

keyfacts[®]

Key Features of the Flexible Protection Plan Life Protection

The Financial Services Authority is the independent financial services regulator. It requires us, LV=, to give you this **important information** to help you to decide whether our Flexible Protection Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.



LIVERPOOL VICTORIA

Key Features Of The Flexible Protection Plan

Life Protection

If you'd like this document in Braille, large print or audiotape, please contact us.

In this Key Features document we try to help you, by giving you the key features of the Life Protection Policy, available in our Flexible Protection Plan. It doesn't contain the full terms and conditions, which you will find in the Life Protection Policy Conditions.

Life Protection is underwritten by Liverpool Victoria Friendly Society Limited, which is part of LV=.



Its Aims

- To pay a one off cash lump sum on death, or on diagnosis of a terminal illness, to help pay off a mortgage, or provide a lump sum to ease the financial worries of your family.
- To insure yourself, yourself and someone else, or one or two other people.



Your Commitment

To meet your commitment under this policy you need to:

- Choose the amount and type of cover you need.
- Choose how long you need the cover for.
- Pay your premiums each month by Direct Debit.
- Answer all the questions when you apply carefully and to the best of your knowledge and belief. If you're insuring someone else, you need to ensure that they do the same.
- Tell us if there's any change to the information given when you apply, or to any of the supporting documents provided, between the date your application was completed, and the date your policy starts.



Risks

- If you don't tell us everything we ask for when you apply, or you don't tell us that the information given has changed before your policy starts, we may cancel it, or may not pay a claim.
- If you stop paying premiums, your policy will stop after 60 days. This means you won't be covered.
- If you choose level cover, your cover is fixed when your policy starts and doesn't change. This means it won't keep up with the rising cost of living (inflation) and will mean the lump sum we pay out on a claim will buy less in the future.
- If you have taken this policy out to cover a loan or a mortgage, it is not guaranteed to pay off all of the outstanding balance in the event of a claim.
- Although you are covered wherever you are in the world, if you are diagnosed with a terminal illness, we will only pay a claim if that diagnosis has been confirmed by a doctor who practices in one of a certain number of countries. The list of countries can be found in Section A1 of the Policy Conditions.
- If you are diagnosed with a terminal illness in the last 12 months of your policy, we will not pay a terminal illness claim.
- If the Government changes the tax treatment of protection products like our Life Protection policy, the amount of cover paid out on a claim or the premium you pay for your cover could change.

WARNING – This policy has no cash-in value at any time.

IMPORTANT:

When you apply for this policy, it is vital that you answer all of the questions we ask you in the application honestly and in full.

We will cancel your policy if either you or anyone you're insuring act fraudulently, or deliberately provide untrue, inaccurate or misleading information, when you apply for the policy, or when making a claim.

We may also cancel your policy, or may not pay the amount of your cover in full, if had you answered all of the questions we asked you honestly and in full, it would have led us to a different decision about the amount of your cover.

If you're insuring someone else, this also applies to any part of the application that they complete.

If we cancel your policy you are not entitled to a refund of the premiums you have paid.

Questions & Answers

What is the Flexible Protection Plan?

Our Flexible Protection Plan allows you to pick and choose from a number of different life and health insurance policies, and include them all within one plan.

You can choose from:

Life Protection
Critical Illness Protection
Combined Life and Critical Illness Protection
Income Protection & Budget Income Protection

This Key Features document provides information on Life Protection. If you're interested in any of the other policies, and would like more information about them, please speak to your financial adviser.



What am I covered for?

Life Protection is designed to provide a one-off cash payment if you die, or are diagnosed with a terminal illness, before the end date of your policy. The cash could be used to help pay off a mortgage or provide a lump sum to ease the financial worries for your family.

You can insure two people under one policy. If you do, the policy will pay out if either person dies or is diagnosed with a terminal illness before the end of the policy.

This policy will only pay out once.

If there are two people insured, when a claim has been paid for one person, the policy ends, and the other person is no longer covered.

