

# Key features of Personal Protection

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The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, Aegon, to give you this information to help you to decide whether our Personal Protection policy is right for you. You should read this document carefully so that you understand what you're buying, and then keep it safe for future reference. We do not offer personal recommendations.

Scottish Equitable plc is regulated by the FCA in carrying out insurance business and is part of Aegon UK.

# Here you can find out the main points about our Personal Protection policy.

You'll also get a personal illustration, so you can put figures to the benefits you've chosen. Please take some time to go through both these documents to make sure you understand what the product is and how it works. Keep these safe with your other Personal Protection policy documents – you may want to look at them again.

**This guide refers to our product terms as at April 2020.**

Throughout this document we've highlighted various technical 'protection' terms in [blue](#). To help you understand these terms, we've explained them in a 'Dictionary of protection terms', which you can find at the end of this document.

## Other documents you should read:

### [Personal Protection policy conditions](#)

This provides details of the terms and conditions that apply to your Personal Protection policy. You can get a copy of this from our website or from your financial adviser.

### [Guide to our critical illness definitions](#)

This guide gives you an explanation of the definitions we'll use and the evidence we'll need to assess any critical illness claim you make. You can get a copy of this from our website or from your financial adviser.

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## Its aims

**To help protect you and your family from the financial consequences of serious ill health or death during the benefit term.**

Designed for customers with the following demands and needs:

- want to protect themselves or their families against the financial consequences of:
  - death or terminal illness;
  - diagnosis of a critical illness covered by the policy, or
  - loss of income due to accident or sickness.
- want to be able to adjust their cover as their needs change;

- want to be able to pay off a mortgage/meet mortgage payments if any of the above events happen;
- are looking for cover over a specific length of time, and
- want to mitigate for an expected inheritance tax (IHT) liability.

This guide provides details of all the benefits under our Personal Protection menu. The protection cover you have will depend on the benefits you choose – your benefits will be detailed in your personal policy schedule.

# Your commitment

- You agree to pay regular premiums throughout the term of the policy. If you don't, your cover will stop. You can find details of the types of premium available in the **What do I have to pay?** section.
- You agree to give us all the information we ask for when applying for your policy. If you don't do this, we won't pay your claim.
- You must tell us in writing if there's any change in your circumstances (for example reason for cover, health, lifestyle, occupation or employment status and/or recreational activities) between the date you answer the application questions and the start date of your policy. If there's any change in your circumstances at all, you should tell us.
- You agree to let us know of any claim you need to make and to give us all the information we ask for, within the relevant time limits.

You can find more information on all the available benefits and any relevant time limits in the sections **What's Personal Protection?**, **What are the main benefits?**, **What other benefits can I choose?** and **How do I make a claim?**.

# Risks

- If you stop paying premiums, your protection will stop immediately.
- The policy only provides protection and has no cash-in value at any time.
- We might not pay out a claim under certain circumstances. You can find more details on this in the section **What will stop the policy from paying out?**
- If the information we receive when you take out your policy is incomplete, incorrect or untrue, we may not pay your claim. This could be information you give us or information an adviser gives us on your behalf.
- If you choose reducing benefits, your benefit amount will reduce each month over the benefit term in the same way that a repayment mortgage would reduce if it was repayable over the benefit term at the yearly mortgage interest rate shown in your policy schedule.
- If you have benefits with reviewable premiums then your premium may go up or down at each review but any increase in your premiums will be fair and reasonable. You can find out more about how reviews work in the **What do I have to pay?** section and in your policy conditions.
- If you choose income protection and your taxable earned income goes down or doesn't go up as quickly as your benefit amount, when you make a claim we might not pay the full benefit amount. We won't refund any of your premiums if this happens. You and a financial adviser should regularly review your taxable earned income against the benefit amount to check your cover continues to meet your needs and that you're not paying for cover you can't claim.
- If you choose income protection, the amount we pay out if you claim may affect your entitlement to some means-tested state benefits.
- The amount we pay you under the income protection benefit may affect your claim to benefits under other income protection policies.
- The tax treatment of income protection benefits may change.

# Questions and answers

## What's Personal Protection?

It's a policy that can help protect you and your family financially if the insured person:

- dies;
- meets our terminal illness definition (see the **What benefits are automatically included?** section for more details);
- meets one of the listed critical illness definitions (full details can be found in our **Guide to our critical illness definitions**);
- becomes totally **permanently** disabled, or
- is unable to work due to accident or sickness, leading to a loss of taxable earned income.

Which of the above are covered by your policy will depend on the benefits you choose.

