

Policy Booklet



Executive Income Protection

Introduction

Words that appear in bold are explained in the section headed 'Definitions'.

This Policy Booklet shows **you** the features, benefits and exclusions (things that are not covered) that apply to the policy.

This policy can help to insure the cost of providing ongoing sick pay for a named employee of the business.



About your policy

Type of policy

Executive Income Protection

Who is covered?

The **life insured** is covered.

Who owns the policy?

The policy is owned by **you**, the employer.

Premiums

Premiums are payable monthly and start from the **policy start date**.

Guaranteed premiums

The premiums for the policy will not change unless **you** make changes to the policy.

Premiums for Increasing cover

If **you** choose an increasing policy the premiums will increase in line with the change in the Retail Prices Index (RPI) multiplied by 1.5 subject to a maximum increase of 15% per year. The RPI provides an indication of inflation on a monthly basis and tracks the average change in the purchase price of goods and services such as housing expenses and mortgage interest payments. If **we** cannot use the RPI, **we** will use an index comparable to the RPI instead.

If the change in RPI is less than 1%, **your** premium will remain the same until the next review.

Paying premiums during the deferred period

You must continue to pay premiums during **your deferred period** and whilst **we** are processing **your** claim. **We** will tell **you** when **you** no longer need to pay premiums. **We** will return any overpaid premiums to **you**. If **you** don't continue to pay premiums during **your deferred period** **you** won't be able to claim a **monthly benefit** at the end of the **deferred period**.

Waiver of Premium - paying premiums when receiving a monthly benefit

We will stop taking premiums whilst **you** are being paid the **monthly benefit**.

What happens if the premium is not paid?

We are entitled to cancel the policy if any premiums are not paid within 60 days of their due date. If **we** cancel the policy, **your** cover will end and no further premiums will be payable. **We** will not refund any premiums already paid.

Amount of cover

We can cover up to 80% of the **life insured's earnings**, including any **dividends** they receive as a shareholding director in the business which would stop in the event of their **incapacity**.

We can also cover up to 80% of **earnings** (up to the Personal Allowance for Income Tax purposes at the point of **incapacity**) and up to 80% of any **dividends** paid to their **spouse** or **civil partner** that arise entirely as the result of the **life insured's** contribution to the business which would stop in the event of the **life insured's** absence from work due to **incapacity**. This is only available if the **spouse** or **civil partner** does not have income protection of their own.

We will not refund any premium if the **monthly benefit you** have chosen is more than **we** will cover.

The total amount payable in the event of a valid claim is defined under the section headed "Maximum monthly benefit payable".

Level cover

If **you** choose level cover, the **monthly benefit** will stay the same unless **you** change it during the length of the policy.

Increasing cover

If **you** choose an increasing policy, the **monthly benefit** will increase in line with changes in inflation on each policy anniversary with no further need for the **life insured** to provide additional medical evidence.

The **monthly benefit**, including any increases **you** accept, will increase in line with the change in the Retail Prices Index (RPI) over a 12 month period. If **we** cannot use the RPI, **we** will use an index comparable to the RPI instead.

We will contact **you** at least three months before the policy anniversary to tell **you** what the increase in the **monthly benefit** and premium will be.

If the change in the RPI is less than 1% **we** will not increase the **monthly benefit**. If the change in the RPI is more than 10% **we** will only increase the **monthly benefit** by 10% a year.

Your options

1. Accept the increase

If **you** choose to accept the increase **you** do not need to take any action. **We** will increase the **monthly benefit** and the premium and update **your** direct debit. However, **you** should check that the amount of cover in place after any RPI increase does not exceed the maximum amount that **we** will pay based on the **life insured's earnings** and **dividends**. In the event of a claim, **we** will only pay the maximum amount payable under the policy rather than the amount **you** are insured for.

2. Decline the increase

When **we** notify **you** of an increase, **we** will also give **you** the option to decline it. To decline an increase, **you** must complete and return the form in the letter **we** send to **you** by the date shown. If **you** choose to decline the increase to the **monthly benefit** and premium, then **we** will withdraw the option from **your** policy and **you** will not be given the option to increase the **monthly benefit** in the future.

Maximum monthly benefit

The maximum **monthly benefit**, excluding any **additional cover**, is £25,000 (£300,000 per year).

