

Elixia 123 Personal Critical Illness Cover

Key Features

Your questions answered



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Key Features - your questions answered

This key features document gives you the main points about the critical illness cover Plan you're considering. You should read it carefully together with any illustration of the benefits and costs. Please keep them with your other Plan documents.

This key features document follows the Association of British Insurers' Statement of Best Practice for Critical Illness Insurance.

Aims

- To pay a guaranteed cash sum if you are diagnosed with a medical condition, or undergo one of the surgical procedures that are defined as a critical illness event in the Plan's terms and conditions and then survive for at least 14 days. We only cover the critical illness events that are defined in our policy and the event must occur within the selected Plan term.
- To let you choose different amounts of benefit to match the relative severity of different types of critical illness event. For this purpose the events are grouped into three categories (see page 5).
- To give you the flexibility to choose an amount of benefit under each category based on the premium you wish to pay.

Your commitment

- To give us all the information we ask for about your medical history, occupation, residence and leisure pursuits when you apply for the Plan and make a claim. If you don't do this, we may not pay out any benefit.
- To pay the monthly or yearly premiums for the Plan term.

Risk factors

- If the critical illness event you are claiming for meets the definition in a category under which you have not chosen benefit (or only a small amount of benefit) you would receive no benefit at all (or only the smaller amount).
- Your occupation may, in some circumstances, restrict the cover available to you.
- The cover may be less (or more) than you need if you don't review it regularly.
- In the future, we may have to change the premiums we charge. However, we guarantee not to change your premiums for the initial amount of cover for at least the first 5 years. See 'What will my payments be?' on page 8 for more details.
- If you don't pay your premiums on time, your Plan will end and you will not be covered.
- If you do not provide any information we ask for, or if the information you provide is untrue, incomplete or misleading, we may not pay out under the Plan.
- If you don't inform us if your health changes between applying for your policy and it being accepted, we may not pay out under the plan.
- We won't pay out if the reason for the claim is excluded in the Plan's terms and conditions.
- We will not pay out in the circumstances described under the heading 'What will stop the Plan from paying out?' on page 7.
- The present tax laws and the way they are applied to the Plan by HMRC may change.
- The Plan has no cash-in value at any time.

Questions and answers

What is the Elixia 123 critical illness cover Plan?

- Critical illness plans provide one cash lump sum if you are diagnosed with a medical condition defined in the Plan as a critical illness event. That is:
 - you are diagnosed with any one of the specified medical conditions or
 - you undergo one of the specified surgical procedures.
- We only cover the critical illnesses we define in our policy and no others.
- Elixia 123 lets you choose a different amount of benefit for each of three categories of critical illness event.
- We define each of these events in the Plan's terms and conditions. Please refer to your adviser if you would like a copy. You must survive the event by at least 14 days. The Plan does not provide any payment on death.
- You must survive the event by at least 14 days.
The Plan does not provide any payment on death.
- You pay regular premiums to keep the cover in force. We provide cover until the total benefit has been paid out or your Plan ends.

When does the Plan pay out?

The Plan pays out on proof of diagnosis of a critical illness event or when we receive satisfactory evidence that you have undergone the specified surgery. Please refer to 'Your Guide to the Critical Illness Events Covered by Elixia 123'. You can request a copy from your adviser or by contacting us using the details on page 10.

You must tell us about your claim within 3 months of the critical illness event happening (or within 9 months of the start of a disability under 'Waiver of Premium' benefit - see page 8).

How to claim

Contact us to ask for a claim form at:

**Unum,
Milton Court,
Dorking,
Surrey RH4 3LZ.**

Telephone: 01306 887766

How much benefit will I receive?

The amount payable depends on the events you have chosen to be covered for.

- You choose an overall maximum amount of benefit for the Plan and then decide how much of it should be paid out under each category.
- The amount we pay will then depend on which of the three categories covers the specific diagnosis of your medical condition.
- If your claim meets the definition of a condition in more than one category, the Plan will only provide one payment in respect of this condition (the payment being based on the higher amount applicable).

What happens to my Plan after a claim?

- Following a successful claim, the benefit for each category will be reduced by the amount paid out. Your premium will also reduce.
- Once the overall maximum benefit has been claimed your Plan will end.
- If only part of the total benefit has been paid out when the Plan ends the remaining cover will stop.
- You will find a more detailed explanation, with examples, in our separate brochure, 'Because one day you might not be so lucky' (UP459).

Further details of how we will consider your claim, including the full definitions we will use and the evidence we will need, are given in the 'Guide to the Critical Illness Events.' Please ask your adviser for a copy, or by contacting us using the details on page 10.

