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# Key features of the Decreasing Mortgage Cover Plan

## Helping you decide

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

**The Financial Services Authority is the independent financial services regulator. It requires us, Zurich Assurance Ltd., to give you this important information to help you to decide whether our Decreasing Mortgage Cover Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.**

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# The Decreasing Mortgage Cover Plan

**The Decreasing Mortgage Cover Plan is a life assurance and critical illness plan that is designed to protect a repayment mortgage or a loan where the debt is decreasing over time. It can also include a payment protection benefit. Depending on the cover you have, you may be able to choose guaranteed or reviewable payments. Your adviser will help you decide if this plan is right for you.**

## Its aims

### What this plan is designed to do

- Provide you with one of the following:
  - **Life cover** that pays a cash sum if, during the plan's term, you die or are diagnosed with a terminal illness that is expected to lead to death within the earlier of 12 months and the remaining term of the cover.
  - **Critical illness cover** that pays a cash sum if, during the plan's term, you are diagnosed with a critical illness.
  - **Life or earlier critical illness cover** that pays a cash sum if, during the plan's term, you die, or are diagnosed with a critical illness. You can also add extra life cover or extra critical illness cover.
- Allow you to include a payment protection benefit, which pays a monthly amount if you can't work because of long-term illness or injury.

## Your commitment

### What we ask you to do

- Make regular payments over the plan's term.
- Give us all the information we ask for when you apply for the plan. Please don't assume we'll contact your doctor for any medical information we need.
- Tell us about any changes to the information you give us on your application, that happen before your plan starts. **Please see 'When will the plan not pay out?' on page 11.**
- When choosing the level of payment protection benefit you want, take into account any State benefits you may be entitled to, and any other insurance plans you already have that provide cover for accident, illness or injury (including any other plans with Zurich).
- Review your cover regularly, with your adviser, to make sure it continues to be right for your needs.

## Risk factors

### What you need to be aware of

- If you don't answer all the questions on your application fully, truthfully and accurately, we may not pay a claim.
- We will not pay a claim in the circumstances described in **'When will the plan not pay out?' on page 11**.
- If you stop paying, your cover and plan will end after 30 days. We won't refund any of your payments.
- If you choose reviewable payments, you may have to pay more in the future. There is no limit to the increase in payments that may apply. You may not be able to afford the same level of cover after a review or be able to take out replacement cover.
- If your mortgage interest rate increases above 10%, your cover may not be enough to pay off your mortgage or loan.
- **Payment protection benefit risks:**
  - If you don't take into account any income you may receive from other sources, you may be paying for more benefit than you can claim.
  - If your earnings have reduced at the time you claim, we may reduce the benefit we pay you.
  - We won't refund any payments you've made if you have paid for a higher benefit than you can claim or we reduce the benefit we pay you.
  - If you receive the benefit, you may not be able to receive some means-tested State benefits.

## Other documents you should consider reading

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

### Here to help at every step

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

### Why your payment may change

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

### Your guide to your cover

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

### Mortgage Protection – free cover terms and conditions

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

### Business Protection – free cover terms and conditions

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

### Decreasing Mortgage Cover – reviewable payments terms and conditions, or

### Decreasing Mortgage Cover – guaranteed payments terms and conditions

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

**All documents are available from your adviser or direct from us. Our contact details are on page 18.**

# Questions and answers

## Setting up your plan

### Is the Decreasing Mortgage Cover Plan right for me?

It may be right for you if you have a repayment mortgage or loan and you want to make sure the debt will be repaid if, depending on the cover you choose, you die, suffer a terminal illness or are diagnosed with a critical illness. It also allows you to include a payment protection benefit if you need an income if you can't work because of long-term injury or illness.

### What types of cover can the Decreasing Mortgage Cover Plan provide?

**Life cover only**
This pays a cash sum if you die during the plan's term. We'll pay the cash sum early if you are diagnosed with a terminal illness. The plan will then end. A terminal illness is 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 within the earlier of 12 months and the remaining term of the cover.

Your payments will be guaranteed.

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

Your payments will be reviewable.

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

The full list of critical illnesses we cover is on page 9.

**Full definitions of the illnesses covered and the circumstances in which you can claim are in Your guide to your cover.**

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

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

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

If the plan includes extra life cover, you can choose for your payments to be guaranteed or reviewable. If we pay a critical illness claim, the extra life cover will continue until the end of the term, but we'll reduce it by the amount of critical illness cover we've paid.

Your payments will then reduce, based on the reduced cover and your age when the plan started. We'll pay the extra life cover if, before the end of the plan's term, you die or are diagnosed with a terminal illness.

