For customers | Business Protection

Your policy conditions

BP17

AEGON

Welcome to Aegon

Thank you for choosing our Business Protection policy. We are a global provider of life insurance, pensions and asset management, with businesses in over 20 countries around the world. We provide retirement, workplace savings and protection solutions to over two million customers in the UK, helping people take responsibility for their financial futures.

We provide technical support and information to financial advisers and our policy owners. We cannot give advice. If you are unsure if this policy is suitable for you, you should speak to a financial adviser. If you don't have an adviser, you can find one in your area by going to unbiased.co.uk

Plain English

We have tried to use plain English in these policy conditions but avoiding all technical terms is difficult. If there is anything that is unclear please let us know.

Contact us

If you or your family need to make a claim, call us and speak to a member of our experienced claims team on 03456 00 04 93. They will help you through the process and explain what is required to make and settle a claim.

If you have any questions about your policy you should contact your financial adviser in the first instance. You can also phone, email or write to us.

Call us on:
03456 00 14 02, Monday to Friday, 8.30am to 5.30pm

Email us at: protect_support@aegon.co.uk

Write to us at:
Aegon
Edinburgh Park
Edinburgh EH12 9SE

If you would like a large print, Braille or audio CD version, please call 03456 10 00 10

Contents

1. Understanding your policy

1.1. Defined terms

Some of the words and phrases used in these policy conditions have specific meanings. These are explained in the table below. Except for the defined terms 'we', 'our', 'us', 'you', 'your' and 'yours', they are shown in **bold type** in these policy conditions. Unless stated otherwise, these words and phrases will have the same meaning when used in your policy schedule and any documents you receive if your policy is amended.

accident/accidental	This means an event resulting in a bodily injury. The injury must have arisen solely and independently from causes not related to a pre-existing illness, disease or physical disorder.
additional benefit	The additional benefits that are available are: • total permanent disability benefit (which can be attached to certain **main benefits** under the policy); and • waiver of premium benefit (which would apply to the premiums paid under the policy). These are described fully in condition 6. Your policy schedule will show if you have additional benefits under your policy.
additional critical illness	This means one of the additional critical illnesses we have defined in detail in Appendix 2 to these policy conditions.
additional critical illness benefit	This is additional cover we provide, at no extra cost, when you have any of the following **main benefits** under your policy: • critical illness protection; • life with critical illness protection; and • reducing life with critical illness protection. Payment of an additional critical illness benefit does not affect the payment of an associated **main benefit** or the premiums for it. Additional critical illness benefits are described in Appendix 2 to these policy conditions.
additional critical illness benefit amount	This is the amount we would pay for a valid claim for an **additional critical illness benefit**. It is described in detail in Appendix 2 to these policy conditions.
applicant	This is the person or persons named on the application as policyholder(s).
application	This means the form on which the **application** for the policy and for benefits under it was made. The application could have been completed on paper or electronically.
basic salary	This means salary before deduction of income tax and National Insurance contributions but excluding any other taxable benefits that may be payable and any employer contributions to any pension arrangements.
benefit amount	This means the amount that we would pay in relation to a benefit in the event of you making a valid claim for it under the policy. It will be either the amount shown in the policy schedule, or that amount as varied either in line with these policy conditions or otherwise as agreed between you and us.
benefit end date	This is the date or dates on which you will stop being covered for the specified benefit. It is shown on your policy schedule for each benefit for which you are covered.

benefit period	This applies to waiver of premium benefit cover and means a continuous period of **incapacity** of an **insured person**. The benefit period will start no earlier than the end of the **deferred period** and end no later than the **benefit end date**. It does not include any period of **incapacity** on or after the **insured person's** 70th birthday.
benefit start date	This is the date or dates on which you will start to be covered for the specified benefit. It is shown on your policy schedule for each **main benefit** for which you are covered.
career break	This means a career break that the **insured person** is entitled to take in terms of their contract of employment.
critical illness	This means one of the critical illnesses that we have defined in detail in Appendix 1 to these policy conditions.
deductions	This applies for income protection and means: a. any **income** that continues to be payable to the **insured person** during their period of **incapacity**; b. benefits payable under any other income protection or ill health/**accident** type policy (or policies) on the life of the **insured person**; c. pensions or pension benefits payable from a pension scheme unless this benefit was in payment at the **benefit start date**; d. waiver of premium benefits payable on the life of the **insured person** under any policy or creditor insurance where the benefits, at outset, under such contracts are potentially payable for more than two years. Waiver of premium benefits paid under this policy do not count as a deduction; and e. for executive income protection (as detailed in condition 4.6), any Employment and Support Allowance (or a similar benefit if amended or replaced) to which the **insured person** is entitled, whether receiving it or not.
deferred period	This applies for income protection and waiver of premium benefit. It is the period of time for which the **insured person** must be continuously **incapacitated** before the relevant benefit would become payable in the event of you making a valid claim.
designated countries	This means all and any of the following: the European Union member states (excluding the United Kingdom), Andorra, Australia, Canada, Gibraltar, Iceland, Liechtenstein, Monaco, New Zealand, Norway, San Marino, Switzerland, Turkey, the Vatican City State, and the United States of America.
ever again	This means that the relevant specialists reasonably expect that the **insured person's** disability will last throughout life with no prospect of improvement, no matter when the cover ends or the **insured person** expects to retire.
home countries	This means the United Kingdom, the Channel Islands and the Isle of Man.
incapacity/ incapacitated	Incapacity/Incapacitated is defined in full in condition 4.6.5 in relation to income protection cover and condition 6.2.4 in relation to waiver of premium benefit cover. Briefly, to be incapacitated, the **insured person** must meet the one of the three definitions – own occupation, any suited occupation, and activities of daily work – that is applicable in their case.

income	For key person income protection (as described in condition 4.6), where the **insured person** is: a. employed, this means average yearly gross taxable earnings over the three years before the **benefit start date**. Taxable earnings can include salary, bonuses, the value of all P11D benefits that the **insured person** will lose in the event of **incapacity**, and commission and overtime payments that the **insured person** can prove have formed part of their regular remuneration over the three years before **incapacity**; or b. a company director of their own business who is also a shareholder, this means the salary received and dividends received from profit generated after deduction of corporation tax in the 12 months before the **benefit start date**. For executive income protection (as described in condition 4.6), where the **insured person** is: c. employed, income means the **insured person's** average yearly gross taxable earnings over the year before **incapacity**. Taxable earnings can include salary, bonuses, the value of all P11D benefits that the **insured person** will lose in the event of **incapacity**, and commission and overtime payments that the **insured person** can prove have formed part of their regular remuneration over the three years before **incapacity**. If the **applicant** so requested, and we agreed, it may also include: i. the yearly pension contributions made by the company in respect of the **insured person** in the year before **incapacity**, subject to a maximum of 30% of the **insured person's** salary; and ii. employer National Insurance contributions made by the company in respect of the **insured person** in the 12 months before **incapacity**, subject to a maximum of an amount equal to the amount of National Insurance contributions due on the **insured person's** income and subject to the total of i. and ii. not being higher than £30,000. To avoid doubt, employer National Insurance contributions can only be included once but may be applied to more than one executive income protection benefit where you have a number of separate income protection benefits in respect of them; or d. a shareholder director, income means the salary and dividends received from their business from profit generated after deduction of corporation tax in the 12 months before **incapacity**.
index	This means the index commonly known as the Retail Prices Index. If the Retail Prices Index we use is not published any more, we will use a similar index reasonably chosen by us.
insured person	This means the life or lives assured named in the policy schedule.
irreversible/ irreversibly	This means a condition which cannot be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the United Kingdom at the time of making a claim. 'Irreversibly' has an equivalent meaning.

main benefits	These are the main benefits available under our Business Protection policy, and are: • life protection; • critical illness protection; • life with critical illness protection; • reducing life protection; • reducing life with critical illness protection; and • income protection. They are described in detail in condition 4. Your policy schedule will show which of the main benefits you are covered for under your policy.
material and substantial duties	This means those duties that are normally required for, and/or form a significant and integral part of, performing the **occupation** that cannot reasonably be left out or adapted.
net relevant earnings	These are: i. earnings immediately derived from a trade, profession or vocation; and/or ii. earnings immediately derived from employment, such as salary, wages, bonus, overtime, commission; and/or iii. any part of a redundancy payment which exceeds the £30,000 tax-exempt threshold; and/or iv. benefits in kind which are chargeable to tax (applies to employees earning over £8,500, and to directors), and/or profit related pay (including the part which is not taxable).
occupation	This 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 irrespective of location and availability.
payment period	This applies for key person income protection (as described in condition 4.6) and means the maximum period for which we will pay you the **benefit amount**. The payment period is shown in your policy schedule. It is a single period that applies to the policy, no matter how many claims are made under the policy for key person income protection in respect of the **insured person** before the **benefit end date**. We add together separate periods during which we pay the key person income protection **benefit amount** in respect of the **insured person** to calculate the amount of the payment period that has been used.
permanent/ permanently	This means a condition that is expected to last throughout life with no prospect of improvement, no matter when the cover ends or the **insured person** expects to retire. Permanently has an equivalent meaning.
policy start date	This means the date when the contract started and is shown in your policy schedule.
profits	This applies for key person income protection (as described in condition 6.6), and means the company's average yearly gross profits over the three financial years before the **benefit start date** which are attributable to the **insured person**.

terminal illness	This means an illness, in relation to which there has been a definite diagnosis by the attending consultant, that satisfies both of the following: • 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 the death of the **insured person** within 12 months. For life only protection, our Chief Medical Officer will also need to agree that the illness is expected to lead to death within 12 months.
total permanent disability/totally permanently disabled	Total permanent disability/Totally permanently disabled is defined in full in condition 6.1.7. Briefly, to be totally permanently disabled, the **insured person** must meet one of the three definitions – unable to do one's own occupation ever again, unable to do any occupation at all ever again, and unable to look after yourself ever again – that is applicable in their case.
we/our/us	This means Aegon.
you/your/yours	This means the person who owns the policy from time to time – in other words, the person who is legally entitled to a payment from it. If the policy has been placed under trust, this will be the trustees, or their absolute assignees. If the policy has not been placed under trust, this will be the **applicants**, or their absolute assignees.

1.2 Who can take out this policy

You can take out this policy if you are at least 18 and are resident in the UK. You must also be resident in the UK to use any of the options available under the policy (as described in condition 5).

1.3 Your contract

Your Business Protection policy is a contract of insurance between you and us. It is based on the **application** made and our acceptance of it. Your policy is made up of:

- these policy conditions, which are coded BP17;
- the policy schedule issued alongside these policy conditions; and
- any documents we give you that make changes to your policy.

Your policy explains the conditions that apply to your contract, and the conditions on which we will pay the benefits provided by it. It is important you read your policy documents carefully, and keep them in a safe place.

1.4 The cover provided under your policy

These policy conditions describe all of the benefits that are available under our Business Protection policy, some of which may not apply under your policy. The benefit type(s) and amount(s) that we are providing under your policy are shown in your policy schedule.

2. Evidence of health and other information – our general approach

We provide insurance under this policy based on (amongst other things) information and evidence supplied by:

- you;
- the **applicant** (if you are not the **applicant**); or
- the **insured person**.

We will ask only for information and evidence that we consider we reasonably need to make those decisions. We will not ask for unreasonably excessive or unreasonably onerous information or evidence, and will make all requests in good faith and in a reasonable manner.

