

# Key features of the **Personal Protection** policy

The Financial Services Authority is the independent financial services regulator. It requires us, AEGON Scottish Equitable, to give you this important information to help you to decide whether our Personal Protection menu 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.

This is the policy summary for your AEGON Scottish Equitable **Personal Protection policy**. You'll also get a personal illustration, so you can put figures to the benefits you've chosen. Please take some time to go through these documents carefully and keep them somewhere safe – you may well want to look at them again.

This guide refers to our product terms as at July 2008.

Throughout this document we've highlighted various technical 'protection' terms in **blue**. To help you understand these terms, we've explained them in a 'Glossary of protection terms', which you can find at the end of this document.

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Please ask your financial adviser if you want copies of any of the documents mentioned here.

# Its aims

- To help protect you and your family from the financial consequences of serious ill health or death during the benefit term. Your policy can include:
  - **life cover**  
This pays out a lump sum if the life assured dies.
  - **critical illness cover**  
This pays out a lump sum if the life assured is diagnosed with a critical illness that meets one of our policy definitions and then survives for at least 14 days. We only cover the critical illnesses we define in our policy and no others.
  - **life and critical illness cover**  
This pays out a lump sum if the life assured either dies or is diagnosed with a critical illness that meets one of our policy definitions. We only cover the critical illnesses we define in our policy and no others.
  - **income protection**  
This pays a regular benefit amount if you become unable to work and so lose earnings or net profit due to accident or sickness.

Depending on the benefits you've chosen, the payment of the lump sum or monthly benefit amount may mean the end of your policy.

# Your commitment

- You agree to pay regular monthly premiums throughout the term of the policy. You can find details of the types of premium available in the 'What do I have to pay?' section.
- You agree to give us all the information we ask for when applying for your policy and when making a claim. If you don't do this, we won't pay your claim.
- You agree to let us know of any claim you need to make within the relevant time limits.

You can find more information on all the available benefits and any relevant time limits in the sections 'What is Personal Protection?' and 'What other benefits can I choose?'.

# Risk factors

- If you stop paying premiums, your protection will stop immediately.
- The policy only provides protection and has no cash-in value at any time.
- We might not pay out a claim under certain circumstances. These circumstances are known as exclusions. You can find more details on this in the section 'What will stop the policy from paying out?'.
- If the information we receive when you take out your policy is incomplete, incorrect or untrue, we may not pay your claim. This could be information you give us or information your adviser gives us on your behalf.
- If you choose reducing benefits, your benefit amount will reduce each month over the benefit term in the same way that a repayment mortgage would reduce if it was repayable over the benefit term at a yearly mortgage interest rate of 10%. So, if interest rates are consistently above 10%, the amount we'll be able to pay when you make a claim may not be enough to pay off your outstanding repayment mortgage.
- If you have benefits with reviewable premiums then your premium may go up or down at each review but any increase in your premiums will be fair and reasonable.
  - Reviews will take place every five years on the anniversary of the relevant benefit start date.
  - There's no limit on the amount we may increase your premium by, although any increase will be fair and reasonable. This means that you may not be able to afford the same level of cover after a review. Also you may not be able to take out replacement cover at that time, for example, if your health has deteriorated.
  - You can find more information on how reviews work in the 'What do I have to pay?' section. You can also find full details in your policy conditions booklet.
- If you choose income protection and your earnings go down or don't go up as quickly as your benefit amount then when you make a claim we won't pay the full benefit amount. We won't refund any of your premiums if this happens. You and your financial adviser should regularly review your earnings against the benefit amount to check your cover continues to meet your needs and that you're not paying for cover you can't claim.
- If you choose income protection, the amount we pay out if you claim may affect your entitlement to some means-tested state benefits.
- The amount we pay you under this income protection benefit may affect your claim to benefits under other income protection policies.
- The tax treatment of income protection benefits may change.

# Your questions answered

## What is Personal Protection?

It's a policy that will help protect you and your family financially if the life assured:

- dies, or
- is diagnosed as having a terminal illness, or
- is diagnosed with one of the listed critical illnesses (these are listed under 'What is included in the critical illness cover?'), or
- becomes totally and [permanently](#) disabled, or
- is unable to work due to accident or sickness, leading to a loss of earnings or net profit

Which of the above are covered by your policy will depend on the benefits you choose.

If you don't assign the policy to a lender or place the policy in trust, the benefits will be paid directly to you or your estate and can be used as you see fit. For example, you may choose to use the benefits to pay off your mortgage.

You can set up your policy to cover one or two people, known as the life or lives assured. Most of the main benefits can be taken out on a [single life](#) basis, which means they cover one person, or on a [joint life](#) first death/event basis, which means two people are covered but the benefit amount is only paid out once.

On [joint life](#) policies that pay out on death, we'll only pay the death benefit once. Because of this, you have to set up your policy so that the death benefit is payable

- when either of the lives dies (known as [joint life](#) first death). The benefit amount will be paid out once and the benefit then stops
- when, after the death of one of the lives, the other then dies (known as [joint life](#) second death)
- on the death of a selected life who has a life protection benefit (or life with critical illness protection benefit) on a [single life](#) basis within a [joint life](#) policy

Gift inter vivos (which is explained in more detail later in this section) and income protection are only available on a [single life](#) basis.

