PROTECTION FOR LIFE

POLICY PROVISIONS

Critical Illness with Life Cover PFL – CILC –DI (2016)

SCOTTISH WIDOWS

INTRODUCTION

THIS BOOKLET PROVIDES DETAILS FOR A CRITICAL ILLNESS WITH LIFE COVER POLICY.

EACH SCHEDULE ISSUED BY SCOTTISH WIDOWS LIMITED ("SCOTTISH WIDOWS") AND REFERRING TO THIS BOOKLET, THE PROVISIONS CONTAINED IN THIS BOOKLET, AND ANY VALID ENDORSEMENTS TO THESE ISSUED BY SCOTTISH WIDOWS, MAKE UP THE POLICY DOCUMENTS FOR A CONTRACT BETWEEN SCOTTISH WIDOWS AND THE POLICYHOLDER(S) NAMED IN THE SCHEDULE.

Notes to help you understand your policy.

Because this is a complicated legal document, we have provided explanations in the right-hand margin (just like the information you are reading now). However, please note that these explanations do not form part of the contract between you and us. They are included only to help you understand the policy.

The meaning of "endorsement" is given in provision 1.1.

This contract and all other communications will be written in English.

Contacting us

- Please inform us if you change your name, address or bank account.
- Our main administrative office is at 15 Dalkeith Road, Edinburgh, EH16 5BU or you can call us on 0131 655 6000.
- If you ever wish to complain, please see provision 8.8.

Claims

- Please contact us in plenty of time if you are going to make a claim, to make sure you don't lose out – see provisions 4, 5 and 6 about this.
- To make a claim, please call us on 0345 601 4179 for a Life Cover claim, and 0345 601 4839 for a Critical Illness Cover claim, Terminal Illness claim, or Premium Protection Cover claim.

We may record and monitor calls to help us to improve our service.

It will help if you can quote your policy number or plan number (shown on the schedule) when you contact us.

Please keep this document in a safe place.

1. PRELIMINARY

1.1 MEANING OF TERMS

"**Assignment**" of a policy means an agreement to transfer all or some of the rights to benefits from the policy to another party (the "assignee").

"**Endorsement**" is a document that becomes part of the policy documents. If we agree to or make certain types of changes to the policy, we will send you an Endorsement.

"**Policyholder**" is the legal owner of the policy. This is the person or persons named in the schedule or, if applicable, their legal successor(s).

"**Policy month**" is a one-month period starting on a monthly anniversary of the start date.

"**Time of the claim**" is the day a cash sum or monthly cash sums as appropriate becomes payable as detailed under provisions 4, 5 and 6 as relevant.

"**We**" or "**us**" means Scottish Widows.

"**You**" means the life assured named in the schedule.

Other terms are used throughout the provisions and their meanings or descriptions are established in the schedule or in particular provisions.

Headings to the provisions (except for those headings which are the names of illnesses or options) are included for reference only and do not form part of the provisions or affect their interpretation.

1.2 ENTITLEMENT UNDER THE POLICY ON DEATH

If there is more than one **policyholder**, on the death of any one of them, the deceased **policyholder** will have no rights under the policy and the survivor(s) will be exclusively entitled to any benefit under the policy.

Provision 1 deals with some formalities.

The meanings of certain terms are established in the schedule or in certain of these provisions.

*You will see that we have sometimes shown words in **bold type** to help you see where a specially-defined term is being used.*

Provision 8.6 deals with notices of assignments. For example, a mortgage lender may require an assignment of some or all of the life cover benefit in security for a mortgage. The policy would be said to be "assigned" and the lender would be the "assignee". Any life cover benefit paid, would repay all or part of the mortgage.

If more than one person is a policyholder and we accept a claim, each person will normally have an equal entitlement under the policy.

"Legal successor" means someone to whom the whole legal entitlement under the policy has been transferred, for example a trustee or a full assignee (where all benefits have been assigned). This does not include assignees in security (usually a mortgage lender), because although they have important rights they do not have all of them.

If the policy is under trust, the terms of the trust will determine any entitlement under the policy.

2. PREMIUMS

2.1 WHEN AND HOW

Premiums will be due on the first premium due date and monthly after that until and including the last premium due date. However, no premiums will be due during any period that they are waived under provision 7.

No premiums will be payable after the date on which any claim is accepted under provision 4 or 5.

Unless we agree otherwise, premiums will be payable on or before the due date and must be paid by direct debit.

2.2 AMOUNT

Subject to the following paragraph, to provision 2.3 and to provision 3.2.3 (if the basis of the policy is "Increasing"), the amount of each premium will be equal to the cover premium stated in the schedule plus the policy fee stated in the schedule.

However, if premium protection applies to the policy, we will reduce the premium by an amount as we reasonably determine from the **premium reduction date**. The "**premium reduction date**" is the earlier of

a) if applicable, the monthly anniversary of the start date which occurs six months before the start of the **policy month** in which you reach your 66th birthday, and

b) the date which is seven months before the expiry date.

2.3 PREMIUM REVIEWS

The cover premiums for the policy are reviewable as explained below.

The first review date is shown in the schedule. This date and every fifth yearly anniversary of that date after that are "**review dates**".

Before each **review date**, we will review the cover premiums for the policy, but not the policy fee. As a result of a review, the cover premiums that are payable on or after that **review date** may increase, stay the same or decrease. We will never alter cover premiums just because you are older at a **review date**, because your health or lifestyle has changed since the start date of the policy, or because of any premium protection claims or children's critical illness and life cover claims that might have been made.

At the start date of the policy we and our reinsurers made assumptions that were intended to last for the whole term of the policy. At each **review date**, we and our reinsurers will decide whether the assumptions which each last used are still appropriate for the remaining term of the policy.

The following terms are detailed in the schedule:

first premium due date;

last premium due date;

start date.

Provision 4 deals with Life Cover. Provision 5 deals with Critical Illness Cover.

Provision 7 explains what happens to your premiums if you have premium protection and we accept a claim for it.