3. Payment of premiums and indexation option

3.1 When you need to make premium payments

Your policy schedule shows how much you need to pay and the dates when your premiums are due. We will collect your premiums directly from your bank or building society account, unless we have agreed a different collection method with you. You should make sure there is enough money in your account for your premium payments. We can only accept payments from a bank or building society approved by us.

3.2 What happens if you miss a premium payment

You have 30 days from the date your premium is due to make the payment. If we have not received a payment we will let you know.

If we do not receive your payment within the 30 days, we will cancel your policy. This would mean that we would not pay out if you made a claim.

After the 30 days, we might agree to restart the policy, although we do not have to do this. To help us decide, we may ask some more questions, for example, about the health and lifestyle of the **insured person**. We may need medical or other evidence to support the answers. We will tell the **insured person** what evidence we need. If the **insured person's** circumstances have changed since the **application** for the benefit was first made, it might cost you more to restart your policy. If we agree to restart the policy, you will have to pay all your missed premiums, and these may also cost you more than they otherwise would have done. We may apply new terms and conditions to, or change existing terms and conditions under, your policy.

If there is a valid claim within the 30 days from the date your premium is due and before we receive it, we will deduct the amount of all missed premiums from the **benefit amount** payable.

3.3 Premium reviews

3.3.1 Optional premium reviews

You can choose for five-yearly reviews to apply to premiums for the following benefits:

- critical illness protection;
- life with critical illness protection;
- reducing life with critical illness protection; and
- income protection.

Your policy schedule will show whether we will carry out a premium review for a benefit (including, where applicable, any attaching total permanent disability benefit) under your policy. We will carry out any such review in a fair and reasonable manner. At the end of a five-yearly review, your premiums could increase, stay the same or decrease.

3.3.2 When premium reviews take effect

Where premium reviews apply, they take effect on the fifth anniversary of the **benefit start date** and every five years after that.

3.3.3 Factors we take into account in a premium review

When a benefit starts under the policy, we take the following into account when deciding how much you will have to pay for that benefit:

a. the number of claims we expect to pay;

b. the number of benefits we expect to stop before the end of their term;

c. the level of inflation;

d. the amount of tax we expect to pay and how HM Revenue & Customs would ask us to calculate this;

e. the level of interest rates;

f. the amount of investment income we expect to receive on premiums we receive;

g. the amount of money we have to set aside to meet claims as they fall due; and

h. the amount of money HM Government requires us to set aside to meet claims as they fall due.

At a premium review, we might change your premium amount for a benefit if any of the factors listed above have changed for any of the following reasons:

i. medical advances which affect our view on the expected number and timing of future claims;

ii. events outside our control which may affect the expected number and timing of future claims, for example a global epidemic;

iii. new data, either from our own experience or from external sources, which indicate that the level of historic claims has changed from the last time such data was published and therefore affects our view of the expected number of future claims;

iv. changes to the tax regime that may favour one type of policy over another. This will affect the number of benefits we expect will stop before the end of their benefit term;

v. new data, either from our own experience or from external sources, which indicate that the level of benefits stopping before the end of the benefit term has changed from the last time such data was available and therefore affects our view of the expected number of benefits stopping before the end of the benefit term in the future;

vi. changes in inflation from the levels we assumed when we last calculated your premiums.

This affects the cost of administering your policy;

vii. changes in the tax regime for insurers; and

viii. changes in the way that HM Government wants us to calculate the amount of money we have to set aside to make sure that claims can be met as they fall due.

3.3.4 Policies taken into account in a premium review

We calculate the reviewed premium by taking into account all of the policies we sold on the set of premium rates that are being reviewed. We split these into groups that have similar characteristics in line with the way the original premium rates were calculated, such as smokers and non-smokers. We do not take personal circumstances, such as changes in health, into account when we calculate the reviewed premium.

3.3.5 Level of profit made by us

When we undertake a premium review, the new premiums will be set at a level to make sure that we will not make any more profit than we originally expected to make.

3.3.6 When we will tell you about the outcome of a premium review

We will tell you about the results of a premium review at least two months before the relevant **benefit start date** anniversary.

3.3.7 Your options if the premium is due to increase

If your premium is due to increase, then you can choose to:

a. pay the increased premium and keep the same b**enefit amount**; or

b. pay the same premium but reduce the **benefit amount**; or

c. end the benefit.

You must tell us which option you want to use at least 14 days before the anniversary of the **benefit start date**. If you do not tell us which option you want to use by then, we will leave your **benefit amount** unchanged and you will need to pay us the increased premium amount.

3.3.8 Limit on how much premium can reduce to

There is a limit to the amount that your premiums under your policy can reduce to. After a premium review, your premiums for the benefits under your policy cannot be less than the lowest premium that was generally available to our policyholders for Business Protection benefits at the **policy start date**.

3.4 Indexation option

3.4.1 What indexation means

If you choose the indexation option for a **main benefit** covered under your policy, we will automatically increase the **benefit amount** and your premiums for it each year to take account of inflation. You can choose for the indexation option to apply to the following **main benefits**:

a. life protection;

b. critical illness protection;

c. life with critical illness protection; and/or

d. income protection.

If you are covered for more than one of the **main benefits** listed above under your policy, you can choose for the indexation option to apply to any one or more of those benefits.

Your policy schedule will show if the **benefit amount** and the premium for a **main benefit** increase under the indexation option.

3.4.2 How we measure inflation for indexation

We measure inflation by looking at the change in the **index** over a 12-month period. The 12-month period used is the 12 months ending three months before the anniversary of the **benefit start date**.

3.4.3 Increasing your benefit amount and premiums

Where the indexation option applies to a benefit under your policy, the **benefit amount** shown in your policy schedule will increase every year by the percentage increase in the **index** (as described in condition 3.4.2), but if the percentage increase in the **index** is more than 10%, we will cap the percentage increase at 10%. The first increase will happen on the first anniversary of the **benefit start date**.

At the same time, your premium for that benefit will increase by 1.5 times the increase applied to the **benefit amount**. At least two months before we apply the increase, we will tell you what we will increase the **benefit amount** to and what your new premiums will be.

If, over the 12-month period, the change in the **index** is negative, we will not reduce the **benefit amount** or your premium for it.

3.4.4 Stopping indexation on a benefit

You can ask us to remove indexation from a benefit under your policy and change to fixed payments at any time by contacting us. If you do, the **benefit amount** will no longer increase in line with the index and, unless you make other changes to your policy or your premium is reviewed (as described in condition 3.3), your premium for those benefits will stay the same. In the future, if you decide that you want us to start increasing the **benefit amount** for those benefits again you should contact us. We may not be able to offer you indexation for those benefits again.

4. Main benefits

This part of the policy conditions describes the **main benefits** available with a Business Protection policy. You will only be covered for the **main benefits** for which an **application** has been accepted by us and where that **main benefit** is specifically included in your policy schedule. If a **main benefit** described in these policy conditions is not included in your policy schedule, the part of these policy conditions relating to that **main benefit** does not apply to your policy or to you.

Where we pay a claim in relation to any **main benefit** other than income protection, cover for that **main benefit** ends and we will not pay any further claim for it. Any **additional benefits** and options relating to that **main benefit** that had not previously ended will end immediately on payment of the **main benefit** claim.

4.1 Life protection

Your policy schedule will show if you have life protection cover under your policy and the basis it is set up on.

4.1.1 Minimum and maximum benefit term for life protection

The minimum benefit term for life protection is one year.

The maximum benefit term is the shorter of:

- 50 years; and
- the number of years from the **benefit start** date to the day before the **insured person's** 90th birthday, or where cover is on a joint-life basis, the day before the 90th birthday of the older **insured person**.

4.1.2 When cover for life protection ends

Unless you end your cover for life protection earlier, it will end on the earliest of:

a. the **benefit end date**;

b. provided we would pay the benefit amount as set out in condition 4.1.3 b, the day on which the **insured person** is diagnosed with a **terminal illness**; and

c. the day the **insured person** dies.

4.1.3 When we will pay a benefit amount for life protection

If you have life protection cover under your policy, subject to condition 4.1.4, we will pay the **benefit amount** if the **insured person**, or if the benefit is provided on a joint-life basis, one of the **insured persons** either:

a. dies on or after the **benefit start date** and on or before the **benefit end date**; or

b. is diagnosed with a **terminal illness** on or after the **benefit start date** and at least one year before the **benefit end date**, provided you tell us in writing of the **terminal illness** before the earlier of the date of death of the **insured person** and the **benefit end date**.

4.1.4 Exclusion – when we will not pay a benefit amount for life protection

If you have life protection under your policy, we will not pay a claim for the **benefit amount** in the circumstances explained in:

a. the suicide exclusion – see condition 8; or

b. your policy schedule (if applicable).

4.2 Critical illness protection

Your policy schedule will show if you have critical illness protection cover under your policy and the basis it is set up on.

4.2.1 Minimum and maximum benefit term for critical illness protection

The minimum benefit term for critical illness protection is five years.

If premiums for the critical illness protection are reviewable (as described in condition 3.3), the maximum benefit term is the shorter of:

- 50 years; and
- the number of years from the **benefit start date** to the day before the **insured person's** 85th birthday, or where cover is on a joint-life basis, the day before the 85th birthday of the older **insured person**.

If premiums for the critical illness protection are not reviewable, the maximum benefit term is the shorter of:

- 40 years; and
- the number of years from the **benefit start date** to the day before the **insured person's** 85th birthday, or where cover is on a joint-life basis, the day before the 85th birthday of the older **insured person**.

4.2.2 When cover for critical illness protection ends

Unless you end your cover for critical illness protection earlier, it will end on the earlier of:

a. the **benefit end date**; and

b. the day we pay a claim for the **benefit amount**.

4.2.3 When we will pay a benefit amount for critical illness protection

If you have critical illness protection cover under your policy, subject to condition 4.2.4 we will pay the **benefit amount** if, on or after the **benefit start date** and on or before the **benefit end date** the **insured person**, or if the benefit is provided on a joint-life basis, one of the **insured persons**, first meets the criteria for a **critical illness**, and survives for at least 14 days after that.

4.2.4 Exclusion – when we will not pay a benefit amount for critical illness protection

If you have critical illness protection cover under your policy, we will not pay a claim for the **benefit amount** in the circumstances explained in your policy schedule (if applicable).

4.2.5 Additional critical illness benefit protection

If you have critical illness protection cover under your policy, we will also provide you with **additional critical illness benefit** protection (see condition 7 and Appendix 2). You do not pay any extra premiums for the **additional critical illness benefit** protection. A valid claim paid under the **additional critical illness benefit** protection will not reduce your critical illness protection **benefit amount**, or change the premiums for it.

4.3 Life with critical illness protection

Your policy schedule will show if you have life with critical illness protection cover under your policy and the basis it is set up on.

4.3.1 Minimum and maximum benefit term for life with critical illness protection

The minimum benefit term for life with critical illness protection is five years.

If premiums for the life with critical illness protection are reviewable (as described in condition 3.3), the maximum benefit term is the shorter of:

- 50 years; and
- the number of years from the **benefit start date** to the day before the **insured person's** 85th birthday, or where cover is on a joint-life basis, the day before the 85th birthday of the older **insured person**.

If premiums for the life with critical illness protection are not reviewable, the maximum benefit term is the shorter of:

- 40 years; and
- the number of years from the **benefit start date** to the day before the **insured person's** 85th birthday, or where cover is on a joint-life basis, the day before the 85th birthday of the older insured person.

4.3.2 When cover for life with critical illness protection ends

Unless you end your cover for life with critical illness protection earlier, it will end on the earliest of:

a. the **benefit end date**;

b. the day we first pay a claim for the **benefit amount**; and

c. the day the **insured person** dies.

