

# Key features of the Whole of Life policy

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The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, Aegon, to give you this important information to help you to decide whether our Whole of Life policy is right for you. You should read this document carefully so that you understand what you're buying, and then keep it safe for future reference.

Scottish Equitable plc is regulated by the FCA in carrying out insurance business and is part of Aegon UK. We don't offer personal recommendations.

This is an **important document** that you should read carefully.

It gives you a summary of our Whole of Life policy. It doesn't contain the full terms and conditions – you'll find these in our **Policy conditions**.

You should read these documents together with your personal illustration.

If you don't already have a copy of our **Policy conditions** or a personal illustration, please speak to your financial adviser who will be able to give you them.

This key features refers to our current **Whole of Life policy product terms**, as at May 2021.

## Its aims

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To pay a lump sum on death or diagnosis of a defined terminal illness.

Designed for customers with the following demands and needs:

- want to protect their family against the financial impact of their death;
- make funds available to cover an anticipated inheritance tax (IHT) liability on their estate, or
- want to leave behind an inheritance.

## Your commitment

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- To make regular payments throughout your lifetime. If you don't, your cover will stop.
- To give us all the information we ask for when applying for your policy.
- To tell us if any of your circumstances change (for example financial interest, health, lifestyle, occupation or employment status and/or recreational activities) between the date you answer the application questions and the date your Whole of Life policy starts.
- To contact us within the relevant timescales when a claim is being made, and give us all the evidence we ask for.

## Risks

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- The policy doesn't have any cash-in value, and your protection will stop if you stop making your policy payments.
- If the information we receive as part of your application is incomplete, incorrect or untrue, we might not pay your claim. This could be information you give us or your financial adviser gives us on your behalf.
- If you choose for the amount you're insured for to increase each year in line with inflation, also known as inflation-linking or indexation, your payments could increase by more than you expect if inflation is high. You can find out more about how much your payments will increase by in section 1.6 of our [Policy conditions](#).
- If you've taken out this policy for inheritance tax (IHT) planning there's no guarantee that the money paid out will meet the full amount of any future liability. It's your responsibility to review your tax liability.
- Tax legislation could change in the future which could impact the IHT liability so it's important you review this if you're using the policy as part of your IHT planning.
- If your policy isn't held in a valid trust, the policy proceeds could be included in your estate and be subject to an IHT liability.
- Any tax information given is based on our understanding of current taxation law and HM Revenue & Customs (HMRC) practice and may change.

# ? Questions and answers

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## What's a Whole of Life policy?

Life insurance that pays out a lump sum when you die or are diagnosed with a defined terminal illness. For example to help:

- meet IHT due on your estate, or
- protect your family against the financial impact of your death.

## What's a defined terminal illness?

When we refer to being diagnosed with a defined terminal illness, we mean that a definite diagnosis has been made 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 can't be cured, and
- In the opinion of the attending consultant and our chief medical officer, the illness will lead to death within 12 months.

## Can I apply?

To apply for a Whole of Life policy all people to be insured must be resident in the UK and aged between 18 and 84. You must also be resident in the UK to use any of the options available under the policy.

## Who can be insured?

You can choose to:

- apply on your own to provide insurance on your life, known as a single-life policy, or
- apply with another person – usually your husband, wife or registered civil partner – to provide insurance on both your lives, known as a joint-life policy.

## How does a joint-life policy work?

If you choose to set up a joint-life policy, it will pay out only once, but you can choose whether the sum insured is paid out:

- when one insured person dies or is diagnosed with a defined terminal illness – this is known as joint-life first death, or
- when both insured persons have died, or one of them has died and the survivor has been diagnosed with a defined terminal illness – this is known as joint-life second death.

## What choices do I have?

When you apply, you can choose to place your Whole of Life policy and any free cover available to you before the policy is issued in trust. You can find more information in the section **If my policy is held in trust how does it work?**

You can also choose to pay extra if you want to:

- inflation-link your policy – this is also known as indexation, or
- protect your payments if you can't work – this is also known as waiver of premium.

## What's free cover?

When you apply, we'll provide free cover up to £1 million, or your sum insured (whichever's lower) for up to 90 days. This lets you cover some, or all (depending on how much you've asked us to insure you for), of your protection needs while your application's being processed and full cover can be put in place.

We'll set up your free cover in the same way as you've asked us to set up your policy, for example as single-life or joint-life cover.

There are circumstances when you won't be eligible for free cover. You can find out more about this in the section **Are there any circumstances when I won't be eligible for free cover?**

For full details of free cover, please read the addendum to our [Policy conditions](#) describing free cover.