If the premiums for more than one "Scottish Widows Protection for Life" policy are paid for by one direct debit then we will reduce the total amount of direct debit collected by a "Multiple Benefit Discount". The "Plan Summary" document, which we will send out from time to time, will give details of the amount of any discount then applying.

The expiry date and whether premium protection applies or not are shown in the schedule.

The amount of the reduction will be similar to the amount included in the premiums to pay for the cost of premium protection. The meaning of "policy month" is given in provision 1.1.

The "first review date", or "review date" if your policy term is under 10 years, is shown in the schedule. At a review date the premiums may increase, reduce or stay the same.

Premium protection is covered in provision 7. Provision 6 deals with Children's Critical Illness and Life Cover.

The start date of the policy is shown in the schedule.

A "reinsurer" is a company who we pay to share part of the insurance of policies.

We will only look at the assumptions relating to our expectation of the future number and timing of critical illness, terminal illness and death claims for the following valid reasons:

- new information arising from the analysis of our own past claims experience for similar types of policies,
- new information arising from our reinsurers' and other insurance companies' past claims experience for similar types of policies,
- new information arising from UK population statistics for morbidity and mortality,
- the impact of medical advances and medical practices on future claims including genetic profiling, screening, detection, diagnostic techniques and treatment methods for any of the claim events covered under the policy, and
- any event outside our control which was unforeseen at the start date of the policy or since the last review date if sooner.

We will look at overall claims experience rather than the claims under your particular policy.

When carrying out these reviews, we will not differentiate between lives assured on the basis of their health, nor will we increase your premium just because you are older.

Morbidity, as used here, is the probability of having a critical illness diagnosed.

Mortality, as used here, is the probability of dying or having a terminal illness diagnosed.

If either the assumptions that we now believe are appropriate or the future cost of reinsurance are different from before, we will use a fair and reasonable method of calculating the revised cover premium. In calculating that revised cover premium, we will only allow for any change in the future cost of reinsurance to the extent that the change arises for the same valid reasons described above. The revised cover premium will not allow for the previous assumptions having been inappropriate at any time before the **review date**. There is no minimum or maximum amount by which the cover premium may increase or reduce.

If you have premium protection then part of the cover premium allows for the cost of providing premium protection. The charge we make for premium protection is a fixed percentage of the part of the cover premium that excludes premium protection. At a premium review we will not review that percentage; so if the part of the cover premium that excludes the cost of premium protection changes then the part that allows for the cost of premium protection changes by the same proportion.

We will write to the **policyholder** at least six weeks before each **review date** to let them know the result of the review. If the premiums are due to increase they may write to us at least two weeks before the **review date** asking us to keep the premiums the same but instead to reduce the **claim amount** provided by us from the review date. Alternatively, the **policyholder** can choose to stop paying premiums altogether in which case the policy will end with no cash value.

We'll not change your premium to take account of any losses or any gains made as a result of previous assumptions having been wrong before the review date.

2.4 NON-PAYMENT OF PREMIUMS

If any premium is not paid, we will allow 30 days from its due date for it to be paid. We will then write to the **policyholder** with our reasonable requirements to allow the policy to continue. If these requirements are not met, we will cancel the policy and no premiums will be returned.

You must pay your premiums on time to ensure your cover continues. This policy does not have a cash-in value.

If the policy is cancelled, you will get nothing back.

Our reasonable requirements could include a declaration of good health and the outstanding payments.

We must inform anyone to whom the policy is assigned in security if premiums are not paid.

If you wish to cancel the policy, please see provision 8.1.

3. CLAIM AMOUNT(S)

The following terms are detailed in the policy schedule:

start date;

expiry date;

basis;

one of: benefit amount, initial benefit amount, monthly benefit amount, initial monthly benefit amount.

If we accept a claim under provision 4 or 5 then

a) whether we pay a single cash sum or monthly cash sums will be determined in accordance with provision 3.1, and

b) the amount of a cash sum (the "**claim amount**") will be determined in accordance with provision 3.2.

3.1 NUMBER OF CASH SUMS

Before the policy started you chose whether one cash sum or monthly cash sums would be paid if a claim becomes payable.

i) If either a "Benefit amount" or "Initial benefit amount" is shown in the schedule, the **claim amount** will be payable as a single cash sum.

ii) If either a "Monthly benefit amount" or "Initial monthly benefit amount" is shown in the schedule, the **claim amount** will be paid as monthly cash sums in accordance with the following paragraphs.

The meaning of "time of the claim" is given in provision 1.1.

Although provision 3.1(ii) describes monthly cash sums being paid, we will consider, at the "time of the claim", a request from the claimant for us to instead pay a single cash sum. If we agree to such a request, the amount of the single cash sum would be equivalent in value to the monthly cash sums due to be paid, as reasonably determined by us. The claimant would then have a choice of receiving that single amount or receiving the monthly cash sums as originally provided for.

The number of monthly cash sums will be equal to the number of monthly anniversaries of the start date which occur after the **time of the claim** up to and including the last monthly anniversary. For this purpose, the expiry date will be assumed to be the last such anniversary (or if applicable the only such anniversary).

The first monthly cash sum will be due within one month of the **time of the claim**. Unless we reasonably decide otherwise, the other monthly cash sums (if any) will be payable at monthly intervals after the first, but should the last cash sum be due on or after the expiry date of the policy, it will instead be payable on the day before the expiry date.

3.2 LEVEL, DECREASING, AND INCREASING BASIS

Before the policy started you chose whether it would be on a "level", "decreasing" or "increasing" basis and your choice is shown in the policy schedule.

The basis that applies to the policy is shown in the schedule. However, it is possible for an "Increasing" basis to change to "Level" under provision 3.2.3.

3.2.1 Level

If the policy is "level" then provision 3.2.1 will not alter the amount of the cash sum, or each monthly cash sum as appropriate, which will remain level. The cover premium (while payable) will also remain level, subject to "premium reviews" mentioned in provision 2.3.

If the basis is "Level" then the **claim amount** at the **time of the claim** will be equal to either the "Benefit amount" or the "Monthly benefit amount" shown in the schedule.

