

KEY FEATURES

OF PERSONAL PROTECTION
SCOTTISH WIDOWS PROTECT

Important information you need to read

THE FINANCIAL CONDUCT AUTHORITY IS A FINANCIAL SERVICES REGULATOR. IT REQUIRES US, SCOTTISH WIDOWS, TO GIVE YOU THIS IMPORTANT INFORMATION TO HELP YOU TO DECIDE WHETHER OUR PERSONAL PROTECTION UNDER OUR SCOTTISH WIDOWS PROTECT 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.

YOU ONLY NEED TO READ THE SECTIONS THAT ARE RELEVANT TO THE COVERS YOU HAVE CHOSEN.

FOR EACH COVER YOU CHOOSE UNDER THE PLAN, WE'LL SET UP A POLICY THAT IS LEGALLY SEPARATE FROM ANY OTHERS IN THE PLAN.

ITS AIMS

You can choose one or more of the following policies for your plan, which have the following aims:

- Life Cover – pays out a lump sum, or monthly amount, if you're diagnosed with a terminal illness or die during the term of your policy, or
- Whole of Life Cover – pays out a lump sum when you die, or
- Critical Illness Cover – pays out a lump sum, or monthly amount, if you are diagnosed with a critical illness that meets our definition during the term of your policy, or
- Life with Critical Illness Cover – pays out a lump sum or monthly amount, if you're diagnosed with a critical illness that meets our definition, are diagnosed with a terminal illness, or die, whichever happens first during the term of your policy.

YOUR COMMITMENT

- To pay the premium for the policies by monthly Direct Debit until the end of the policy term, or if it's Whole of Life Cover, for the rest of your life.
- To answer all questions in the application honestly and fully.

RISKS

- If you stop paying the premiums, your cover will end as we'll cancel the policy, and we won't refund any money.
- If you choose a 'decreasing sum assured' to cover a mortgage or a loan:
 - and later increase or extend your loan or mortgage, or
 - the interest rate on your loan or mortgage is higher than the interest rate chosen for your policy, the amount we pay out may not cover this.
- If you've taken Whole of Life Cover, you'll have to pay your premiums for the whole of your life. This means you could pay more in premiums than the amount of cover.
- If your circumstances change, the amount of cover you originally chose may not continue to meet your needs. You should regularly review this with your financial adviser.
- We may not pay any claim, amend the terms of your cover or even cancel your cover if you:
 - don't answer the questions honestly, or
 - give us incomplete or misleading answers, or
 - don't advise us of a change in your answers to our questions before the date we agreed the terms of your cover. We will have agreed the terms once we have your confirmation that all your application information is true and complete, and we've written to you to confirm our terms.

For more information on when we might not pay out a claim please see the section "When we might not pay out" on page 6.

- Your policy has no cash-in value at any time.

QUESTIONS & ANSWERS

WHO CAN APPLY?

The minimum age you can apply for a policy is age 18, and the maximum age you can apply for a policy is:

- 79 for Life Cover
- 83 for Whole of Life Cover
- 64 for Critical Illness Cover or Life with Critical Illness Cover
- 60 for Premium Protection.

You have to be habitually resident in the UK (excluding the Channel Islands and Isle of Man), and have a UK bank account.

WHAT COVERS ARE AVAILABLE?

Life Cover

This pays a lump sum or monthly amount if you die or are diagnosed with a terminal illness during the term of your policy. You can choose a level, decreasing or increasing basis. If this policy covers two people, it pays out on the first claim accepted and the policy ends.

Whole of Life Cover

This pays out a lump sum when you die. If the policy covers two people, it pays out when the second person dies. It can be taken out on a level or increasing basis and does not offer any terminal illness cover.

Critical Illness Cover

This pays out a lump sum or monthly amount if you are diagnosed with a critical illness that meets our definition during the policy term. You can choose a level, decreasing or increasing basis. If this policy covers two people, it pays out on the first claim accepted and the policy ends.