# Questions and answers

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## What's an inflation-linked policy?

An inflation-linked policy means we'll increase the amount you're insured for each year in line with the increase in the Retail Prices Index (RPI) up to a maximum of 10%.

At the same time, your payments will increase to pay for the higher sum insured. Each year, your payments will increase by twice the percentage increase applied to your sum insured.

Your personal illustration will show you if you've applied for this.

You'll find full details in section 1.6 of our [Policy conditions](#).

## What are protected payments?

If you choose to protect your payments and are incapacitated and continuously unable to work for more than 26 weeks due to sickness or an accident, we'll make your policy payments for you.

We'll continue to make your policy payments as long as you continue to meet the definition of incapacity shown on your policy schedule, but will stop when the first of the following happens:

- you turn 67 years old;
- you no longer meet the definition of incapacity that applies to you, or
- we pay a death or defined terminal illness claim on the policy.

You'll find full details about protected payments, including the full definitions of incapacity, in section 4 of our [Policy conditions](#).

## What happens if I die between applying for this policy and my policy starting?

If you're eligible for free cover, and on a valid claim being made, we'll pay up to £1 million, or your sum insured (whichever's lower).

The free cover will start when we receive a completed:

- **Application form** (including online applications), and
- direct debit instruction (where relevant).

Your free cover will stop on whichever of the following happens first:

- immediately before your policy starts;
- we tell you we can't offer you cover, or
- 90 days from when we received your application.

## Are there any circumstances when I won't be eligible for free cover?

Yes. We won't be able to provide you with free cover if at the time of your application:

- you've applied, or are in the process of applying, for similar cover with another insurance company;
- any person to be insured by the policy is aged 70 or older, or
- you have a diminished mental capacity.

## Are there any circumstances when Aegon won't pay a free cover claim?

Yes. During the 90-day free cover period, we won't pay a claim if you:

- die, directly or indirectly, from a condition that caused symptoms before you applied or a condition you were aware of when you applied, or
- commit suicide.

## Can I increase the amount I'm insured for at any time without having to give more medical information?

You might be able to increase the amount you're insured for without giving us evidence of your health if:

- you have a newborn child or legally adopt a child;
- you get married or enter into a registered civil partnership;
- your mortgage on your main residence increases because you either move home, carry out improvements or build an extension to your main residence;
- you change jobs or are promoted and your yearly basic salary increases by at least 10%;
- you have a single-life policy and you divorce or dissolve a registered civil partnership;

# Questions and answers

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- the percentage amount of equity you hold in a partnership or company in which you are an equity partner or owner director increases or you increase a business loan;
- you're a sole trader and your yearly net relevant earnings increase or you increase the amount of a business loan that you've taken out, and
- your potential IHT liability has increased (this option isn't available for joint-life policies taken out on a first-death basis).

With these options, also known as guaranteed insurability options, you won't have to provide any more medical information. However, we'll ask you for confirmation of your residency, occupation, smoking activity and leisure pursuits to calculate your new payment amounts.

You'll find full details of these options in section 5.1 of our [Policy conditions](#), including:

- how much you can increase the amount you're insured for in each of the circumstances;
- the maximum ages for using them, and
- what evidence we'll need.

If you're increasing your cover, you must apply to use these options within six months of the event happening.

## **Can I change a joint-life policy if my circumstances change in the future?**

Before your 71st birthday you might be able to split your joint-life policy into two single-life policies without giving us more medical information. If you'd originally set up your joint-life policy to be held in trust and we've seen evidence of the existence of this trust, we'll issue the new policies to the trustees you appointed for your joint-life policy.

If this option isn't available due to your medical history and personal circumstances, we'll tell you before your policy starts, and it will show on your policy schedule.

You'll find full details of our joint-life separation option in section 5.3 of our [Policy conditions](#).

## **Can I use this policy to protect an IHT liability on a gift I make?**

Yes, this option is available for single-life policies, and joint-life second death policies where one of the insured persons has died. If your policy is held in trust, all trustees need to agree to exercise the option.

When you make a gift from your estate that could result in an IHT charge, you can change some of the amount you're insured for into gift inter vivos (GIV) insurance. This means that the money from the GIV insurance can be given to the person you've given the gift to, helping them to pay an IHT liability they're due if you die in the seven years after they've received the gift.

We'll calculate how much the GIV insurance will cost using your age at the time you took out your policy. You won't have to provide us with new medical evidence. The sum insured on your Whole of Life policy will reduce and we'll tell you of any change to your policy payments.

The amount we'll pay out for this insurance will reduce in line with the IHT liability. You can find full details of how this reduces in section 5.2 of our [Policy conditions](#).