3.2.2 Decreasing

If the policy is "decreasing" then provision 3.2.2 will each month reduce the single cash sum we would pay. The cover premium (while payable) will also remain level, subject to "premium reviews" mentioned in provision 2.3.

If the basis is "Decreasing" then

a) the **claim amount** at the start date will be equal to the "Initial benefit amount" shown in the schedule, and

b) the **claim amount** at the **time of the claim** will be calculated as follows.

At the end of each month the **claim amount** will reduce in line with the amount of capital that would be outstanding under a repayment mortgage which assumes:

Initial amount of mortgage:	the initial benefit amount
When mortgage taken out:	the start date of the policy
Mortgage to be repaid by:	the expiry date of the policy
Type of repayments:	capital and interest, with level monthly instalments all made when they are due
Mortgage interest rate:	as shown in the schedule

3.2.3 Increasing

If the basis is "Increasing" then the following paragraphs apply.

If the policy is "increasing" then provision 3.2.3 will increase, at each policy anniversary, the cash sum(s) we would pay. The cover premium (while payable) will also increase and it may also change because of "premium reviews" mentioned in provision 2.3.

a) The **claim amount** at the start date will be equal to either the "Initial benefit amount" or the "Initial monthly benefit amount" shown in the schedule.

On each yearly anniversary of the start date, the **claim amount** applying immediately before that anniversary will increase.

Subject to a minimum of 2% and a maximum of 10%, it will increase by the percentage increase in the **Retail Prices Index** (as defined below) over the twelve months ending four, or such other number as we may reasonably decide, months prior to that anniversary.

"**Retail Prices Index**" means the United Kingdom Retail Prices Index or such other similar index as we reasonably determine.

If monthly cash sums are being paid and the basis of the policy was increasing at the time of the claim, the monthly cash sum will continue to increase at each yearly policy anniversary.

You will not have to provide us with any information about your state of health for these yearly automatic increases.

The Retail Prices Index is the index we will be using for the foreseeable future, but we might have to use something else if this changed or no longer existed.

b) The increased cover premium applying on or after each yearly anniversary (if premiums are still payable under provision 2.1) will be calculated as follows:

i) We will first take the cover premium applying for the **claim amount** immediately before the anniversary. However, if the anniversary is also a **review date** under provision 2.3, we will instead start with the cover premium that would have applied if the **claim amount** had remained level from that **review date**.

ii) Next, we will increase the cover premium from (i) above in accordance with the appropriate paragraph below.

The increase in a year applies to the original amount of cover plus any previous increases. For example, if a policy starts with a benefit amount of £100,000:

- *if the increase in the Retail Prices Index over the 1st year is 3%, the claim amount will increase by 3% to £103,000; and*
- *if the increase in the Retail Prices Index over the 2nd year is only 1%, the claim amount will increase by the minimum of 2% to £105,060 (£103,000 + 2% of £103,000).*

If an "Initial monthly benefit amount" is shown in the schedule, we will increase that cover premium by the percentage increase in the **claim amount** for that anniversary calculated in (a) above.

If we would pay monthly cash sums for a claim, the increase in the cover premium will be at the same rate as the increase in the claim amount.

If an "Initial benefit amount" is shown in the schedule, we will:

1) Calculate a "**premium increase percentage**" by multiplying the percentage increase in the **claim amount** for that anniversary calculated in (a) above by 1.35.

2) Finally, we will increase that cover premium by the **premium increase percentage** calculated in (1) above.

If we would pay a single cash sum for a claim, the use of the factor of 1.35 in provision 3.2.3(b)(ii)(1) means that the cover premium will increase at a greater rate than the rate of increase in the claim amount.

For example, if the existing cover premium is £100 and the claim amount increases by 2%, the cover premium will increase by 2.7% (1.35 x 2%) to £102.70.

c) If premiums are still payable under provision 2.1, we will write to the **policyholder** at least six weeks before each yearly anniversary to let them know the results of the automatic increases under this provision. The increases for an anniversary will then take effect on the anniversary unless the **policyholder** requests us to cancel the increases. A request must be in a form reasonably acceptable to us and be received at our main administrative office at least two weeks before the relevant anniversary. If on two consecutive anniversaries the automatic increases are cancelled, all future automatic increases will cease to apply.

We will tell you about the premium increases before they happen.

Details of our main administrative office are shown at the start of this booklet.

The **policyholder** may request us at any time to cease all future automatic increases in the claim amount and premiums. Their request must be in a form reasonably acceptable to us.

If all future automatic increases cease to apply, for whatever reason, the basis of the policy will become "Level".

If the policy becomes 'Level', the claim amount and, subject to provision 2.3, the premiums will no longer change and will remain at their then current amounts. It will not be possible to later reinstate automatic increases.

4. LIFE COVER

4.1 PAYMENT EVENT

Subject to any further provisions referred to in the schedule, if on or after the start date and before the end of the expiry date

The start date and expiry date are shown in the schedule.

a) you die, or

b) you contract a **terminal illness** as defined in provision 4.2 and the requirements of provision 4.3 are met

Provision 4.3 is about our claim requirements.

then on the day of notification by us at our main administrative office of the death or of such proof as we may reasonably require of the terminal illness, whichever is appropriate, a cash sum or monthly cash sums as appropriate will become payable in accordance with provision 3.

Details of our main administrative office are shown at the start of this booklet.

If we accept a claim under this provision then provision 3 explains whether one cash sum or monthly cash sums would be payable, and also the amount of each cash sum.

If we accept a claim under this provision, no further claim will be accepted under the policy and the policy will be cancelled once we have paid the cash sum or last monthly cash sum as appropriate.

4.2 TERMINAL ILLNESS

"**Terminal illness**" means a definite diagnosis by the attending Consultant of an illness that satisfies both of the following:

a) the illness either has no known cure or has progressed to the point where it cannot be cured; and

b) in the opinion of the attending Consultant, the illness is expected to lead to death within 12 months.