We provide a range of benefits and you can choose as many as you need. You can decide how much cover you want for each benefit and, for most benefits, you choose how long you want the cover to last.

If you're looking to protect your mortgage payments, you can use Personal Protection with either an interest-only mortgage (for example an endowment or an ISA mortgage) or a capital and interest mortgage (a repayment mortgage). The amount paid out on a claim is designed to cover the outstanding mortgage, depending on the type of mortgage you have and the type and level of benefits you choose.

Now let's look at the main benefits available from Personal Protection in more detail:

## What are the main benefits?

### [Life protection/Reducing life protection](#)

Life protection pays out a cash lump sum if the life assured dies or is diagnosed with a terminal illness during the benefit term. However, we won't pay out for a terminal illness diagnosed in the last year of the benefit term. You can find the definition of terminal illness in the 'What benefits are automatically included?, Terminal illness' section.

For level life protection we also offer [joint life](#) second event cover. This is a form of life protection where there are two lives assured and we only pay out if, after the death of one of those covered, the other also dies or is diagnosed with a terminal illness during the benefit term.

### Critical illness protection/Reducing critical illness protection

Critical illness protection pays out a lump sum if the life assured is diagnosed with a critical illness that meets one of our policy definitions and then survives for at least 14 days. We only cover the critical illnesses we define in our policy conditions and no others.

### Life with critical illness protection/Reducing life with critical illness protection

Life with critical illness protection pays out a lump sum if the life assured either dies or is diagnosed with a critical illness that meets one of our policy definitions. We only cover the critical illnesses we define in our policy conditions and no others.

### Reducing benefits

For reducing life protection, reducing critical illness protection and reducing life with critical illness protection, the amount that we'd pay out on a claim reduces each month over the term in the same way that a repayment mortgage would reduce if it was repayable over the term at a yearly mortgage interest rate of 10%. It'll never pay out more than the original benefit amount.

### Family income benefit

Family income benefit protection pays out a monthly income until the end of the benefit term if the life assured either dies or is diagnosed with a terminal illness during the benefit term. However, we won't pay out for a terminal illness diagnosed in the last year of the benefit term. You can find the definition of terminal illness in the 'What benefits are automatically included?, Terminal illness' section.

### Critical illness family income benefit

Critical illness family income benefit protection pays out a monthly income until the end of the benefit term if the life assured is diagnosed with a critical illness that meets one of our policy definitions and then survives for at least 14 days. We only cover the critical illnesses we define in our policy conditions and no others.

### Life with critical illness family income benefit

Life with critical illness family income benefit protection pays out a monthly income until the end of the benefit term if the life assured dies or is diagnosed with a critical illness that meets one of our policy definitions. We only cover the critical illnesses we define in our policy conditions and no others.

### Gift inter vivos

Gift inter vivos pays out a lump sum if the life assured dies during the benefit term. This is a special form of life protection where the amount we'd pay out on a claim reduces over the seven-year term. This is designed to help cover a possible inheritance tax liability during the seven years following a gift being made.

### Income protection

We'll pay you a regular benefit amount if, due to accident or sickness, you become unable to work and so lose earnings or net profit.

### How income protection works

You decide how much benefit you need, the benefit term and when you need income payments to start.

If an accident or sickness stops you from working, you should let us know the details as soon as possible but no later than shown in the table below. Failure to tell us within these time limits may affect the decision on the claim and could delay payment of the benefit amount.

Deferred period	Notification period
4 or 8 weeks	by week 2
13 weeks	by week 4
26 weeks	by week 6
52 weeks	by week 12

We'll pay you a monthly benefit amount from the end of your [deferred period](#) subject to your claim being agreed. You can find details on the [deferred period](#) under 'When income protection payments start' overleaf. We'll make the first payment one month after the end of the [deferred period](#) and will continue making payments for as long as you meet the definition of incapacity as shown on your policy schedule. You can find further details of the definitions of incapacity in the glossary of protection terms at the end of this document.

Waiver of premium benefit is automatically included with income protection and will usually cover payment of your premiums while we're paying your benefit. See the 'Income protection premium payments while claiming' section for more details.

### **The benefit amount we can pay under income protection**

When choosing the benefit amount you need, you should remember that the maximum amount we can allow is the lower of 55% of your total earnings and £130,000 a year. The actual amount of benefit we'll pay if you make a claim will be based on your pre-incapacity earnings. We limit the amount of the benefit because tax and National Insurance contributions are deducted from your normal earnings but not from the benefit amount we'll pay you. By total earnings we mean 'income that will be lost in the event of incapacity', so this may include regular income such as salary, commission, bonuses and overtime.

If you're self-employed, your pre-incapacity earnings are your net profit from your [occupation](#) averaged over the last three years before you became incapacitated, as assessed for income tax and as shown on an agreed tax return provided by HM Revenue & Customs.

If you're not in paid employment the maximum benefit amount we can pay out can't be more than £1,250 a month. Please also see the section 'Other income which may reduce what we pay you'.

### **When income protection payments start**

When you're first unable to work due to accident or sickness there'll be a period, known as the [deferred period](#), when we don't pay out any benefit. You can choose a [deferred period](#) of 4, 8, 13, 26 or 52 weeks. Generally the longer the [deferred period](#), the cheaper your policy will be.