## **If my policy is held in trust, how does it work?**

When we receive a valid claim and evidence of the existence of the trust, we'll pay the amount you're insured for to your trustees including any free cover. Your trustees will distribute the money in line with the terms of the trust, usually to the people that you've named as your beneficiaries.

If you're not sure whether a trust is right for you, and you change your mind, once the policy is set up you can still place the policy in trust.

It's important to be aware that a trust creates legal entitlements and has financial and tax implications. Once created the trust can't be ignored. You should seek your own legal or other professional advice to make sure this is right for you.

If you have a trust but we don't have appropriate evidence of the existence of your trust, we won't be able to pay the proceeds on a valid claim to the trustees.

# ? Questions and answers

## What do I have to pay?

You can find details of your policy payments in your personal illustration.

We take various things into account when calculating your payments. These include whether cover is for one insured person or two, the age of the insured person, whether they smoke, their medical history, their occupation, any hazardous pursuits they're involved in and how much cover you've selected.

## How do I pay for this policy?

When you apply to set up a Whole of Life policy you'll complete a direct debit instruction (unless agreed otherwise). We'll collect your payments directly from your bank or building society account either monthly or yearly, depending on what you'd prefer.

## When will my insurance cover end?

Your Whole of Life policy will last until a valid claim is made, as long as you continue to make your payments.

## How can a claim be made on this policy?

The person making the claim should call us on **03456 00 04 93** (call charges will vary). We must be told about any claim within the timescales set out below, or we might not pay the claim.

Type of claim	When we must be told
Death	Your trustees or legal personal representative should tell us as soon as possible
Defined terminal illness	As soon as you think you have a claim
Protecting your payments (waiver of premium)	Within six weeks of becoming incapacitated

## What will stop the policy from paying out?

If you, and/or the insured person (if different), don't give all the relevant facts, the protection provided by the policy could be lost or cancelled and your claim rejected. In certain circumstances we won't pay out a claim.

We won't pay out a claim as a result of suicide where it occurs:

- within 12 months of the policy start date;
- within 12 months of the date a policy is reinstated, and
- within 12 months of a benefit amount being increased (except where the increase occurred under the inflation-linked option) but only for the increased amount.

If there are additional reasons why we won't pay out a claim on your policy, we'll tell you about them before your cover starts. They'll also be included in your policy schedule.

If you've chosen protected payments, we won't make your policy payments for you if you travel or live:

- outside the home countries<sup>1</sup> and designated countries<sup>2</sup> for more than 13 weeks at a time in any 12-month period, or
- within the designated countries<sup>2</sup> for more than 26 weeks at a time in any 12-month period.

<sup>1</sup> Home countries are United Kingdom, the Channel Islands and the Isle of Man.

<sup>2</sup> Designated countries are 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.

## Can I change my mind?

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

# Questions and answers

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If after the 30 days you decide you want to cancel your policy, you can do so at any time by contacting us. However we won't pay out the sum insured and you won't get anything back.

You can cancel your policy by writing to:

Aegon Protection, Sunderland SR43 4DJ

If you don't cancel your policy, it will continue.

## Can Aegon cancel my policy?

Yes, however we'd only cancel your policy if:

- you missed a payment;
- you act fraudulently, or
- you provide untrue, inaccurate or misleading information.

If we cancel your policy we may not repay you any of your payments and we won't pay out the sum insured. You can find full details in section 7 of our [Policy conditions](#).

## What if Aegon can't pay out the sum insured for any reason?

In the event that we weren't able to pay your claim, you'd have access to the Financial Services Compensation Scheme (FSCS). The amount of cover depends on the type of business and the circumstances of the claim. Insurance business of this type is generally covered for 100% of the value of the whole claim, without limit.

You can get more information about compensation arrangements from the FSCS by calling 0800 678 1100 or visiting [www.fscs.org.uk](http://www.fscs.org.uk)

## Solvency Financial Condition Report

The Scottish Equitable plc Solvency Financial Condition Report (SFCR) is available on our website at [www.aegon.co.uk/content/aegon-uk-sfcr.pdf](http://www.aegon.co.uk/content/aegon-uk-sfcr.pdf)

## How do I complain?

We hope you never have cause to complain, but if you do, the first step is to contact us using the details in the 'How to contact us' section. We'll deal with your complaint in accordance with our complaints procedure. You can also read our complaints procedure for full details. You can contact us for a copy, or find it on our website [www.aegon.co.uk/support](http://www.aegon.co.uk/support)

If you're not satisfied with our response, you can then raise the issue with:

### The Financial Ombudsman Service

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Phone: 0800 023 4567

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Making a complaint to us or the Financial Ombudsman Service won't affect your legal rights.