4.3 TERMINAL ILLNESS CLAIM REQUIREMENTS

No cash sum will be payable under provision 4.1 in respect of terminal illness unless

a) we receive notice of the illness at our main administrative office before the expiry date,

The address of our main administrative office is shown at the start of this booklet. The expiry date is shown in the schedule.

b) any claim form that we will issue on receipt of such notice is completed and received back by us at our main administrative office within a reasonable period of time,

It will help if any claim form we issue is returned within 28 days.

c) we receive (at the expense of the claimant, whose reasonably- incurred expenses we will reimburse if we accept the claim) such certificates and information about, and such evidence of, the illness and your medical history as we may reasonably require,

d) you attend (at our reasonable expense) such examinations by a medical examiner appointed by us as we may reasonably require, and

e) the certificates, information and evidence in (c) above and any examinations in (d) above all indicate to us (acting reasonably) that the claim is valid in accordance with these policy provisions.

For (c) and (d) if you are not resident in the UK at the time of the claim, provision 8.4 applies.

5. CRITICAL ILLNESS COVER

5.1 PAYMENT EVENT

Subject to any specific exclusions referred to in the schedule, if, on or after the start date and before the end of the expiry date

The start date and expiry date are shown in the schedule.

a) you meet the definition for a critical illness as defined in provision 5.3, and

b) the requirements of provision 5.4 are met,

then on the day of receipt by us at our main administrative office of such proof as we may reasonably require of the critical illness a cash sum or monthly cash sums as appropriate will become payable in accordance with provision 3.

Details of our main administrative office are shown at the start of this booklet.

If we accept a claim under this provision, no further claim will be accepted under the policy and the policy will end once we have paid the cash sum or last monthly cash sum as appropriate.

If we accept a claim under this provision then provision 3 explains whether one cash sum or monthly cash sums would be payable, and also the amount of each cash sum.

5.2 DEFINITIONS

This provision defines some terms used only in provision 5.3.

"Irreversible" means cannot 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" means expected to last throughout life with no prospect of improvement, irrespective of when the cover ends or you expect to retire.

"Permanent neurological deficit with persisting clinical symptoms" has the meaning given in the following paragraphs:

> Dysfunction in the nervous system that is present on clinical examination and expected to last throughout the insured person's life.
>
> To include numbness, hyperaesthesia (increased sensitivity), paralysis, localised weakness, dysarthria (difficulty with speech), aphasia (inability to speak), dysphagia (difficulty in swallowing), visual impairment, difficulty in walking, lack of co-ordination, tremor, seizures, dementia, delirium and coma.
>
> The following are not covered:
>
> - An abnormality seen on brain or other scans without definite related clinical symptoms
> - Neurological signs occurring without symptomatic abnormality, e.g. brisk reflexes without other symptoms
> - Symptoms of psychological or psychiatric origin.

5.3 CRITICAL ILLNESS

For the purposes of provision 5.1, a **critical illness** is one of the following:

a) Alzheimer's Disease

A definite diagnosis of Alzheimer's disease by a Consultant Neurologist, Psychiatrist or Geriatrician. There must be **permanent** clinical loss of the ability to do all of the following:

i) remember;

ii) reason; and

iii) perceive, understand, express and give effect to ideas.

For the above definition, the following are not covered:

i) Other types of dementia.

b) Aorta Graft Surgery

The undergoing of surgery for disease or trauma to the aorta with excision and surgical replacement of a portion of the diseased aorta with a graft.

The term aorta includes the thoracic and abdominal aorta but not its branches.

For the above definition, the following is not covered:

i) Any other surgical procedure, for example the insertion of stents or endovascular repair.

c) Bacterial Meningitis

A definite diagnosis of Bacterial Meningitis by a Consultant Neurologist. This must be supported by persisting clinical symptoms for at least 3 months.

For the above definition, the following are not covered:

i) Other forms of meningitis, including viral meningitis.

d) Benign Brain Tumour

A non-malignant tumour or cyst originating from the brain, cranial nerves or meninges within the skull, resulting in **permanent neurological deficit with persisting clinical symptoms** or undergoing invasive surgery to remove part or all of the tumour.

For the above definition, the following are not covered:

i) Tumours in the pituitary gland.

ii) Tumours originating from bone tissue.

iii) Angioma and cholesteatoma.

e) Blindness

Permanent and **irreversible** loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.

f) Bone Marrow Failure

Permanent and **irreversible** bone marrow failure with anaemia, neutropenia and thrombocytopenia as a result of which

either regular blood transfusions, bone marrow stimulation, immunosupression or bone marrow transplant is required.

g) Cancer

Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue. For this definition the term malignant tumour includes leukaemia, sarcoma and lymphoma except cutaneous lymphoma (lymphoma confined to the skin).

For the above definition, all of the following are not covered:

i) All cancers which are histologically classified as any of the following:
   - pre-malignant;
   - non-invasive;
   - cancer in situ, other than ductal carcinoma in situ of the breast treated with surgical mastectomy, partial mastectomy, segmentectomy or lumpectomy
   - having either borderline malignancy; or
   - having low malignant potential.

ii) Ductal carcinoma in situ of the breast treated by any other method;

iii) Prophylactic mastectomy in the absence of a histologically confirmed diagnosis of invasive carcinoma or ductal carcinoma in-situ of the breast;

iv) All tumours of the prostate that are:
   - classified as TisNOMO or Prostatic intraepithelial neoplasia (PIN)
   - histologically classified as having a Gleason score below 7 and TNM classification below T2bNOMO that are treated only by observation, surveillance and/or surgical biopsy;

v) Chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A;

vi) Any other skin cancer (including cutaneous lymphoma) unless it has been histologically classified as having caused invasion in the lymph glands or spread to distant organs;

vii) Malignant melanoma unless it has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

h) Coma

A state of unconsciousness with no reaction to external stimuli or internal needs which requires the use of life support systems for a period of 96 hours.