Life with Critical Illness Cover

This pays out a lump sum or monthly amount if you are diagnosed with a critical illness that meets our definition, are diagnosed with a terminal illness or die, whichever happens first during the term of your policy. You can choose a level, decreasing or increasing basis. If this policy covers two people, it pays out on the first claim accepted and the policy ends.

HOW DOES AN INCREASING COVER WORK?

Increasing cover is designed to protect the policy against inflation and will automatically increase your cover amount each year in line with the Retail Prices Index (RPI). The increases will be at least 2% up to a maximum of 10%. If you want to include this, it has to be selected at the start as it can't be added later.

Your premiums will also automatically increase but at a higher rate. Depending on the circumstances, this increase can be significant. This is explained in the policy provisions but we will tell you at each increase what your premium will be.

You can decline an automatic increase for a year but if you decline the increase two years in a row the increasing option will stop and you won't be able to add it again at a later date.

HOW DOES A DECREASING COVER WORK?

If you take out a policy to cover a specific amount for a repayment mortgage or loan, the cover will decrease each month in line with the amount outstanding under a standard repayment mortgage. This is assuming a fixed rate of interest between 0% and 18%, which you choose.

WHEN DO WE PAY OUT ON TERMINAL ILLNESS?

We will pay out on terminal illness if:

- the illness either has no known cure or has progressed to the point where it cannot be cured; and
- in the opinion of the attending consultant, the illness is expected to lead to death within 12 months.

You must tell us about the diagnosis before the end of your policy term and if we pay a terminal illness claim the policy will end.

WHAT ARE THE COVER LIMITS?

	Initial Minimum*	Maximum for level and decreasing cover	Maximum for increasing cover
Life	£25,000	£25,000,000	£15,000,000
Whole of Life	£25,000	£25,000,000 (decreasing cover not available)	£15,000,000
Life with Critical Illness	£25,000	£3,000,000**	£3,000,000**
Critical Illness	£25,000	£3,000,000**	£3,000,000**

If a monthly amount is paid, the above limits will be divided by number of months in the term.

*Once you have selected one policy at the minimum level shown above, you can then add additional policies to your plan from a minimum sum assured of £2,000.

** We'll limit any critical illness claim for Total Permanent Disability based on the 'Own Occupation' definition, where you are unable to do your own occupation ever again, to a maximum of £1.5 million.

WHAT CONDITIONS ARE COVERED BY CRITICAL ILLNESS COVER?

The complete list of conditions we cover is set out below. You can find the full definitions and the circumstances in which you can claim in the policy provisions or in the 'Guide to Critical Illnesses We Cover' which you can get from your financial adviser.

Critical illness conditions

- Aorta graft surgery – *for disease or trauma*
- Aplastic anaemia – *with permanent bone marrow failure*
- Bacterial meningitis
- Benign brain tumour – *resulting in permanent symptoms or specified treatment*
- Benign spinal cord tumour – *resulting in clinical symptoms or surgery*
- Blindness – *permanent and irreversible*
- Brain injury due to anoxia or hypoxia – *resulting in permanent symptoms or specified treatment*
- Cancer – *excluding less advanced cases*
- Cardiac arrest – *with insertion of a defibrillator*