4.3.3 When we will pay a benefit amount for life with critical illness protection

If you have life with critical illness protection cover under your policy, subject to condition 4.3.4, we will pay the **benefit amount** if, on or after the **benefit start date** and on or before the **benefit end date**, the **insured person**, or if the benefit is provided on a joint-life basis, one of the **insured persons** either:

a. dies; or

b. first meets the criteria for a **critical illness**, provided that if the **insured person** dies on or before the **benefit end date** you must have told us in writing of the **critical illness** before the death of that **insured person**.

4.3.4 Exclusions – when we will not pay a benefit amount for life with critical illness protection

If you have life with critical illness protection cover under your policy, we will not pay a claim for the **benefit amount** in the circumstances explained in:

a. the suicide exclusion – see condition 8; or

b. your policy schedule (if applicable).

4.3.5 Additional critical illness benefit protection

If you have life with critical illness protection cover under your policy, we will also provide you with **additional critical illness benefit** protection (see condition 7 and Appendix 2). You do not pay any extra premiums for the **additional critical illness benefit** protection. A valid claim paid under the **additional critical illness benefit** cover will not reduce your life with **critical illness protection benefit amount**, or change the premiums for it.

4.4 Reducing life protection

Your policy schedule will show if you have reducing life protection cover under your policy and the basis it is set up on.

4.4.1 Minimum and maximum benefit term for reducing life protection

The minimum benefit term for reducing life protection is two years.

The maximum benefit term is the shorter of:

- 50 years; and
- the number of years from the **benefit start date** to the day before the **insured person's** 90th birthday, or where cover is on a joint-life basis, the day before the 90th birthday of the older **insured person**.

4.4.2 When cover for reducing life protection ends

Unless you end your cover for reducing life protection earlier, it will end on the earliest of:

a. the **benefit end date**;

b. provided we would pay the **benefit amount** as set out in condition 4.4.3 b, the day on which the **insured person** is diagnosed with a **terminal illness**; and

c. the day the **insured person** dies.

4.4.3 When we will pay a benefit amount for reducing life protection

If you have reducing life protection cover under your policy, subject to condition 4.4.4, we will pay the **benefit amount** when the **insured person**, or if the benefit is provided on a joint-life basis, one of the **insured persons**:

a. dies on or after the **benefit start date** and on or before the **benefit end date**; or

b. is diagnosed with a **terminal illness** on or after the **benefit start date** and at least one year before the **benefit end date**, and you tell us in writing of the **terminal illness** before the earlier of the date of death of the **insured person** and the **benefit end date**.

4.4.4 Exclusion – when we will not pay the benefit amount for reducing life protection

If you have reducing life protection cover under your policy, we will not pay a claim for the **benefit amount** in the circumstances explained in:

a. the suicide exclusion – see condition 8; or

b. your policy schedule (if applicable).

4.4.5 The benefit amount payable in the event of a valid claim for reducing life protection

If you make a valid claim for reducing life protection, the **benefit amount** payable will be the **benefit amount** as at the **benefit start date**, reduced each month in line with the reduction in the notional outstanding capital balance on a notional mortgage as if the **benefit amount**, from time to time, is the capital sum outstanding under a capital and interest mortgage where the rate of interest to be charged is 10% a year compound throughout the term of the notional mortgage.

We will confirm the actual **benefit amount** applicable from time to time if you ask us for this information.

4.5 Reducing life with critical illness protection

Your policy schedule will show if you have reducing life with critical illness protection cover under your policy and the basis it is set up on.

4.5.1 Minimum and maximum benefit term for reducing life with critical illness protection

The minimum benefit term for reducing life with critical illness protection is five years.

If premiums for the reducing life with critical illness protection are reviewable (as described in condition 3.3), the maximum benefit term is the shorter of:

- 50 years; and
- the number of years from the **benefit start date** to the day before the **insured person's** 85th birthday, or where cover is on a joint-life basis, the day before the 85th birthday of the older **insured person**.

If premiums for the reducing life with critical illness protection are not reviewable, the maximum benefit term is the shorter of:

- 40 years; and
- the number of years from the **benefit start date** to the day before the **insured person's** 85th birthday, or where cover is on a joint-life basis, the day before the 85th birthday of the older **insured person**.

4.5.2 When cover for reducing life with critical illness protection ends

Unless you end your cover for reducing life with critical illness protection earlier, it will end on the earliest of:

- the **benefit end date**;
- the day we pay a claim for the **benefit amount**; and
- the day the **insured person** dies.

4.5.3 When we will pay a benefit amount for reducing life with critical illness protection

If you have reducing life with critical illness protection cover under your policy, subject to condition 4.5.4, we will pay the **benefit amount** if, on or after the **benefit start date** and on or before the **benefit end date**, the **insured person**, or if the benefit is provided on a joint-life basis, one of the **insured persons** either:

a. dies; or

b. first meets the criteria for a **critical illness**, provided that if the **insured person** the claim relates to dies on or before the **benefit end date** you must have told us in writing of the **critical illness** before the death of that **insured person**.

4.5.4 Exclusions – when we will not pay a benefit amount for reducing life with critical illness protection

If you have reducing life with critical illness protection cover under your policy, we will not pay a claim for the **benefit amount** in the circumstances explained in:

a. the suicide exclusion – see condition 8; or

b. your policy schedule (if applicable).

4.5.5 The benefit amount payable in the event of a valid claim for reducing life with critical illness protection

If you make a valid claim for reducing life with critical illness protection, the **benefit amount** payable will be the **benefit amount** as at the **benefit start date**, reduced each month in line with the reduction in the notional outstanding capital balance on a notional mortgage as if the **benefit amount**, from time to time, is the capital sum outstanding under a capital and interest mortgage where the rate of interest to be charged is 10% a year compound throughout the term of the notional mortgage.

We will confirm the actual **benefit amount** applicable from time to time if you ask us for this information.

4.5.6 Additional critical illness benefit protection

If you have reducing life with critical illness protection cover under your policy, we will also provide you with **additional critical illness benefit** protection (see condition 7 and Appendix 2). You do not pay any extra premiums for the **additional critical illness benefit** protection. A valid claim paid under the **additional critical illness benefit** protection will not reduce your reducing life with critical illness protection **benefit amount**, or change the premiums for it.

4.6 Income protection

Your policy schedule will show if you have income protection cover under your policy.

4.6.1 The types of income protection available

There are two types of income protection cover available:

a. key person income protection, under which, subject to the following sub-conditions, we will pay you the income protection **benefit amount** if the company suffers a loss of **profits** as a result of the **insured person** becoming **incapacitated**; and

b. executive income protection, under which, subject to the following sub-conditions, we will pay you the income protection **benefit amount** if the **insured person** suffers a loss of **income** as a result of becoming **incapacitated**.

To avoid doubt, you can have only one type of income protection cover under the policy.

Your policy schedule will show if you have income protection cover, and if you do, the type of income protection cover you have under your policy.

4.6.2 Minimum and maximum benefit term for income protection

The minimum benefit term for:

a. key person income protection is five years, and the maximum is 10 years; and

b. executive income protection is five years, and the maximum is 51 years.

4.6.3 When cover for income protection ends

Unless you end your cover for income protection earlier, it will end on:

a. in relation to key person income protection, the earliest of:

i. the **benefit end date**;

ii. the day the **insured person** dies; and

iii. the day the total length of claims is equal to the length of the **benefit payment period**.

b. in relation to executive income protection, the earlier of:

i. the **benefit end date**; and

ii. the day the **insured person** dies.

4.6.4 Definition of incapacity

There are three definitions of **incapacity**. They are described in condition 4.6.5. Subject to condition 4.6.12.2, if you have income protection cover under your policy, the **incapacity** definition will be shown on your policy schedule.

4.6.5 The three definitions of incapacity

Own occupation

This definition is met if the **insured person** is unable to do the **material and substantial duties** of their own **occupation(s)** as a result of **accident** or sickness and they are not doing any other **occupation(s)**.

Any suited occupation

This definition is met if the **insured person** is unable to do their own **occupation(s)** and unable to do all other **occupations** for which they are reasonably suited by education, training or experience as a result of **accident** or sickness.

Activities of daily work

This definition is met if the **insured person**:

a. cannot perform three or more of the following activities:

- **walking** – the ability to walk a distance of 200 metres on a level surface without stopping due to breathlessness, angina or severe discomfort, and without the assistance of another person but including the use of appropriate aids, for example a walking stick.
- **climbing** – the ability to walk up and down a flight of 12 stairs with the use of a handrail and taking a rest.
- **bending** – the ability to get into or out of a standard saloon car, or the ability to bend or kneel to pick up a teacup (or similar object) from the floor and straighten up again without the assistance of another person but including the use of appropriate aids.
- **communicating** – the ability to:

i. clearly hear (with a hearing aid or other aid if normally used) conversational speech in a quiet room;

ii. understand simple messages; or

iii. speak with sufficient clarity to be clearly understood.

- **reading** – having eyesight, even after correction by spectacles or contact lenses, sufficient to read a standard daily newspaper or to pass the standard eyesight test for driving. Failure for this activity would include being certified blind or partially sighted by a registered ophthalmologist.
- **dexterity** – the physical ability to use hands and fingers, such as being able to communicate effectively using a pen, pencil or keyboard.
- **responsibility and independence** – the ability to independently make arrangements to see a doctor and take regular medication as prescribed by a medical practitioner, or similarly qualified medical doctor.
- **financial competence** – the ability to recognise the transactional value of money and the handling of routine financial transactions such as paying bills or checking change when shopping;

or

b. has an organic brain disease or brain injury (confirmed by neurological investigation) which has affected their ability to reason and understand and has caused deterioration to an extent that they can no longer look after themselves without the need for continual supervision and assistance of another person;

or

c. has a Severe Mental Illness Classification ICD-10 Code and is under the supervision of the mental health team at its highest level (with or without Supervision Register) or equivalent.

4.6.6 When we will pay income protection benefits

Subject to condition 4.6.15:

a. key person income protection benefit is payable from the end of the **deferred period** if the company suffers a loss of **profits** because the **insured person** has become **incapacitated** on or after the **benefit start date** and before the **benefit end date**. Note if the **deferred period** would end after the **benefit end date** then no benefit would be payable. (For example, if the **deferred period** is 13 weeks, a benefit could only become payable if the **incapacity** started on or after the **benefit start** date and at least 13 weeks before the **benefit end date**).

It is payable until the earliest of:

i. the **benefit end date**;

ii. the date the **insured person** dies;

iii. the date the **insured person** no longer meets the definition of **incapacity**;

iv. the date the **insured person** leaves the company's employment;

v. the end of the **payment period**; and

vi. the date the company stops trading.

b. executive income protection benefit is payable from the end of the **deferred period** if an **insured person** you have executive income protection cover for suffers a loss of **income** because they have become **incapacitated** on or after the **benefit start date** and before the **benefit end date**. If the **deferred period** would end after the **benefit end date** then no benefit would be payable. (For example, if the **deferred period** is 13 weeks, a benefit could only become payable if the **incapacity** started on or after the **benefit start date** and at least 13 weeks before the **benefit end date**.)

It is payable until the earliest of:

i. the **benefit end date**;

ii. the date the **insured person** dies;

iii. the date the **insured person** no longer meets the definition of **incapacity**;

iv. the date the **insured person** no longer suffers a loss of **income**; and

v. the date the **insured person** leaves the company's employment.

If you make a valid claim for income protection, we will make monthly income protection payments. The first payment will be made one month after the end of the **deferred period**.