### **How long can we pay out income protection payments for?**

We'll pay income protection benefit payments until the earliest of:

- the end of the benefit term
- your death
- you no longer meeting the definition of incapacity as shown on your policy schedule
- you no longer suffering a loss of earnings

Your income protection cover won't end when your claim ends if the benefit term hasn't ended. You can claim as many times as you need to. However, to make sure your cover continues when your claim ends, you have to start paying premiums again.

### **How long can income protection cover last?**

You decide how long you want the cover to last by choosing a term or the age you want the benefit to stop; however, this must be no later than your planned retirement date or your 65th birthday if sooner. You decide the term for your income protection cover when you take out the benefit.

### **Assessing your income protection claim**

There are three definitions of incapacity (own [occupation](#), any suited [occupation](#) and activities of daily work) and your policy schedule will show you which one applies (you can find further details on the incapacity definitions in the glossary of protection terms at the end of this document).

If your definition of incapacity is own [occupation](#) or any suited [occupation](#), any claim you make will be assessed on your [occupation](#) immediately before your incapacity started. We'll also ask for evidence of your loss of earnings or net profit. You'll qualify for income protection benefit payments if you satisfy the definition of incapacity resulting in a loss of earnings or net profit.

If you're not in paid employment at the time of claim, then we'll use the activities of daily work definition of incapacity to assess your claim and we'll limit the maximum amount we pay you to £1,250 a month. The [deferred period](#) will be increased to 13 weeks for benefits which had a 4- or 8-week [deferred period](#).

In all cases we'll ask for medical evidence, for example a consultant's report, an independent medical examination or a home visit by a qualified nurse. This list isn't exhaustive and we'll pay any costs involved.

### Claiming again after returning to work

There's no limit to the number of claims you can make during the term of your income protection benefit. However, you must restart paying premiums when your claim ends to make sure that your cover continues. If you need to make another claim for the same condition or a related condition within six months of your last claim ending and you satisfy the definition of incapacity, then the [deferred period](#) won't apply.

### Returning to part-time or less well-paid work

If you're no longer able to fully carry out your normal [occupation](#) but return to work in a reduced role or if you take up different work at a lower income, we would support you by continuing to pay a monthly benefit amount. This would be at a reduced level dependent on your new income. Your financial adviser can give you details of how we would calculate this.

### Income protection premium payments while claiming

You should carry on paying premiums until we accept your claim. You don't need to pay them while we're paying you benefit under your income protection cover. However you'll need to start paying premiums once you start working again even if the work is on a part-time basis or you're in a different [occupation](#).

### Other income which may reduce what we pay you

We'll reduce your benefit amount if any of the following take you over the maximum benefit amount we can allow (see 'The benefit amount we can pay under income protection' section):

- continuing payments from your employer such as sick pay
- any ongoing income from a business or company
- pension payments – unless you'd have received them if you were still working
- other insurance benefits – if they pay out because of your incapacity and are paid to you or to someone else for you, such as, but not limited to, mortgage payments

We won't reduce your benefit amount if you receive:

- income support or other means-tested state benefits; however, our payment may affect your eligibility for means-tested state benefits
- investment income
- state incapacity benefit

If we have to reduce your benefit amount, we won't refund any of your premium payments.

### How flexible is it?

Personal Protection has been designed to allow you to change your cover if and when your personal needs change. We recommend that you regularly review your cover and update it, if necessary, to make sure it continues to meet your needs.

There are a number of changes that can be made at any time. And we may be able to make some of these without you having to provide us with further medical and financial evidence, for example if the life assured gets married and/or if they increase their mortgage due to buying another house or improving their current home during the policy term. Other changes may need us to carry out a fresh assessment of the life assured's health, [occupation](#) and pastimes. If you make any changes to your policy, your premiums will change.

### What other benefits can I choose?

As well as the main benefits, you can also have the following benefits.

#### Pre-completion benefits

##### Free cover

Free cover is available if you have life protection, reducing life protection, life with critical illness protection or reducing life with critical illness protection and you're taking out cover to protect your mortgage and the life assured has been accepted on our [standard premiums and policy terms](#). It provides you with protection cover whilst you're waiting for your property purchase to complete.

The amount of cover is limited to a maximum of £500,000 or the sum assured applied for, whichever is the lowest. If you've applied for critical illness protection, reducing critical illness protection and/or total and [permanent](#) disability protection on your policy, then we'll also provide these on a free cover basis subject to the maximum cover limit above or the amount of your critical illness or total and permanent disability benefit if lower. The free cover will start on the later of the date we send you our [acceptance terms](#) or the date you exchange contracts, and will continue for 90 days after the date we send you [acceptance terms](#) or until completion of the mortgage, whichever is the earlier. It'll stop if we decide we're currently unable to offer you insurance.

#### **Accidental death benefit**

If you choose life protection, reducing life protection, life with critical illness protection, reducing life with critical illness protection, family income benefit or life with critical illness family income benefit, then we automatically include accidental death benefit.

If the life assured dies as a result of an accident, while we're assessing your application, we'll pay out a lump sum. 'Accidental death' means 'death within 72 hours following accidental bodily injury resulting solely and independently from causes not related to or contributed to by any pre-existing illness, disease or physical disorder'. Accidental death excludes death as a result of suicide.