If you don't assign the policy to a lender or place the policy in trust, the benefits will be paid directly to you or your estate and can be used as you see fit. For example, you may choose to use the benefits to pay off your mortgage.

You can set up your policy to cover one or two people, known as the insured person(s). Most of the main benefits can be taken out on a single-life basis, which means they cover one person, or on a joint-life first death/event basis, which means two people are covered. For a joint-life first death policy we'll pay the benefit amount if either of the insured persons dies during the benefit term, at which point the policy will stop. You can also take out life protection on a joint-life second death basis. This means we'll pay the benefit amount when both of the insured persons die during the benefit term.

If you're looking to protect your mortgage payments, you can use Personal Protection with either an interest-only mortgage or a capital and interest mortgage (a repayment mortgage). The amount paid out on a claim is designed to cover the outstanding mortgage, depending on the type of mortgage you have and the type and level of benefits you choose.

All benefits are available with guaranteed premiums. However, some benefits are available with both guaranteed and reviewable premiums. You can find more information on premium types in the **What do I have to pay?** section.

Now let's look at the main benefits available from Personal Protection in more detail.

## What are the main benefits?

### Life protection/Reducing life protection

Life protection pays out a cash lump sum if the insured person dies or is diagnosed with a terminal illness, that meets our definition, during the benefit term. You can find the definition of terminal illness in the **What benefits are automatically included?**, Terminal illness section.

### Critical illness protection/Reducing critical illness protection

Critical illness protection pays out a lump sum if the insured person is diagnosed with a critical illness that meets one of our critical illness definitions and then survives for at least 10 days. We only cover the critical illnesses we define in our policy conditions and no others.

### Life with critical illness protection/Reducing life with critical illness protection

Life with critical illness protection pays out a lump sum if the insured person either dies or is diagnosed with a critical illness that meets one of our critical illness definitions. We only cover the critical illnesses we define in our policy conditions and no others.

### Reducing benefits

For reducing life protection, reducing critical illness protection and reducing life with critical illness protection, the amount that we'd pay out on a claim reduces each month over the term in the same way that a repayment mortgage would reduce if it was repayable over the term at the yearly mortgage interest rate shown in your policy schedule. You should review your cover regularly to make sure it still meets your needs.

### Family income benefit

Family income benefit pays out a monthly income until the end of the benefit term if the insured person either dies or is diagnosed with a terminal illness, that meets our definition, during the benefit term. You can find the definition of terminal illness in the **What benefits are automatically included?**, Terminal illness section.

# Questions and answers

## Critical illness family income benefit

Critical illness family income benefit pays out a monthly income until the end of the benefit term if the insured person is diagnosed with a critical illness that meets one of our critical illness definitions and then survives for at least 10 days. We only cover the critical illnesses we define in our policy conditions and no others.

## Life with critical illness family income benefit

Life with critical illness family income benefit pays out a monthly income until the end of the benefit term if the insured person dies or is diagnosed with a critical illness that meets one of our critical illness definitions. We only cover the critical illnesses we define in our policy conditions and no others.

## Gift inter vivos

Gift inter vivos pays out a lump sum if the insured person dies during the benefit term. This is a special form of life protection where the amount we'd pay out on a claim reduces over the seven-year term. This is designed to help cover a possible inheritance tax liability during the seven years following a gift being made. Cover is available on a single-life basis only.

## Income protection

We'll pay a regular benefit amount if, due to accident or sickness, you become unable to work and so lose taxable earned income or net profit.

You decide how much benefit you need, the benefit term, when you need income payments to start and how long you want your benefit payment to be paid.

When choosing the benefit amount you need, you should remember that the maximum amount we can allow is calculated in the following table, up to a maximum monthly benefit amount of £20,833:

Earnings band	Total taxable earned income (£)	Maximum benefit amount
1	Up to and including £20,000	65%
2	Between £20,000 and £100,000	55%
3	Over £100,000	45%

For example, if your total taxable earned income is £150,000 a year, your maximum benefit amount would be:

Earnings band	Total taxable earned income (£)	Maximum benefit amount	Maximum benefit amount per band
1	Up to and including £20,000	65%	£13,000
2	Between £20,000 and £100,000	55%	£44,000
3	Over £100,000	45%	£22,500
<b>Maximum benefit amount (for this example)</b>			<b>£79,500</b>

We know your taxable earned income can vary over the term of your policy. That's why we offer an income promise to help protect you against any genuine drop in your taxable earned income.

Our income protection comes with a choice of a 2-year or full term benefit payment period.