Where the company stops trading, we will continue to pay any executive income protection benefit due directly to the **insured person**. In this event, **income** will no longer include pension or National Insurance contributions, and the **benefit amount** will be adjusted to reflect this. At the end of the claim, cover for the executive income protection will end.

4.6.7 Indexation and income protection

Where income protection is a **main benefit** under your policy, and your policy schedule states that the indexation option applies to it, during any period we are paying the income protection benefit, the **benefit amount** for income protection will continue to increase under the indexation option (as described in condition 3.4.3).

4.6.8 Amount of income protection benefit

a. If you make a valid claim for income protection the yearly benefit will be the lowest of:

i. 12 times the **benefit amount** shown on your policy schedule; and

ii. £250,000.

State benefits will not be deducted from the key person income protection benefit payable.

b. If you make a valid claim for executive income protection the yearly benefit will, subject to condition 4.6.12.4, be the lowest of:

i. 12 times the **benefit amount** shown on your policy schedule;

ii. an amount equal to 75% of the **insured person's income** less any applicable **deductions**; and

iii. where the definition of **income** includes pension contributions and/or National Insurance contributions (the combined total of which cannot be more than £30,000), £160,000, otherwise £150,000.

If, however, the **income** for the **insured person** for whom you have made a valid claim for executive income protection is less than the amount that was used to calculate the **benefit amount** at the **benefit start date**, we will reduce the benefit payable to take account of the reduction in **income** and all applicable **deductions**. You will not be entitled to a refund of, or reduction in, premiums if the benefit payable is less than the **benefit amount** shown in the policy schedule.

4.6.9 Proportionate benefit – applies to executive income protection cover only

If the **incapacity** definition shown on your policy schedule for an **insured person** with executive income protection is 'own occupation' or 'any suited occupation' (as defined in condition 4.6.5) and they satisfy that definition of **incapacity**, but is instead:

- carrying out a different **occupation**; and/or
- has obtained different work with the company at a reduced **income** level,

we will pay a proportionate **benefit amount** from the later of the end of the **deferred period** and the date the **insured person** starts to carry out that different **occupation**/ work. To avoid doubt, we do not have to have paid income protection benefit at its full level for the **insured person** before we will pay proportionate benefit.

The proportionate benefit amount is payable on a calendar monthly basis in arrears and is calculated using the following formula:

$$\left\{ \frac{A - B}{A} \times C \right\}$$

where A = **income**

B = reduced **income**

C = the benefit payable in accordance with condition 4.6.8

This means that the proportion of full executive income protection benefit that would be paid (in accordance with condition 4.6.8) is the same as the proportion that the loss of **income** bears to the full **income**.

We will stop paying rehabilitation or proportionate benefit on the earliest of:

a. the **benefit end date**;

b. the date the **insured person** dies;

c. the date the **insured person** no longer satisfies the definition of **incapacity** applying to them (as shown on your policy schedule);

d. the **insured person** no longer suffers a reduced **income**; and

e. the date the **insured person** leaves the company's employment.

4.6.10 Rehabilitation benefit – key person income protection cover

If the company suffers a loss of **profits** because of the **incapacity** of an **insured person** you have key person income protection cover for, and the **insured person** returns to work with the company in a reduced capacity or on reduced terms, we will pay rehabilitation benefit to the company from the later of the end of the **deferred period** and the date the **insured person** returns to work in a reduced capacity/on reduced terms.

To avoid doubt:

a. for us to pay rehabilitation benefit, the **insured person** must satisfy the definition of **incapacity** shown in the policy schedule as applying to them, but may have returned in a reduced capacity or on reduced terms to the same **occupation** that they were carrying out before the **incapacity**, which has resulted in reduced **profits**; and

b. we do not have to have paid key person income protection benefit at its full level for the i**nsured person** before we will pay rehabilitation benefit.

The rehabilitation benefit amount is payable on a calendar monthly basis in arrears and is calculated using the following formula:

$$\left\{ \frac{A - B}{A} \times C \right\}$$

where A = **profits**

B = reduced **profits**

C = the benefit payable in accordance with condition 4.6.8

This means that the proportion of full key person income protection benefit that would be paid is the same as the proportion that the loss of **profit** bears to the full **profit**.

We will stop paying key person income protection rehabilitation benefit on the earliest of:

a. the **benefit end date**;

b. the date the **insured person** dies;

c. the date the **insured person** no longer satisfies the definition of **incapacity** applying to them (as shown on your policy schedule);

d. the date the **insured person** leaves the company's **employment**;

e. the end of the **payment period**; and

f. the date the company stops trading.

4.6.11 Rehabilitation benefit – executive income protection cover

If an **insured person** you have executive income protection for satisfies the definition of **incapacity** shown in the policy schedule as applying to them, but returns to work with the company in a reduced capacity or on reduced terms, we will pay rehabilitation benefit to the company from the later of the end of the **deferred period** and the date the **insured person** returns to work in a reduced capacity/on reduced terms.

To avoid doubt:

a. for us to pay rehabilitation benefit, the **insured person** must satisfy the definition of **incapacity** shown in the policy schedule as applying to them, but may have returned in a reduced capacity or on reduced terms to the same occupation that they were carrying out before the **incapacity**, which has resulted in reduced **income**; and

b. we do not have to have paid executive income protection benefit at its full level for the **insured person** before we will pay rehabilitation benefit.

The rehabilitation **benefit amount** is payable on a calendar monthly basis in arrears and is calculated using the following formula:

$$\left\{ \frac{A - B}{A} \times C \right\}$$

where A = **income**

B = reduced **income**

C = the benefit payable in accordance with condition 4.6.8

This means that the proportion of full executive income protection benefit that would be paid is the same as the proportion that the loss of **income** bears to the full **income**.

We will stop paying executive income protection rehabilitation benefit on the earliest of:

a. the **benefit end date**;

b. the date the **insured person** dies;

c. the date the **insured person** no longer satisfies the definition of **incapacity** applying to them (as shown on your policy schedule). To avoid doubt, we will not pay rehabilitation benefit if the **insured person** can satisfy the definition of **incapacity** applicable to them due to any other factors, including (but not limited to) maternity leave or a **career break**;

d. the **insured person** no longer suffering a reduced **income**; and

e. the date the **insured person** leaves the company's **employment**.

4.6.12 Insured person is on a career break – executive income protection cover

4.6.12.1 Informing us

You must tell us, in writing, if an **insured person** for whom you have executive income protection takes a **career break**.

4.6.12.2 Incapacity definition

If an **insured person** for whom you have executive income protection takes a **career break** we will use the 'activities of daily work' definition to decide if we will pay, or continue to pay, your claim. This means that, no matter which **incapacity** definition is shown on your policy schedule, the **insured person** must

satisfy the 'activities of daily work' **incapacity** definition before we will make income protection payments to you.

4.6.12.3 Deferred period

If a **deferred period** of less than 13 weeks applies for the executive income protection cover for an **insured person**, and the **insured person** takes a **career break**, the selected **deferred period** will be replaced by a 13-week **deferred period**.

4.6.12.4 Restriction of monthly benefit amount

If an **insured person** you have made a valid executive income protection claim for is on a **career break** when you make the claim, the monthly benefit payable will be restricted to the lower of:

i. £1,500 less any applicable **deductions**; and

ii. the **benefit amount** less any applicable **deductions**.

You will not be entitled to a refund or reduction in premiums if the benefit payable is less than the **benefit amount**.

When you tell us, in writing, that the **insured person** has taken a **career break**, we may reduce the premium you pay for the income protection cover and waiver of premium benefit cover for that **insured person**.

4.6.12.5 Insured person returns from a career break

If an **insured person** you have executive income protection cover for has taken a **career break** of not more than five years, we may, if you make a written request within three months of their return, restore the **benefit amount**, **deferred period**, premium and definition of **incapacity** to their pre-**career break** position without the **insured person** having to provide further medical evidence. If we agree to your request and the indexation option applies to the income protection, the **benefit amount** and premiums for it will be restored to the levels that would have applied had the **insured person** not taken the **career break**.

4.6.13 Insured person changes occupation

If the **insured person** has changed their **occupation(s)** from that disclosed to us in the **application**, at the time of making a claim for income protection benefit you must tell us, in writing, the precise details of the **occupation(s)** that they were carrying out immediately before the claim being made. We will assess your claim on the **occupation(s)** that the **insured person** was doing immediately before the claim being made.

4.6.14 Recurrence of incapacity

Where the **insured person** has recovered from an **incapacity**, and then becomes **incapacitated** again within a six-month period due to the same or a related cause, we will consider this to be a continuation of the previous **incapacity** and no **deferred period** will apply to the subsequent claim.

4.6.15 When we will not provide income protection cover

We will not provide income protection cover if:

a. the **insured person** travels or lives outside the **home countries** or **designated countries** for more than 13 continuous weeks in any 12-month period. Your cover will start again when they have been back in the **home countries** for 39 weeks in a row; or

b. the **insured person** travels or lives within the **designated countries** for more than 26 continuous weeks in any 12-month period. Your cover will start again when they have been back in the **home countries** for 26 continuous weeks.

If the **insured person** is **incapacitated** during any time that we are not providing income protection cover you can only make an income protection claim when your cover starts again and the **deferred period** would begin on that date.

We may agree to extend the 13-week and 26-week periods referred to above, but we do not have to do this. If we do agree to an extension, we may apply additional terms and conditions, or vary the existing terms and conditions of your policy.

4.6.16 Exclusions – when we will not pay income protection benefit

There are certain circumstances under which we will not pay a claim for income protection benefit (including proportionate benefit and rehabilitation benefit). If any exclusions apply under your policy, they will be explained in your policy schedule.

In addition, we will not pay income protection benefit for any period before the date you tell us in writing of a claim for income protection benefit and we receive evidence of the **incapacity** that meets our requirements.

4.6.17 Telling us that the insured person is incapacitated

If you want to claim income protection benefit for an **insured person**, you must tell us either by telephoning us or writing to us as soon as you can and in any event within the timescales shown in the table below:

Deferred period	**Notification period**
4 or 8 weeks	By week 2 of the **deferred period**
13 weeks	By week 4 of the **deferred period**
26 weeks	By week 6 of the **deferred period**
52 weeks	By week 12 of the **deferred period**

Our decision on your claim could be affected by any delay in you making your claim, and the payment of any **benefit amount** due could be delayed. Where you do not tell us within the timescales set out in the table above, the **deferred period** for the claim will begin on the day you tell us.

5. Options

5.1 Guaranteed insurability options

5.1.1 Increasing the benefit amount for a main benefit

You may be able to increase the **benefit amount** for a **main benefit** by using one or more of the guaranteed insurability options available under the policy. You can do this if any of the life-changing events described in condition 5.1.8 happen to the **insured person(s)**, and any other conditions we have set out are met. Although we will not need to be given any more medical information about the **insured person(s)**, we will ask for such confirmation and evidence of their residency, **occupation**, smoking activity and leisure pursuits that we consider we need to calculate your new premium amounts.

There are limits on the amount that the **benefit amount** can be increased by, and these are detailed in conditions 5.1.7 and 5.1.9.

5.1.2 Using guaranteed insurability options – impact on premiums

If you use any of the guaranteed insurability options, the premiums for the **main benefit** to which the option is being applied will be increased to the amount we would expect a new policyholder to pay for the increased **benefit amount**.

5.1.3 Using guaranteed insurability options – impact on policy conditions

If you use any of the guaranteed insurability options, we have the right to amend, vary or exchange these policy conditions with different conditions. If we do, you will get revised or new policy conditions which reflect the then current terms and conditions.