The following conditions apply to accidental death benefit:

- It'll start from the date we receive a fully completed application and Direct Debit instruction.
- The life assured must be under the age of 55 (any accidental death benefit cover will stop on their 55th birthday).
- It'll be limited to the lower of £250,000 or the sum assured.
- It'll last for up to 60 days or until we decide we cannot currently offer you insurance or 21 days after the issue of [acceptance terms](#), whichever is earliest.
- We won't pay any claims where the accidental death is caused by self-inflicted injury, hazardous pursuits, alcohol or drug abuse, war and civil commotion, flying or any pre-existing conditions (see 'What will stop the policy from paying out' section).

It's not available if you've applied for similar cover elsewhere. If you've opted for free cover, any accidental death benefit will automatically stop when the free cover starts. For more details on this, including a full list of the circumstances in which we won't pay a claim, please speak to your financial adviser.

#### **Additional benefits**

##### **Waiver of premium**

With this benefit you won't have to pay premiums after the [deferred period](#) if, due to sickness or accident the life assured becomes unable to work. We'll continue to pay premiums for as long as the life assured continues to meet the definition of incapacity. The [deferred period](#) will start from the date of incapacity and will be 26 weeks unless you also have income protection benefit. In that case, it'll have the same [deferred period](#) and definition of incapacity as your income protection benefit. For more information about the different [deferred periods](#) available for income protection please speak to your financial adviser. If you feel that you may have to make a claim, you must let us know as soon as possible. For claims relating to income protection and waiver of premium, you must let us know within the timescales set out on page 4.

##### **Renewal option**

If you choose life protection, reviewable premium critical illness protection or reviewable premium life with critical illness protection, then instead of setting up your benefit on a fixed-term basis, you can choose to renew your benefit every five years. At the end of each five-year term, you can renew the benefit without having to provide any more information about the life assured's state of health. Your premium will be based on our premium rates and the life assured's age at the time you renew your benefit. This option is only available if the life assured hasn't been charged an extra premium or had additional exclusions for medical reasons.

##### **Indexation option**

If you choose life protection, critical illness protection, life with critical illness protection, family income benefit, critical illness family income benefit, life with critical illness family income benefit or income protection, you can select this option to help protect your benefit amount against the effects of inflation. The benefit and premium will increase each year in line with the increase in the Retail Prices Index (RPI), subject to a maximum of 10%.



### Legislation option

If you choose gift inter vivos, you can select this option. It allows you to increase the benefit amount and/or increase the benefit term if a change in inheritance tax legislation increases your potential tax liability. You won't need to provide any more information about the state of the life assured's health with this option.

### Total and permanent disability benefit

You can choose to add this benefit to any of the main benefits, with the exception of life protection if set up on a [joint life](#) second death basis, gift inter vivos and income protection. We'll pay you this benefit if the life assured is unable to do their own [occupation](#), any [occupation](#) or a number of activities of daily living, depending on the definition of incapacity as shown on your policy schedule because of total and [permanent](#) disability. However, we won't pay where the total and [permanent](#) disability has resulted from or is directly related to alcohol or drug abuse. These definitions are explained in the glossary of protection terms at the end of this document.

### What benefits are automatically included?

We automatically include the following benefits at no extra cost.

#### Terminal illness

Terminal illness benefit is included in all main benefits except gift inter vivos and income protection. We'll pay out on this if the life assured is diagnosed with an advanced or rapidly progressing incurable illness where, in the opinions of an attending Consultant and our chief medical officer, the life expectancy is no greater than 12 months.

The opinion must be supported by relevant medical evidence and for life protection, reducing life protection and family income benefit protection the policy must have at least one year left to run from the time the claims criteria are met.

#### Critical illness protection for children

If you choose critical illness protection, reducing critical illness protection, life with critical illness protection, reducing life with critical illness protection, critical illness family income benefit or life with critical illness

family income benefit, then your natural and legally adopted children will be covered for children's critical illness protection between the age of 30 days and their 18th birthday. If your child is diagnosed with and meets the policy definition of one of the conditions listed, we'll pay 50% of the benefit amount at the time of the claim, up to a maximum of £20,000. We won't pay a claim where the critical illness results directly or indirectly from a condition the child had before they became covered by the policy. For more information on children's critical illness cover, please speak to your financial adviser.

#### Guaranteed insurability options

If you need to increase your benefit amount because your circumstances have changed you may be able to do so without having to provide any more information about the life assured's state of health. These options are only available if the life assured is accepted on [standard premiums and policy terms](#). For more information on guaranteed insurability options, please speak to your financial adviser.

### What medical and other details are needed?

Your application includes questions about the life assured's medical history, other personal circumstances and your finances so that we can assess your application fairly. This assessment may also include a medical examination, which we'll pay for.

### Additional support for you

Becoming ill brings with it lots of questions and uncertainty. That's why we've teamed up with Care First to help support and guide you through this difficult time.

Care First offer a confidential 24-hour helpline giving you and your family access to professional counsellors and trained information specialists, 365 days a year. Care First's professional counsellors and information specialists are there to listen and give you the reassurance and practical support you need. You can contact them on 0800 197 4511. This service is free for policyholders.

### When does the policy pay out?

Your personal illustration will show you which benefits you've chosen, the benefit amounts, the premium for each benefit and under what conditions we'll pay out on a benefit.