Who can be covered by the Plan?

- You can apply for a Plan if you are in good health and over the age of 16 and under 65.
- You choose how long you want to be covered, but this cannot last beyond your 70th birthday.

Can more than one person be covered?

- No. But if you and your partner have a Plan each, we will reduce the administration charge to save you money.

How flexible is it?

- You can ask us to increase your cover or to change the amounts under each of the individual categories at any time.
- Any changes you make would affect the premium you pay.
- The cost of any additional cover would be based on the premiums that we offer at the time.
- You would need to tell us about any change in your occupation and provide us with satisfactory evidence that you are still in good health before we agree to make the changes to your Plan.
- The Plan also includes a number of options that let you buy more cover in the future without having to answer the usual questions about your state of health (see 'What other benefits can I choose?' on page 8).

Which critical illness events are covered?

We have divided the critical illness events into three categories according to their relative severity and likely impact on your lifestyle:

Category 1 Life threatening

Conditions that we believe may significantly reduce life expectancy and probably result in major lifestyle changes.

Category 2 Disabling

Conditions that we believe may have a significant impact on lifestyle and may have some impact on life expectancy.

Category 3 Traumatic

Conditions that we believe are traumatic and, although not expected to significantly reduce life expectancy, may possibly result in changes to your lifestyle.

We have summarised the complete list of conditions covered by the Plan opposite.

Important

- **Please remember that the heading of each critical illness event is only a guide of what is covered. The full definitions of the illnesses covered and the circumstances in which you can claim are given in the 'Policy Terms and Conditions' and 'Your Guide to the Critical Illness events covered by Elixia 1-2-3'. These typically use medical terms to describe the illnesses but in some cases the cover may be limited. For example, some types of cancer are not covered and you will need to have permanent symptoms to claim for some illnesses.**
- **Some medical conditions are covered in more than one category. We use a different definition in each category to distinguish between the different levels of severity required for payment to be made.**

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Category 1

Life threatening

- Cancer – **invasive and life threatening**
- Chronic emphysema
- CJD
- Heart attack – **major**
- Kidney failure - **requiring dialysis***
- Liver failure
- Major organ transplant*
- Stroke – **severe**
- Terminal illness

Category 2

Disabling

- Alzheimer's disease - **resulting in permanent symptoms**
- Blindness - **permanent and irreversible**
- Deafness - **permanent and irreversible***
- HIV infection - **caught from a blood transfusion, a physical assault or at work in an eligible occupation***
- Loss of independent existence
- Loss of hands or feet - **permanent physical severance**
- Loss of speech - **permanent and irreversible***
- Motor neurone disease - **resulting in permanent symptoms***
- Multiple sclerosis - **with persisting symptoms***
- Paraplegia/Paralysis of limbs - **total and irreversible***
- Parkinson's disease - **resulting in permanent symptoms***
- Pre-senile dementia
- Third degree burns - **covering 20% of the body's surface area***

Category 3

Traumatic

- Aorta graft surgery - **for disease***
- Angioplasty
- Balloon valvuloplasty
- Benign brain tumour - **resulting in permanent symptoms**
- Cancer - **excluding less advanced cases***
- Coma - **resulting in permanent symptoms***
- Coronary artery bypass grafts - **with surgery to divide the breast bone***
- Heart attack - **of specified severity***
- Heart valve replacement or repair - **with surgery to divide the breast bone***
- Mastectomy - **following diagnosis of carcinoma in situ of the breast**
- Open heart surgery - **of specified severity**
- Traumatic head injury - **resulting in permanent symptoms***
- Stroke - **resulting in permanent symptoms***
- Total permanent disability before age 60 – **based on the inability to follow your own occupation or, if you have no full-time occupation, to follow certain daily activities. (Please note that certain occupations are not covered for total permanent disability.)**

* **The Association of British Insurers (the ABI) has produced a model definition for many of the critical illness events. These were reviewed and updated in 2006. Where an ABI model definition exists, Elixia 123 matches or provides wider cover than the ABI's definition.**

I don't understand medical terms - who will explain them to me?

We provide a 'plain English' guide which explains the definitions of the critical illnesses and surgical procedures we cover. You should read this booklet carefully, particularly as it helps to explain the differences between the Category 1 and Category 3 versions of similar events, and the objective medical tests used to measure the severity of each condition. A copy of the guide accompanies this key features leaflet. Please ask for a copy if you have not been given one.

Are my children covered by the Plan?