5.1.4 Using a guaranteed insurability option

If you want to use one of the guaranteed insurability options, you must apply in writing to have your **benefit amount** increased within six months of the life-changing event for that option (as described in the table in condition 5.1.8) happening. We will not increase any **benefit amount** until we write to you to tell you that we are prepared to provide the increased cover.

5.1.5 When the guaranteed insurability options are not available

The guaranteed insurability options are not available:

a. if a higher premium has to be paid for an **insured person's main benefit**, or where the **main benefit** is provided on a joint-life basis, for either **insured person**, because of their medical history – if this applies to a **main benefit** under your policy, we will tell you before the **benefit start date** for that **main benefit** and it will be shown on your policy schedule;

b. if, on the date that the increase in the **benefit amount** would start, the **insured person** (or where the **main benefit** is on a joint-life basis, the older of them) would be 55 or older on their next birthday;

c. if the **main benefit** is life protection or reducing life protection, the **benefit end date** for that **main benefit** is less than one year after the date the increase in the **benefit amount** would start;

d. if the **main benefit** is critical illness protection, life with critical illness protection, reducing life with critical illness protection or income protection, if the **benefit end date** for the **main benefit** is less than five years after the date the increase in the **benefit amount** would start;

e. if the **insured person** becomes **incapacitated** and we later pay a claim for income protection or waiver of premium benefit in relation to that **incapacity** or would have paid the claim but for the fact that the **benefit end date** for the income protection or waiver of premium benefit fell before the end of the **deferred period**, from the date that the **insured person** becomes **incapacitated**, but only for so long as the **insured person** suffers from the **incapacity**;

f. if the **insured person** has been diagnosed with a **critical illness** or a **terminal illness**, or as having a **total permanent disability**, which we later pay a claim for;

g. if you are making a claim; and

h. at any time you are not resident in the UK.

5.1.6 Benefit end date for the additional benefit amount

If you use a guaranteed insurability option, the **benefit end date** for the additional **benefit amount** cannot be later than the original **benefit end date** for the associated **main benefit**.

5.1.7 Maximum increase in benefit amount from using a guaranteed insurability option

The maximum increase in the **benefit amount** for a **main benefit** as a result of you using a guaranteed insurability option in relation to it is the lowest of:

a. 50% of the **benefit amount**, excluding any amount arising from a previous use of a guaranteed insurability option, at the date we received your application to use the option;

b. £10,000 a year if the **main benefit** is income protection;

c. £150,000 if the **main benefit** is life protection, critical illness protection, life with critical illness protection, reducing life protection, or reducing life with critical illness protection; and

d. any amount shown in the table in condition 5.1.8.

5.18 Life changing events

Guaranteed insurability event	Amount referred to in condition 5.1.7 (d)	Evidence required
Business guaranteed insurability options		
Increase in partner's/shareholding director's interest or key person's value based on an increase in that person's basic salary or increase in business loan – if: a. the percentage amount of the equity the **insured person** holds in a partnership or company in which they are an equity partner or shareholding director increases; or b. the **insured person** is a key person in the business and their value to the business based on their basic salary increases; or c. you or the **insured person** increases the amount of loan made to the business.	Whichever is relevant of: • the amount of the increase in capital that the **insured person** has invested in the partnership or company; • five times the increase in the **insured person's basic salary**; and • the amount of the increase in the business loan.	We will ask for evidence relevant to the event as follows: • written evidence of the capital invested by the **insured person**; • written evidence from the **insured person's** employer and/or previous employer that clearly shows the increase in **basic salary**; • financial accounts for the business or written evidence from the lender (if applicable) that clearly shows the increase in the business loan; • in any case, any other financial information we think necessary.
Sole trader – if the **insured person** is a sole trader and their yearly **net relevant earnings** increase or they increase the amount of a business loan that they have taken out.	Whichever is relevant of: • five times the increase in the **insured person's net relevant earnings**; and • the amount of the increase in the business loan.	Financial accounts for the **insured person's** business or written evidence from their lender and previous lender (if applicable) that clearly shows the increase in the business loan.

5.1.9 Using the guaranteed insurability options more than once

Where you use the guaranteed insurability options on more than one occasion for a **main benefit**, the increases in the amount of benefit for that **main benefit** will, on each occasion, be added together. When the combined increases reach the lowest of:

a. 50% of the **benefit amount**, excluding any amount arising from a previous use of a guaranteed insurability option, at the date we received your application to use the option;

b. 50% of the **benefit amount** at the **benefit start date**, increased under the indexation option described in condition 3.4 (if applicable);

c. £10,000 a year if the **main benefit** is income protection;

d. £150,000 if the **main benefit** is life protection, critical illness protection, life with critical illness protection, reducing life protection, or reducing life with critical illness protection;

you will not be able to use any more guaranteed insurability options for that **main benefit**.

5.2 Renewal option

5.2.1 What the renewal option is

If the renewal option applies to a **main benefit** under your policy, you will have the right at the **benefit end date** for that **main benefit** to extend cover for a further five years without having to provide any more information about the health and lifestyle of the **insured person**.

5.2.2 Main benefits to which the renewal option can apply

You can choose to have the renewal option applying to the following **main benefits**:

- life protection that has been set up on a five-year benefit term;
- critical illness protection that has been set up on a five-year benefit term with reviewable premiums; and
- life with critical illness protection that has been set up on a five-year benefit term with reviewable premiums.

5.2.3 Benefit amount and premiums for it after the renewal option has been used

The **benefit amount** applying after the use of this option cannot be more than the amount applying immediately before its use.

The premiums for the **benefit amount** applying immediately after you have used the renewal option will be based on the premium rates, the **benefit amount**, and the age of the **insured person** at the time the option is used.

5.2.4 When we can restrict or refuse to extend the cover

We can refuse to extend the cover for a **main benefit** under this option, or restrict cover:

a. if you are not resident in the UK at the time the extension is to take effect;

b. on financial grounds relating to you; or

c. in relation to a change of **occupation** by the **insured person**.

5.2.5 When the renewal option ends

You will not be able to use the renewal option for an **insured person** who has reached age 60.

5.2.6 Impact on your policy conditions

If you use the renewal option, we have the right to amend, vary or exchange these policy conditions with different conditions which reflect the then current terms and conditions.

5.2.7 Telling us that you want to use the renewal option

If you want to use the renewal option for a **main benefit** you have this right for, you must tell us in writing at least 14 days before the **benefit end date** for that **main benefit**. If you have not told us by then, your right to renew will have ended.

5.3 Instalment option

5.3.1 What the instalment option is

If the instalment option applies to a **main benefit** under your policy, any **benefit amount** payable in respect of that **main benefit** will be payable in five equal yearly instalments. We will add interest to the **benefit amount** instalments paid in the second and subsequent years.

5.3.2 Main benefits to which the instalment option can apply

You can choose to have the instalment option applying to the following **main benefits**:

a. life protection;

b. critical illness protection; or

c. life with critical illness protection;

where the **benefit amount** at the **policy start date** is at least £250,000.

5.3.3 Tax on interest

Where we are obliged by law to deduct the tax due from the interest added to the **benefit amount** under this option, we will do so and will pay the tax to HM Revenue & Customs.

Where we are not obliged by law to deduct the tax due from the interest, we may still make the decision to do so, in which case we will pay the tax to HM Revenue & Customs. Where we do not do so, you or your personal representatives will be responsible for paying the tax due on the interest to HM Revenue & Customs.

We will tell you if we have deducted tax from the interest.

6. Additional benefits

6.1 Total permanent disability benefit

6.1.1 Main benefits that total permanent disability benefit is available with

Your policy schedule will show if you have total permanent disability benefit cover attached to a **main benefit** for an **insured person**.

6.1.2 Premium basis for total permanent disability benefit

The premiums for the total permanent disability benefit cover will be on the same basis as the **main benefit** to which it is attached.

6.1.3 Total permanent disability benefit attached to a main benefit which is on a joint-life basis

Where the total permanent disability benefit cover is attached to a **main benefit** that is on a joint-life basis, it will also be on a joint-life basis.

6.1.4 When we will pay total permanent disability benefit

If you have total permanent disability benefit cover attached to a **main benefit** for an **insured person**, and the **insured person** is diagnosed as being **totally permanently disabled** and survives for six months after the diagnosis date (the 'survival period'), we will pay the **benefit amount** for the **main benefit** to which the cover relates.

To avoid doubt, if we pay a claim for the total permanent disability benefit, we will not pay any further claim for that benefit, and the cover for the **main benefit** ends, meaning we will not pay the **benefit amount** for the **main benefit** to which total permanent disability benefit relates.

If the **insured person** is diagnosed as being **totally permanently disabled** and the six-month survival period starts within the six-month period immediately before the total permanent disability **benefit end date**, we will pay a valid claim for total permanent disability benefit at the end of the survival period. The **benefit end date** will be extended accordingly by the balance of the survival period remaining at the original benefit end date for that purpose only. To avoid doubt, we will not extend the **benefit end date** for the **main benefit** the total permanent disability benefit attaches to.

6.1.5 Definitions of total permanent disability

There are three definitions of **total permanent disability**. They are described in condition 6.1.7. The definition applying in connection with a **main benefit** for an **insured person** will be shown on your policy schedule. No matter which definition is shown, however, during any period in which the **insured person** is not in paid employment (including self-employment where regular earnings are being taken) or if the **insured person** has reached age 65, we will use the 'total permanent disability – unable to look after yourself ever again' definition to decide if we will pay your claim.

6.1.6 Disabilities for which a relevant specialist cannot give a clear prognosis

If a relevant specialist cannot give a clear prognosis for a disability, that disability is not included in your cover for **total permanent disability**.

6.1.7 The three definitions of total permanent disability

The three definitions are:

Total permanent disability – unable to do your own occupation ever again.

This definition is met if the **insured person** is physically or mentally unable to do the **material and substantial duties** of their own **occupation(s) ever again** as a result of illness or injury.

Total permanent disability – unable to do any occupation at all ever again.

This definition is met if the **insured person** is physically or mentally unable to do the **material and substantial duties** of any **occupation** at all **ever again** as a result of illness or injury.

Total permanent disability – unable to look after yourself ever again.

This definition is met if the **insured person** is physically unable to do at least three of the six tasks listed below **ever again** as a result of illness or injury. The **insured person** must need the help or supervision of another person and be unable to perform the task on their own, even with the use of special equipment routinely available to help and having taken any appropriate prescribed medication.

The tasks are:

- **washing** – the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means;

- **getting dressed and undressed** – the ability to put on, take off, secure and unfasten all garments and, if needed, any braces, artificial limbs or other surgical appliances;
- **feeding yourself** – the ability to feed yourself when food has been prepared and made available;
- **maintaining personal hygiene** – the ability to maintain a satisfactory level of personal hygiene by using the toilet or otherwise managing bowel and bladder function;
- **getting between rooms** – the ability to get from room to room on a level floor; and
- **getting in and out of bed** – the ability to get out of bed into an upright chair or wheelchair and back again.

6.1.8 Insured person changes occupation

If the **insured person** changes their **occupation(s)** from that/those disclosed to us in the **application**, at the time of making a claim based on their **total permanent disability** you must tell us, in writing, the precise details of the **occupation(s)** that they were carrying out immediately before the claim being made. We will assess your claim on the **occupation(s)** that the **insured person** was doing immediately before the claim being made.

6.1.9 Exclusions – when we will not pay total permanent disability benefit

We will not pay a claim for total permanent disability benefit in the circumstances explained in your policy schedule (if applicable).

