

Key features of the Level Protection Plan



Helping you decide

This **important document** gives you a summary of the Level Protection Plan. Please read this with your illustration, if you have one, **before** you decide to buy this plan, and keep it for future reference.

Contents

The Financial Services Authority is the independent financial services regulator. It requires us, Zurich Assurance Ltd., to give you this important information to help you to decide whether our Level 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.

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The Level Protection Plan

The Level Protection Plan is a life assurance and critical illness plan that is designed to protect you, your family, an interest-only mortgage or loan, or a business. It can also include a payment protection benefit. Depending on the cover you have, you may be able to choose guaranteed or reviewable payments. Your adviser will help you decide if this plan is right for you.

Its aims

What this plan is designed to do

- Provide you with one of the following:
 - **Life cover** that pays a cash sum if, during the plan's term, you die or are diagnosed with a terminal illness and are expected to live for less than 12 months.
 - **Critical illness cover** that pays a cash sum if, during the plan's term, you are diagnosed with a critical illness.
 - **Life or earlier critical illness cover** that pays a cash sum if, during the plan's term, you die, or are diagnosed with a critical illness. You can also add extra life cover or extra critical illness cover.
- Allow you to include the option of converting some or all of the life cover under the plan to a new plan which will provide cover for the rest of your life (lifetime protection).
- Allow you to include the option to renew the plan at the end of the term, for a further term.
- Allow you the option to include a payment protection benefit, which pays a monthly amount if you can't work because of long-term illness or injury.

Your commitment

What we ask you to do

- Make regular payments over the plan's term.
- Give us all the information we ask for when you apply for the plan. Please don't assume we'll contact your doctor for any medical information we need.
- Tell us about any changes to the information you give us on your application, that happen before your plan starts. **Please see 'When will the plan not pay out?' on page 12.**

- When choosing the level of payment protection benefit you want, take into account any State benefits you may be entitled to, and any other insurance plans you already have that provide cover for accident, illness or injury (including any other plans with Zurich).
- Review your cover regularly, with your adviser, to make sure it continues to be right for your needs.

Risk factors

What you need to be aware of

- If you don't answer all the questions on your application fully, truthfully and accurately, we may not pay a claim.
- We will not pay a claim in the circumstances described in '**When will the plan not pay out?**' on page 12.
- If you stop paying, your cover and plan will end after 30 days. We won't refund any of your payments.
- If you choose reviewable payments you may have to pay more in the future. There is no limit to the increase in payments that may apply. You may not be able to afford the same level of cover after a review or be able to take out replacement cover.
- **Payment protection benefit risks:**
 - If you don't take into account any income you may receive from other sources, you may be paying for more benefit than you can claim.
 - If your earnings have reduced at the time you claim, we may reduce the benefit we pay you.
 - We won't refund any payments you've made if you have paid for a higher benefit than you can claim or we reduce the benefit we pay you.
 - If you receive the benefit, you may not be able to receive some means-tested State benefits.

Other documents you should consider reading

This document gives you key information about the plan. If you want more detail on specific points, please read the following documents. We have highlighted when they are relevant throughout this document.

Here to help at every step

Explains what happens from when you apply, to when your plan starts, and tells you what you can expect from us while you have your plan.

Why your payment may change

Explains how plan reviews work and is relevant if your plan has reviewable payments.

Your guide to your cover

Gives full definitions of the critical illnesses covered and the circumstances in which you can claim if your plan includes critical illness cover.

Mortgage Protection – free cover terms and conditions

Explains how mortgage protection free cover works and when you are eligible for it.

Business Protection – free cover terms and conditions

Explains how business protection free cover works and when you are eligible for it.

Level Protection Plan – reviewable payments terms and conditions, or

Level Protection Plan – guaranteed payments terms and conditions

Gives you the full terms and conditions that apply to the plan.

They are all available from your adviser or direct from us. Our contact details are on page 19.

Questions and answers

Setting up your plan

Is the Level Protection Plan right for me?

It may be right for you if you want to provide financial protection for your family or business or make sure that the debt on an interest-only mortgage or loan can be repaid if, depending on the cover you choose, you die, suffer a terminal illness or are diagnosed with a critical illness. It may also be right for you if you want the option to:

- convert some or all of your life cover to a plan offering lifetime protection
- renew your plan at the end of its term
- include a payment protection benefit if you need an income if you can't work because of long-term injury or illness.