If you choose the 2-year benefit payment period, we'll pay your monthly benefit amount for a maximum of two years. Payment will start at the end of your chosen **deferred period** and will end on the 24th month or earlier if the insured person is fit enough to return to work. You'll need to return to work for a period of six months before you can claim again. For full details see the **Personal Protection policy conditions** or speak to your financial adviser.

If you choose the full term benefit payment period, we'll pay your monthly benefit amount for as long as you remain incapacitated or until your policy ends. Payment will start at the end of your chosen **deferred period**.

For more information you should speak to your financial adviser.

## Lump sum death payment

If you choose income protection and you have a claim in payment, you'll be eligible for the lump sum death payment. We understand that the loss of a loved one can leave families facing financial hardship. Therefore, if during an income protection claim the insured person dies, we'll pay a single lump sum death payment of £5,000 to their family to help ease the financial strain.

# Questions and answers

## What's included in the critical illness cover?

We've adopted the Association of British Insurers (ABI) **Guide to Minimum Standards for critical illness cover**, which sets out model definitions for critical illnesses and exclusions, as well as standard wording.

We cover 39 conditions where we'll pay out the full benefit amount if you meet the definition – these are our main critical illness conditions. 18 of these provide more cover than is required by the ABI **Guide to Minimum Standards for critical illness cover**. Our main critical illness definitions are:

- Aorta graft surgery – for disease or traumatic injury.
- Aplastic anaemia – with **permanent** bone marrow failure.
- Bacterial meningitis – resulting in **permanent** symptoms.
- Benign brain tumour – resulting in **permanent** symptoms or specified treatment.
- Benign spinal cord tumour – resulting in **permanent** symptoms.
- Blindness, including significant visual impairment – **permanent** and **irreversible**.
- Brain injury due to trauma, anoxia or hypoxia – resulting in **permanent** symptoms.
- Cancer – excluding less advanced cases.
- Cardiac arrest – resulting in surgically implanted defibrillator.
- Cardiomyopathy – of specified severity.
- Coma – with associated **permanent** symptoms.
- Coronary artery bypass grafts.
- Creutzfeldt-Jakob disease (CJD) – resulting in **permanent** symptoms.
- Deafness – **permanent** and **irreversible**.
- Dementia including Alzheimer's disease – resulting in **permanent** symptoms.
- Encephalitis – resulting in **permanent** symptoms.
- Heart attack.
- Heart valve replacement or repair.
- HIV infection – caught in one of the **home countries** or **designated countries**, from a blood transfusion or a physical assault or at work.
- Kidney failure – requiring **permanent** dialysis.
- Liver failure – advanced stage.
- Loss of use of entire hand or foot.
- Loss of speech – total, **permanent** and **irreversible**.
- Major organ transplant – from another donor.
- Motor neurone disease – resulting in **permanent** symptoms.
- Multiple sclerosis – where there are, or has been symptoms.
- Neuromyelitis optica (Devic's disease) – with persisting symptoms.
- Open heart surgery – with surgery to divide the breastbone.
- Parkinson's disease – resulting in **permanent** symptoms.
- Parkinson plus syndromes – resulting in **permanent** symptoms.
- Primary pulmonary hypertension – of specified severity.
- Pulmonary artery graft surgery – for disease only.
- Respiratory failure – of advanced stage.
- Spinal stroke – resulting in **permanent** symptoms.
- Stroke – resulting in **permanent** symptoms.
- Systemic lupus erythematosus – with severe complications.
- Terminal illness – where death is expected within 12 months.
- Third-degree burns – covering 20% of the body's surface area, or 50% loss of surface area of the face, or 30% loss of surface area of the head and neck.
- Total pneumonectomy – for physical injury or disease.

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We also cover 12 additional critical illness conditions that are automatically included at no extra cost, where, if you meet the definition, we'll pay either:

- a percentage of the main critical illness benefit amount, or
- a fixed monetary amount.