## What is included in the critical illness cover?

The Association of British Insurers (ABI) has defined critical illness cover as insurance which pays out on meeting the policy definition of a specified critical illness and where all of the following are included:

- **Cancer** – *excluding less advanced cases*
- **Heart attack** – *of specified severity*
- **Stroke** – *resulting in permanent symptoms*

The complete list of conditions we cover is set out below. These headings are only a guide to what is covered. The full definitions of the illnesses covered and the circumstances in which you can claim are given in the policy conditions and the *Definitions guide*. These 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
- To make a claim for some illnesses you need to have permanent symptoms

You can find further details of how we'll consider your claim, including the full definitions we'll use and the evidence we'll need, in the *Definitions guide*.

- **Alzheimer's disease** – *resulting in permanent symptoms*
- **Aorta graft surgery** – *for disease or traumatic injury*
- **Aplastic anaemia** – *with permanent bone marrow failure*
- **Bacterial meningitis** – *resulting in permanent symptoms*
- **Benign brain tumour** – *resulting in permanent symptoms*
- **Blindness** – *permanent and irreversible*
- **Cancer** – *excluding less advanced cases*
- **Cardiomyopathy** – *of specified severity*
- **Coma** – *resulting in permanent symptoms*
- **Coronary artery bypass grafts** – *with surgery to divide the breastbone*
- **Creutzfeldt-Jakob disease (CJD)** – *resulting in permanent symptoms*
- **Deafness** – *permanent and irreversible*
- **Dementia** – *resulting in permanent symptoms*
- **Encephalitis** – *resulting in permanent symptoms.*
- **Heart attack** – *of specified severity*
- **Heart valve replacement or repair** – *with surgery to divide the breastbone*
- **HIV infection** – *caught in the UK, Channel Islands or Isle of Man, from a blood transfusion, a physical assault or at work in an eligible occupation*
- **Kidney failure** – *requiring dialysis*
- **Liver failure** – *advanced stage*
- **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*
- **Open heart surgery** – *with surgery to divide the breastbone*
- **Paralysis of limbs** – *total and irreversible*
- **Parkinson's disease** – *resulting in permanent symptoms*
- **Primary pulmonary hypertension** – *of specified severity*
- **Progressive supranuclear palsy** – *resulting in permanent symptoms*
- **Respiratory failure** – *of advanced stage*
- **Rheumatoid arthritis** – *chronic and severe*
- **Stroke** – *resulting in permanent symptoms*
- **Systemic lupus erythematosus** – *with severe complications*
- **Terminal illness**
- **Third-degree burns** – *covering 20% of the body's surface area or 50% loss of surface area of face*
- **Traumatic head injury** – *resulting in permanent symptoms*

### Claims

If you want to make a claim, please get in touch with us either in writing or by telephone. If you feel that you may have to make a claim, you must let us know as soon as possible. For claims relating to income protection and waiver of premium, you must let us know within the timescales set out on page 4.

To enable us to assess all claims, we'll obtain written medical evidence. For income protection claims we'll also need to obtain financial evidence. For critical illness, terminal illness and total and [permanent](#) disability, we need to obtain written evidence from a medical specialist appropriate to the cause of your claim which meets the satisfaction of our Chief Medical Officer. At the time of claim, the medical specialist must hold an appointment as a Consultant or equivalent at a hospital in the United Kingdom, the Channel Islands or the Isle of Man (also known as Home Countries) or one of the Designated Countries (European Union, Andorra, Australia, Gibraltar, Liechtenstein, Monaco, San Marino, Turkey, the Vatican City State, New Zealand, Canada, Iceland, Norway, Switzerland or the United States of America). This also applies to the critical illness element of life with critical illness benefits.

### What will stop the policy from paying out?

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

The following table shows a summary of the main reasons why we wouldn't pay a claim and the ticks indicate which benefits they apply to. You can find full definitions for each of the reasons on the following pages.

	Life protection, Reducing life protection, Family income benefit, Gift inter vivos	Life with critical illness protection, Reducing life with critical illness protection and Life with critical illness family income benefit	Critical illness protection, Reducing critical illness protection and Critical illness family income benefit	Income protection	Waiver of premium	Total and <a href="#">permanent</a> disability protection	Accidental death benefit
Alcohol or drug abuse	✓*	✓*		✓	✓	✓	✓
Flying							✓
Hazardous sports and pastimes							✓
HIV/AIDS				✓	✓	✓	
Living abroad				✓	✓		
Pre-existing conditions							✓
Self inflicted injury							✓
Suicide	✓	✓					✓
War and civil commotion				✓	✓		✓

### Alcohol or drug abuse

We won't pay a claim if it results from or is directly related to alcohol or drug abuse.

\*The alcohol or drug abuse exclusion applies only to the following critical illnesses: Cardiomyopathy, Coma (secondary to drug abuse only), Liver failure and Parkinson's disease (secondary to drug abuse only). Please refer to the *Definitions guide* for full details.

### Flying

We won't pay a claim if death occurs whilst taking part in any flying activity, other than as a passenger in a commercially licensed aircraft.

### Hazardous sports and pastimes

We won't pay a claim if death occurs whilst taking part in (or practising for) boxing, caving, climbing, horse-racing, jet skiing, martial arts, mountaineering, off-piste skiing, pot-holing, power-boat racing, underwater diving, yacht racing or any race, trial or timed motor sport.

### HIV/AIDS

We won't pay a claim in the event that the life assured is disabled as a result of infection with Human Immunodeficiency Virus (HIV) or conditions due to any Acquired Immune Deficiency Syndrome (AIDS) or HIV infection resulting from any other means than those described below. In particular HIV infection resulting from sexual activity or drug abuse is not covered.