What types of cover can the Level Protection Plan provide?

Life cover only

This pays a cash sum if you die during the plan's term. We'll pay the cash sum early if you are diagnosed with a terminal illness, and are expected to live for less than 12 months. The plan will then end.

We will not pay a claim for terminal illness benefit if you are diagnosed in the final 12 months of your plan.

Your payments will be guaranteed.

Critical illness cover only

This pays a cash sum if, during the plan's term, you are diagnosed with a critical illness and then survive for at least 14 days. The plan will then end.

Your payments will be reviewable.

We only cover the critical illnesses we define in our plan and each critical illness must meet our plan definition.

The full list of critical illnesses we cover is on page 10.

Life or earlier critical illness cover

This pays a cash sum if you die or are diagnosed with a critical illness during the plan's term. Unless you choose extra life cover, the plan will end after we have paid either benefit – it pays out only once.

You can choose for your payments to the plan to be guaranteed or reviewable.

You can also include extra life cover or extra critical illness cover.

Full definitions of the illnesses covered and the circumstances in which you can claim are in [Your guide to your cover](#).

If the plan includes extra life cover, you can choose for your payments to be guaranteed or reviewable. If we pay a critical illness claim, the life cover will continue until the end of the term, but we will reduce it by the amount of critical illness cover we've paid. Your payments will then reduce, based on the reduced cover and your age when the plan started. We'll pay the extra life cover if, before the end of the plan's term, you die or are diagnosed with a terminal illness and are expected to live for less than 12 months.

We will not pay a claim for terminal illness benefit if you are diagnosed in the final 12 months of your plan.

If the plan includes extra critical illness cover, your payments will be reviewable. If you make a critical illness claim, you must survive for 14 days from the date of diagnosis before we'll pay the extra critical illness cover.

How do guaranteed and reviewable payments work?

Guaranteed payments means the amount you pay will not change, unless you change the amount of cover you have.

Reviewable payments means we will review your plan regularly and the amount you pay may increase or decrease. We calculate your payments in a fair and reasonable way based on our assumptions about the cost of providing your plan. Changes in life expectancy, survival rates for major illness, the number of claims we expect and our plan charges will affect the outcome of a review. If the overall change would be small, we will not alter your payments at that time. Changes to your health do not affect reviews.

If we ask you to increase your payments, you can continue paying the previous amount and we'll reduce your cover instead. You can also decide to stop making payments to your plan. If you do this, your plan and your cover will end.

If your plan has a term of 10 years or more, we'll review your plan every five years and on each of the last four plan anniversaries before the end of its term. If your plan's term is less than 10 years, we'll review it five years before the plan is due to end. After that, we'll review it every year.

Reviewable payment plans are usually cheaper than guaranteed payment plans to begin with but may be more expensive after a review. Your adviser will help you decide whether guaranteed or reviewable payments are suitable for you.

Please read the [Why your payments may change booklet](#) and [section 7 of the terms and conditions](#).

What optional extra benefits can I include?

You may be able to include the following optional extra benefits in your plan for an extra cost:

Convertible term

If your plan is for life cover only, your payments will be guaranteed. You have the option of converting some or all of your life cover to Zurich's whole of life plan (this offers lifetime protection) on guaranteed payments. You won't have to give us more details about your health or activities.

Renewable term

If your plan is for life cover only or for life or earlier critical illness cover, and you've chosen guaranteed payments, at the end of the initial plan term you have the option to renew the plan for a further term, equal to the original term and for the same amount of cover as you have on your plan at the time. You won't have to give us more details about your health or activities.

Total permanent disability from performing your own occupation

If your plan includes critical illness cover, you will be able to claim if you become totally and permanently disabled from performing certain activities of daily living before you are aged 65. However, this benefit means you can claim the cash sum if you are totally permanently disabled from performing your own occupation.

Payment protection benefit

This pays out a monthly amount if you are incapacitated and can't perform your own occupation because of illness or injury. If you are claiming this benefit, we'll also make your payments to the plan for you.