Our additional critical illness conditions are:

- Borderline ovarian tumour (low malignant potential) – requiring surgery to remove an ovary – the lower of 25% of the benefit amount or £25,000.
- Carcinoma in situ of the breast – requiring surgery to remove the tumour – the lower of 25% of the benefit amount or £25,000.
- Carcinoma in situ of the oesophagus – requiring surgery to remove the tumour – the lower of 25% of the benefit amount or £25,000.
- Carcinoma in situ of the testicle – requiring surgery to remove at least one testicle – the lower of 25% of the benefit amount or £25,000.
- Carcinoma in situ of the urinary bladder – the lower of 25% of the benefit amount or £25,000.
- Central retinal artery occlusion or central retinal vein occlusion (eye stroke) – resulting in **permanent** visual loss – the lower of 25% of the benefit amount or £25,000.
- Cerebral aneurysm – requiring specified surgical procedures – the lower of 25% of the benefit amount or £25,000.
- Cerebral arteriovenous malformation – requiring specified surgical procedures – the lower of 25% of the benefit amount or £25,000.
- Crohn's disease – with specified severity – the lower of 25% of the benefit amount or £25,000.
- Low grade prostate cancer – requiring treatment – the lower of 25% of the benefit amount or £25,000.
- Partial loss of sight – **permanent** and **irreversible** – the lower of 25% of the benefit amount or £25,000.
- Ulcerative colitis – treated with total colectomy – the lower of 25% of the benefit amount or £25,000.

Any valid claims made under the additional critical illness conditions won't affect the benefit amount or premiums for any critical illness benefit under your policy. We'll only pay a claim for an additional critical illness condition once for each insured person that's suffered the condition. If we pay a claim for one of our main critical illness conditions, your policy will stop and we won't provide cover for any additional critical illness conditions.

## Children's benefits

We've included children's benefits with our Personal Protection as we understand when a child becomes seriously ill or dies, it can have a financial, as well as an emotional, impact on the family.

We'll pay a lump sum benefit for any child of an insured person who meets the definition of any of our main or additional critical illness definitions and lives for at least 10 days from when they were first diagnosed. We'll only pay a claim once for each condition listed for each child and payments are subject to an overall limit of the lower of £25,000 or 50% of the benefit amount per child, per insured person. We'll also pay a lump sum of £5,000 if any child of the insured person(s) dies.

If both parents have single-life critical illness benefits with us, they can claim separately under their individual benefits.

You'll find full details of our children's benefits in section 8 of our **Personal Protection policy conditions**.

You can find a complete list of the conditions we cover including more details of how we'll consider your claim, the full definitions we'll use and the evidence we'll need, in our **Guide to our critical illness definitions**, which is available on our website.

## How flexible is Personal Protection?

We've designed our Personal Protection to allow you to change your cover if and when your personal needs change. We recommend that you regularly review your cover and update it, if necessary, to make sure it continues to meet your needs.

There are a number of changes that can be made at any time. And we may be able to make some of these without you having to provide us with more medical and financial evidence, for example if the insured person gets married and/or if they increase their mortgage due to

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buying another house or improving their current home during the policy term. Other changes may need us to carry out a fresh assessment of the insured person's health, occupation and pastimes. If you make any changes to your policy, your premiums might change.

## What other benefits can I choose?

As well as the main benefits, you can also choose from the following benefits:

### Pre-completion benefits

#### House purchase cover

House purchase cover is available if you have life protection, reducing life protection, life with critical illness protection or reducing life with critical illness protection and you're taking out cover to protect your new mortgage and the insured person has been accepted on our [standard premiums and policy terms](#). It provides you with protection cover while you're waiting for your property purchase to complete.

The maximum amount of house purchase cover available will be the lowest of:

- the benefit amount applied for;
- the mortgage amount, or
- £500,000.

If house purchase cover is offered on a life protection benefit, we can also offer house purchase cover on critical illness protection, reducing critical illness protection and/or total [permanent](#) disability protection.

The amount of house purchase cover on these benefits can't exceed the amount of house purchase cover on the life protection benefit. This means that house purchase cover won't be offered if there's only critical illness protection or critical illness with total [permanent](#) disability on your policy.

The house purchase cover will start on the later of the date we send you our [acceptance terms](#) or the date you exchange contracts. It will continue for 90 days after the date we send you [acceptance terms](#) or until completion of the mortgage, whichever is earliest. It will stop if we decide we're currently unable to offer you insurance.

If you live in Scotland, house purchase cover will start on the later of the date we send you our [acceptance terms](#) or the date you complete missives. It will continue for 90 days after the date we send you [acceptance terms](#) or until your date of entry, whichever is earliest.

Speak to your financial adviser for more information on house purchase cover.

#### Accidental death benefit

Accidental death benefit for up to 90 days is automatically included with all main benefits except gift inter vivos.

If the insured person dies as a result of an accident while we're assessing your application, we'll pay out a lump sum. 'Accidental death' means 'death within 90 days following bodily injury sustained by accidental, violent and external means, resulting solely and independently from causes not related to or contributed to by any pre-existing illness, disease or physical disorder.