This exclusion doesn't apply where infection was caused by one of the following:

Infection by Human Immunodeficiency Virus resulting from:

- a blood transfusion given as part of medical treatment
- a physical assault, or
- an incident occurring during the course of performing normal duties of employment for these eligible [occupations](#): hospital doctors, surgeons and consultants, hospital nurses, hospital laboratory technicians, hospital porters, hospital caterers, hospital cleaners, general practitioners and nurses employed by them, fire brigade workers, dental surgeons, dental nurses, district nurses, midwives, paramedics, ambulance workers, hospital laundry workers, policemen, policewomen and prison officers.

after the start date of the policy and satisfying all of the following:

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

### Living abroad

A life assured will only remain covered while they're a [permanent](#) resident of the United Kingdom, the Channel Islands or the Isle of Man ([Home Countries](#)).

In the event that the life assured travels or lives temporarily outside the United Kingdom, the Channel Islands or the Isle of Man for a period exceeding 13 weeks during any 12 month period then cover for the benefits listed will be excluded.

The 13-week period stated above will be extended to 26 weeks during any 12-month period where the life assured is travelling within or is living temporarily in any one or more of the following countries: European Union, Andorra, Australia, Gibraltar, Liechtenstein, Monaco, San Marino, Turkey, the Vatican City State, New Zealand, Canada, Iceland, Norway, Switzerland or the United States of America ([Designated Countries](#)).

### Pre-existing conditions

We won't pay a claim if death is wholly or partly contributable to any physical or medical condition that the life assured was aware of at the time of the application.

### Self-inflicted injury

We won't pay a claim if death occurs as a result of an intentional self-inflicted injury.

### Suicide

We won't pay a claim in the event that the life assured has died as a result of their own actions (whether or not at the time of such action they were sane or insane) within 12 months of the policy start date or, if later, the date on which a particular benefit starts, or a policy is reinstated, or the sum assured for a particular benefit is increased. (This exclusion only applies to the life element of the benefits listed.)

### War and civil commotion

We won't pay a claim if it results from any of the following: war, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

### What do I have to pay?

You can find details of your premiums in your personal illustration. All premiums are paid by Direct Debit and are due throughout the term of the policy.

We take various things into account when calculating your premium. These include whether cover is for one life or two, the gender and age of the life assured, whether they smoke, their medical history, their [occupation](#), any hazardous pursuits they're involved in, which benefits you've chosen, how much cover you've selected and for how long.

Most benefits are available with guaranteed premiums. However, the following have reviewable premiums only: critical illness family income benefit and life with critical illness family income benefit. And the following have reviewable or guaranteed premiums: critical illness protection, reducing critical illness protection, life with critical illness protection, reducing life with critical illness protection and income protection.

The premiums you pay for waiver of premium will change if the premiums for any of the other chosen protection benefits change.

If you choose life protection, reducing life protection or family income benefit with guaranteed premiums, then the attaching total and [permanent](#) disability benefit will be on a reviewable premium basis. For all other benefits, the total and [permanent](#) disability benefit premium will be on the same premium basis as the main benefit premium.

Guaranteed premiums mean that the amount you pay when you take out the benefit stays the same throughout the benefit term. If you choose the indexation option, the premium will change as a result of the yearly Retail Prices Index (RPI) increases.

If you choose benefits with reviewable premiums then the amount of your premium may change at a review.

This is because when we calculated the premium rates to charge for these benefits we had to predict what we expected various factors to be over the whole term of your reviewable benefit.

Reviews will take place every five years on the anniversary of the relevant benefit start date. The first review will be on the fifth anniversary of the relevant benefit start date.

The reasons your premium may change at a review are:

- medical advances which affect our view on the expected number and timing of future claims
- events outside our control which may affect the expected number and timing of future claims for example a global epidemic
- new data, either from our own [experience](#) or from external sources, which indicates 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
- changes to the tax regime which may favour one type of policy over another – this will affect the number of benefits we expect to stop before the end of their benefit term
- new data, either from our own [experience](#) or from external sources which indicates 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
- changes in inflation from the levels assumed when we calculated your premiums – this affects the cost of looking after your policy
- changes in the tax regime for insurers
- changes in the way the Government want us to calculate the amount of money we have to set aside in order to ensure we can meet claims as they fall due

If there's been any change in the value of these factors since your policy started or since it was last reviewed then we'll use a fair and reasonable method to calculate whether there should be a change in your premium. The method is described in the *Personal Protection* policy conditions booklet.

There's no limit on the amount we may increase your premium by.

We'll write and tell you the result of your premium review two months before we make any change. If we change the timing of these letters we'll let you know.

If your letter tells you your premium will go up at the benefit anniversary, then you may:

- pay the increased amount and continue with the same benefit amount
- ask us to reduce your benefit amount so you can keep the premium at its current amount
- ask us to cancel your benefit

If you cancel all the main benefits on your policy then your policy will stop with no cash-in value.

You can find full details of premium reviews in the 'Premium reviews' section of the *Personal Protection* policy conditions booklet.

If you're unsure whether reviewable premiums are suitable for you then you should speak to your financial adviser.