For the above definition, the following are not covered:

i) Medically induced coma

ii) Coma secondary to alcohol or drug abuse.

i) Coronary Artery By-Pass Grafts

The undergoing of surgery on the advice of a Consultant Cardiologist to correct narrowing or blockage of one or more coronary arteries with by-pass grafts.

j) Creutzfeldt-Jakob Disease

Confirmation by a Consultant Neurologist of a definite diagnosis of Creutzfeldt-Jakob disease resulting in **permanent neurological deficit with persisting clinical symptoms**.

k) Deafness

Permanent and **irreversible** loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.

l) Heart Attack

Death of heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:

i) New characteristic electrocardiographic changes.

ii) The characteristic rise of cardiac enzymes or Troponins recorded at the following levels or higher;

- Troponin T > 0.2 ng/ml
- Troponin I > 0.5 ng/ml (or equivalent threshold with other Troponin I methods).

The evidence must show a definite acute myocardial infarction. For the above definition, the following are not covered:

i) Other acute coronary syndromes or angina without myocardial infarction.

m) Heart Valve Replacement or Repair

The undergoing of surgery on the advice of a Consultant Cardiologist to replace or repair one or more heart valves.

n) HIV Infection

Infection by Human Immunodeficiency Virus resulting from:

i) a blood transfusion given as part of medical treatment;

ii) a physical assault; or

iii) an incident occurring during the course of performing normal duties of employment after the start of the policy and satisfying all of the following:

- The incident must have been reported to appropriate authorities and have been investigated in accordance with the established procedures.
- Where HIV infection is caught through a physical assault or as a result of an incident occurring during the course of performing normal duties of employment, the incident must be supported by a negative HIV antibody test taken within 5 days of the incident.
- There must be a further HIV test within 12 months confirming the presence of HIV or antibodies to the virus.
- The incident causing infection must have occurred in the European Union, North America, Australia or New Zealand

For the above definition, the following is not covered:

i) HIV infection resulting from any other means, including sexual activity or drug abuse.

o) Kidney Failure

Chronic and end stage failure of both kidneys to function, as a result of which regular dialysis is permanently required.

p) Loss of Hand or Foot

Permanent physical severance of either a hand or a foot at or above the wrist or ankle joint.

q) Loss of Speech

Total **permanent** and **irreversible** loss of the ability to speak as a result of physical injury or disease.

r) Major Organ Transplant

The undergoing as a recipient of a transplant of bone marrow or of a complete heart, kidney, liver, lung or pancreas or a whole lobe of the lung or liver, or inclusion on an official UK waiting list for such a procedure.

For the above definition, the following is not covered:

i) Transplant of any other organs, parts of organs, tissues or cells.

s) Motor Neurone Disease

A definite diagnosis of Motor Neurone Disease by a Consultant Neurologist.

t) Multiple Sclerosis

A definite diagnosis of Multiple Sclerosis by a Consultant Neurologist. There must be previously recorded or current clinical impairment of motor or sensory function.

u) Paralysis of limbs

Total and **irreversible** loss of muscle function to the whole of any one limb.

v) Parkinson's Disease

A definite diagnosis of Parkinson's disease by a Consultant Neurologist. There must be **permanent** clinical impairment of motor function with associated tremor and muscle rigidity.

w) Parkinsons Plus Syndromes

A definite diagnosis by a Consultant Neurologist of one of the following Parkinson Plus syndromes:

i) Multiple system atrophy
ii) Progressive supranuclear palsy
iii) Parkinsonism-dementia-amyotrophic lateral sclerosis complex
iv) Corticobasal ganglionicdegeneration
v) Diffuse Lewy body disease

There must be also **permanent** clinical impairment of at least one of the following:

i) motor function; or
ii) eye movement disorder; or
iii) postural instability; or
iv) dementia

For the above definition the following is not covered:

i) Degenerative disorders secondary to drug abuse

x) Stroke

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in **permanent neurological deficit with persisting clinical symptoms**.

For the above definition, the following are not covered:

i) Transient ischaemic attack.
ii) Traumatic injury to brain tissue or blood vessels.
iii) Death of tissue of the optic nerve or retina.

y) Third Degree Burns

Burns that involve damage or destruction of the skin to its full depth through to the underlying tissue and covering at least 20% of the body's surface area or covering 20% of the area of the face or head.

z) Traumatic Brain Injury

Death of brain tissue due to traumatic injury resulting in **permanent neurological deficit with persisting clinical symptoms**.

(aa) Total Permanent Disability

Subject to any special provisions referred to in the schedule and to the following paragraph, the definition of "**Total Permanent Disability**" that applies to the policy is stated in the schedule.

There are three different definitions of Total Permanent Disability. One of those definitions will apply to the policy. The meaning of each definition is given below.

If

a) "Definition 1 – Own Occupation", or "Definition 2 – Suited Occupation" is stated in the schedule to apply to the policy and

b) you were not in gainful employment immediately before the start of the disability

then "Definition 3 – Work Tasks" will apply instead.

The following terms are used in Definitions 1 and 2:

"**Your occupation**", has a meaning which depends on which definition applies to the policy:

i) If "Definition 1 – Own Occupation" applies, "**your occupation**" means the **occupation** as stated on the application and accepted by us.

ii) If "Definition 2 – Suited Occupation" applies, "**your occupation**" means the **occupation** from which you last derived any earnings before the start of disability. If there was more than one such **occupation**, it will mean the one from which the largest part of those earnings was derived.

"**Material and substantial duties**" are those that are normally required for, and/or form a significant and integral part of, the performance of the your occupation that cannot reasonably be omitted or modified.

Definition 1 – Own Occupation

Under this definition "**Total permanent disability**" means the loss of the physical or mental ability through an illness or injury to the extent that you are unable to do the **material and substantial duties** of your **own occupation** ever again.

The meaning of "material and substantial duties" is given before Definition 1.

"**Own occupation**" means your trade, profession or type of work you do for profit or pay. It is not a specific job with any particular employer and is irrespective of location and availability.

The relevant specialists must reasonably expect that the disability will last throughout life with no prospect of improvement, irrespective of when the cover ends or you expect to retire.

For the above definition, disabilities for which the relevant specialists cannot give a clear prognosis are not covered.