Accidental death excludes death as a result of suicide or death where in our reasonable opinion the insured person took their own life or death which in our reasonable opinion was intentionally caused by and/or arranged by the insured person.

The following conditions apply to accidental death benefit:

- It will start from the date we receive a fully completed application and direct debit instruction.
- The insured person must be under the age of 55 (any accidental death benefit cover will stop on their 55th birthday).
- It will be limited to the lower of £300,000 or the benefit amount.
- It will last for up to 90 days, until we issue [acceptance terms](#) or until we decide we can't currently offer you insurance, whichever is earliest.
- We won't pay any claims where the accidental death is caused by self-inflicted injury, hazardous pursuits, alcohol or drug abuse, war and civil commotion, flying (other than as a passenger in a commercially licensed aircraft) or any pre-existing conditions.

It's not available if you've applied for similar cover elsewhere. If you've opted for house purchase cover, any accidental death benefit will automatically stop when the house purchase cover starts. For more details on this, including a full list of the circumstances in which we won't pay a claim, please speak to a financial adviser.



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## Additional benefits

### Waiver of premium

Waiver of premium is an optional benefit unless you've chosen income protection cover, where it's automatically included. This benefit will pay your premiums after the **deferred period** while the insured person is unable to work due to sickness or accident. This benefit will continue to pay your premiums for as long as the insured person continues to meet the definition of incapacity shown on your policy schedule, but will stop on the earliest of:

- the insured person returning to work, either full-time or part-time;
- the policy ending when another benefit is paid;
- the end of the benefit term;
- the insured person no longer satisfying the definition of incapacity as shown on the policy schedule, or
- the death of the insured person.

For more information about waiver of premium, please speak to a financial adviser.

### Renewal option

If you choose life protection, critical illness protection or life with critical illness protection on a guaranteed premium basis, then instead of setting up your benefit on a fixed-term basis, you can choose to renew your benefit every five years. At the end of each five-year term, you can renew the benefit without having to provide any more information about the state of the insured person's health.

Your premium will be based on our premium rates and the insured person's age at the time you renew your benefit and therefore may go up. This option is only available if the insured person hasn't been charged an extra premium or had additional exclusions added to the policy for medical reasons.

### Indexation option

You can select this option to help protect your benefit amount against the effects of inflation. The benefit will increase each year in line with the increase in the Retail Prices Index (RPI). The premiums will increase each year at 1.5 times the increase in the RPI. The increase in the RPI will be limited to a maximum increase of 10% and a minimum increase of 0%. Indexation isn't available with reducing cover.

## Legislation option

If you choose gift inter vivos, you can select this option. It allows you to increase the benefit amount and/or increase the benefit term if a change in inheritance tax legislation increases your potential tax liability. You won't need to provide any more information about the state of the insured person's health with this option.

### Total permanent disability benefit

You can choose to add this benefit to any of the critical illness benefits. We'll pay you this benefit if the insured person, because of total **permanent** disability, meets the definition of incapacity as shown on your policy schedule. The definitions of incapacity are explained in full, in our policy conditions.

### What benefits are automatically included?

We automatically include the following benefits at no extra cost.

### Terminal illness

Terminal illness benefit is included in all main benefits except gift inter vivos and income protection. We'll pay out on this if the insured person is diagnosed by the attending Consultant with an illness that satisfies both of the following:

- the illness either has no known cure or has progressed to the point where it can't be cured, and in the opinion of their attending Consultant, the illness is expected to lead to the death of the insured person within 12 months.

For life only benefits our Chief Medical Officer will also need to agree that the illness is expected to lead to the death of the insured person within 12 months. The opinion must be supported by relevant medical evidence.

### Guaranteed insurability options

Once your cover has started, if you need to increase your benefit amount because your circumstances have changed, you may be able to do so without having to provide any more information about the state of the insured person's health. These options are only available if the insured person is accepted on **standard premiums and policy terms**. For more information on guaranteed insurability options see the **Personal Protection policy conditions** or speak to your financial adviser

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## Life replacement option

If you choose life protection, life with critical illness protection, family income benefit or life with critical illness family income benefit on a joint-life first death basis and the first life makes a claim, this benefit allows the second life to continue their life protection cover by taking out a new single life policy.

The life replacement option must be exercised within six months of the claim being paid and the new single life policy will be subject to terms and conditions available at the time the option is exercised.

If this option isn't available due to your medical history and personal circumstance, we'll tell you before your policy starts. The option isn't available on reducing cover.