If an increasing policy is selected, the maximum **monthly benefit** at the start of the policy is £17,500 (£210,000 per year). Subsequent increases cannot increase the **monthly benefit** above £25,000 (£300,000 per year).

This maximum limit includes any additional income as listed in the section headed "Maximum monthly benefit payable" subject to the terms for increases in the **monthly benefit** and also the maximum limits set out below.

Additional cover

Additional cover can be arranged at the start of the policy for employer National Insurance and employer pension contributions. This is subject to an additional cost and in the event of a claim will be paid as part of the **monthly benefit**.

If **you** choose an increasing policy **your additional cover** will increase each year in line with the RPI.

Employers National Insurance Contributions (NICs)

If **you** choose to add this to **your** policy, **we** will provide further cover to help fund employer NICs which **your** business is likely to incur when passing the **monthly benefit** in full on to the **life insured** as sick pay.

The level of **additional cover** is calculated at the start of the policy by applying current National Insurance rates and thresholds to the amount of **earnings** that **you** wish to cover. In the event of a valid claim **we** will pay the lesser of the **additional cover** requested, the actual amount of employer National Insurance contributions that are due or £42,500 a year.

Please note that employers may not need to pay employer NICs in respect of employees who are under 21 or under 25 and serving an apprenticeship. This is based on **our** current understanding of HMRC rules.

Employer pension contributions

If **you** choose to add this to **your** policy, **we** will provide further cover to fund the cost of pension contributions that **your** business must continue to make to an approved pension on behalf of the **life insured**. In the event of a valid claim **we** will pay the lesser of the **additional cover** requested, one third of the **life insured's** annual **earnings** and **dividends**, the annual average of employer pension contributions paid in respect of the **life insured** during the last three years prior to **incapacity** or £40,000 a year.

Deferred period

When taking the policy out, **you** will need to choose a **deferred period** which is the amount of time the **life insured** will need to be **incapacitated** before **we** will pay the **monthly benefit**.

You can choose from a four, eight, 13, 26 or 52 week **deferred period**.

The **monthly benefit** will be paid monthly in arrears. This means that the first payment will be made four weeks after the **deferred period** ends.

If **you** choose a four week **deferred period**, **you** must tell **us** of any claim within two weeks of the **life insured** becoming **incapacitated**. For any other **deferred period**, **you** must tell **us** within four weeks. If **you** don't do this **we** may not backdate **your** claim.

Please see the section headed "Making a claim" for more information.

When we will pay a claim

The **monthly benefit**, subject to the exclusions defined in the section headed "When we will not pay a claim", and other restrictions detailed in this Policy Booklet, will be paid following the end of the **deferred period** if, before the **policy end date**, **we** agree the **life insured** cannot work due to **incapacity** caused by an illness or an injury.

Definition of incapacity

We will assess any claim to establish if the **life insured** lacks the capacity to perform the material and substantial duties of their own **occupation**, as a direct result of their injury or illness.

In the event that the **life insured** has more than one **occupation**, **we** will assess any claim to establish if the **life insured** lacks the capacity to perform the material and substantial duties of all their **occupations** as a direct result of illness or injury.

When we will not pay a claim

We will not pay a claim if the **life insured** was working less than 16 hours per week for **you** immediately prior to **incapacity**.

We will not pay a claim if the **life insured** is performing any **occupation** during the **deferred period** or **benefit period**.

We won't consider a claim that arises solely from the normal effects of pregnancy. Complications of pregnancy and/or childbirth which lead to **incapacity** are covered by **your** policy. This will need to be diagnosed and confirmed to **us** by the **life insured's** doctor or medical consultant.

Should the **life insured** become **incapacitated** during the final 12 months of the policy no **monthly benefit** will be payable if the **deferred period** ends after the **policy end date**.

How long is cover for?

The cover starts on the **policy start date**, and will end on the earlier of:

- The **policy end date**,
- The death of the **life insured**,
- The date the **life insured** leaves **your** employment, unless their new employer has applied to continue this policy, see section headed "Continuation cover" for more information,
- The date the company stops trading, or
- The date the policy is cancelled by **you** or **us**.

Cover will stop when the policy ends and no further premiums will be payable.

How long will the monthly benefit be paid?

The maximum **monthly benefit** payable will be paid for the duration of a valid claim as described in the section headed "Payment of claims".