This benefit is not available if you choose the convertible or renewable term options.

Waiver of payment benefit

This means we make your payments to the plan for you if you are incapacitated and can't work because of illness or injury.

Indexation

Depending on the cover you have, this means the life and critical illness cover will increase automatically each year in line with any increase in the Average Earnings Index, or the Retail Prices Index or at 5% or 10%. Your payments will increase each year to pay for the higher cover.

You must decide at the start of your plan if you want to include any of these benefits – you can't add them later. **For more information please read 'Optional extra benefits' on pages 14 to 17.**

Who can the plan cover?

The plan can cover one person or two people jointly. If the plan covers two people, we'll pay out when the first person suffers the critical illness, or terminal illness or dies (depending on the cover you have).

For plans that provide critical illness cover only, you must be aged between 16 and 69 when the plan starts.

For plans that provide life or earlier critical illness cover you must be aged between 16 and 69 when the plan starts.

For plans that provide life cover only you must be aged between 16 and 83 when the plan starts.

If the plan covers two people, these age restrictions apply to both of you.

When your plan starts you must be living in the United Kingdom and intend to stay here.

How long can the plan last?

For reviewable payment plans that provide:

- Life or earlier critical illness cover or critical illness cover only – the term of the plan must be at least five years. The longest it can run is 40 years. The plan must end before your 75th birthday. If the plan includes payment protection benefit, this benefit will end on or before the plan anniversary after your 65th birthday.

For guaranteed payment plans that provide:

- Life cover only – the term of the plan must be at least one year and the longest it can run is 50 years. The plan must end before your 85th birthday.
- Life or earlier critical illness cover – the term of the plan must be at least five years and the longest it can run is 30 years. The plan must end before your 75th birthday.
- Payment protection benefit – the longest this benefit can run is 49 years and it will end on or before the plan anniversary after your 65th birthday.

If we have not paid a claim, the plan will end at the end of the term you've chosen unless you have chosen the convertible or renewable term options and you decide to use the option. If you've chosen the renewable term option, the last renewal will be on the renewal date that falls on, or closest to (but before), your 70th birthday when you'll be able to extend your life or earlier critical illness cover for a final time to a maximum age of 74. If your plan is for life cover only you'll be able to extend your life cover for a final time to a maximum age of 84.

If the plan covers two people, the age limits set out above apply to the oldest person.

Can children have critical illness cover?

If your plan includes critical illness cover, your children will also be covered. Child cover applies from the date each child reaches the age of three months and lasts until their 18th birthday, as long as the plan is still running. **The list of medical conditions we cover is shown on page 10.**

The amount we'll pay is half the level of critical illness cover on the plan at the time you claim or £25,000, whichever is the lower. The child must survive for at least 14 days after diagnosis. Claiming this benefit will not affect the amount of your cover.

How much does the plan cost?

Your adviser will tell you how much the plan will cost you, but it will depend on the following:

- Your personal circumstances – for example, your age, health, sex, occupation and whether you smoke.
- The amount and type of cover, and any optional benefits you choose.
- How long you want the cover to last.

You can pay monthly or yearly by direct debit. You can also pay yearly by cheque.

Does the plan include any free cover?

We may be able to give you free cover for a limited period when you're buying a property, between the date you exchange contracts (missives in Scotland) and the date you complete the contract to buy the property.

If you are using the plan to protect a business loan we may be able to give you free cover while we assess your application.

Full details are in the [Mortgage Protection – free cover terms and conditions](#).

Full details are in the [Business Protection – free cover terms and conditions](#).

What conditions does critical illness benefit cover?

The complete list of conditions we cover is set out on page 10. These headings are only a guide to what is covered.

Our definitions 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
- for some illnesses, such as a stroke, you need to have permanent symptoms, and for others, such as a heart attack, the illness must be of a specified severity.

Full definitions of the illnesses covered and the circumstances in which you can claim are in [Your guide to your cover](#).