- Cardiomyopathy – *of specified severity*
- Coma
- Coronary artery by-pass grafts
- Creutzfeldt-Jakob disease – *resulting in permanent symptoms*
- Deafness – *permanent and irreversible*
- Dementia including Alzheimer's disease – *resulting in permanent symptoms*
- Encephalitis – *with persisting clinical symptoms*
- Heart attack
- Heart valve replacement or repair
- HIV infection – *caught in the European Union, North America, Australia or New Zealand from a blood transfusion, a physical assault or at work*
- Intensive care cover – *requiring mechanical ventilation for 10 days*
- Kidney failure – *requiring permanent dialysis*
- Liver failure – *of advanced stage*
- Loss of hand or foot – *permanent physical severance*
- Loss of speech – *permanent and irreversible*
- Major organ transplant – *from another donor*
- Motor neurone disease and specified diseases of the motor neurones – *resulting in permanent symptoms*
- Multiple sclerosis
- Neuromyelitis optica (Devic's Disease) – *with persisting symptoms*
- Paralysis of limb – *total and irreversible*
- Parkinson's disease – *resulting in permanent symptoms*
- Parkinson plus syndromes – *resulting in permanent symptoms*
- Pulmonary arterial hypertension (idiopathic) – *of specified severity*
- Pulmonary artery surgery – *with graft*
- Respiratory failure – *of advanced stage*
- Spinal stroke – *resulting in permanent symptoms*
- Stroke – *of specified severity*
- Structural/open heart surgery
- Systemic lupus erythematosus (SLE) – *of specified severity*
- Third degree burns – *of specified extent*
- Total permanent disability – *of specified severity* (There are two different definitions – 'Own Occupation' and 'Activities of Daily Work' and the definition applying to you is shown in your policy schedule.)
- Traumatic brain injury

We'll pay out if you're diagnosed with a critical illness condition that meets our definition and you survive 14 days after the diagnosis.

WHAT ADDITIONAL FEATURES ARE INCLUDED?

If your policy is for Critical Illness Cover or Life with Critical Illness Cover, you will be covered for the three additional features shown below.

Additional critical illness conditions

- Your policy includes additional conditions (see the bullets below). If you have a valid claim for an additional condition, we will still pay out on a valid claim made for the critical illness conditions on page 3.
- The claim amount will be equal to 25% of your amount of cover, up to a maximum of £25,000, and will be paid as a lump sum.
- Although claims can be made for more than one additional critical illness condition, the same condition cannot be claimed for more than once apart from carcinoma in situ. We will consider multiple claims if your carcinoma in situ is for a different organ or tissue to that of any previous claims. For example, if we previously paid out for carcinoma in situ of the breast, we won't pay out for another carcinoma in situ of the breast (whether it is in the same breast or the other one). However, if the carcinoma in situ is for a different type of cancer, such as the bowel, we would consider a further claim.
- The additional conditions are –
 - Carcinoma in situ – *with surgery*
 - Carcinoma in situ of the urinary bladder
 - Cerebral aneurysm – *with surgery or radiotherapy*
 - Cerebral arteriovenous malformation – *with surgery or radiotherapy*
 - Coronary artery angioplasty – *to 2 or more coronary arteries*
 - Low grade prostate cancer – *requiring treatment*
 - Ovarian tumour of borderline malignancy – *with specific surgery*
 - Pituitary tumour – *resulting in permanent symptoms or surgery*

Children's critical illness cover

- We'll pay out if you have a child who is diagnosed with a children's critical illness condition that meets our definition and survives 14 days after diagnosis.
- A child is any natural child, step child, legally adopted child or any child who is financially dependent on the person(s) covered. The child will be covered under the policy from birth and before age 22 years.

- The claim amount will be 50% of your amount of cover, up to a maximum of £25,000 and it will be paid as a lump sum.
- We'll only pay out once for each child, up to a maximum of £25,000 across all Scottish Widows Protect policies. However, where both parents have individual Scottish Widows Protect policies, the maximum we may pay out is £50,000 across all such policies.
- Any claim for a child won't affect your own cover amount. However, if we pay out your cover amount your policy will end, as will children's cover.
- The children's critical illness conditions are:
 - The critical illness conditions shown on page 3, (excluding Total Permanent Disability) and
 - Cerebral palsy – *resulting in permanent symptoms*
 - Cystic fibrosis
 - Hydrocephalus – *with insertion of a shunt*
 - Muscular dystrophy
 - Spina bifida myelomeningocele or rachischisis
 The additional critical illness conditions listed opposite are not included in children's critical illness cover.