Limited benefit period

If **you** choose a 12 or 24 month limited **benefit period** the length of each individual claim that meets the definition of **incapacity** will be limited to the period chosen at the start of the policy.

Once an individual claim reaches the chosen limited **benefit period** the **monthly benefit** will no longer be paid. The **life insured** must return to their **occupation** with you for a continuous period of six months before a further claim can be considered should they be **incapacitated** for the same or a **related illness**. If proportionate benefit is being paid after returning to their **occupation** with **you**, the continuous period of six months will start after the proportionate benefit payments stop.

If the **life insured** becomes **incapacitated** for an unrelated illness, there is no minimum period they must have returned to their **occupation** with you before they are eligible to make a further claim.

In both instances the **deferred period** will apply.

If any individual claim does not reach the maximum duration of the limited **benefit period** and the **life insured** becomes **incapacitated** for the same or related illness within 12 months of the original claim, **we** will consider this a linked claim. The **monthly benefit** payments will continue until the combined duration of all such linked claims reaches the limited **benefit period**. See the section headed "Linked claims" for more information.

If the **life insured** returns to a different **occupation** with **you** following **incapacity** **we** will assess any new claim against the **occupation** the **life insured** was performing with **you** immediately before the new period of **incapacity**, not the **occupation** the **life insured** was performing with **you** prior to the previous claim.

Changing your policy

You have the option to increase the **monthly benefit** using this option in the event of one of the following specified events, without asking the **life insured** for further medical information:

- a) if they receive an increase of **earnings** due to change of employment or promotion, or
- b) on every third policy anniversary date.

To do this the policy must be taken out before the **life insured's** 55th birthday. This option may not be available if **we** apply a premium increase to the cover as a result of the information the **life insured** gives **us** in the application. The policy documents will explain if this option is available.

When using this option, **you** may increase **your** cover by up to 100% of the original **monthly benefit**, subject to a maximum of £833.33 a month, which is inclusive of any increases to the value of **additional cover** that **you** have in relation to employer National Insurance contributions and employer pension contributions. The resulting **monthly benefit** must not exceed the limits for cover set out under maximum **monthly benefit** amount.

The option can be used multiple times, but the total of all increases must not exceed the maximum total permitted of £2,500 per month.

This option must be used within six months of the related event and is only available where the **life insured** is under age 55. **We** may also ask the **life insured** to provide documentary proof if the increase relates to option a).

How we provide cover for an increase

If **you** use this option **we** will set up an additional policy in respect of the increase, which will:

- Not allow **you** to increase **your** cover without additional medical evidence from the **life insured**,
- Not extend beyond the **life insured's** 70th birthday or the **policy end date** whichever is earliest,
- Only be an increasing policy if **you** select this option and the option to increase is accepted by **you** at all policy anniversary dates,
- Not have a shorter **deferred period** than the **deferred period** of this policy.

If **you** choose to set the policy up with a limited **benefit period**, **we** will not issue an additional policy with a longer limited **benefit period**.

Additional policies will be subject to **our** premiums and terms and conditions for such policies at the time the additional policy is issued.

If **we** no longer offer the chosen policy at the time **you** wish to use this option, **we** will offer **you** a reasonable available alternative.

When this option is not available

We will not issue an additional policy:

- after the **life insured's** 55th birthday,
- if a valid claim has been made,
- if the **life insured** is **incapacitated** as defined in the section headed "Definition of incapacity"

Other changes

You can request any of the following changes to **your** policy:

- Extend or reduce the **policy end date**,
- Decrease the **monthly benefit**, or
- Increase or decrease the **deferred period**.

What we will need to process your request

- a) **Your** consent to the changes by completing and returning a plan amendment form issued by **us**, which includes a short questionnaire about the **life insured's** health and medical history.
- b) If the **life insured** answers 'yes' to any of the questions in the plan amendment form, **we** may require the **life insured** to complete a full application to make the changes to **your** policy. Where **we** undertake a full medical and lifestyle assessment, depending on the answers there may be circumstances where **we** may be unable to offer cover to **you** based on answers provided by the **life insured**.
- c) Any documents reasonably required by **us** to support **your** request.

How we will provide cover

We will confirm if the change **you** have requested means the original policy has to be cancelled and a new policy issued, which may be subject to different terms and conditions. Any changes **you** make may affect the premiums that are payable. **We** will confirm the change **you** have made.