The medical conditions and operations we cover

Alzheimer's disease before age 65 – resulting in permanent symptoms
Aorta graft surgery – for disease and trauma
Aplastic anaemia – resulting in permanent symptoms
Bacterial meningitis – resulting in permanent symptoms
Benign brain tumour – resulting in permanent symptoms
Blindness – permanent and irreversible
Cancer – excluding less advanced cases
Cardiomyopathy
Coma – resulting in permanent symptoms
Coronary artery by-pass grafts – with surgery to divide the breastbone
Creutzfeldt-Jakob Disease (CJD) – requiring continuous assistance
Deafness – permanent and irreversible
Encephalitis
Heart attack – of specified severity
Heart-valve replacement or repair – with surgery to divide the breastbone
HIV caught in the UK from a blood transfusion
HIV caught in the UK as a result of physical assault or at work in an eligible occupation*
Kidney failure – requiring dialysis
Liver failure – end stage
Loss of independent existence – resulting in permanent symptoms
Loss of hands or feet – permanent physical severance
Loss of speech – permanent and irreversible
Major organ transplant
Motor neurone disease – resulting in permanent symptoms
Multiple sclerosis – with persisting symptoms
Open heart surgery – with surgery to divide the breastbone
Paralysis of limbs – total and irreversible
Parkinson's disease before age 65 – resulting in permanent symptoms
Pre-senile dementia before age 65 – resulting in permanent symptoms
Primary pulmonary arterial hypertension – resulting in permanent symptoms
Progressive supranuclear palsy
Pulmonary artery surgery – with surgery to divide the breastbone
Severe lung disease/respiratory failure – of specified severity
Stroke – resulting in permanent symptoms
Systemic lupus erythematosus – of specified severity
Terminal illness
Third degree burns – covering 20% of the body's surface area or 50% of the face's surface area
Total permanent disability before age 65 [#]
Traumatic head injury – resulting in permanent symptoms

* The eligible occupations for HIV caught at work are:

- any occupation which provides accident and emergency, medical, laboratory, phlebotomy, dental or nursing services
- the police force
- the prison service.

[#] For children's critical illness benefit 'total permanent disability' means being irreversibly disabled in a way that, if he or she were an adult, he or she would be unable to carry out any gainful occupation.

After it starts

Can I change my plan after it starts?

Increasing your cover

You may be able to increase your cover later on, up to certain limits, without giving us any more details about your health or activities. This is called the 'guaranteed insurability option' and you must be 54 or younger when you want to apply for the increase and the plan must have a minimum remaining term of one year. If the plan covers two people, the age limit applies to the older person. You can do this if you:

- increase your mortgage
- marry
- divorce
- enter into a civil partnership
- dissolve a civil partnership
- become the natural parent of a child
- legally adopt a child
- have a salary increase of 10% or more following a promotion or change of job
- increase or change your business assurance needs
- enter into a new commercial loan or increase an existing one.

We'll tell you on your plan schedule if we can't include this option in your plan.

Separation option

This is available on joint plans where two people are using the plan to protect a mortgage. If you separate, this option allows either or both of you to continue the amount of cover you have at that time as individuals by taking out separate plans. You won't have to give us any more details about your health or activities.

Can my payments change in the future?

Guaranteed payments will stay the same during the term of the plan unless you include indexation benefit, or ask us to:

- change your level of cover
- convert your life cover to Zurich's whole of life plan on guaranteed payments
- renew your plan for a further term.

Reviewable payments may increase or decrease after a plan review. After a review, we may ask you to make higher payments to keep your cover going, or we may reduce your payments. If you include indexation benefit, your payments will increase to pay for any increase in the amount of your cover.

Full details are in section 6 of the [terms and conditions](#).

Please read the [Why your payment may change](#) booklet and section 7 of the [terms and conditions](#).

What if I stop paying?

Your cover and plan will end 30 days after the last payment was due. You won't get back any of your payments.

How much does the plan pay out?

You decide how much cover you would like when you take out the plan.

The plan never has a cash-in value.

When will the plan not pay out?

We will not pay a claim and will cancel all cover under the plan in the following circumstances:

- You don't give us all the information we ask for when you apply for your plan or when you make a claim. Please don't assume we'll contact your doctor for any medical information we need.
- You don't tell us about any changes in the following between making your application and when your plan starts:
 - Personal health.
 - Family medical history.
 - Occupation.
 - Where you live – if you move to live outside the UK.
 - The frequency and extent of your foreign travel.
 - Any hazardous leisure activities you do.
 - Alcohol consumption.
 - Smoking habits.
 - Use of recreational drugs or drugs not prescribed for you.