Definition 2 – Suited Occupation

Under this definition "**Total permanent disability**" means the loss of the physical or mental ability through an illness or injury to the extent that you are unable to do the **material and substantial duties** of a **suited occupation** ever again.

A "**suited occupation**" means any work you could do for profit or pay taking into account your employment history, knowledge, transferable skills, training, education and experience, and is irrespective of location and availability.

The relevant specialists must reasonably expect that the disability will last throughout life with no prospect of improvement, irrespective of when the cover ends or you expect to retire.

For the above definition, disabilities for which the relevant specialists cannot give a clear prognosis are not covered.

Definition 3 – Work Tasks

Under this definition **Total Permanent Disability** means the loss of the physical ability through an illness or injury to do at least 3 of the 6 work tasks listed below ever again.

The relevant specialists must reasonably expect that the disability will last throughout life with no prospect of improvement, irrespective of when the cover ends or you expect to retire.

You must need the help or supervision of another person and be unable to perform the task on your own, even with the use of special equipment routinely available to help and having taken any appropriate prescribed medication.

The work tasks are:

i) **Walking** – the ability to walk more than 200 metres on a level surface.

ii) **Climbing** – the ability to climb up a flight of 12 stairs and down again, using the handrail if needed.

iii) **Lifting** – the ability to pick up an object weighing 2kg at table height and hold for 60 seconds before replacing the object on the table.

iv) **Bending** – the ability to bend or kneel to touch the floor and straighten up again.

v) **Getting in and out of a car** – the ability to get into a standard saloon car, and out again.

vi) **Writing** – the manual dexterity to write legibly using a pen or pencil, or type using a desktop personal computer keyboard.

For the above definition, disabilities for which the relevant specialists cannot give a clear prognosis are not covered.

5.4 CRITICAL ILLNESS CLAIM REQUIREMENTS

No claim will be payable under provision 5.1 in respect of critical illness unless

a) we receive at our main administrative office notice of the illness within six months of its initial diagnosis, or within six months of the start of any Total Permanent Disability,

b) the claim form that we will issue on receipt of such notice is completed and received back by us at our main administrative office within a reasonable period of time,

Details of our main administrative office are shown at the start of this booklet.

It will help if any claim form we issue is returned within 28 days.

c) we receive (at the expense of the claimant, whose reasonably-incurred expenses we will reimburse if we accept the claim) such certificates and information about, and such evidence of, the illness and your medical history as we may reasonably require,

d) you attend (at our reasonable expense) such examinations by a medical examiner appointed by us as we may reasonably require, and

e) the certificates, information and evidence in (c) above and any examinations in (d) above all indicate to us (acting reasonably) that the claim is valid in accordance with these policy provisions.

For (c) and (d) if you are not resident in the UK at the time of the claim, provision 8.4 applies.

6. CHILDREN'S CRITICAL ILLNESS AND LIFE COVER

References in this provision to "**child**" are to any natural or legally adopted child of yours or any stepchild of yours (as a result of your marriage or registered civil partnership) who is financially dependent on you.

If we pay a cash sum under this provision, your policy will continue as before and there will be no impact on your premiums or the amount of your cover.

A child will be covered under the policy after age 30 days and before age 21 years, but will not be covered

a) before the date of legal adoption of the child by you in the case of an adopted child, and

b) before your date of marriage or registered civil partnership in the case of a stepchild.

6.1 CHILDREN'S CRITICAL ILLNESS COVER

6.1.1 Payment event

If on or after the start date and before the end of the expiry date

The start date and expiry date are shown in the schedule.

a) a child who is covered meets the definition for a **critical illness** as defined in provision 5.3 other than **Total Permanent Disability**, provided that it does not result directly or indirectly from any of the causes stated in provision 6.1.4, and

b) the relevant child survives for at least 14 days after diagnosis of the **critical illness** by a consultant specialising in the appropriate area of medicine, and

c) the requirements of provision 6.1.3 are met, and

If we have accepted a claim for you, no children's critical illness claim will be paid.

d) we have not accepted a claim under provision 4 or 5, and

e) we have not accepted a claim for the relevant child under provision 6.2

then on the day of receipt by us at our main administrative office of such proof as we may reasonably require of the **critical illness**, a cash sum of the amount specified in provision 6.1.2 will become payable.

Details of our main administrative office are shown at the start of this booklet.

No more than one cash sum will be payable for children's **critical illness** cover under this policy in respect of the same child.

If we pay a cash sum for a children's critical illness, that child is no longer covered for any children's critical illness, but children's life cover will still apply.

6.1.2 Amount

The cash sum payable under provision 6.1.1 will be the lesser of:

a) 50% of the **claim amount** (calculated in accordance with provision 3.1), and

b) £25,000, less the total value of any benefits payable in respect of a **critical illness** or other illness of the child under any other policies issued by us.

6.1.3 Critical illness claim requirements

No claim will be payable under provision 5.1 in respect of critical illness unless

a) we receive at our main administrative office notice of the illness within six months of its initial diagnosis, or within six months of the start of any Total Permanent Disability,

Details of our main administrative office are shown at the start of this booklet.

It will help if any claim form we issue is returned within 28 days.

b) the claim form that we will issue on receipt of such notice is completed and received back by us at our main administrative office within a reasonable period of time,

c) we receive (at the expense of the claimant, whose reasonably- incurred expenses we will reimburse if we accept the claim) such certificates and information about, and such evidence of, the illness and your medical history as we may reasonably require,

d) you attend (at our reasonable expense) such examinations by a medical examiner appointed by us as we may reasonably require, and

e) the certificates, information and evidence in (c) above and any examinations in (d) above all indicate to us (acting reasonably) that the claim is valid in accordance with these policy provisions.

For (c) and (d) if you are not resident in the UK at the time of the claim, provision 8.4 applies.

6.1.4 Exclusions

The causes referred to in provision 6.1.1 are any critical illness where:

a) the child's condition was present at birth;

b) the symptoms first arose before the child was covered; or

c) the child dies within 14 days of meeting our definition of the critical illness. If this happens, you could make a claim for Children's Life Cover.