Continuation cover

If the **life insured** leaves **your** service, **you** can arrange to transfer the policy to the **life insured's** new employer up to 90 days after they leave **your** employment.

The new employer must take over the payment of premiums and make good any premiums that have not been paid during this time to ensure there is no break in premiums. If the **life insured** should leave **your** employment and this option is not used within 90 days, **we** will cancel the policy (unless it is already cancelled for non-payment of premiums). Cover for the **life insured** will then end and no further premiums will be payable.

To apply for this option **we** will need details of the **life insured's** new employer and any other information **we** reasonably require to enable **us** to administer the policy and to meet **our** legal and regulatory obligations. The **life insured** won't be required to provide further medical information.

The option must be used before the **life insured's** 50th birthday and will be withdrawn if the **life insured** leaves **your** service following dismissal for gross misconduct.

If the **life insured** leaves **your** service and the continuation option is not used within 90 days, **we** will cancel the policy (unless it is already cancelled for non-payment of premiums). Cover for the **life insured** will then end and no further premiums will be payable. It will not be possible to make a claim at any time beyond this period. **We** will refund any premiums paid after this 90 day period.

General conditions

The policy is between **you** and **us**, and **you** may not mortgage, charge or deal in any other manner with the benefit of the policy (in whole or in part).

Both **you** and the **life insured** will be required to answer all of **our** questions honestly and accurately.

- a) If either **you** or the **life insured** (or agent acting on **your** behalf) deliberately or recklessly provide inaccurate information **we** are entitled to cancel the policy and refuse to pay the **monthly benefit**. In these circumstances **we** may not refund any premiums **you** have already paid.
- b) If either **you** or the **life insured** (or agent acting on **your** behalf) provides inaccurate information through carelessness, **we** are entitled to amend the policy to reflect the terms that would have been offered had the accurate information been known. In these circumstances:
 - i. if **we** would not have issued **your** policy had the accurate information been provided, **we** are entitled to cancel **your** policy, however, **we** will refund any premiums **you** have already paid;
 - ii. if **we** would have issued **your** policy on different terms and conditions (other than those relating to premiums) had the accurate information been provided, **we** may make changes to **your** policy and treat **your** policy as if it had been issued on the different terms and conditions;
 - iii. in addition, if **we** would have issued **your** policy with higher premiums had the accurate information been provided, **we** may reduce the **monthly benefit** to reflect the higher premiums that would have applied had the accurate information been provided. The following formula will be used in these circumstances:

$$\text{New monthly benefit} = \frac{\text{Premium actually charged}}{\text{Higher premium}} \times \text{original monthly benefit}$$

- **We** can only pay **your monthly benefit** in Sterling to a UK bank account. **We** won't cover the cost of transferring the benefits outside of the UK.
- When giving instructions in relation to any provision of the policy, **you** should send a copy of the Policy Booklet, clear written instructions and proof of title to the policy, to **our** principal office, see the section headed "How to contact us". **We** will notify **you** of any other evidence that **we** may reasonably require.
- If the **life insured** is unable to sign the claim forms due to their **incapacity**, **we** may make payments to **you** without the **life insured's** signature provided this is supported by medical evidence and other evidence which **we** may reasonably request.
- All rights mentioned in the policy are conferred upon the policy owner, and the phrases "**you**" and "**your**" wherever used should be construed accordingly.
- **We** may make changes to these policy terms and conditions that **we** reasonably consider are appropriate due to a change in any applicable legislation, regulation or taxation. In such circumstances, **we** will notify **you** in advance of any changes being made.
- The policy is governed by English Law.
- **You** cannot take out this policy if the **life insured** hasn't been registered with a GP in the United Kingdom for at least the last two years.
- This policy is not available unless the **life insured** works a minimum of 16 hours per week for **you**.
- All communication in relation to the policy will be in English.

Countries where cover is provided

You will continue to be covered under the policy if the **life insured** travels to or resides within the UK, European Union, USA, Canada, Australia, New Zealand, the Isle of Man or the Channel Islands.

Where the **life insured** travels to or resides in any other country, **you** will only continue to be covered under the terms of the policy if this is for less than 12 consecutive months. In the event of a claim **we** will only pay the benefit for up to 6 calendar months of **incapacity**, while they are living outside the countries listed above.