We automatically cover your children (including any legally adopted children and step-children) if they should be diagnosed with a critical illness. The same method of categorising the critical illness events will apply.

- We will pay a fixed cash sum of 25% of whatever your benefit was for the relevant category at the start of the Plan, but not more than £25,000 per child. This amount would not be deducted from your own cover.
- The event must occur while the child is aged between 30 days and 18 years. Children who are born after the Plan starts would be covered once they are 30 days old.
- We cover your children for all of the critical illness events except 'Total Permanent Disability' and 'Loss of Independent Existence'.

What happens if I die?

This Plan is not designed to provide life insurance.

You must survive the critical illness event by at least 14 days to qualify for payment – even if your death is caused by the critical illness.

If only part of the total benefit has been paid out when you die the Plan will end and the remaining cover will stop.

Am I covered world-wide?

The Plan is only available to UK residents. But you are covered if you travel or move to anywhere in the world, as long as medical evidence is provided by a doctor in one of the countries listed in the Plan's terms and conditions. The list includes member states of the European Union, Japan, Australia, New Zealand, USA and Canada.

What will stop the Plan from paying out?

We will not pay a claim if:

- the condition diagnosed is not a critical illness event as defined in the Plan
- you die within 14 days of the critical illness event
- the definition of the event specifically excludes it
- the cause of your claim arises directly or indirectly from infection with AIDS or HIV (unless it's specifically covered in the Plan)
- (for children's cover only) the claim is due to a condition the child was born with, or if symptoms began before the start of the Plan.

Please see Sections 8 and 9 of the Plan's terms and conditions for the full definitions of the Critical Illness events, and Section 10 for details about when we will not pay benefits.

We may apply special terms in some cases. If so we'll tell you before you start your Plan.

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What other benefits can I choose?

Protecting your premium payments if you become sick or disabled

- If you select the 'Waiver of Premium' benefit, we will pay the premiums on your behalf if, for a period of 6 months or more, you suffer an illness or injury that prevents you doing a number of basic activities that you have to perform in your work and in daily life. These activities are defined in the Plan's terms and conditions.
- We will pay the premiums on your behalf from the seventh month of your incapacity for as long as your claim is valid or until your Plan ends.
- There is an extra cost for including this protection.

Please refer to Section 4 of the Plan's terms and conditions.

Protecting your cover against the effects of inflation

- When you start your Plan, you can ask us to increase your cover each year in line with the change in the Retail Prices Index (RPI).
- Your premium would increase each year to pay for the extra benefit.
- No medical evidence is required at the time of each increase.

Please refer to Section 7 of the Plan's terms and conditions.

Reducing your cover in line with a repayment mortgage

- You can ask for your cover to reduce each year broadly in line with the reduction in the outstanding capital of a typical 'repayment' mortgage.
- Premiums stay the same for the full term of the Plan (provided we do not change our premium rates for these Plans in line with our claims costs and expenses – see 'What will my payments be' on page 8).

Guaranteed options to increase your cover on special occasions

- You have the option to buy further cover at specific times up to the age of 55 – when you marry, have children, increase your mortgage, or because your share in a business has increased in value. You can do this without having to provide evidence that you are still in good health.
- However, you cannot exercise these options if you have already made a claim for critical illness under the Plan, or if you are aware that you already have a medical condition that could give rise to a claim under the Plan.

Please refer to Section 12 of the Plan's terms and conditions.

What will my payments be?

- Your personal illustration shows the premium you have to pay.
- It will depend on the amount of benefit you select for each of the three categories of critical illness event, how long you want your cover to last (up to age 70), your age at the time you start the Plan, your smoking habits, occupation, gender and state of health.
- If you choose reducing cover your premiums will stay the same for the full term of the Plan (subject to premium changes described below).
- Your occupation may, in some circumstances, restrict the cover available to you.
- If you claim under one of the critical illness events, your premiums will reduce accordingly.

- You must pay premiums by direct debit, either monthly or yearly.
- In the future, the premiums that you pay under this plan may change because of such factors as:
 - our expectations for future claims;
 - our expectation or experience of investment returns on premium income;
 - our expectation or experience of expenses; and
 - changes in taxation which we are liable to pay.

We guarantee not to change your premiums for at least the first 5 years of your Plan unless you change the cover. We will write to you beforehand if we then have to change the premium you pay. Please note that where this is necessary, this will affect all the people that hold a plan of this type, not only you.

What are the charges?

The premiums shown in your illustration include all the costs of administration, underwriting, claims, selling expenses, commission paid to your adviser (if any) and the fees payable for any medical evidence that we may ask for - those fees payable for any medical examination that we may ask you to attend in the United Kingdom.