Children's life cover

- We'll pay out if your child (natural, legally adopted or step child or child who is financially dependent on you) dies after the age of 30 days and before age 22 years.
- The cash sum is limited to £5,000 across all Scottish Widows Protect policies.
- Any claim for a child won't affect your own cover amount, however, if we pay out your cover amount your policy ends, as will children's cover.
- Children's life cover can be paid in addition to children's critical illness cover.
- There may be a tax implication on children's life cover. Please see our "What About Tax?" section for further details.

WHAT ARE THE OPTIONAL FEATURES?

Life Cover Buyback Option

You can choose this option on a Life with Critical Illness Cover policy. It must be taken at the start of the policy – you can't add it later on. There is an additional cost for this.

This option allows you to 'buy back' your life cover after we've settled your critical illness claim. You must do this within 3 months of the claim and your new policy will start 12 months after your critical illness claim was settled. We won't ask any more medical questions and the premiums will be based on the rates as at the date your critical illness claim was settled.

Premium Protection

Premium protection is only available where the person covered is also the owner of the policy.

This feature protects your premiums if you become sick or suffer a disability or an accident and are unable to work. We will start to pay your premiums after 26 weeks and will continue to do so until you're able to return to work, reach age 70 or your policy ends, whichever is soonest.

For joint life policies, you can select this option for one or both lives. If you select it for both lives, cover for the younger life ends when cover for the older life ends. However, if cover for the older life ends while we're paying a premium protection claim for the younger life, we will continue to do so until the younger life is able to return to work, reaches age 70 or the policy ends, whichever is soonest. Cover for the younger life will then end.

There are two different definitions of disability, which are 'Own Occupation' and 'Activities of Daily Work'. Your policy schedule will tell you which definition applies to you. Different definitions of disability can apply for each life on a joint life policy. You'll find a full description in your policy provisions.

If you want premium protection it has to be selected at the start of your policy. It can be removed at any time but once it's removed it can't be added back to your policy. There is an extra cost and this will be shown on the quote.

Replacement Cover

This is automatically included when any of the following cover types are set up on a joint life basis:

- Life Cover
- Critical Illness Cover
- Life with Critical Illness Cover

Typically, when a claim is settled on a joint life policy the cover ends for both lives. However, with replacement cover we allow the person who didn't claim to take out a new policy on the terms and conditions of the original policy. The only difference will be that premiums will be based on the rates at the time the replacement policy is taken. To exercise this option you must apply for the policy within 3 months from the date we settled the claim. In addition, the remaining term must be at least equal to our minimum term for the cover taken. For this and any other details, please get in touch with us.

Guaranteed Insurability Options

You may be able to increase your sum assured during the term of your policy, without the need for further underwriting.

You can find a full list of the events and the conditions that apply in your policy provisions.

Free Cover

You may qualify for free accidental death cover while we consider your application for Whole of Life Cover, Life Cover or Life with Critical Illness Cover.

You may qualify for free mortgage cover while we consider your application for Whole of Life Cover, Life Cover, Life with Critical Illness Cover or Critical Illness Cover.

If you want more information, please ask your financial adviser for a copy of the relevant leaflet.

HOW FLEXIBLE IS THE POLICY?

At any time you or your financial adviser can ask us to reduce or increase the amount of cover. We'll need to ask you more medical questions before we can increase the amount of your cover.

Reducing or increasing your cover will change the premium you pay.

HOW MUCH WILL THIS COST?

Your premium will be shown on the quote. This depends on, for example:

- the amount, the basis and term of cover you choose,
- your age,
- your health,
- whether or not you smoke or use nicotine replacements.

Our charges are included in your premium and cover the cost of commission, expenses, profit and any other adjustments.

WHAT ABOUT TAX?

Under current tax rules, any cash sums paid out under this policy will be free of capital gains tax. There may however be an income tax charge where more than one death benefit cash lump sum is paid under the policy, we recommend you speak to your tax office or your financial adviser if you need advice. If any of the cash sums form part of your estate, inheritance tax may also be payable on it so you should consider putting your policy in trust, you should speak to your financial adviser or solicitor about this.