We will not pay a claim for life cover if:

- you haven't made all the payments that were due
- you commit suicide within 12 months of the date the plan started or was reinstated.

We will not pay the terminal illness benefit if you are diagnosed during the last 12 months of the term of the plan.

We will not pay a claim for critical illness cover if:

- you haven't made all the payments that were due
- the illness suffered is not covered by the plan
- the illness suffered does not meet the plan definition exactly
- the plan provides critical illness cover only and you don't survive 14 days from the date of diagnosis or operation
- you do not tell us about the claim within six months of suffering or undergoing the medical condition or operation
- the claim results from any act of terrorism, war or civil commotion
- the medical condition arises while you are living abroad and you do not return to one of the countries we specify
- the claim is for a child for a medical condition from which he or she was already suffering (whether or not there were any symptoms) before the start of the cover
- the claim is for a legally adopted child who was already suffering from the medical condition at the date of the adoption (whether or not there were any symptoms).

If we apply any additional specific exclusions, we will show them on your plan schedule.

Full details are in section 3 of the [terms and conditions](#).

Will I get regular updates on my plan?

Yes, we'll send you a statement each year showing the cover you have. This will help you decide if it is still enough to meet your needs.

Cancelling your plan or making a claim

Can I change my mind and cancel?

Yes you can. When we issue your plan documents we will send you details of how to cancel your plan. You will have 30 days from receiving these documents to do this. If you decide to cancel, we will refund your money.

If you decide to cancel your plan after this time, please contact us – our details are on page 19. If you cancel your plan after the first 30 days, we won't refund any money you've paid.

You can cancel before you receive your plan documents by calling either us or your adviser.

How can I make a claim?

To make a claim, contact us or your adviser. We'll let you or your representative know what information we need so that we can process the claim as quickly as possible. You must tell us within the stated time limits of any claim you wish to make.

To claim for	Telephone number Opening hours 9am to 5pm
Life cover	0870 243 0827
Terminal illness benefit	0870 850 0786
Critical illness cover	0870 850 0786
Payment protection benefit	0870 850 0786
Waiver of payment benefit	0870 850 0786

Full details are in the 'Making a claim' section of the [terms and conditions](#).

What about tax?

You won't have to pay income tax or capital gains tax on any benefits the plan pays out.

Provided that the plan is written under a suitable trust, the cash sum payable on death should not form part of your estate for inheritance tax purposes. If the plan is not written in trust, the cash sum payable on death may be liable to inheritance tax. If the plan is owned by a company, the cash sum may be subject to corporation tax in some circumstances. Please talk to your adviser about how this affects you and what arrangements you could make.

We've based this information on our understanding of current UK law and HM Revenue & Customs practice. Future changes in law and tax practice or in individual circumstances could affect taxation.

Optional extra benefits

You can choose to include the following extra benefits in your plan for an extra cost. You must decide at the start of your plan if you want to include any of these benefits; you can't add them later. Full details are in section 3 of the terms and conditions.

1 Convertible term

2 Renewable term

3 Total permanent disability from performing your own occupation

4 Payment protection benefit

5 Waiver of payment benefit

6 Indexation

1 Convertible term

If your plan is for life cover only, you can choose to convert some or all of your life cover to Zurich's whole of life plan on guaranteed payments. You can do this without giving us any further details about your health or activities.

Your payments will increase when you convert to a new plan to pay for the cost of the new plan. Your payments will be based on your age when you use the option, and whether or not you smoked when this plan started.

If the plan covers two people, you can choose whether the new plan pays the life cover cash sum when the first person or when the second person dies or is diagnosed with a terminal illness. At the time you want to use the option the oldest of the two people must be:

- 69 or younger if the cash sum is required when the first person dies or is diagnosed with a terminal illness
- 83 or younger if the cash sum is required when the second person dies or is diagnosed with a terminal illness.

The option to include convertible term in your plan is not available if you choose payment protection benefit or if your plan includes critical illness cover.

2 Renewable term

If you've selected guaranteed payments, you can choose to renew your plan for the same term and amount of cover if your plan provides:

- life cover only
- life or earlier critical illness cover
- life or earlier critical illness cover with extra life cover.