### **What are the charges?**

When calculating the premium we take into account how much it costs to set up and look after the policy, along with the cost of providing the protection benefits. These costs are included within the premiums you pay.

### **What if I stop paying?**

If you stop paying premiums, your policy will stop and you'll no longer be covered for any of the benefits you've chosen. You won't get any of your premiums back. If you stop paying premiums but then want to restart your policy, write to us and we'll let you know if this is possible.

We may:

- make a charge for restarting your policy
- ask for proof that the life assured in good health
- ask for proof that the life assured's **occupation** and leisure activities are, in our opinion, not more likely to cause sickness or an accident than before
- increase your premiums

You can stop paying premiums at any time by cancelling your Direct Debit and writing to us at the address shown opposite.

### **What about tax?**

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

This tax information is based on our understanding of current taxation law and practice, which may change. All details are correct at the time of publication.

The current basic rate of income tax is 20% and the higher rate is 40%.

### **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 in which to change your mind and get a refund of all premiums paid. You can stop your premiums by cancelling your Direct Debit and writing to:

**The Manager  
Customer Service Centre  
AEGON Scottish Equitable  
Ballam Road  
Lytham St Annes  
Lancashire  
FY8 4JZ**

# How to contact us

Remember, your 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've any questions, you can phone, email or write to us at:

Phone: 0845 600 1402  
Monday to Friday, 8.30am to 5.30pm  
[protect\\_support@aegon.co.uk](mailto:protect_support@aegon.co.uk)

**AEGON Scottish Equitable**

Ballam Road  
Lytham St Annes  
Lancashire  
FY8 4JZ

We may monitor calls to improve our service.

If you want to make a claim, please phone or email us at:

Phone: 0845 600 0493  
Monday to Friday, 8.30am to 5.00pm  
[claims@aegon.co.uk](mailto:claims@aegon.co.uk)

Alternatively, please write to our Claims Department at the address opposite. They'll send you a claim form.

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# Other information

## AEGON Scottish Equitable

- AEGON Scottish Equitable is a trading name of Scottish Equitable plc. We've been part of the AEGON Group since 1994, linking Scottish Equitable's 175 years of experience in the UK's pensions, annuities, investment and protection markets with AEGON's global strength.
- Our product range includes life assurance, pensions, annuities, protection and investments for individuals and corporate clients.
- We provide technical support and information to financial advisers and policyholders.
- Scottish Equitable plc is on the Financial Services Authority (FSA) register (No 165548).

## How to complain

We hope you never have to complain, but if you do, the first step is to write to us. If you're not satisfied with our response, you can complain to:

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

Phone: 0845 080 1800  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)  
[enquiries@financial-ombudsman.org.uk](mailto:enquiries@financial-ombudsman.org.uk)

Complaining to the Ombudsman won't affect your right to take legal action later on.

## Terms and conditions

This key features 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 this carefully, as it'll set out the terms and conditions of the contract between you and Scottish Equitable plc.

If you've more questions, or need any more information, your financial adviser will be able to help you.

The policy is regarded as long-term business. Because of this long-term nature, it's impossible to foresee all the possible changes in legislation that may occur during the term of the policy. If there are any changes or new provisions, and these relate to your conditions, we may amend, in good faith, those conditions to take account of those changes. We may make such an amendment without us having to get the consent of anyone who can benefit under the policy. However, in the unlikely event that such a change in your terms and conditions has an effect on your policy, we'll write and let you know.



### **Time limits**

We'll let you know of any time limits that may apply that aren't covered in your key features or illustration, for example any time limits on underwriting decisions or requirements.

You must let us know if there are any changes in your circumstances between the date you give us your details and the date your policy starts.

### **Law**

The policyholder must be resident in the UK when the application is made, and so the contract will be set up and governed by the law in the part of the UK that they live in at that time.

The applicable law can only be changed if both the policyholder and AEGON Scottish Equitable agree.

### **Compensation**

If this product was recommended to you by a financial adviser, you may have a legal right to compensation if it's established that the recommendation was unsuitable when it was made.

The Financial Services and Markets Act 2000 covers your policy.

You can contact us for information on compensation arrangements. You can also get further information from the Financial Services Authority or the Financial Services Compensation Scheme.

### **Statement of best practice**

This key features document complies with the Association of British Insurers' (ABI) Statement of Best Practice for Critical Illness Cover and Income Protection Cover. These statements were introduced to provide clear comparisons between different providers.

### **ABI guide to critical illness**

The ABI has produced a guide to critical illness cover. For your free guide please contact:

The Association of British Insurers  
51 Gresham Street  
London  
EC2V 7HQ

### **Communication**

Our contract with you is in English and any communications about it will also be in English.

# Glossary of protection terms

Throughout this document we've highlighted various technical protection terms in blue. The following explanations should help clarify what these mean.

## Acceptance terms

The basis on which we're prepared to offer you protection cover, for example the premium we'll charge (which may include additional amounts to cover medical conditions, [occupation](#), travel or dangerous hobbies) and the amount of cover we provide. The cover (terms) we offer may be different to the cover you originally requested.

## Deferred period

The period during which a life assured must be ill or disabled before we will pay any benefit.

## Experience

What has actually happened, for example the number and amount of claims received, the timing of those claims, and the number of policies sold and the sums assured for those policies.