# Other information

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## About Aegon

At Aegon, we've been helping our customers achieve financial security since we started out as Scottish Equitable back in 1831. Over the years, we've evolved our brand by combining our proud heritage with Aegon's global strength. As one of the world's largest financial service organisations, we work with advisers, employers and individuals to offer long-term savings, investments, pension solutions and protection products.

## Tax

Under current tax rules, income tax or capital gains tax won't be payable on any of the benefits we pay for this policy. But tax rules can change, so for more information about the tax treatment of your policy, including the impact on your IHT position, please speak to a financial adviser.

This information is based on our understanding of current legislation, taxation law and HMRC practice, which could change.

## Communication

Our contract with you is in English and all future communication about it will be in English. All communications from us will normally be by letter or telephone.

## How we pay our employees

We pay our employees a base salary, and dependent on their role, a yearly bonus. The bonus paid is based on meeting a number of targets set at the beginning of the year. These include the level of profit the company makes from new and existing business. It is also dependent on non-financial targets, such as the quality of service we provide.

## Law

Your Whole of Life policy will be governed by the laws of England and Wales.

## Time limits

We'll tell you about any time limits that may apply that aren't covered here or in your personal illustration, for example underwriting decisions or requirements that may have time limits. You must let us know of any changes to your circumstances or any other details you've given us between the date you answer the

application questions and the date your Whole of Life policy starts.

## Terms and conditions

This key features document only gives you a summary of the main points of the policy. You can find full details in the [Policy conditions](#) booklet. You should read the [policy conditions](#) carefully, as it will set out the terms and conditions of the contract between you and Scottish Equitable plc. If you have more questions, or need any more information, a financial adviser will be able to help you.

## Client categorisation

We categorise all of our clients as 'Retail clients' under the Financial Conduct Authority rules for all services and transactions. This gives you the greatest level of protection under the regulations, and helps us to make sure that you receive appropriate disclosure documents from us and that you're made aware of everything you need to know in a timely fashion.

## Support we may give to your adviser

To help your adviser give you an improved service, we may provide them with marketing and promotional support, technical services and training. If you want to find out more you can ask your financial adviser, or us, to provide specific details of any benefits provided.

## Conflicts of interest

During the life of your product, conflicts of interest may arise between you and us, our employees, our associated companies or our representatives. Aegon maintains a Conflicts of interest policy in accordance with all Financial Conduct Authority (FCA) Conduct of Business rules, to ensure we manage the risk of damage to customer interests. A conflict of interest may arise where an action taken by us could be seen to compromise or conflict with the best interests of our advisers, intermediaries and customers. If we identified a conflict of interest that we could not manage appropriately then we would decline to accept this business to ensure the fair treatment of our customers. We're completely transparent about where conflicts of interest can arise and our policy to deal with them. Please read our conflicts of interest policy at [www.aegon.co.uk/content/conflicts-of-interest-policy.pdf](http://www.aegon.co.uk/content/conflicts-of-interest-policy.pdf)

# How to contact us

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Remember, a financial adviser will normally be your first point of contact. We won't be able to give you any financial advice at any stage.

If you have any questions, you can phone, email or write to us:

Call us on (call charges will vary):  
**03456 00 14 02, Monday to Friday,**  
**8.30am to 5.30pm**

We may monitor calls to improve our service.

Claims helpline (call charges will vary):  
**03456 00 04 93**  
**[claims@aegon-service.co.uk](mailto:claims@aegon-service.co.uk)**

Email us at:  
**[protect\\_support@aegon-service.co.uk](mailto:protect_support@aegon-service.co.uk)**  
**[aegon.co.uk/onlineform](http://aegon.co.uk/onlineform)**

If you're contacting us by email please remember not to send any personal, financial or banking information because email isn't a secure method of communication.

If you decide to send information in this way, you're doing so at your own risk as there's no guarantee that any email sent by you to us will be received or remain private during transmission.

If you'd like a large print, braille or audio CD version of this document, please contact us on 03456 0014 02 (call charges will vary) or go to **[www.aegon.co.uk/onlineform](http://www.aegon.co.uk/onlineform)**

We're always here to help so if you need some additional support from us please let us know.

Write to us at:

**[Aegon Protection, Sunderland SR43 4DJ](mailto:Aegon Protection, Sunderland SR43 4DJ)**

Visit our website:

**[www.aegon.co.uk](http://www.aegon.co.uk)**





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[Aegon UK](https://www.youtube.com/AegonUK)

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