Making a claim

To make a claim under the policy, please notify **us** using **our** claims contact details in the section headed "How to contact us".

You must notify **us**:

- Within two weeks of the start of the **life insured's incapacity** if **you** choose a four week **deferred period**.
- Within four weeks of the start of the **life insured's incapacity** if **you** choose any other **deferred period**.

If **you** unreasonably delay in telling **us** of a claim the **deferred period** may be deemed to have started not more than four weeks before the date that **we** were notified of a claim.

The **life insured** must not be working in any **occupation** during the **deferred period** and whilst the **monthly benefit** is being paid.

When claiming **we** will need **your** policy number, the **life insured's** GP/Doctor's contact details and **your** contact details.

Assessing your claim

When assessing **your** claim **we** will require:

Medical Information

We will need some information from **you** such as details of the **life insured's incapacity** and consent from the **life insured** that allows **us** to request relevant information to their claim and details of any treatment they are receiving.

Financial Information

We will also request financial information relevant to the type of cover that **you** have in place. This may include details of **life insured's** gross **earnings** including their annual self-assessment form, payslips for the previous year, their P60 and notification of any P11D benefits and where appropriate, annual accounts for the business.

Where the business has not been trading long enough such that annual accounts and self-assessment forms are unavailable, the evidence **we** will require includes but is not limited to, recent pay slips, **dividend** vouchers and bank statements.

If **we** accept **your** claim **we** will start **your monthly benefit** payments one month after the **deferred period** ends and will pay them in monthly arrears. If **you** do not provide any information or documentation that would reasonably be required to assess the claim, **we** will not process the claim until the information or documentation is made available.

Payment of claims

The **monthly benefit** will be paid one month in arrears following the end of the **deferred period** and at monthly intervals until the earliest of:

- The end of the **life insured's incapacity**.
- The **policy end date**.
- The end of the limited **benefit period** (if chosen).
- The **life insured's** death.
- The date the **life insured** leaves **your** employment,
- The date the company stops trading.

In the event that the business ceases to trade and/or the business no longer employs the **life insured**, **we** will immediately end **monthly benefit** payments. **We** may at **our** discretion, agree to a written request from **you** to continue paying the **monthly benefit** directly to the **life insured** after their employment with the business has come to an end.

We will only consider requests to continue paying benefits to the **life insured** in this way if:

- **You** make the request in writing before their employment ends;
- The **life insured** has been employed by the business for the whole of the **deferred period**; and
- **We** are already paying the **monthly benefit** under this policy.

Where **we** agree to pay the **monthly benefit** directly to the **life insured** after their employment has ended, the amount **we** will pay will exclude any additional amount for employer National Insurance contributions and employer pension contributions where this has been selected under the policy.

We will also deduct and account for any tax that may be due for from their **monthly benefit**.

Where **we** agree to pay the **monthly benefit** directly to the **life insured** **monthly benefit** payments will stop at the same time and in the same circumstances that would have applied if the **life insured** had remained employed by the business. In these circumstances, the **life insured** will no longer be covered when the **monthly benefit** payments stop.

Maximum monthly benefit payable

If **you** make a valid claim, the maximum **monthly benefit** that **we** will pay will be 80% of the **life insured's** pre- **incapacity earnings** and **dividends** in the 12 months immediately prior to **incapacity**, subject to a maximum of £25,000 (£300,000 a year), or £17,500 (£210,000 a year) plus any increases up to a maximum annual benefit of £300,000 if an increasing policy is chosen.

Where applicable **we** will also pay a benefit of up to 80% of **dividends** paid to the **life insured's spouse** or **civil partner** and up to 80% of pre- **incapacity earnings** up to the personal allowance paid to their **spouse** or **civil partner** in the 12 months immediately prior to **incapacity** where these **earnings** and **dividends** would cease in the event of the **life insured's incapacity**.

We will regularly review the maximum **monthly benefit** payable under this policy and may adjust it to take account of the following sources of additional income that the **life insured** may receive during the claim so that the combined amount of the maximum **monthly benefit** payable and those sources of additional income do not exceed 80% of the **life insured's** pre- **incapacity earnings** and **dividends**:

- Benefits from other sickness and income protection policies that the **life insured** might receive as a result of the same or related **incapacity**. This includes payments made directly to a lender on the **life insured's** behalf. For example, account payments made under a mortgage payment or credit protection policy.
- **Earnings** that the **life insured** continues to receive or subsequently starts to receive from any employment, trade or vocation.
- Ill health pension / early retirement scheme.