## Income protection definitions of incapacity

**Own [occupation](#)** – we'll pay the monthly benefit amount after the [deferred period](#) if you are unable to do the material and substantial duties of your own [occupation](#) as a result of accident or sickness, and aren't following any other [occupation](#). Material and substantial duties are those duties that are normally required for the performance of your own [occupation](#) and can't reasonably be omitted or modified by you or your employer.

**Any suited [occupation](#)** – We'll pay the monthly benefit amount after the [deferred period](#) if you are unable to do your own [occupation](#) and are unable to do all other [occupations](#), to which you're reasonably suited by education, training or experience as a result of accident or sickness.

**Activities of daily work** – We'll pay the monthly benefit amount after the [deferred period](#) if you're considered to be incapacitated because you can't perform three or more of the following activities, or if you satisfy either the mental incapacity or mental ill-health definitions.

- **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.
- **Climbing** – the ability to walk up and down a flight of 12 stairs with the use of a handrail and taking a rest.
- **Communication** – the ability to:
  - clearly hear (with a hearing aid or other aid if normally used) conversational speech in a quiet room; or
  - understand simple messages, or
  - speak with sufficient clarity to be clearly understood
- **Dexterity** – the physical ability to use hands and fingers, such as being able to communicate effectively using a pen, pencil or keyboard.
- **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.
- **Reading** – having eyesight, even after correction by spectacles or contact lenses sufficient to read a standard daily newspaper or pass the standard eyesight test for driving. Failure for the activity would include being certified blind or partially sighted by a registered ophthalmologist.
- **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.
- **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.

**Mental incapacity** is defined as: Organic brain disease or brain injury (confirmed by neurological investigation) which has affected your ability to reason and understand, and has caused deterioration to an extent that you can no longer look after yourself without the need for continual supervision and assistance of another person.

**Mental ill-health** is defined as: Severe Mental Illness Classification ICD-10 Code. To qualify, you'll be required to be under the supervision of the mental health team Care Programme Approach (CPA) at its highest level (with or without Supervision Register) or equivalent.

### Irreversible

Cannot be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the UK at the time of the claim.

### Joint life

Two people (lives assured) are covered by the protection policy.

### Occupation

A trade, profession or type of work undertaken for profit or pay. It is not a specific job with any particular employer and is independent of location.

### Permanent/Permanently

Expected to last throughout the life assured's life, irrespective of when the cover ends or the life assured retires.

### Single life

One person (life assured) is covered by the protection policy.

### Standard premiums and policy terms

Where we accept the protection cover requested with no changes to the cover you've requested or change in the premium rates used to calculate the premium you need to pay.

### Survival period

The period after an insured event that the life assured has to survive before a claim becomes valid. A [survival period](#) normally applies to stand-alone critical illness cover.

### Total and permanent disability benefit definitions of incapacity

**Own occupation** – The life assured must be [permanently](#) and irreversibly disabled from carrying out the material and substantial duties of their [occupation](#) and there must be no reasonable prospect of there ever being any improvement sufficient to enable a return to your own [occupation](#), despite optimal appropriate medical and rehabilitation intervention. Material and substantial duties are those duties that are normally required for the performance of an [occupation](#) and can't reasonably be omitted or modified by them or their employer. This disability must have already existed for a continuous period of six months.

**Any occupation** – The life assured must be [permanently](#) and irreversibly disabled from carrying out any [occupation](#). There must also be no reasonable prospect of there ever being any improvement sufficient to enable a return to any [occupation](#) of any kind at all, despite optimal appropriate medical and rehabilitation intervention. This disability must have already existed for a continuous period of six months.

**Activities of daily living** – We'll pay the benefit if the life assured has been unable, by reason of bodily injury or mental or physical illness, to carry out any three of the five activities of daily living because of a total and [permanent](#) disability lasting for a continuous period of six months and are and will continue to be unable to perform any three of the activities listed below without the use of special equipment or the physical assistance of another person throughout the entire activity.

- **Dressing** – the ability to put on and take off all garments and/or braces, artificial limbs or other surgical appliances, and to secure and unfasten the garments or devices.
- **Feeding** – the ability to feed oneself once food has been prepared and made available.
- **Toileting** – the ability to use the lavatory or otherwise manage bowel and bladder function so as to maintain a satisfactory level of personal hygiene.
- **Mobility** – the ability to move indoors from room to room on level surfaces.
- **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.

For the activities of daily living definition, we'll also pay the benefit if the life assured suffers from a permanent and irreversible mental impairment. This is defined as the material deterioration in, or loss of, mental capacity which:

- results from an identifiable organic cause
- is evidenced by a deterioration in their ability to think, perceive, reason and remember, and
- results in the need for continual care and supervision

We'll use clinical evidence and recognised tests of mental capacity to determine mental impairment.

For the above definition the following aren't covered: Total and [permanent](#) disability from or directly related to alcohol or drug abuse.

## customer impact

Meeting the customers' needs by putting them at the heart of our industry

We're determined to treat you fairly and communicate clearly with you at all times.

As well as following the Financial Services Authority's Treating Customers Fairly principles, we're fully signed up to the Association of British Insurers' Customer Impact scheme.

Both of these cover how products are designed and marketed, and ensure we deal fairly with all claims and payments.

As part of the Customer Impact scheme, we publicly commit to putting customers at the core of our business and must show how we're achieving this.

**For more information visit: [www.aegon.co.uk/customerimpact](http://www.aegon.co.uk/customerimpact)**