Tax rules and your circumstances may change in the future.

CAN I CHANGE MY MIND?

Yes, you can change your mind and can cancel this policy at any time. If you cancel within 30 days of the start date, which you'll find on the policy schedule, you'll get back any premiums paid.

HOW TO CLAIM

If you need to make a claim you can phone us on the numbers below:

- For critical illness and terminal illness claims call **0800 056 5589**
- For life cover claims call **0800 056 5590**
- For premium protection claims call **0800 056 5589**

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

WHEN WE MIGHT NOT PAY OUT

We may not pay out if:

- you haven't answered all the questions on our application honestly and in full.
- you don't tell us about any changes to the information you gave us on the application before the date we have agreed the terms for your cover.
- your policy has a life cover element and you intentionally take your own life in the first 12 months from the start date of the policy or you have a terminal illness and you are expected to live for more than 12 months.
- you claim under the policy before the policy start date. The policy can't be backdated to a start date which is on or before the date of any event which might lead to a claim.
- you don't tell us about a critical illness claim within six months of being diagnosed.
- on a children's critical illness cover claim, the symptoms started before the start date of the policy.
- on a children's life cover claim, the cause of death was a medical condition present, or cause of death first arose, before the child was covered by the policy.

When claiming, you need to give us proof about events resulting in the claim; if you don't, we may not pay out. We may not pay a claim if we don't have authorisation to obtain medical information about you.

During the application process we may add further limits or exclusions to the policy and/or change your premium. If we do, we'll tell you before you make your decision to go ahead with the cover.

HOW TO GET IN TOUCH WITH US

If you have any general questions or want to make any changes to your policy please get in touch. You can phone, send us a fax, or write to us.

Call us on **0345 030 6240** during the following times –

Monday to Friday 9.00am – 5.30pm

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

Fax number **0131 655 7666**

Website **www.scottishwidows.co.uk**

Office address: **Scottish Widows, 15 Dalkeith Road, Edinburgh, EH16 5BU**

- If you'd like this document in another format such as large print, Braille or audio you can call us on **0345 030 6240**.
- We'll communicate with you in English.

OTHER INFORMATION

SOLVENCY II RETURNS

Our Solvency and Financial Condition Report (SFCR) and associated solvency reporting templates can be found via our website at: http://www.scottishwidows.co.uk/about_us/financial_information/solvency-2-returns.html

The SFCR is produced annually to help you understand the management and performance of our business, and the strength of our solvency position. For the Scottish Widows Insurance Group, including its three main insurance companies, the report covers key aspects of our:

- business and performance
- system of governance
- risk profile
- valuation for solvency purposes
- capital management

HOW TO COMPLAIN

We hope that you never have to complain but if you do, please get in touch with us, so we can make things right.

If you're not satisfied with our response, you 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 your legal rights.

TERMS AND CONDITIONS

- These Key Features give a summary of our Personal Protection Cover which is part of our Scottish Widows Protect Plan. Further details of your cover, and terms and conditions are given in the product literature and policy provisions, which are available from us.

- We can change some of the terms and conditions at any time but we'll write and explain if this affects your cover.

LAW

- For legal purposes the law of England and Wales, Scotland or Northern Ireland will apply, according to where you reside at the start date of the policy.
- This information represents Scottish Widows' interpretation of the law and HM Revenue & Customs practices as at date of publication. Changes to tax rules and other laws may affect your contract terms.

FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

Your plan with Scottish Widows is fully covered by the Financial Services Compensation Scheme. More information about compensation arrangements is available from the Financial Services Compensation Scheme, who can be contacted on 0800 678 1100 or 0207 741 4100 or via their website at www.fscs.org.uk



Protected

THE ABI

The Association of British Insurers (ABI) publishes a Guide to Critical Illness, with general background information about this type of cover. You can get a copy of the guide by writing to us, or the ABI at 51 Gresham Street, London, EC2V 7HQ. Our Key Features complies with the ABI Statement of Best Practice for Critical Illness Cover.