforce any part of this contract.

5 C Cancelling my policy

You can cancel your policy at any time by calling **0345 600 7788**.

You can also email over50s@royallondon.com to cancel. Please send your request from the email address you supplied to us when you took out your policy.

Alternatively, you can write to us at: Customer Services, Royal London House, Alderley Park, Congleton Road, Nether Alderley, Macclesfield, SK10 4EL.

Cancelling within 30 days

If you cancel within 30 days of the date you received this booklet and your policy schedule, we'll refund any payments you've made.

If you cancel after 30 days have passed, you won't get a refund.

Cancelling after making at least half of your payments

If you cancel and have paid at least half of your payments between the start of your policy and Final Payment Date of your policy, you'll qualify for our Payout Promise.

Please see the section about Payout Promise on page 6 for more information.

6 How is my policy protected?

Your policy is covered by the Financial Services Compensation Scheme (FSCS). In the unlikely event that Royal London was unable to pay claims because it had stopped trading, you should be able to claim from the FSCS. You can find out more by visiting www.fscs.org.uk or contacting the scheme directly using the details below.

Post: Financial Services Compensation Scheme,
PO Box 300, Mitcheldean GL17 1DY

Phone: **0800 678 1100** or **0207 741 4100**.

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

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

8 How will my personal information be protected?

Just so you know, your personal information is safe with us – we have a privacy policy on it. It tells you how we use your information and who it may be shared with. You can read the privacy policy online at royallondon.com/legal/privacy or contact us on **0800 085 8352**.

**We're happy to provide your documents
in a different format, such as Braille, large print
or audio, please call us on 0345 600 7788**

Funeral Benefit Option is not regulated by the Financial Conduct Authority. The Royal London Group consists of The Royal London Mutual Insurance Society Limited and its subsidiaries. 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 number 99064.
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