If there are two people insured and they both die at the same time – the older person is assumed to have died first.

What is a terminal illness?

This is an incurable illness, where in the opinion of an attending medical consultant and our Chief Medical Officer, you would not be expected to live for more than 12 months.



Is there anything I'm not covered for?

Yes.

Life Protection will always pay out if you die before your policy ends. However it will not pay out on a terminal illness claim if you are diagnosed with a terminal illness in the last 12 months of your policy. More details can be found in the Policy Conditions, Section A1.

You are covered if you die anywhere in the world. However if you are diagnosed with a terminal illness, we will need this diagnosis confirmed by a doctor who practices in one of a certain number of countries. We've explained this in more detail in the Policy Conditions, Section A1.

If you have taken this policy out to protect a loan or a mortgage, and have chosen decreasing cover, then the amount we pay out if you die, or are diagnosed with a terminal illness, is not guaranteed to repay the mortgage or loan in full. More details on this can be found in the Policy Conditions, Section A2(c).

Can I apply?

To apply for Life Protection, when your policy starts:

you must be permanently living in the UK

and

aged 17 to 79 if you choose level cover or decreasing cover

or

aged 17 to 59 if you choose inflation-linked cover.

If you're insuring someone else, they must meet these requirements. If you're insuring two people, they must both meet them.

You can only insure someone else if you'll suffer financially on their death, or on diagnosis of a terminal illness. We call this 'insurable interest'. If you're insuring your spouse or civil partner, you automatically have an insurable interest.

When does my policy start and end?

It starts on the date we ask for your first premium. It will end:

- when a claim is paid,
- or
- on the end date shown on your Policy Schedule,
- or
- if you stop paying the premiums,
- or
- if we cancel your policy.

You cannot take out a policy that lasts for less than 5 years, or more than 45 years.

Your policy must end:

- before the person you are insuring reaches age 85, if you choose level cover or decreasing cover
 - or
 - before the person you are insuring reaches age 70 if you choose inflation-linked cover.
-

What types of cover can I choose?

You can choose:

Level cover

This means the amount of cover and the premium you pay is fixed when your policy starts, and doesn't change. This means it won't keep up with inflation, and will be worth less in the future.

Inflation-linked cover

This means that the amount of cover and the premium you pay will both go up each year in line with inflation. This may be shown on your personal quote as increasing amount of cover, or index-linked amount of cover.

Decreasing cover

This type of cover is specifically designed to cover the reducing amount that you owe on a capital and interest repayment mortgage. The amount of cover will go down each year, but the premium you pay is fixed when your policy starts and doesn't change.



How much cover can I have?

There is no minimum or maximum amount of cover, there is only a minimum premium. You, and your financial adviser, can choose the amount of cover that you need.

How will I know if I have enough cover in the future?

It's a good idea to check your policy each year to make sure you have enough cover, as your financial or personal circumstances might change. Remember that if you choose level cover, inflation will mean that the amount of cover you choose now will buy less in the future. Your financial adviser will be able to help you with this.

Can I change my cover?

Yes, you can change the amount of your cover or the end date of your policy at any time. Normally, this will depend on your health at the time you want to change your cover and the terms and conditions that apply at that time. But in some circumstances you can increase your cover, or extend the term of your policy without having to complete a new application. We've explained this in more detail in Section B1 of the Policy Conditions.

How much does it cost?

This depends on the amount of cover you choose, and also your personal circumstances, for example your age and whether you smoke or not.

The minimum premium is currently £5 a month, but there is no maximum.

We'll confirm the premium you need to pay for your cover before your policy starts. This may be different to that shown on your personal quote.



How long do I pay premiums for?

You pay a premium every month by Direct Debit until the month immediately before the end date of your policy, or until we pay out a claim if this is earlier. You can choose to stop paying premiums at any time, but if you do then your policy will stop, you won't be covered and you won't get anything back.

This policy has no cash in value at any time.

Are there any charges?