## Can I change a joint-life policy if my circumstances change in the future?

Before your 71st birthday you might be able to split your joint-life first death policy into two single-life policies without giving us more medical information. If this option isn't available due to your medical history and personal circumstances, we'll tell you before your policy starts, and it will show on your policy schedule. You'll find full details of our joint-life separation option in section 5.3 of our **Personal Protection policy conditions**.

## When does the policy pay out?

Your personal schedule will show you which benefits you've chosen, the benefit amounts, the premium for each benefit and if there are any exclusions that will stop your policy paying out.

## How do I make a claim?

If you need to make a claim, please get in touch with us either in writing or by phone. If you're making a claim, you must let us know as soon as possible.

For income protection and waiver of premium claims, you must let us know within the timescales set out below:

Deferred period	Notification period
4 or 8 weeks	by week 2
13 weeks	by week 4
26 weeks	by week 6
52 weeks	by week 12

You should carry on paying premiums until we accept your claim. You don't need to pay them while we're paying you benefit under your income protection cover. However, you'll need to start paying premiums if the insured person starts working again even if the work is on a part-time basis or they're performing different duties.

To allow us to assess all claims, we'll get written medical evidence. For income protection claims we'll also need to get financial evidence.

For critical illness, additional critical illnesses, terminal illness and total **permanent** disability, we need to get written evidence from a medical specialist appropriate to the cause of your claim which meets the satisfaction of our Chief Medical Officer. At the time of claim, the insured person doesn't need to be resident in one of the **home countries** or one of the **designated countries** but, the medical specialist providing reports must hold an appointment as a Consultant or equivalent at a hospital in one of the **home countries** or one of the **designated countries**. This also applies to the critical illness claims on life with critical illness benefits.

You'll only remain covered for income protection and waiver of premium while you're a **permanent** resident of the **home countries**. If you travel or live temporarily outside the **home countries** for more than 13 continuous weeks, in any 12-month period then cover for income protection will be excluded.

If you travel or live temporarily in any one or more of the **designated countries** then the 13-week period mentioned above will be extended to 26 weeks during any 12-month period.

## What will stop the policy from paying out?

If you and the insured person don't give all the relevant facts, the protection provided by the policy could be lost or cancelled and your claim rejected. In certain circumstances we won't pay out a claim.

We won't pay out a claim as a result of:

- suicide;
- an event where, in our reasonable opinion, the insured person took their own life, or
- an event which, in our reasonable opinion, was intentionally caused by and/or arranged by the insured person and which resulted in their serious self-injury, in so far as any of the above circumstances occur:
  - a. within 12 months of the policy start date;

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- b. within 12 months of the date a policy is reinstated, and
- c. within 12 months of a benefit amount being increased (except where the increase occurred under the indexation option), but only for the increased amount.

If there are any additional reasons why we won't pay out a claim on your policy, we'll tell you about them before your cover starts. They'll also be included in your policy schedule.

## What do I have to pay?

You can find details of your premiums in your personal illustration. All premiums are paid by direct debit and are due throughout the term of the policy.

We take various things into account when calculating your premium. These include whether cover is for one insured person or two, the age of the insured person, whether they smoke, their medical history, their occupation, any hazardous pursuits they're involved in, which benefits you've chosen, how much cover you've selected and for how long.

## Premium types

All benefits are available with guaranteed premiums. However, the following are available with either reviewable or guaranteed premiums: critical illness protection, reducing critical illness protection, life with critical illness protection and reducing life with critical illness protection.

## Guaranteed premiums

Guaranteed premiums mean that the amount you pay when you take out the benefit stays the same throughout the benefit term – unless you change your benefit. If you choose the indexation option, the premium will change as a result of the yearly Retail Prices Index (RPI) increases. See the **Additional benefits** section for more information on the indexation option.

## Reviewable premiums

If you choose benefits with reviewable premiums then the amount of your premium may change at review. This is because we had to predict what we expected various factors to be over the whole term of your reviewable benefit when we calculated the premium rates to charge.

Reviews will take place every five years on the anniversary of the relevant benefit start date. The first review will be on the fifth anniversary of the relevant benefit start date.