Critical illnesses caused before the child becomes covered by the policy are not included.

6.2 CHILDREN'S LIFE COVER

6.2.1 Payment event

Subject to provision 6.2.3, if on or after the start date and before the end of the expiry date

a) a child who is covered dies, and

b) we have not accepted a claim under provision 4 or 5

then on the day of receipt by us at our main administrative office of written notice of the death, a cash sum will become payable in accordance with provision 3.

Children are not covered for terminal illness.

If we have accepted a claim for you, no children's life cover claim will be paid.

Details of our main administrative office are shown at the start of this booklet.

6.2.2 Amount

The cash sum payable under provision 6.2.1 will be the lesser of:

a) 50% of the **claim amount** (calculated in accordance with provision 3.1), and

b) £5,000, less the total value of any benefits payable in respect of the death of the child under any other policies issued by us.

6.2.3 Exclusions

The cause of death is due to a condition that

a) was present at birth; or

b) first arose before the child was covered.

7. PREMIUM PROTECTION COVER

This provision applies only if the schedule states that premium protection applies to the policy.

Remember it is important to keep paying your premiums on time for the first three months of disability to ensure the cover still applies.

7.1 MEANING OF TERMS

The following terms are used in provision 7.

7.1.1 Meaning of disability

Subject to the following paragraph and provision 7.5, the definition of **disability** that applies to the policy for premium protection is stated in the schedule.

Provision 7.5 states the circumstances in which disability is not covered.

If we accept a claim for Premium Protection Cover, we will waive the premiums due during a claim period (see provision 7.1.2). It's possible for us to waive the premiums more than once – for example, if you become unable to work, recover and become unable to work again.

If

a) either "Definition 1 – Own Occupation", or "Definition 2 – Suited Occupation" is stated in the schedule to apply to the policy and

b) you are working less than 16 hours a week before the start of the disability and you are not self-employed

then "Definition 3 – Activities of Daily Work" will apply instead.

In both "Definition 1" and "Definition 2" below, "**occupation**" means a trade, profession or type of work undertaken for profit or pay. It is not a specific job with any particular employer and is independent of location and availability.

If "Definition 1 – Own Occupation" applies, "**disability**" means you are totally unable due to sickness or accident to follow the **occupation** from which you last derived any earnings before the start of disability (if there was more than one it will be that from which the largest part of those earnings was derived), and are not doing any other occupation for payment or profit.

If "Definition 2 – Suited Occupation" applies, "**disability**" means due to sickness or accident you are totally unable to follow:

- the **occupation** from which you last derived any earnings before the start of disability (if there was more than one it will be that from which the largest part of those earnings was derived), and
- any other **occupation** for which we reasonably consider you suited taking into account your education, training and experience,

and you are not doing any other occupation for payment or profit.

If "Definition 3 – Activities of Daily Work" applies, "**disability**" means any sickness or accident which

a) prevents you from doing, even with the use of appropriate assistive devices, at least two out of six activities of daily work ("**ADWs**") without the assistance of another person or

b) causes **mental failure**.

The six **ADWs** are:

i) Hearing

The ability to hear, with a hearing aid if required, well enough to hear someone speaking in a normal voice in a quiet room.

ii) Lifting

The ability to pick up 1kg from waist height and carry it for 5 metres.

iii) Speech

The ability to be understood in a common language in a quiet room.

iv) Using a pen, pencil or keyboard

The ability to use a pen, pencil or keyboard with either hand.

v) Vision

The ability to see well enough to read 16 point print using spectacles or other aids if required.

vi) Walking

The ability to walk 200 metres on a level surface with a stick or other aid if required, without stopping or severe discomfort.

"**Mental failure**" has the meaning given in the following paragraphs:

You will be treated as suffering from mental failure if, due to an organic brain disease (such as Alzheimer's Disease or senile

dementia) or brain injury, your ability to reason, remember and understand things deteriorates to such an extent that you can no longer look after yourself without the continual supervision and assistance of another person.

You may not claim benefits because of a mental or nervous disorder which cannot be shown to be due to an organic brain disease or brain injury.

Mental failure will be determined using clinical evidence and recognised tests of mental capacity.

7.1.2 Meaning of other terms

"**Period of disability**" means any period throughout which you suffer disability arising after the start date.

"**Deferred period**" means the first 13 weeks of a period of disability.

"**Claim period**" means that part of a **period of disability** commencing immediately after the later of:

a) the day on which we receive at our main administrative office notice of the disability, and

b) the end of the **deferred period**

and ending immediately before the earliest of

i) your 66th birthday,

ii) the expiry date, and

iii) the day any amount becomes payable under provision 4 or 5.

Details of our main administrative office are shown at the start of this booklet.

Note that a claim period may end before the end of a period of disability.

The expiry date is shown in the schedule.

Provisions 4 and 5 are those for life cover and for critical illness cover.

7.2 PROTECTION OF PREMIUMS

On receipt of evidence of disability as required in provision 7.4 and subject to any further provisions referred to in the schedule, we will waive any premium due during a claim period and will treat it as having been paid.

Provision 7.4 covers evidence that we will need.

If the basis of the policy is "increasing", the premiums we protect during a claim period will allow for the increases under provision 3.2.3(b).

7.3 LINKED CLAIMS

We will treat successive periods of disability as a single **period of disability** if the successive periods

a) arise from the same cause, and are separated only by less than six months of active full-time work (over 16 hours), or

b) arise from different causes and are separated only by less than one month of active full-time work

except that we will not treat such intervening periods of active full-time work as part of the **period of disability**.

The premiums we protect during a claim period will allow for any premium review under 2.3.

The "deferred period" (wait of 13 weeks before premiums are waived) would not apply more than once to successive periods of disability linked by provision 7.3, but in the intervening periods premiums are payable.

7.4 EVIDENCE OF DISABILITY

We will not waive any premium unless

a) such certificates, information and evidence as we reasonably require as proof of the start and continuation of the period of disability are provided to us at your expense (we will reimburse your reasonably incurred expenses), and

b) you are examined at our expense by an examiner appointed by us as often as we reasonably require.