The **earnings we** use for assessment relates to the **life insured's earnings** immediately before their **incapacity**.

Additional cover for Employer National Insurance contributions will be limited to the lesser of:

- The **additional cover** requested at the start of the policy for this purpose, and subsequently increased in line with the RPI if an increasing policy is chosen,
- The actual amount of employer National Insurance contributions that **you** must pay when the benefit is passed to the **life insured**,
- £42,500 a year.

Additional cover for employer pension contributions will be limited to the lesser of:

- The **additional cover** requested at the start of the policy for this purpose, and subsequently increased in line with the RPI if an increasing policy is chosen,
- The average of annual employer pension contributions paid during the three year period prior to **incapacity**,
- One third of annual **earnings** and **dividends** immediately prior to **incapacity**
- £40,000 a year.

No refund of premium will be paid where **you** insure more benefit than **we** will allow.

Linked claims

If the **life insured** becomes **incapacitated** again within 12 months of returning to work for **you** after a prior claim for the same or **related illness**, this may be deemed a linked claim and the **deferred period** won't apply. This means **we** will start payment of the maximum **monthly benefit** payable immediately, subject to any restrictions **we** explain. If proportionate benefit is being paid after returning to work, the 12 month linked claim period will start after the proportionate benefit payments stop.

Proportionate benefit

If **we** have paid the maximum **monthly benefit** payable for a period of **incapacity** and the **life insured** is able to return to work in a reduced capacity that in the market would ordinarily be rewarded with lower **earnings** and **dividends**, **we** will reduce the maximum **monthly benefit** payable in proportion with the reduction in **earnings** and **dividends** (or if greater the ordinary market reward for such work). This is calculated as:

$$\frac{\text{Pre- incapacity earnings and dividends} - \text{New earnings and dividend}}{\text{Pre- incapacity earnings and dividends}} \times \text{previous maximum monthly benefit payable}$$

If **you** choose to add any **additional cover** to **your** policy the amount paid under this will also be reduced proportionally to the same degree as the **monthly benefit**.

If the plan is subject to a 12 or 24 limited **benefit period**, **we** will pay a proportionate benefit for up to the remainder of **your** chosen limited **benefit period**.

Conditions for payment

We will only pay the **monthly benefit** if the **life insured** receives regular and appropriate treatment for their condition and complies with the recommendations of their treating doctor. This may include:

- Medication,
- Physiotherapy, and/or
- Taking part in a rehabilitation programme, counselling or therapy.

We may also request that the **life insured**:

- Attend medical examinations,
- Supply information relating to their **incapacity**,
- Be available, if required, to meet with an appointed representative at their home for an interview in respect of the claim,
- Undergo medical investigations (including blood tests), and/or
- Produce medical and financial evidence in order to support the claim.

The claim will be reviewed on both medical and financial grounds on a regular basis. **We** may stop paying the maximum **monthly benefit** payable if the **life insured** does not provide **us** with the evidence **we** have requested.



How to contact us

	Phone number/Email	Contact address
General enquiries Change your policy Cancel your policy	0370 010 4080*	Legal & General Assurance Society Limited City Park, The Drove Hove East Sussex, BN3 7PY
Make a claim	0800 027 9830*	Legal & General Assurance Society Limited City Park, The Drove Hove East Sussex, BN3 7PY
Make a complaint	0370 010 4080*	Legal & General Assurance Society Limited, Four Central Square, Cardiff CF10 1FS

***We** may record and monitor calls. Call charges will vary.

How to cancel the policy

You can cancel the policy at any time. Once the policy starts **we** will provide **you** with a notice of **your** right to cancel.

If **you** cancel the policy within 30 days of receiving both the notice and the policy, **we** will refund any premiums paid.

If **you** cancel the policy after 30 days, **you** will not get any money back.

If **you** cancel the policy, the cover will end and no further premiums will be payable.

How to make a complaint

If **you** wish to complain about the service **you** have received from **us**, or **you** would like **us** to send **you** a copy of **our** internal complaints handling procedure, please contact **us**.