The reasons your premiums may change at a review are:

- medical advances which affect our view on the expected number and timing of future claims;
- events outside our control which may affect the expected number and timing of future claims, for example a global epidemic;
- new data, either from our own experience or from external sources, which indicates the level of historic claims has changed from the last time such data was published and therefore affects our view of the expected number of future claims;
- changes to the tax regime which may favour one type of policy over another – this will affect the number of benefits we expect to stop before the end of their benefit term;
- new data, either from our own experience or from external sources, which indicates the level of benefits stopping before the end of the benefit term has changed from the last time such data was available and therefore affects our view of the expected number of benefits stopping before the end of the benefit term in the future;
- changes in inflation from the levels assumed when we calculated your premiums – this affects the cost of looking after your policy;
- changes in the tax regime for insurers, and
- changes in the way the government wants us to calculate the amount of money we have to set aside to make sure we can meet claims as they fall due.

If there's been any change in the value of these factors since your policy started or since it was last reviewed then we'll use a fair and reasonable method to calculate whether there should be a change in your premium. The method is described in the **Personal Protection policy conditions** booklet.

There's no limit on the amount we may increase your premium by.

We'll write and tell you the result of your premium review two months before we make any change. If we change the timing of these letters we'll let you know.

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If your letter tells you your premium will go up at the benefit anniversary, then you may:

- pay the increased amount and continue with the same benefit amount;
- ask us to reduce your benefit amount so you can keep the premium at its current amount, or
- ask us to cancel your benefit.

If you cancel all the main benefits on your policy then your policy will stop with no cash-in value and you'll no longer be covered by your policy.

If you're unsure whether reviewable premiums are suitable for you, you should speak to a financial adviser.

## Waiver of premium

The premiums you pay for waiver of premium will change if the premiums for any of the other chosen protection benefits change.

## Total permanent disability benefit

The premiums you pay for total **permanent** disability benefit will be on the same premium basis as the main benefit premium.

## Where can I find out about the charges?

You can find details of your premiums in your personal illustration.

## What if I stop paying?

If you stop paying premiums, your policy will stop and you'll no longer be covered for any of the benefits you've chosen. You won't get any of your premiums back. If you stop paying premiums but then want to restart your policy, write to us and we'll let you know if this is possible.

We may:

- make a charge for restarting your policy;
- ask for proof that the insured person is in good health;
- ask for proof that the insured person's occupation and leisure activities are, in our opinion, not more likely to cause sickness or an accident than before, and
- increase your premiums.

You can stop paying premiums at any time by cancelling your direct debit and writing to us at the address shown in the **How to contact us** section.

## Can I change my mind?

Yes. After your policy has started, we'll send you a notice of your right to cancel. You'll then have 30 days from the date you receive the notice to change your mind and get a refund of all premiums paid.

If after the 30 days you want to cancel your policy, you can do so at any time by contacting us. However, we won't pay out the benefit amount and you won't get anything back.

You can cancel your policy by writing to:

Protection Customer Service Centre  
Aegon  
Edinburgh Park  
Edinburgh  
EH12 9SE

If you don't cancel your policy, it will continue provided that you continue to pay your premium.

## How do I complain?

We hope you never have to complain, but if you do, please contact us first to see if we can help. We'll deal with your complaint in line with our procedure for handling complaints (we can give you a copy). If you're not satisfied with our response, you can then raise the issue with:

### The Financial Ombudsman Service:

Phone: 0800 023 4567

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Write to:

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

If you'd like a copy of our complaints procedure, please ask us, or you can download it from the Contact us section of our website [www.aegon.co.uk](http://www.aegon.co.uk)

# Other information

## About Aegon

- We've been helping people take responsibility for their financial future since 1831 when Scottish Equitable was founded.
- Today we're part of Aegon N.V., an international provider of life insurance, pensions and asset management, with businesses in over 20 countries around the world.
- We provide retirement, workplace savings and protection solutions to over two million customers in the UK, helping them create the tomorrow they want.
- Aegon is a brand name of Scottish Equitable plc. Scottish Equitable plc is on the Financial Services Register (number 165548).

## What about tax?

Under current tax rules, you won't have to pay income tax or capital gains tax on any of the benefits we pay you. But tax rules can change, so for more information about the tax treatment of your policy, including the impact on your inheritance tax position, please speak to a financial adviser.

This tax information is based on our understanding of current legislation, taxation law and practice, which may change. All details are correct at the time of publication.

## Communication

Our contract with you is in English and all future communication about it will be in English.

## Law

The policyholder must be resident in the UK when the application is made, and so the contract will be set up and governed by the law in the part of the UK that they live in at that time. The applicable law can only be changed if both the policyholder and we agree to the change.

## Time limits

We'll let you know of any time limits that may apply that aren't covered in your key features or illustration, for example any time limits on underwriting decisions or requirements.

You must let us know if there are any changes in your circumstances between the date you give us your details and the date your policy starts.