The premium you pay includes a monthly administration charge of £2.00. If you choose to include another one of the policies available in our Flexible Protection Plan, when you take out Life Protection, then we may reduce the administration charge for each policy that you take out.

Can LV= change the premium I pay?

No.

Your premium is guaranteed. This means we won't change it unless you ask us to change your policy or, unless you have chosen inflation-linked cover. If you have chosen inflation-linked cover, then both your premium and your amount of cover will only increase by inflation each year.

What if I can't pay my premiums?

We give you 60 days from the due date for you to pay a premium. Normally, if you stop paying your premiums, your cover will stop and you won't get anything back.

However, you may be able to insure your premiums, if you wish. We call this Waiver of Premium. Please see the section 'What is Waiver of Premium?' on page 11 for more information.



What about claiming?

We understand that this will be a stressful time for your friends and family, so we've tried to make this as easy as we can.

You, or your legal representatives can make a claim by telephoning 0845 6057930 (for textphone, dial 18001 first). We may record and/or monitor your calls for training and audit purposes. Or write to us at: Claims Department, LV=, Pynes Hill House, Rydon Lane, Exeter EX2 5SP

If you're insuring someone else, you can claim when they die or are diagnosed with a terminal illness, using the same contact details given above.

Who gets the money when there is a death claim?

It depends on how you set up your policy. We've explained each scenario in the table below.

Who's insured?	Who normally gets the money?
Just you	It goes to your estate, or if you are not the policy owner, it will go to the policy owner.
You and someone else	It goes to the surviving policy owner when one of the people insured dies.
Someone else	It goes to you when they die.
Two other people	It goes to you when either of the people insured dies.

If there are two people insured – and they both die at the same time – the older person is assumed to have died first. This means that if you're insuring yourself and someone else, and you are also both policy owners it will go to the estate of the younger of you.

Of course, if you put your policy in Trust then the money will go to the trustees, and if you've given your policy away it will go to the new owners. If you'd like more information about whether a Trust is suitable for you, please speak to your financial adviser or a solicitor.

Who gets the money when there is a terminal illness claim?

Once your claim has been approved, we will pay the claim to you as the policy owner.

If you are not the policy owner, we'll pay it to the policy owner instead.

How is the payment from this policy taxed?

Income Tax and Capital Gains Tax – Claims paid from this policy will not be subject to either Income Tax or Capital Gains Tax.

Inheritance Tax – This depends on how you've set up your policy.

If you're insuring yourself, the lump sum we pay out when you die will normally go into your estate and Inheritance Tax could apply to the part of your estate that is worth more than £325,000.

But the good news is, if your estate is less than £325,000 Inheritance Tax will not apply. £325,000 is the amount that applies for the tax years 2010/11 to 2014/15.

Your estate is the total value of all your assets (for example your home, your savings, and your personal belongings) less any debts you owe (for example a mortgage or outstanding credit card bill). It can also include assets you've already given away. If your policy is written in Trust, then it will not normally be included in your estate.

Inheritance Tax can be pretty complicated. If you think your estate might be affected, or to find out whether a Trust is suitable for you, please speak to your financial adviser or a solicitor.

If you're insuring someone else, the lump sum we pay out will go straight to you, because you're the owner of the policy. This means that it isn't included in the estate of the person insured, so no Inheritance Tax will apply.

Of course, if you own the policy with somebody else, it's not so simple! Your financial adviser will be able to advise you on how Inheritance Tax will apply to your personal circumstances.

How much tax you pay depends on your personal circumstances. Any references we make to taxation are based on our understanding of current legislation and HM Revenue & Customs practice, which can change.

How much will the advice cost?

Your financial adviser will give you details about the cost. The amount will depend on the size of the premium and the length of the policy term. The cost of the advice you receive is included in your monthly premium, as it is paid for out of the charges.



Can I change my mind?