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

## How do guaranteed and reviewable payments work?

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

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

If we ask you to increase your payments, you can continue paying the previous amount and we'll reduce your cover instead. If you do this, your cover may not be enough to pay off all your mortgage if you claim. You can also decide to stop making payments to your plan. If you do this, your plan and your cover will end.

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

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

**Please read the Why your payment may change booklet and also section 7 of the terms and conditions.**

## How does decreasing cover work?

Your cover decreases each month and is designed to reach zero by the end of the term. This is because your debt should be decreasing as you repay it over time. If you claim, the cover should pay off your outstanding repayment mortgage or loan, provided that:

- the amount of cover at the start of the plan is at least the amount of your repayment mortgage or loan (if you add extra life cover or extra critical illness cover, the lower level of cover should be at least the amount of your repayment mortgage or loan)
- you increase your payments if we ask you to after any plan review (if you have reviewable payments)
- you keep your mortgage payments up to date
- your mortgage interest rate does not go above 10%.

If interest rates are less than 10% during the term of your mortgage, the cover could be more than you need to pay off your mortgage.

## What optional extra benefits can I include?

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

**Total permanent disability – unable before age 60 to do your own occupation ever again benefit**
If your plan includes critical illness cover, you have the option to include this benefit. This will allow you to claim the cash sum if, due to the loss of physical or mental ability through an illness or injury before age 60, you are unable to do your own occupation ever again.

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

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

You must decide at the start of your plan if you want to include any of these benefits – you can't add them later. **For more information, please read 'Optional extra benefits' on pages 13 to 16.**

## Who can the plan cover?

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

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

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

For plans that include life cover only you must be aged between 16 and 79 when the plan starts.

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

You must  be resident in the United Kingdom to take out a Decreasing Mortgage Cover Plan. If the plan covers two people jointly this applies to each planholder.

## How long can the plan last?

For reviewable payment plans that provide:

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

For guaranteed payment plans that provide:

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

If we have not paid a claim, the plan will end at the end of the term you've chosen.

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

## Can children have critical illness cover?

If your plan includes critical illness cover, your children will also be covered. Child cover applies from the date each child reaches the age of three months and lasts until their 18th birthday, as long as the plan is still running. **The list of medical conditions we cover is shown on page 9**.

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

## How much does the plan cost?

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

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

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

## Does the plan include any free cover?

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

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

**Full details are in the Mortgage Protection – free cover terms and conditions.**

**Full details are in the Business Protection – free cover terms and conditions.**

## What conditions does critical illness benefit cover?

The complete list of conditions we cover is set out on page 9. These headings are only a guide to what is covered.

Our definitions typically use medical terms to describe the illnesses but in some cases the cover may be limited. For example:

- some types of cancer are not covered
- for some illnesses, such as stroke, you need to have permanent symptoms, and for others, such as a heart attack, the illness must be of a specified severity.

**Full definitions of the illnesses covered and the circumstances in which you can claim are in Your guide to your cover.**

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

*The incident causing infection must have occurred in an eligible country.

# For children's critical illness benefit 'total permanent disability' means an irreversible level of disability which, in Zurich's reasonable opinion, means the child would be disabled from performing any occupation whatsoever if he or she were an adult.

**Please read the Your guide to your cover booklet and the critical illness and operations section of the terms and conditions.**

## After it starts

### Can I change my plan after it starts?

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

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

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

**Full details are in section 6 of the terms and conditions.**

### Can my payments change in the future?

Guaranteed payments will stay the same during the term of the plan unless you ask us to change your level of cover.

Reviewable payments may increase or decrease after a plan review. After a review, we may ask you to make higher payments to keep your cover going, or we may reduce your payments.

**Please read the Why your payment may change booklet and also section 7 of the terms and conditions.**

### What if I stop paying?

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

### How much does the plan pay out?

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

The cover decreases each month, so the amount we pay out will be the amount of cover remaining at the time of the claim.

The plan never has a cash-in value.

## When will the plan not pay out?

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

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

**We will not pay a claim for life cover if:**

- you haven't made all the payments that were due
- you commit suicide within 12 months of the date the plan started or was reinstated
- (for a terminal illness claim) the diagnosis of the illness does not meet the terminal illness definition exactly.