6.2 Waiver of premium benefit cover

6.2.1 When we will pay waiver of premium

If you have waiver of premium cover for an **insured person** under the policy, and you make a valid claim, during any **benefit period** we will pay your policy premiums. To avoid doubt, where you have a valid claim for waiver of premium, you must continue to pay the premiums due under the policy until the end of the **deferred period**.

Your policy schedule will show if you have waiver of premium cover for an **insured person**. Waiver of premium cover is provided automatically if income protection cover is chosen.

6.2.2 Deferred period for waiver of premium

Where waiver of premium cover is provided automatically, the **deferred period** will be the same as the **deferred period** applying for that **insured person's** income protection benefit.

Where waiver of premium is not provided automatically, the **deferred period** applicable to the **insured person** will be shown on your policy schedule.

6.2.3 Definitions of incapacity

If waiver of premium cover is being provided automatically, the **incapacity** definition applying will be the same as the one that applies for the income protection benefit.

If waiver of premium cover is not provided automatically, one of the three **incapacity** definitions (as described in condition 6.2.4) can be chosen. The **incapacity** definition that applies to the **insured person** will be shown on your policy schedule. If, however, the **insured person** is not in paid employment (including self-employment where regular earnings are being taken) when they first become **incapacitated**, we will use the activities of daily work definition to decide if we will pay your claim. This means that, no matter which **incapacity** definition is shown on your policy schedule, the **insured person** must satisfy the activities of daily work **incapacity** definition before we would pay your premiums for you.

Where waiver of premium cover applies to two **insured persons** under your policy, a different **incapacity** definition can apply to each.

6.2.4 The three definitions of incapacity

The three definitions are:

Own occupation

This definition is met if the **insured person** is unable to do the **material and substantial duties** of their own **occupation(s)** as a result of **accident** or sickness and they are not doing any other **occupation(s)**.

Any suited occupation

This definition is met if the **insured person** is unable to do their own **occupation(s)** and unable to do all other **occupations** for which they are reasonably suited by education, training or experience as a result of **accident** or sickness.

Activities of daily work
This definition is met if the **insured person**:

a. cannot perform three or more of the following activities:

- **walking** – the ability to walk a distance of 200 metres on a level surface without stopping due to breathlessness, angina or severe discomfort, and without the assistance of another person but including the use of appropriate aids, for example a walking stick;
- **climbing** – the ability to walk up and down a flight of 12 stairs with the use of a handrail and taking a rest;
- **bending** – the ability to get into or out of a standard saloon car, or the ability to bend or kneel to pick up a teacup (or similar object) from the floor and straighten up again without the assistance of another person but including the use of appropriate aids;
- **communicating** – the ability to:
  i. clearly hear (with a hearing aid or other aid if normally used) conversational speech in a quiet room;
  ii. understand simple messages; or
  iii. speak with sufficient clarity to be clearly understood.
- **reading** – having eyesight, even after correction by spectacles or contact lenses, sufficient to read a standard daily newspaper or to pass the standard eyesight test for driving. Failure for this activity would include being certified blind or partially sighted by a registered ophthalmologist;
- **dexterity** – the physical ability to use hands and fingers, such as being able to communicate effectively using a pen, pencil or keyboard;
- **responsibility and independence** – the ability to independently make arrangements to see a doctor and take regular medication as prescribed by a medical practitioner, or similarly qualified medical doctor; and
- **financial competence** – the ability to recognise the transactional value of money and the handling of routine financial transactions such as paying bills or checking change when shopping;

or

b. has an organic brain disease or brain injury (confirmed by neurological investigation) which has affected their ability to reason and understand and has caused deterioration to an extent that they can no longer look after themselves without the need for continual supervision and assistance of another person;

or

c. has a Severe Mental Illness Classification ICD-10 Code and is under the supervision of the mental health team at its highest level (with or without Supervision Register) or equivalent.

6.2.5 Insured person changes occupation(s)

If the **insured person** changes their **occupation(s)** from that/those disclosed to us in the **application**, at the time of making a claim for waiver of premium you must tell us, in writing, the precise details of the **occupation(s)** that they were carrying out immediately before the claim being made. We will assess your claim on the **occupation(s)** that the **insured person** was doing immediately before the claim being made.

6.2.6 Recurrence of incapacity

Where the **insured person** has recovered from an **incapacity**, and then becomes **incapacitated** again within a six-month period due to the same or a related cause, we will consider this to be a continuation of the previous **incapacity** and no **deferred period** will apply to the second claim.

6.2.7 When we will not provide waiver of premium cover

We will not provide waiver of premium cover in relation to an **insured person** if:

a. the **insured person** travels or lives outside the **home countries** or **designated countries** for more than 13 weeks at a time in any 12-month period. Your cover will start again when they have been back in the **home countries** for 39 weeks in a row; or

b. the **insured person** travels or lives within the **designated countries** for more than 26 weeks at a time in any 12-month period. Your cover will start again when they have been back in the **home countries** for 26 continuous weeks.

If the **insured person** is **incapacitated** during any time that we are not providing waiver of premium benefit cover you can only make a waiver of premium benefit claim when your cover starts again and the **deferred period** would begin on that date.

We may agree to extend the 13-week and 26-week periods referred to above, but we do not have to do this. If we do agree to an extension, we may apply additional terms and conditions, or vary the existing terms and conditions of your policy.

6.2.8 Exclusions – when we will not pay waiver of premium

We will not pay a claim for waiver of premium in the circumstances explained in your policy schedule (if applicable).

In addition, we will not provide waiver of premium cover in respect of any period before the date you tell us in writing of a claim for waiver of premium and we receive evidence of the **incapacity** that meets our requirements. To avoid doubt, where you are making a claim for income protection, we will treat your written notice and evidence in relation to income protection as also applying for waiver of premium.

6.2.9 Telling us that the insured person is incapacitated

If you want to claim waiver of premium for an **insured person**, you must tell us either by phoning us or writing to us as soon as you can and in any event in the timescales shown in the table below:

Deferred period	**Notification period**
4 or 8 weeks	By week 2 of the **deferred period**
13 weeks	By week 4 of the **deferred period**
26 weeks	By week 6 of the **deferred period**
52 weeks	By week 12 of the **deferred period**

Our decision on your claim could be affected by any delay in you making your claim, and could delay the date that we would start to pay your premiums for you. Where you do not tell us within the timescales set out in the table above, the **deferred period** for the claim will begin on the day you tell us.

6.2.10 What happens if your premiums change

If your premiums for **main benefits** and **additional benefits** for an **insured person** you have waiver of premium cover for change, there will be a corresponding change in the premium you pay for the waiver of premium cover.

6.2.11 What happens if the indexation option or premium review option applies

If the indexation option or premium review option applies to premiums that we are paying following a valid claim for waiver of premium, the option will continue to apply. If an inflation-linked increase comes into effect during the **benefit period**, we will pay the premiums based on the increased payment level. If a premium review takes effect during the **benefit period** we will pay the premiums based on the post-review premium unless you tell us otherwise.

6.2.12 How we pay premiums for you

How we pay premiums covered by a valid claim for waiver of premium benefit depends on whether you pay monthly or yearly.

If you pay monthly premiums, during a **benefit period** your premiums will be paid by us.

If you pay yearly premiums, we will pay 1/12th of your yearly premium on the first day of each calendar month during the **benefit period**.

If you make yearly payments:

a. if the **benefit period** starts part way through the year, we will pay refund the premiums for each full month of **benefit period** during that year; and

b. if the **benefit period** ends part way through the year (other than because of the death of the **insured person**), the premiums for the remaining full months of the year will be payable by you.

7. Additional critical illness protection

7.1 When we will pay a benefit amount for an additional critical illness

Additional critical illness benefit is payable if the **insured person** first meets the criteria for an **additional critical illness benefit** on or after the **benefit start date** and on or before the **benefit end date**, and survives for at least 14 days after first meeting those criteria. Unless specified otherwise in Appendix 2, we will only pay the **additional critical illness benefit amount** for each **additional critical illness** once for each **insured person** under your policy.

7.2 When we will not pay a benefit amount for an additional critical illness

We will not pay a **benefit amount** for an **additional critical illness** if either the **insured person** dies or we are considering a claim under the policy for a **critical illness** or **total permanent disability** benefit for which the **benefit amount** is payable, unless the **additional critical illness** for which the claim is being made was diagnosed before the date of death or diagnosis of the **critical illness** or **total permanent disability** for which the **benefit amount** is paid.

8. Suicide exclusion

We will not pay the **benefit amount** for any claim based on the death of the **insured person**, for any of the following:

- life protection;
- reducing life protection;
- life with critical illness protection;
- reducing life with critical illness protection

where the **insured person** committed suicide (whether or not at the time of such action they were sane):

a. within 12 months of the **benefit start date** of the benefit which the claim relates to;

b. within 12 months of the date on which the policy is reinstated in terms of condition 3.2, where the policy has previously lapsed in terms of that condition; and/or

c. within 12 months of the date of an increase in the **benefit amount** (except where the increase occurred under the indexation option as described in condition 3.4), but only for the increase amount.

9. Claims

9.1 Benefit payment

Before paying the **benefit amount** we will have to be satisfied:

a. that the event or contingency on which the **benefit amount** is to become or remain payable has happened;

b. that you have the right to claim the **benefit amount**; and

c. of the age(s) of the **insured person(s)** named in the policy schedule.

9.2 Evidence of critical illness, additional critical illness, terminal illness or total permanent disability

If you make a claim for benefits in connection with the **critical illness**, **additional critical illness**, **terminal illness** or **total permanent disability** of the **insured person**, we are entitled to ask for and obtain any evidence of the **insured person's critical illness**, **additional critical illness**, **terminal illness** or **total permanent disability** and other evidence as we reasonably need to decide whether we will accept your claim. In connection with this:

a. written evidence of the **critical illness**, **additional critical illness**, **terminal illness** or **total permanent disability** of the **insured person** and any other evidence we reasonably require must be produced within one month of our request for the evidence;

b. you must submit reports relating to the **critical illness**, **additional critical illness**, **terminal illness** or **total permanent disability** of the **insured person** in a form approved by us and the **insured person** must agree to be medically examined by a medical officer appointed by us. The reports must be from a medical specialist appropriate to the cause of the **critical illness**, **additional critical illness**, **terminal illness** or **total permanent disability** on which the claim is based. The reports must be sufficient, in the sole opinion of our Chief Medical Officer, to allow the Chief Medical Officer to assess the validity of the claim. Neither you nor the **insured person** will have to pay for any evidence requested by us; and

c. whilst the **insured person** does not need to be resident in one of the **home countries** or one of the **designated countries** at the time

of claim, the medical specialist providing reports must hold an appointment as a consultant or equivalent at a hospital in one of the **home countries** or one of the **designated countries**.

If the above requirements are not met, we have the right to refuse to pay the **benefit amount** being claimed.

10. General conditions

10.1 Cancelling your policy

10.1.1 When you can cancel your policy

After your policy has started we will send you a notice of your right to cancel. You then have 30 days to change your mind and get a full refund of all premiums you have made to us.

If after the 30 days you decide you want to cancel the policy, you can do so at any time by contacting us. If you cancel your policy we will not pay out any benefit and you will not get anything back.

10.1.2 When we will cancel your policy

Once the policy starts, we will not cancel it unless:

- you have missed a premium payment. We have explained this in more detail in condition 3.2; or
- you, the **applicant** (if you are not the **applicant**) or the **insured person** act fraudulently or provide untrue, inaccurate or misleading information when the policy is applied for, when a claim is made, when an application is made to change a policy, or when there is an application to restart payments.