If your plan provides life cover only you must be 68 or younger to include this benefit. If your plan provides life or earlier critical illness cover, or life or earlier critical illness cover with extra life cover you must be 64 or younger to include this benefit. If the plan covers two people, the age limits apply to the oldest person.

You can also renew your plan with a reduced amount of cover. You do not need to give us any further details of your health or activities.

The option to renew is available each time the plan reaches the end of a term, up until the renewal on, or closest to (but before), your 70th birthday when you will be offered a final renewal which may be for a different term to the plan's original term.

Your payments will increase each time you renew your plan's term to reflect your age, the cost of providing life cover at that time, and whether or not you smoked when the plan started.

The option to include renewable term in your plan is not available if you choose payment protection benefit or if your plan is for life cover only and you choose to include convertible term.

3 Total permanent disability from performing your own occupation

If your plan includes critical illness cover you will be able to claim if you become totally and permanently disabled from performing certain activities of daily living, for example, dressing, eating and drinking, before you are aged 65.

Depending on your occupation you may be able to include cover, at the same level as your critical illness cover, against being totally permanently disabled from performing your own occupation. You must be 55 or younger to include this benefit.

Your 'own occupation' is the one you were performing immediately before the start of the disability. If you were not working immediately before the start of the disability, your 'own occupation' is the one you stated when you applied for the plan.

The benefit stops on the plan anniversary after your 60th birthday or at the end of the plan's term if this happens earlier.

If the plan covers you and another person, you can choose whether you want to include this benefit on either or both of you.

The option to include total permanent disability own occupation benefit in your plan is not available if your plan is for life cover only.

4 Payment protection benefit

The payment protection benefit pays you a monthly income if you can't perform your own occupation because you're incapacitated due to illness or injury. You must be 59 or younger to include this benefit.

The incapacity must have started after the plan began and you must be incapacitated from doing the main duties of the job, or jobs, you were doing at the time of the injury or the start of the illness.

Some occupations need a high degree of medical fitness, a licence to perform the occupation, or total dependence on the use of your hands or voice. In these cases, we'll apply the special definition of disability.

This means that if you are still claiming payment protection benefit 12 months from the end of the deferred period, we will stop paying the payment protection benefit at any time after the 12 month period when you could return to work in a new occupation to which you are suited because of your education, training, retraining or experience. Your plan schedule says whether this applies to you.

If the plan covers you and another person, you can choose whether the payment protection benefit covers either or both of you.

The option to include payment protection benefit in your plan is not available if you choose either of the convertible or renewable term options.

How much payment protection benefit can I have?

- The minimum monthly income amount you can have is £100 a month.
- The maximum monthly income amount you can have is 1% of the life cover or critical illness cover, whichever is the higher amount. This is subject to a limit of £4,000 a month or 50% of your pre-incapacity earnings, whichever is the lower amount. Please see the example on this page.
- If the plan covers you and another person and the payment protection benefit is on both of you, then the total combined benefit must not be more than 1% of the life cover or critical illness cover, whichever is the higher amount. This is subject to a limit of £4,000 a month, shared between you, or 50% of your pre-incapacity earnings, whichever is the lower amount.

Example

Mortgage amount £50,000.

Level Protection Plan providing £50,000 of life or earlier critical illness cover plus extra critical illness cover of £25,000. You earn £1,500 a month at the start of the plan.

Payment protection benefit of £750 a month (that is 1% of £75,000 – the total critical illness cover amount, and 50% of your earnings).

At the time of claim, you earn £1,200 a month.

We will pay a maximum payment protection benefit amount of £600 a month (that is 50% of £1,200).

What are pre-incapacity earnings?

If you are employed, this means your basic salary plus any overtime payments, benefits in kind, bonuses or commission in the 12 months before you become unable to work. Benefits in kind are other benefits that are not part of your salary.

If you are a director of a private limited company, and you were working for that company immediately before your period of incapacity, we will also include your share of pre-tax profits of that company.

If you are self-employed, this means your share of pre-tax profit from your trade, profession or vocation in the 12 months before you become unable to work (for the purposes of Part 2 Income Tax (Trading and other Income) Act 2005), after deduction of trading expenses – called net relevant earnings.