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

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

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

**Full details are in section 3 of the terms and conditions.**

## Will I get regular updates on my plan?

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

# Cancelling your plan or making a claim

## Can I change my mind and cancel?

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

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

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

## How can I make a claim?

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

**Full details are in the 'Making a claim' section of the terms and conditions.**

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

## What about tax?

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

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

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

# Optional extra benefits

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

1. Total permanent disability – unable before age 60 to do your own occupation ever again benefit
2. Payment protection benefit
3. Waiver of payment benefit

## 1 Total permanent disability – unable before age 60 to do your own occupation ever again benefit

Depending on your occupation you may be able to include cover, at the same level as your critical illness cover, against totally permanently losing the physical or mental ability to perform your own occupation ever again. You must be 54 or younger to include this benefit.

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

'Own occupation' means your trade, profession or type of work you do for profit or pay. It is not a specific job with any particular employer and is irrespective of location and availability. The relevant specialists must reasonably expect that the disability will last throughout life with no prospect of improvement, irrespective of when the cover ends or the insured person expects to retire.

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

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

## 2 Payment protection benefit

Payment protection benefit pays you a monthly income if you can't perform your own occupation because you're incapacitated due to illness or injury. The monthly income does not decrease each month like the life cover and critical illness cover. You must be 59 or younger to include this benefit.

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

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

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

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

## How much payment protection benefit can I have?

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

**Example**

Decreasing Mortgage Cover Plan providing £50,000 of life and critical illness cover plus extra critical illness cover of £25,000. You earn £1,500 a month at the start of the plan.

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

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

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

## What are pre-incapacity earnings?

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

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

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

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

## Can Zurich reduce the payment protection benefit it pays?

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

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

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

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

## What income will not affect how much Zurich pay?

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

## When does the payment protection benefit start?

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

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

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

## When does the payment protection benefit stop?

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

- You no longer meet our definition of incapacity.
- you continue to meet the definition of incapacity but you start working in a new job as an unpaid volunteer, unless you are working as an unpaid volunteer for a registered charity.
- You no longer have any loss of earnings.
- You reach the age when this benefit on the plan stops.
- The plan anniversary after your 65th birthday.
- The end of the plan's term.
- The plan ends after payment of a critical illness, terminal illness or death claim.
- For rehabilitation benefit claims, 12 months after you return to work.

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

Returning to part-time or less well paid work

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

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

## When won't Zurich pay the payment protection benefit?

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

- you haven't made all the payments that were due
- you weren't in a paid job when you became incapacitated
- your incapacity starts when the benefit has less than three, six or 12 months left to run (depending on the deferred period you've chosen)
- you have more than one job and you can still do the main duties of any of them
- you are not continuously disabled throughout the deferred period
- the medical condition arises while you are living abroad and you do not return to the United Kingdom or one of the other countries we specify
- the cause of the claim is due to:
  - infection with HIV/AIDS (unless you caught it in the United Kingdom from a blood transfusion, by physical assault or at work in an eligible occupation)
  - any act of terrorism, war or civil commotion
- the cause of the claim arises from the circumstances detailed in any specific exclusions on your plan schedule.

## How often can I claim?

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

## 3 Waiver of payment benefit

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

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

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

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

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

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

- you haven't made all the payments that were due
- you had the illness or injury that caused the incapacity before the plan started
- the benefit has less than six months to run
- you weren't in a paid job when you became incapacitated
- you have more than one paid job and you can still do the main duties of any of them
- you are not continuously disabled throughout the deferred period
- the incapacity is caused by:
  - infection with HIV/AIDS (unless you caught it in the United Kingdom from a blood transfusion, by physical assault or at work in an eligible occupation)
  - any act of terrorism, war or civil commotion
- the cause of the claim arises from the circumstances detailed in any specific exclusions on your plan schedule.

### When does the waiver of payment benefit stop?

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

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

# Other information

## How to complain

If you need to complain, please see the 'How to contact us' section on page 18.

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

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

Telephone: 0845 080 1800

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

This service is free to you and you can find out more by contacting the Financial Ombudsman Service. You do not have to accept a decision by the Financial Ombudsman Service and you are free to go to court instead if you wish.

## Compensation

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

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

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

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

## Terms and conditions

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

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

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

This document complies with the Association of British Insurers (ABI) statement of best practice for critical illness cover, February 2011.

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

ABI
51 Gresham Street
London
EC2V 7HQ

or visit the website www.abi.org.uk

## Law

The plan is governed by the law of England.

## Our regulator

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

## Communicating with you

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

# How to contact us

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

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

Phone: 01793 514514
Monday to Friday 8.30am – 6pm (we are not open on public holidays). We may record or monitor calls to improve our service.

An answerphone is in operation outside office hours.

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

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

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

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

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

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

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