We may cancel your policy if we decide that you, the **applicant** (if you are not the **applicant**) or the **insured person** would have known, or should have known, the true answer to a question we asked but you, the **applicant** (if you are not the **applicant**) or the **insured person** have deliberately or recklessly given a false answer. This is known as deliberate or reckless misrepresentation. If we cancel the policy due to this deliberate or reckless misrepresentation we may (but need not) repay any premiums.

We will not pay out any **benefit amount**.

We may also cancel your policy, or not pay out the full amount of a **benefit amount**, if you, the **applicant** (if you are not the **applicant**) or the **insured person** have carelessly given a false answer to a question we asked where we would have made a different decision about the insurance if you, the **applicant** (if you are not the **applicant**) or the **insured person** had answered honestly and in full. This is known as careless misrepresentation. The action we will take will depend on what we would have offered had the relevant question been answered honestly and in full. If we would have still offered the policy but on different terms for the same premium, the policy will be changed to reflect these different terms. If we cancel the policy, this will be because we would not have offered the policy had the relevant question been answered honestly and in full. In these circumstances we will repay the premiums but not pay out any **benefit amount**.

10.2 Changes to your policy

When you ask us to make a change to your policy or you use an option under your policy, we might change the terms of your policy. In addition, your premiums could increase.

We can make some changes in a reasonable and proportionate manner to your policy without your agreement where we believe it is necessary or prudent. This might include, for example:

- where we consider it will make your policy easier to understand or fairer to you; or
- to take account of any changes in legislation, codes of practice or regulations and to take account of any decisions made by a court, ombudsman, regulator or similar body.

We will give you at least 30 days' notice of the change, unless:

- it is not practical;
- it would result in us being unable to comply with legal or regulatory changes; or
- it is not possible;

in which case we will give you as much notice as we can.

10.3 Notices

All notifications and correspondence must be sent to us at Aegon, Edinburgh Park, Edinburgh EH12 9SE.

We will always communicate in English.

We will not accept or process any claim, request or instruction made by you under the policy until we have received all documentation and information we need.

If you assign any of your legal rights under your policy to someone else we must see the assignment. You might not be able to assign your policy where it is held in trust.

If you use your own trust, after the policy has started, you will need to send us the trust deed so we can update our records.

10.4 Our agreement, consent or approval

We will not unreasonably withhold our agreement, consent or approval, but where it is needed for any action under the policy, you cannot take that agreement, consent or approval as having been given until we have confirmed it in writing.

10.5 Payments made under the policy

Unless we agree otherwise:

a. all payments made to and by us under the policy must be made in sterling from a bank account in the United Kingdom;

b. we will make payments of benefits only to a bank account in the United Kingdom; or

c. where a **benefit amount** is payable by a single lump sum payment, we may agree to pay it in instalments instead.

10.6 Law and jurisdiction

Your policy is subject to the law of the country where the **applicant** at the **policy start date** had their permanent residential address at that time. If at that time their permanent residential address was:

a. in England or Wales, we will treat your policy as having been taken out in England and subject to the law of England;

b. in Scotland, we will treat your policy as having been taken out in Scotland and subject to the law of Scotland;

c. in Northern Ireland, we will treat your policy as having been taken out in Northern Ireland and subject to the law of Northern Ireland; or

d. not in England, Wales, Scotland or Northern Ireland, we will treat your policy as having been taken out in Scotland and subject to the law of Scotland.

If there was more than one **applicant** at the **policy start date**, the jurisdiction and applicable law will be determined by the residence of the first-named **applicant**.

Appendix 1 – Critical illness definitions

In this appendix, permanent neurological deficit with persisting clinical symptoms shall mean 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 coordination, 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, for example brisk reflexes without other symptoms; and
- symptoms of psychological or psychiatric origin.

Aorta graft surgery – for disease or traumatic injury

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

- any other surgical procedure, for example the insertion of stents or endovascular repair.

Aplastic anaemia – with **permanent** bone marrow failure

A definite diagnosis of aplastic anaemia by a consultant haematologist. There must be **permanent** bone marrow failure with anaemia, neutropenia and thrombocytopenia.

Bacterial meningitis – resulting in **permanent** symptoms

A definite diagnosis of bacterial meningitis by a consultant neurologist. There must be **permanent** neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- meningococcal septicaemia; or
- any other form of meningitis.

Benign brain tumour – resulting in **permanent** symptoms or requiring treatment by invasive surgery

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 requiring treatment by invasive surgery.

For the above definition, the following are not covered:

- tumours in the pituitary gland;
- tumours originating from bone tissue; or
- angioma and cholesteatoma.

Benign spinal cord tumour – resulting in **permanent** symptoms

A non-malignant tumour in the spinal canal, involving the meninges or the spinal cord. This tumour must be interfering with the function of the spinal cord which results in **permanent** neurological deficit with persisting clinical symptoms. The diagnosis must be made by a medical specialist and must be supported by CT, MRI or histopathological evidence.

For the above definition, the following are not covered:

- cysts;
- granulomas;
- malformations in the arteries or veins of the spinal cord;
- haematomas;
- abscesses;
- disc protrusions; or
- osteophytes.

Blindness, including significant visual impairment – **permanent** and **irreversible**

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; or
- measured at 4/60 to 6/60 in the better eye using a Snellen eye chart and visual field is reduced to 20 degrees or less of arc as certified by a consultant ophthalmologist.

Cancer – excluding less advanced cases

Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue.

The term malignant tumour includes leukaemia, sarcoma and lymphoma except cutaneous lymphoma (lymphoma confined to the skin).

For the above definition, the following are not covered:

- all cancers which are histologically classified as any of the following:
  - pre-malignant;
  - non-invasive;
  - cancer in situ;
  - having borderline malignancy; or
  - having low malignant potential;
- all tumours of the prostate unless histologically classified as having a Gleason score of 7 or above or having progressed to at least clinical TNM classification T2bN0M0;
- chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A;
- any skin cancer (including cutaneous lymphoma) other than:
  - malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin); or
  - basal cell carcinoma or squamous cell carcinoma that has spread to lymph nodes or metastasised to distant organs.

Cardiac arrest – resulting in surgically implanted defibrillator

A definite diagnosis of cardiac arrest by a consultant cardiologist. There must be sudden loss of heart function with interruption of blood circulation around the body resulting in unconsciousness and resulting in either of the following devices being surgically implanted:

- implantable cardioverter-defibrillator (ICD); or
- cardiac resynchronisation therapy with defibrillator (CRT-D).

For the above definition the following are not covered:

- insertion of a pacemaker;
- insertion of a defibrillator without cardiac arrest; or
- cardiac arrest secondary to alcohol or drug abuse.

Cardiomyopathy – of specified severity

A definite diagnosis of cardiomyopathy by a consultant cardiologist that has resulted in **permanent** damage to the heart muscle and function resulting in both of the following:

- a reduced ejection fraction of 35% or less; and
- impairment to the degree of class 3 New York Heart Association (NYHA) classification of cardiac impairment*.

For the above definition, the following are not covered:

- cardiomyopathy directly related to alcohol or drug abuse; and
- all other forms of heart disease, heart enlargement, and myocarditis.

*NYHA Class 3 – heart disease resulting in marked limitation of physical activities where less than ordinary activity causes fatigue, palpitation, breathlessness or chest pain.

Coma – with associated **permanent** symptoms

A state of unconsciousness with no reaction to external stimuli or internal needs which:

- requires the use of life support systems; and
- has associated permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- medically induced coma; and
- coma secondary to drug abuse.

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.

Creutzfeldt-Jakob disease – resulting in **permanent** symptoms

A definite diagnosis of Creutzfeldt-Jakob disease by a consultant neurologist. There must be **permanent** clinical impairment of motor function and loss of the ability to do all of the following:

- remember;
- reason; and
- perceive, understand, express and give effect to ideas.

For the above definition, the following is not covered:

- other types of dementia.

Deafness – **permanent** and **irreversible**
Permanent and **irreversible** loss of hearing to the extent that the loss is greater than 90 decibels across all frequencies in the better ear using a pure tone audiogram.

Dementia including Alzheimer's disease – resulting in **permanent** symptoms
A definite diagnosis of dementia including 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:
- remember;
- reason; and
- perceive, understand, express and give effect to ideas.

For the above definition, the following are not covered:
- non-organic psychiatric illnesses.

Encephalitis – resulting in **permanent** symptoms
A definite diagnosis of encephalitis by a consultant neurologist resulting in **permanent** neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:
- chronic fatigue syndrome; and
- myalgic encephalomyelitis.

Heart attack
Death of heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:
- new characteristic electrocardiographic changes (or findings on a heart scan); and
- the characteristic rise of cardiac enzymes or Troponins.

The evidence must show a definite acute myocardial infarction.

For the above definition, the following is not covered:
- other acute coronary syndromes or angina without myocardial infarction.

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.

HIV infection – caught in one of the **home countries** or **designated countries**, from a blood transfusion, a physical assault or at work.
Infection by Human Immunodeficiency Virus resulting from:
- a blood transfusion given as part of medical treatment;
- a physical assault;
- 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 the 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; and
- the incident causing infection must have occurred in one of the home countries or designated countries.

For the above definition, the following are not covered:
- HIV infection resulting from any other means, including sexual activity or drug abuse.

Intensive care requiring medical ventilation for 10 consecutive days
Any sickness or injury resulting in the **insured person** requiring continuous mechanical ventilation by means of tracheal intubation for 10 consecutive days (24 hours a day) or more in an intensive care unit in a UK hospital.

For the above definition, the following are not covered:
- sickness or injury as a result of drug or alcohol intake or other self-inflicted means.

Kidney failure – requiring **permanent** dialysis
Chronic and end-stage failure of both kidneys to function, as a result of which regular dialysis is **permanently** required.

Liver failure – advanced stage
Advanced stage liver failure due to cirrhosis and resulting in all of the following:
- **permanent** jaundice;
- ascites; and
- encephalopathy.

For the above definition, the following is not covered:
- liver disease secondary to alcohol or drug abuse.

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

For the above definition, the following are not covered:
- severance secondary to alcohol abuse, drug abuse or a self-inflicted injury.

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

Major organ transplant – from another donor
The undergoing, as a recipient of a transplant from another donor, 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:
- transplant of any other organs, parts of organs, tissues or cells.

Motor neurone disease – resulting in **permanent** symptoms
A definite diagnosis of one of the following motor neurone diseases by a consultant neurologist:
- amyotrophic lateral sclerosis (ALS);
- primary lateral sclerosis (PLS);
- progressive bulbar palsy (PBP);
- progressive muscular atrophy (PMA); or
- Kennedy's disease, also known as spinal and bulbar muscular atrophy (SBMA).

There must also be **permanent** clinical impairment of motor function.

Multiple sclerosis – with persisting symptoms
A definite diagnosis of multiple sclerosis by a consultant neurologist. One of the following must be present:
- clinical impairment of motor or sensory function, which must have persisted from the time of diagnosis; or
- 2 or more attacks of impaired motor or sensory function together with findings of clinical evidence of objective neurological investigations, such as lumbar puncture, evoked visual responses or MRI.

The evidence must show definite multiple sclerosis.

Neuromyelitis optica (Devic's disease) – with persisting symptoms
A definite diagnosis of neuromyelitis optica by a consultant neurologist. There must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least three months.

For the above definition, the following is not covered:
- any of the neuromyelitis optica spectrum disorders.

Open heart surgery – with surgery to divide the breastbone
The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a consultant cardiologist, to correct any structural abnormality of the heart.