## Terms and conditions

This key features document only gives you a summary of the main points of the policy. You can find full details in the policy conditions booklet. You should read the policy conditions carefully, as it will set out the terms and conditions of the contract between you and Scottish Equitable plc. If you have more questions, or need any more information, a financial adviser will be able to help you.

## Client categorisation

We categorise all of our clients as 'Retail clients' under the Financial Conduct Authority rules for all services and transactions. This helps us to make sure that you receive appropriate disclosure documents from us and that you're made aware of everything you need to know in a timely fashion.

## Support we may give to your adviser

To help your adviser give you an improved service, we may provide them with marketing and promotional support, technical services and training. We may also provide them with hospitality. Typically the value of this support is less than £75 per year, but can be more where, for example, additional training is required. If you want to find out more you can ask your financial adviser, or Aegon, to provide specific details of any benefits provided.

## Conflicts of interest

Aegon maintains a Conflicts of interest policy in accordance with all Financial Conduct Authority (FCA) Conduct of Business rules, to ensure we manage the risk of damage to customer interests. A conflict of interest may arise where an action taken by us could be seen to compromise or conflict with the best interests of our advisers, intermediaries and customers.

# Other information

If we identified a conflict of interest that we could not manage appropriately then we would decline to accept this business to ensure the fair treatment of our customers. We're completely transparent about where conflicts of interest can arise and our policy to deal with them. Please read our conflicts of interest policy at [www.aegon.co.uk/documents/conflicts-of-interest-policy.pdf](http://www.aegon.co.uk/documents/conflicts-of-interest-policy.pdf)

## Compensation

If you are a retail client, your policy with us is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we can't meet our obligations (for example, if we were to become insolvent or unable to meet the claims against us). This depends on the type of business and the circumstances of the claim. Insurance business of this type is generally covered for 100% of the value of the whole claim, without limit.

You can get more information about compensation arrangements from the Financial Services Compensation Scheme by calling 0207 741 4100 or visiting [www.fscs.org.uk](http://www.fscs.org.uk)

## Solvency Financial Condition Report

The Scottish Equitable plc Solvency Financial Condition Report (SFCR) is available on our website at [www.aegon.co.uk/documents/aegon-uk-sfcr.pdf](http://www.aegon.co.uk/documents/aegon-uk-sfcr.pdf)

## How we pay our employees

We pay our employees a base salary, and dependent on their role, a yearly bonus. The bonus paid is based on meeting a number of targets set at the beginning of the year. These include the level of profit the company makes from new and existing business. It is also dependent on non-financial targets, such as the quality of service we provide.

# How to contact us

Remember, a financial adviser will normally be your first point of contact. We won't be able to give you any financial advice at any stage.

If you have any questions, you can phone, email or write to us:

03456 00 14 02 (call charges will vary)  
Monday to Friday, 8.30am to 5.30pm  
**protect\_support@aegon-service.co.uk**

Aegon  
Edinburgh Park  
Edinburgh  
EH12 9SE

We may monitor calls to improve our service.

If you want to make a claim, please phone or email us:

03456 00 04 93 (call charges will vary)  
Monday to Friday, 8.30am to 5.00pm  
**claims@aegon-service.co.uk**

Alternatively, please write to our Claims department at the address opposite.

If you're contacting us by email please remember not to send any personal, financial or banking information because email isn't a secure method of communication.

# Dictionary of protection terms

Throughout this document we've highlighted various technical protection terms. The following explanations should help explain what these mean.

## Acceptance terms

The basis on which we're prepared to offer you protection cover, for example the premium we'll charge (which may include additional amounts to cover medical conditions, occupation, travel or dangerous hobbies) and the amount of cover we provide. The cover (terms) we offer may be different to the cover you originally requested.

## Deferred period

The period during which an insured person must be continuously unable to perform their insured occupation due to illness or accident.

## Designated countries

European Union (excluding the United Kingdom), Andorra, Australia, Gibraltar, Liechtenstein, Monaco, San Marino, Turkey, the Vatican City State, New Zealand, Canada, Iceland, Norway, Switzerland or the United States of America.

## Home countries

United Kingdom, the Channel Islands or the Isle of Man.

## Irreversible

Can't be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the UK at the time of the claim.

## Permanent/Permanently

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

## Standard premiums and policy terms

Where we accept the protection cover requested with no changes to the cover you've requested and using our standard premium rates.

**If you'd like a large print, Braille or audio CD version, please contact us.**

[aegon.co.uk](http://aegon.co.uk)



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