You may be asked to pay any extra costs incurred (above those we would normally expect to pay in the UK) to obtain evidence from overseas.

What if I stop paying?

- For yearly premiums we allow 30 days for late payment. Apart from this, you must pay each premium when it is due.
- If premiums remain unpaid your Plan and the cover it provides will end.

There is no cash-in value at any time and you will not get any of your money back.

What about tax?

Under present UK tax law and Her Majesty's Revenue and Customs (HMRC) practice there is no liability to income tax or capital gains tax on the policy proceeds. However, tax regulations and the way they are interpreted can change.

The tax rules can be different if you use the Plan to protect your business, or if you do not live in the UK.

Can I change my mind?

You have the right to cancel within 30 days of receiving your Plan documentation.

After we accept your application and issue your Plan, we'll send you a Cancellation Notice. If you don't want the plan you have 30 days to send this Notice back. We will refund any premiums you have paid.

If you wish to send us a completed Cancellation Notice please return it to the address which can be found on page 10.

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Other Information

How to complain

If you ever have to complain, first write to the Head of Customer Feedback at:

**Unum,
Milton Court,
Dorking,
Surrey RH4 3LZ.**

If you're not satisfied with our response, you can complain to:

**Financial Services Ombudsman
South Quay Plaza,
183 Marsh Wall,
London E14 9SR.**

Complaining to the Ombudsman won't affect your legal rights.

Terms and Conditions

These key features are a summary of the Unum Elixia 123 Critical Illness Cover Plan. They don't fully describe all the definitions, exclusions, terms and conditions. If you'd like a copy of the full terms and conditions before you decide to apply for a Plan, please ask your financial adviser or contact us direct.

We have the right to change the terms and conditions of your Plan because of changes in the law or taxation. We'll write and explain if this happens.

Unum Limited issues the policy.

All our documents and correspondence with you will be in English.

Compensation

Compensation may be available under the Financial Services Compensation Scheme (FSCS) if we are unable to pay any monies due. It is designed to help protect you if Unum becomes insolvent.

Compensation for long term insurance contracts is limited to 100% of the first £2,000 and 90% of any remainder due under your Plan.

Further information is available from the FSCS at www.fscs.org.uk or by calling 020 7892 7300.

Our regulator

Unum Limited is authorised and regulated by the Financial Services Authority. Our firm reference number (FRN) is: 110408.

You can verify these details by contacting the Financial Services Authority on: 0845 606 1234 or visit

www.fsa.gov.uk/register

ABI Statement of Best Practice

The Association of British Insurers (the ABI) is the trade association for insurance companies in the United Kingdom. Its members account for virtually all of the life insurance and pensions business written in the UK.

This document follows the ABI Statement of Best Practice in respect for Income Protection Insurance. You can get a copy of the ABI Guide to Income Protection from us or from the Association of British Insurers, 51 Gresham Street, London, EC2V 2HD. Telephone: 020 7600 3333.

www.abi.org.uk

How to contact us

Remember your financial adviser will normally be your first point of contact. We are not allowed to give you financial advice.

If you have any questions at any time, you can phone, send a fax or you can write to us.

Call us on: **0117 910 7733**

Monday - Friday, 8am - 6pm

Textphone: **01306 887784**

Monday - Friday, 9am - 5pm

Fax number: **0117 910 7734**

Office address: **Unum,
PO Box 7733,
Redcliffe Way,
Bristol BS99 1PJ.**

E-mail us at: **individual@unum.co.uk**

About Unum

Unum is the UK's leading provider of income protection insurance, with over 35 years of experience.

We enable individuals to protect their lifestyles, ensuring their financial security if they become unable to work because of illness or injury. In addition, our income protection customers benefit from our expertise in the specialist areas of vocational rehabilitation and return-to-work. For employers, we safeguard one of their most valuable resources by helping employees return to work following long-term absence.

At the end of 2006, Unum protected almost 2 million people. During 2006 we paid total benefit claims of £285 million – of which more than £191 million related to income protection benefits.

Our US parent company, Unum Group, traces its history back to 1848 and is today the market leader of group and individual income protection insurance in the United States. Premium income for Unum Group and its subsidiaries exceeded \$7.9 billion in the year ended 31 December 2006. Total assets were \$52.8 billion at 31 December 2006.

For more information visit
www.unum.co.uk

[unum.co.uk](http://www.unum.co.uk)

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We monitor telephone conversations and e-mail communications from time to time for the purposes of training and in the interests of continually improving the quality of service we provide.

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