Paralysis of a limb – total and **irreversible**
Total and **irreversible** loss of muscle function to the whole of any limb.

Parkinson's disease – resulting in **permanent** symptoms
A definite diagnosis of Parkinson's disease by a consultant neurologist. There must be **permanent** clinical impairment of motor function with associated tremor, or muscle rigidity.

For the above definition, the following are not covered:
- Parkinsonian syndromes/Parkinsonism.

Parkinson plus syndromes – resulting in **permanent** symptoms
A definite diagnosis by a consultant neurologist of one of the following Parkinson syndromes:
- multiple system atrophy;
- progressive supranuclear palsy;
- Parkinsonism-dementia-amyotrophic lateral sclerosis complex;

- corticobasal ganglionic degeneration; or
- diffuse Lewy body disease.

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

- motor function with associated rigidity of movement;
- the ability to coordinate muscle movement;
- eye movement disorder;
- the ability to coordinate muscle movement;
- bladder control and postural hypotension; or
- dementia.

Primary pulmonary hypertension – of specified severity

A definite diagnosis of primary pulmonary hypertension by a consultant cardiologist or specialist in respiratory medicine. There must be clinical impairment of heart function resulting in the **permanent** loss of ability to perform physical activities to at least Class 3 of the New York Heart Association (NYHA) classification of functional capacity*.

For the above definition, the following is not covered:

- pulmonary hypertension secondary to any other known cause, in other words not primary.

*NYHA Class 3 – heart disease resulting in marked limitation of physical activities where less than ordinary activity causes fatigue, palpitation, breathlessness or chest pain.

Pulmonary artery graft surgery – for disease only

The undergoing of surgery, on the advice of a consultant cardiologist, for disease of the pulmonary artery to excise and replace the diseased pulmonary artery with a graft.

Removal of an eyeball – due to injury or disease

Permanent surgical removal of an eyeball as a result of injury or disease.

For the above definition, the following is not covered:

- self-inflicted injuries.

Respiratory failure – of advanced stage

Advanced-stage emphysema or other chronic lung disease, resulting in all of the following:

- the need for oxygen therapy for a minimum of 15 hours a day, and evidence that daily oxygen therapy has been required for a minimum period of six months;
- the **permanent** impairment of lung function tests as follows:
  - Forced Vital Capacity (FVC) and Forced Expiratory Volume at 1 second (FEV1) being less than 40% of normal.

Rheumatoid arthritis – resulting in a loss of the ability to do specified physical activities

A definite diagnosis by a consultant rheumatologist of chronic rheumatoid arthritis, as evidenced by widespread joint destruction with major clinical deformity.

The **insured person** must also be **permanently** unable to perform three or more of the following activities:

- **bending** – the ability to get into or out of a standard saloon car, or to bend or kneel to pick up a tea cup (or similar object) from the floor and straighten up again without the assistance of another person but including the use of appropriate aids.
- **dexterity** – the physical ability to use hands and fingers, such as being able to communicate effectively using a pen, pencil or keyboard.
- **lifting** – the ability to lift, carry or otherwise move everyday objects by hand. Everyday objects include a kettle of water, a bag of shopping or an overnight bag or briefcase.
- **walking** – the ability to walk a distance of 200 metres on a level surface without the assistance of another person, but including the use of appropriate aids, for example, a walking stick.

Spinal stroke – resulting in **permanent** symptoms

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

Stroke – resulting in **permanent** symptoms

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in either:

- **permanent** neurological deficit with persisting clinical symptoms; or
- definite evidence of death of brain tissue or haemorrhage on a brain scan and neurological deficit with persistent clinical symptoms lasting at least 24 hours.

For the above definition, the following are not covered:

- transient ischaemic attack; or
- death of tissue of the optic nerve or retina/eye stroke.

Systemic lupus erythematosus – with severe complications

A definite diagnosis of systemic lupus erythematosus by a consultant rheumatologist resulting in either of the following:

- **permanent** neurological deficit with persisting clinical symptoms; or
- the **permanent** impairment of kidney function tests as follows:
  - Glomerular Filtration Rate (GFR) below 30ml/min/1.73m2 together with persisting abnormal urinalysis showing proteinuria or haematuria.

In addition to the above criteria, the disease must also have been unresponsive to disease-modifying drugs for a continuous period of at least 12 months.

Terminal illness – where death is expected within 12 months

A definite diagnosis by the attending consultant of an illness that satisfies both of the following:

- 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 of the **insured person** within 12 months.

For life only protection, our Chief Medical Officer will also need to agree that the illness is expected to lead to death of the **insured person** within 12 months.

Third-degree burns – covering 20% of the body's surface area, or 50% loss of surface area of the face, or 30% loss of surface area of the head and neck

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 50% loss of surface area of the face or 30% loss of surface area of the head and neck.

Total pneumonectomy – for physical injury or disease

The undergoing of surgery, on the advice of a consultant medical specialist, to remove an entire lung for any physical injury or disease.

Traumatic brain injury – resulting in **permanent** symptoms

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

Appendix 2 – Additional critical illness benefit definitions

This appendix should be read in conjunction with condition 7.

Borderline ovarian tumour (low malignant potential) – requiring surgery to remove an ovary
We will pay an **additional critical illness benefit amount** of the lower of 25% of the **benefit amount** and £25,000 upon diagnosis of a borderline ovarian tumour (low malignant potential) that has been positively diagnosed with histological confirmation. Treatment must have resulted in the complete surgical removal of the ovary (oophorectomy).

For the above definition, the following is not covered:

- removal of an ovary due to a cyst(s) or any other reason.

Carcinoma in situ of the breast – requiring surgery to remove the tumour
We will pay an **additional critical illness benefit amount** of the lower of 25% of the **benefit amount** and £25,000, where carcinoma in situ of the breast is positively diagnosed with histological confirmation by biopsy together with the undergoing of surgery to remove the tumour.

Carcinoma in situ of the oesophagus – requiring surgery to remove the tumour
We will pay an **additional critical illness benefit amount** of the lower of 25% of the **benefit amount** and £25,000 where carcinoma in situ of the oesophagus is positively diagnosed with histological confirmation by biopsy together with undergoing of surgery to remove the tumour.

For the above definition the following is not covered:

- treatment other than total surgical removal of the tumour.

Carcinoma in situ of the testicle – requiring surgery to remove at least one testicle
We will pay an **additional critical illness benefit** amount of the lower of 25% of the **benefit amount** and £25,000 where carcinoma in situ of the testicle, also known as intratubular germ cell neoplasia (ITGCN) or testicular intraepithelial neoplasia (TIN), is histologically confirmed by biopsy and treated with an orchidectomy (complete surgical removal of the testicle).

Carcinoma in situ of the urinary bladder
We will pay an **additional critical illness benefit amount** of the lower of 25% of the **benefit amount** and £25,000 where carcinoma in situ of the urinary bladder has been histologically confirmed on a pathology report.

For the above definition, the following are not covered:

- any non-invasive papillary carcinoma(s) of the bladder staged as Ta; and
- all other forms of non-invasive carcinoma.

Central retinal artery occlusion or central retinal vein occlusion (eye stroke) – resulting in **permanent** visual loss
We will pay an **additional critical illness benefit amount** of the lower of 25% of the **benefit amount** and £25,000 upon death of optic nerve or retinal tissue due to inadequate blood supply within the central retinal artery or vein. This must result in **permanent** visual impairment

For the above definition the following are not covered:

- branch retinal artery or branch retinal vein occlusion or haemorrhage; or
- traumatic injury to tissue of the optic nerve or retina.

Cerebral aneurysm – requiring specified surgical procedures
We will pay an **additional critical illness benefit amount** of the lower of 25% of the **benefit amount** and £25,000 upon undergoing either of the following surgical procedures in order to treat a cerebral aneurysm:

- surgical correction by craniotomy (surgical opening of the skull); or
- endovascular treatment using coils or other materials (embolisation).

We will not pay this **benefit amount** if it has already been paid for cerebral arteriovenous malformation.

Cerebral arteriovenous malformation – requiring specified surgical procedures
We will pay an **additional critical illness benefit amount** of the lower of 25% of the benefit amount and £25,000 upon undergoing either of the following surgical procedures to treat a cerebral arteriovenous malformation:

- surgical correction by craniotomy (surgical opening of the skull); or
- endovascular treatment using coils or other materials (embolisation).

We will not pay this **benefit amount** if it has already been paid for cerebral aneurysm.

Critical fracture cover
We will pay an **additional critical illness benefit amount** of £1,500 on one occasion for each **insured person** during the life of the policy if, due to an **accident**, the **insured person** suffers a fracture of any of the following bones:

- the portion of the skull enclosing the brain (neurocranium);
- pelvis; or
- cervical spine (the neck).

For the above definition, the following fractures are not covered:

- fractures of the facial bones (viscerocranium);
- fractures of the coccyx (tail bone);
- stress fractures, this includes both fatigue fractures and insufficiency fractures; and
- pathological fractures.

Crohn's disease – with specified severity
We will pay an **additional critical illness benefit amount** of the lower of 25% of the **benefit amount** and £25,000 upon diagnosis of Crohn's disease with fistula formation and intestinal strictures by a consultant gastroenterologist.

There must have been two or more bowel segment resections on separate occasions and evidence of continued inflammation with ongoing symptoms, despite optimal therapy with diet restriction, medication use and surgical interventions.

Donor cover
We will pay one cash lump sum of £2,500 in the event that the **insured person** undergoes a living donation of one of the following organs to a family member:

- kidney;
- portion of liver; or
- portion of lung.

Bone marrow transplant is also covered if the recipient has undergone pre-conditioning with myeloablative chemotherapy and/or radiotherapy.

For the above definition, the following are not covered:

- stem cell donation;
- islet cell donation; or
- donation of any other organ or tissue.

In addition, the recipient must not have been suffering with any symptoms or any illness whether diagnosed or not, leading to the donation, before the **policy start date**.

Early stage prostate cancer – with specified severity
We will pay an **additional critical illness benefit amount** of the lower of 25% of the **benefit amount** and £25,000 upon diagnosis of prostate cancer with a Gleason score of 2 to 6, and the tumour has progressed to at least clinical TNM classification T1N0M0 and has been treated by complete removal of the prostate or external beam, or interstitial implant radiotherapy.

For the avoidance of doubt, the following treatments of prostate cancer are not covered:

- cryotherapy or less radical treatments (for example transurethral resection of the prostate);
- experimental treatments; and
- hormone therapy.

Hospitalisation due to accidental injury, for 28 or more consecutive days

We will pay an **additional critical illness benefit amount** of £5,000 for an **accident** that results in physical injury which requires the **insured person** to stay in hospital for 28 or more consecutive days on the advice of the attending consultant.

For the above definition, the following is not covered:

- an **accident** that is secondary to alcohol or drug abuse.

Partial loss of sight – **permanent** and **irreversible**

We will pay an additional **critical illness benefit amount** of the lower of 25% of the **benefit amount** and £25,000 where the **insured person** suffers from **permanent** and **irreversible** loss of sight to the extent that, even when tested with the use of visual aids:

- vision is measured at 4/60 to 6/60 in the better eye using a Snellen eye chart; or
- visual field is reduced to 20° or less of arc as certified by a consultant ophthalmologist.

Ulcerative colitis – treated with total colectomy

We will pay an **additional critical illness benefit amount** of the lower of 25% of the **benefit amount** and £25,000 upon diagnosis of severe ulcerative colitis by a consultant gastroenterologist and treated with total colectomy.

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