Yes, you can cancel your policy at any time. If you cancel your policy within 30 days of it starting, we'll refund your premiums. If you cancel at any other time, your cover will end and you won't get anything back. **Your policy has no cash-in value at any time.**

To cancel your policy please call us on 0845 640 5273 (for textphone dial 18001 first). We may record and/or monitor your call for training and audit purposes. Or you can write to us at LV=, Pynes Hill House, Rydon Lane, Exeter, EX2 5SP

What is Waiver of Premium?

You can choose to apply for our Waiver of Premium policy at the same time as applying for this Life Protection policy.

If you choose to do this you will be able to insure your premiums. Then if you are unable to work because of sickness or accident this would normally mean that your premiums for this policy, and for all of the policies in your Flexible Protection Plan would continue to be paid on your behalf if you suffered an accident or sickness which left you unable to work for longer than the waiting period you have chosen.

Or, if you're insuring someone else, it'll pay your premiums if the person insured is unable to work.

There are two ways we can measure whether you are unable to work; we call these Own Occupation and Work Tasks cover.

Own Occupation cover means we will pay the premiums on your behalf if, because of an accident or illness, you are unable to do your normal occupation. You would not be expected to go back to work in a different occupation – for as long as you are unable to do your normal occupation, the policy will continue to pay out.

Work Tasks cover means we will pay the premiums on your behalf if, because of an accident or illness, you are totally unable to carry out three or more tasks from a list of everyday activities.

The cover we can offer depends on your occupation when you take out the Waiver of Premium policy. When you ask for a quote we can tell you what type of cover is available. We will confirm this when you apply.

Full details of this cover are included in our Waiver of Premium Policy Summary and Waiver of Premium Policy Conditions.

Could LV= cancel my policy?

Whilst the vast majority of our customers are honest, we do have to protect ourselves (and our customers) against the effect of fraudulent claims.

We will cancel your policy if either you or anyone you are insuring act fraudulently, or deliberately provide untrue, inaccurate or misleading information when you apply for the policy, or when making a claim.

This means we can cancel your policy, or not pay the amount of your cover in full, if we determine that you would have known, or ought to have reasonably known, the true answer to a question we ask you, but have deliberately provided a false answer. So, when you apply, please take care to answer all of the questions as accurately as you can.

If you apply for your policy on-line, we will send you a summary of the questions we ask and the answers you give. We will also do this if, when you apply, we telephone you to ask you some further questions about your application. When you receive this summary it's very important that you check the answers you gave, as we rely on this information to set up your policy.

We've explained when we can cancel your policy in more detail in Section C6 of the Policy Conditions.

How do I complain?

If you have a complaint about any part of the service you receive from us, it's important that we know about it, so we can help put things right. You can let us know by calling us on 01202 292333 (for textphone, dial 18001 first). Or, you can write to us at: Box 2, LV=, County Gates, Bournemouth. BH1 2NF. Your complaint will be dealt with promptly and fairly and in line with the Financial Services Authority's requirements, and if you want more information on how we handle complaints, please contact us.

We hope that we will be able to resolve any complaint that you have, but if you aren't happy with the outcome you can refer your complaint to the Financial Ombudsman Service. If you make a complaint it won't affect your right to take legal action.

Further Information

Retail Clients

We are required by our regulator, the Financial Services Authority, to categorise our customers to determine the level of protection they will receive. If you take out our Flexible Protection Plan described in this Key Features document, we will treat you as a retail client. This gives you the highest level of protection available under the Financial Services Authority rules.

What would happen if LV= got into financial trouble and was not able to pay out?

We've been in business since 1843, and take great care to manage our affairs sensibly. If we ever did get into financial trouble and couldn't honour our commitments, you would be entitled to compensation from the Financial Services Compensation Scheme.

The compensation you could get depends on the type of product you have. For this type of policy, the scheme covers 90% of the claim. The scheme's first responsibility is to seek continuity rather than to pay compensation.

For more information go to www.fscs.org.uk or call 020 7892 7300.

Law

The policy is governed by the law of England as applied by the courts for that part of the UK where you live. We will always communicate in English.