If **you** remain dissatisfied, **you** can complain to:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone:

0800 023 4567

0300 123 9123

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

Website: www.financial-ombudsman.org.uk

Making a complaint will not affect **your** legal rights.

The Financial Services Compensation Scheme (FSCS)

The FSCS is designed to pay compensation if a firm is unable to pay claims, because it has stopped trading or been declared in default.

So, if **we** run into financial difficulties, **you** may be able to claim via the FSCS, for any money **you've** lost. However, before looking to pay compensation, the FSCS will first see if they can arrange for the continuity of **your** current policy. The FSCS may arrange for **your** policy to be transferred to another insurer or arrange for a new policy to be provided.

Most of **our** customers, including most individuals and small businesses, are covered by the FSCS. Whether or not **you** can claim, and the amount **you** could claim, will depend on the specific circumstances of **your** claim. The FSCS will pay 100% of the value of the claim.

You can find out more about the FSCS, including eligibility to claim, by visiting its website:

www.fscs.org.uk

or calling

0800 678 1100.

The rules of the FSCS might change in the future and the FSCS may take a different approach on their application of the above, depending on what led to the failure.

Solvency and Financial Conditions Report (SFCR)

We are required to publish an annual Solvency and Financial Condition Report (SFCR) describing **our** Business and its Performance, **our** System of Governance, Risk Profiles, Valuation for Solvency Purposes and Capital Management. **Our** latest SFCR is available at:

www.legalandgeneralgroup.com/investors/library



Definitions

Additional cover - An additional benefit to help cover employer National Insurance contributions and/or employer pension contributions when the **life insured** is **incapacitated** and in receipt of sick pay from the policy owner.

Benefit period - The period during which the maximum **monthly benefit** payable is paid.

Deferred period - The number of consecutive weeks of **incapacity** during which no **monthly benefit** is payable and which must pass before any **monthly benefit** is paid. The **deferred period** is shown in **your** Policy Booklet.

Dividends - Payment made by the business that owns this policy to the **life insured**, and where appropriate to their **spouse** or **civil partner**, that represents the **life insured's** share of the net trading profit, which will stop in the event of the **life insured's** absence from work as a result of **incapacity**.

Earnings - Pre-tax **earnings** for PAYE assessment purposes earned in the 12 month period prior to **incapacity** as detailed on the **life insured's** annual self-assessment form, P60 or payslips plus the taxable value of any P11D benefits they also receive during the same period.

We will also take into account any taxable **earnings** and benefits paid by the policy owner to the **life insured's spouse** or **civil partner** (no more than the Personal Allowance for Income Tax purposes at the point claim) which would cease in the event of the **life insured's incapacity**.

Incapacity and incapacitated - The inability due to illness or injury of the **life insured** to carry out the material and substantial duties their own **occupation**.

Life insured - The person who is named as the **life insured** under the policy as shown in the Policy Booklet and is employed by the policy owner.

Monthly benefit(s) - The amount we will pay in the event of a valid claim. This may be less than the amount chosen at outset, subject to the restrictions in the Policy Booklet. This includes any **additional cover**, if chosen, which will be paid as part of the **monthly benefit**, unless otherwise stated.

Occupation - Trade, profession or type of work for at least 16 hours per week resulting in a salary or wage; it is not specific to any particular employer or job description.

Our, us or we - Legal & General Assurance Society Limited.

Policy end date - The date that cover under the policy will end.

Policy start date - The date that cover under the policy will starts, as shown in **your** Policy Booklet.

Related illness - Any illness or condition the **life insured** has symptoms of, sought advice for, received treatment for, or were aware of, that directly or indirectly contributed towards previously claimed **incapacity**.

Spouse or civil partner - **Spouse** or **civil partner** of the **life insured** have the same meanings attributed to them from time to time by the laws of England and Wales.

You or your - The business named as the policy owner in the Policy Booklet, or any successor in title to that business, or any business to which the legal ownership is subsequently transferred.

Alternative formats

If you would like a copy of this in large print, braille, PDF or in an audio format, call us on **0370 010 4080**. We may record and monitor calls. Call charges will vary.

[legalandgeneral.com](https://www.legalandgeneral.com)

Legal & General Assurance Society Limited

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We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.