If your earnings, as described above, in the 12 months before you become unable to work do not fairly reflect your normal level of earnings you should (or we can ask you to) send in other evidence of earnings. We'll tell you what this should be at the time.

Can Zurich reduce the payment protection benefit it pays?

Yes, if you receive income from any of the following and they take you over the maximum payment limits:

- Payments that continue from your employer, such as sick pay.
- Ongoing earned income, including any pensions that start to be paid after your incapacity.
- Other insurance benefits that are due to you because you're incapacitated. This includes regular payments made directly to you or payments made on your behalf, such as to pay your mortgage, credit card or loans.

We'll also reduce the amount of payment protection benefit we pay if your earnings have fallen and your benefit is higher than the maximum we'll pay.

If we reduce your payment protection benefit, we won't refund any of the payments you've already made, so you need to regularly review the amount of benefit you have.

What income will not affect how much Zurich pay?

- Income support or any other means-tested State benefits.
- Income from savings and investments.
- The taxable value of any royalties from any patent or copyright or profits from selling shares or securities.

When does the payment protection benefit start?

You choose how soon after being incapacitated you want the monthly income to start. This is called the deferred period. You can choose a deferred period of three months, six months or 12 months. The benefit is paid monthly in arrears and provided we are in a position to pay the claim, we'll pay you on the first day of the month after the end of the deferred period you have chosen. If we are not in a position to pay the claim then we'll backdate the payments to the end of the deferred period.

If your plan covers you and another person and you include payment protection benefit on both of you, you can choose different deferred periods for each of you.

You should continue to make payments until the end of the deferred period or until we agree your claim if later. However, once you start receiving benefit, we'll make your payments for you.

When does the payment protection benefit stop?

We'll stop paying you the payment protection benefit as soon as one of the following happens:

- You no longer meet our definition of incapacity.
- You no longer have any loss of earnings.
- You reach the age when this benefit on the plan stops.
- The plan anniversary after your 65th birthday.
- The end of the plan's term.
- The plan ends after payment of a critical illness, terminal illness or death claim.
- For rehabilitation benefit claims, 12 months after you return to work.

If we have applied a special definition of disability and you are still claiming payment protection benefit 12 months from the end of the deferred period, we will stop the payment protection benefit after the 12 month period when you could return to work in a new occupation to which you are suited because of your education, training, retraining or experience.

Returning to part-time or less well paid work

If after a period of claiming the benefit you go back to the same job part-time, you may be entitled to receive a reduced benefit called 'rehabilitation benefit' for up to 12 months from the time you return to work.

If you are unable to return to your previous job but can do a different, less well paid job, you may be entitled to receive a reduced benefit called 'proportionate benefit'. This won't apply if you have a special definition of disability because of your occupation.

When won't Zurich pay the payment protection benefit?

We won't pay a claim for payment protection benefit if:

- you haven't made all the payments that were due
- you weren't in a paid job when you became incapacitated
- your incapacity starts when the benefit has less than three, six or 12 months left to run (depending on the deferred period you've chosen)
- you have more than one job and you can still do the main duties of any of them
- you are not continuously disabled throughout the deferred period
- the medical condition arises while you are living abroad and you do not return to the United Kingdom or one of the other countries we specify

- the cause of the claim is due to:
 - infection with HIV/AIDS, or
 - any act of terrorism, war or civil commotion
- the cause of the claim arises from the circumstances detailed in any specific exclusions on your plan schedule.

How often can I claim?

The number of times you can claim the payment protection benefit is not limited. If you have received the benefit and you claim again from the same cause within six months of returning to work, there won't be another deferred period before we start paying you again. To keep your cover going, you must start making payments to your plan again when you return to work and we stop paying you any benefit under the plan.

5 Waiver of payment benefit

If you include waiver of payment benefit, we'll make your payments to the plan for you if you are incapacitated and can't perform your own occupation because of illness or injury for longer than six months.

The illness or injury must have started after the plan began and you must be incapacitated from doing the main duties of the job, or jobs, you were doing at the time you had the injury or illness that caused the incapacity.