For (a) and (b) if you are not resident in the UK at the time of the claim, provision 8.4 applies.

7.5 EXCLUSIONS

The disability must not result directly or indirectly from:

a) Alcohol or drug abuse

Inappropriate use of alcohol or drugs, including but not limited to the following:

- Consuming too much alcohol.
- Taking an overdose of drugs, whether lawfully prescribed or otherwise.
- Taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription.

b) Criminal acts

Taking part in a criminal act.

c) Self-inflicted injury

Intentional self-inflicted injury.

d) Unreasonable failure to follow medical advice

Unreasonable failure to seek or follow medical advice.

e) War and civil commotion

War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

8. GENERAL

8.1 CANCELLING THE POLICY

The **policyholder** may request us to cancel the policy at any time. The policy will not have a cash-in value.

If the policy is cancelled, all cover will end and any later claim made will not be paid.

At the start of the policy we will issue a cancellation notice to the **policyholder**. If it is returned to us within the notice period stated, we will cancel the policy and refund any premiums paid.

After that period the **policyholder** may request us to cancel the policy by writing to us at our main administrative office, but we will not refund any premiums paid.

Details of our main administrative office are shown at the start of this booklet.

8.2 CHANGES TO POLICY TERMS

This provision explains how we may have to alter the terms of your policy.

If while the policy is in force

a) there is any change in law or taxation affecting us or the policy,

b) there is any exceptional change in circumstances which in our reasonable opinion makes it no longer possible to carry out any one or more of these provisions, or

c) we become aware of any error or omission in the policy documents,

then we may with immediate effect make such reasonable alterations to the policy documents as we may in good faith consider appropriate in the circumstances. We will inform the **policyholder** in writing in advance of any such alterations being made. However, if that is not possible, we will inform you as soon as we reasonably can.

We may also make changes in line with provision 8.3.

8.3 PAYMENT OF BENEFITS

8.3.1 Conditions

Subject to provision 8.3.2, we will only pay benefits if :

a) you,

b) the person making the claim, or

c) anyone else connected with the policy or claim,

For (c), this could be a trustee or a legal representative.

gives us such evidence as we may reasonably require of:

i) the happening of the event on which, or the continuation of the circumstances under which, the benefits are payable,

ii) the legal entitlement of the claimant,

iii) your date of birth,

iv) such authorisations as we may require to obtain medical information about you; and

v) other information that we may reasonably require to enable us to assess the claim.

We will need to write to your doctor to assess any claim and we will need authorisation to obtain medical information about you. We will require you or a personal representative to provide this authorisation when making a claim. If you or the personal representative do not provide the authorisation and we can't obtain the information we need, we might not pay the claim, and the policy could be made void with no payments to us being refunded.

We will require a correctly completed claim form to be returned to us before we assess a claim.

8.3.2 Information Given To Us

We may reasonably ask for information about you:

a) during the application for the policy,

b) during the making of a claim, or

c) at any other relevant time while the policy is in force.

For example, if a change to the policy is being requested.

All questions we ask must be answered honestly and in full.

8.3.2.1

If we discover that

a) you,

b) the person making the claim, or

c) anyone else connected with the policy or claim,

has given us incorrect information or did not provide us with all the information we asked for, provision 8.3.2.2 will apply.

8.3.2.2

If this provision applies under 8.3.2.1, we may reasonably decide to

a) make proportionate changes to the policy,

b) cancel the policy, or

c) in the event of a claim,

   i) pay only some of the benefits, or

   ii) not pay any benefits.

For example, types of changes under (a) could include changes to the premium, benefit amount and to add or remove limits or exclusions when we would not pay out benefits.

If we make changes to the policy or pay only some of the benefits, it will be to reflect the terms that we would have offered at the start of the policy had we been given full and correct information.

If we cancel the policy or do not pay any benefits because we reasonably believe there has been fraud, we will not refund any premiums paid.

8.3.3 Application of Money

Our responsibility under this contract is to pay any money due in accordance with the policy. We will not in any way be responsible to enquire into or see to the application of any such money.

8.4 RESIDENCE

Unless otherwise stated in the schedule, you may, without restriction or payment of additional premium, reside or travel in any part of the world or engage in any occupation.

If at any stage in connection with a claim you are resident outside the United Kingdom and we reimburse the cost of any evidence obtained from outside the United Kingdom or pay for any examination held outside the United Kingdom then we will do so only to the extent that it does not exceed the amount we would reasonably expect the cost within the United Kingdom to have been.

8.5 LAW OF THE CONTRACT

The law of the contract between the **policyholder** and us is that of England and Wales, unless one of the following applies:

a) the **policyholder** resided in Scotland at the start date of the policy in which case the contract is subject to the law of Scotland, or

b) the **policyholder** resided in Northern Ireland at the start date of the policy in which case the contract is subject to the law of Northern Ireland.

If there was more than one **policyholder** at the start date of the policy, the **policyholder** referred to above will be the first named in the schedule.

8.6 NOTICE OF ASSIGNMENT

Notice of assignment must be given to us in writing at our main administrative office as soon as practicable after the assignment takes place.

This is important to protect the legal rights of any person to whom the policy is assigned.

The meaning of "assignment" is given in provision 1.1.

Details of our main administrative office are shown at the start of this booklet.

8.7 THIRD PARTY

The policy is a contract between us and the **policyholder** and is not intended to benefit anyone else (a "**third party**").

A **third party** has no rights under the policy and cannot require any term of the policy to be carried out.

This means that only you (or your legal successor(s)) can enforce the contract against us.

8.8 HOW TO COMPLAIN

The **policyholder** can contact us at our main administrative office if they wish to make a complaint. If the **policyholder** is not satisfied with the response we give, they can complain to:

The Financial Ombudsman Service,
Exchange Tower,
London E14 9SR
Tel **0800 023 4567**

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

Website: **www.financial-ombudsman.org.uk**

Complaining to the Ombudsman won't affect the **policyholder's** legal rights.

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SCOTTISH WIDOWS