If the plan covers you and another person, you can choose whether you want to include this benefit on either or both of you. You can't include this benefit if you:

- are aged 55 or older when the plan starts
- have chosen payment protection benefit
- have not been accepted on our standard terms
- are not in paid employment when the plan starts.

When won't Zurich pay the waiver of payment benefit?

We won't pay a claim for waiver of payment benefit if:

- you haven't made all the payments that were due
- you had the illness or injury that caused the incapacity before the plan started
- the benefit has less than six months to run
- you weren't in a paid job when you became incapacitated
- you have more than one paid job and you can still do the main duties of any of them
- you are not continuously disabled throughout the deferred period

- the incapacity is caused by either:
 - HIV/AIDS
 - any act of terrorism, war or civil commotion
- the cause of the claim arises from the circumstances detailed in any specific exclusions on your plan schedule.

When does the waiver of payment benefit stop?

The benefit stops as soon as one of the following happens:

- You no longer meet our definition of incapacity.
- You return to paid employment.
- The plan reaches the end of the term.
- The plan anniversary after your 65th birthday.
- The plan ends after payment of a critical illness, terminal illness or death claim.

6 Indexation

If you include indexation, your cover (but not payment protection benefit) will increase automatically each year in line with any rise in the Average Earnings Index, or the Retail Prices Index or at 5% or 10% (as you choose). If you choose to index your cover in line with the Average Earnings Index or the Retail Prices Index, any increase will be restricted to a maximum of 10% each year. Your payments will increase each year to pay for the increased level of cover.

If you decide you no longer want indexation, please write and tell us and we'll remove it.

Other information

How to complain

If you need to complain, please see the 'How to contact us' section on page 19.

You can ask us for details of our complaints handling process. If you're not satisfied with our response to your complaint you can complain to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Telephone: 0845 080 1800

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

This service is free and using it won't affect your legal rights.

Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations, you may be entitled to compensation under the scheme. Any compensation you receive under the scheme will be based on the FSCS's rules. For life assurance products the FSCS's first responsibility is to ensure the cover continues rather than pay compensation.

If you need more information you can contact the FSCS helpline on 020 7892 7300, write to the address below or visit the website www.fscs.org.uk

Financial Services Compensation Scheme
7th Floor, Lloyds Chambers
1 Portsoken Street
London
E1 8BN

Your adviser will recommend products that are suitable for your needs. You have a legal right to compensation if an authority decides that a recommendation was unsuitable when it was made.

Terms and conditions

This key features document gives a summary of the Level Protection Plan. It doesn't include all the definitions, exclusions, terms and conditions.

We'll send you a copy of the full terms and conditions when your plan starts. If you would like a copy before then, please contact us direct.

We'll let you know if there are any changes to the terms and conditions. For full details of changes we can make, see the 'Changes we can make to the plan' section of the terms and conditions.

This document complies with the Association of British Insurers (ABI) statement of best practice for critical illness cover, April 2006.

If you'd like more information about critical illness cover, please ask the ABI for a copy of its Guide to Critical Illness. The address is:

ABI
51 Gresham Street
London
EC2V 7HQ

Or visit the website www.abi.org.uk

Law

The plan is governed by the law of England.

Our regulator

We are regulated by the Financial Services Authority (FSA). We are entered on their register under number 147672. This is on the website www.fsa.gov.uk or telephone the FSA on 0845 606 1234.

Communicating with you

Our plan documents and terms and conditions are in English and all our other communications with you will be in English.

How to contact us

If you want to contact us before you buy this plan, you can write or phone:



Write to:

Zurich Assurance Ltd
UK Life Centre
Station Road
Swindon
SN1 1EL
UK



Phone: 01793 514514

Monday to Friday 8.30am – 6pm (we are not open on public holidays). We may record or monitor calls to improve our service.

An answerphone is in operation outside office hours.

Keep in touch

It's important that we keep in touch so, if you change your address or any of your contact details, please let us know.

We'd like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in large print or braille or on audiotape or CD.

If you are a textphone user, we can answer any questions you have through a Typetalk operator. Please call us on **18001 01793 514514**. Or, if you prefer, we can introduce your adviser to a sign language interpreter.

Please let us know if you would like a copy of this in large print or braille, or on audiotape or CD.



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

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Telephone: 01793 514514



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