



# **A guide to how ReAssure applies your Terms and Conditions**

# 1. Introduction

## ***Aims of this guide***

The purpose of this guide is to help customers understand their policy Terms and Conditions and explain how these are interpreted and applied in practice.

For example,

- Some contract terms may imply the company has unrestricted discretion to change how we administer your policy.

ReAssure do not seek to apply any Terms or Conditions unfairly.

- Some contract terms were written many years ago and practical application reflects subsequent changes in both legislation and medical advancements.

We aim to be more generous when applying outdated terms, where fair and appropriate

The additional information in this document helps explain how we interpret these terms, provides clarity around how we act in practice and the controls applied to ensure all customers are treated fairly.

This guide does not replace your Terms and Conditions or any other policy documentation you have received since your policy started.

## **How to use this guide**

In the rest of this guide we'll show some example wording from our Terms and Conditions and explain how we apply them in practice.

## 2. Premiums and Charges

The following are examples of Terms and Conditions that deal with our right to vary the charges for our services and how we intend to apply them to ensure its fair to customers.

### Example contract wording

### How we apply this in practice

***The Company/Actuary can vary charges/premiums...***

This is a fairly open statement, allowing us to alter the charges or premiums on your contract. We would only ever do this where appropriate, fair and justified.

The main circumstances where this may apply are :

- increased administration costs of your policy,
- changes to the charges, expenses or taxes from trading or maintaining your investments.
- changes to the cost of insurance,

Such decisions would be given careful consideration and signed-off through an appropriate governance panel to ensure they are fair to customers.

We will inform you of any significant changes and why we are making them well ahead of them being applied.

***We may pass on charges made on ReAssure from the government...***

This term allows us to review any changes to charges that are imposed by government bodies as legislation and requirements change over time.

We normally don't pass these kinds of costs onto our policyholders and carefully consider if this would be fair and appropriate. In the unlikely event of us needing to apply this, we would write out with plenty of notice and fully explain the justification.

***We may charge you for switching your investment funds...***

We can confirm that we allow twenty free switches each year and then reserve the right to charge £10 for each switch after this.

It is not our intention to impose any unreasonable barriers to customers wishing to make a fund switch and this practice far exceeds most customer's needs.

The prices used are those on the day after we accept your written request to switch.

***Referring to out-of-date sources/websites/practices***

Where possible we use current sources, websites and practices to administer your policy.

As an example, in 2005 HM Inland Revenue merged with HM Customs and Excise to form HM Revenue and Customs (HMRC). Any reference in your Terms and Conditions to HM Inland Revenue is now replaced with HMRC.

### 3. Funds

The following are examples of Terms and Conditions that deal with how we manage our investments, providing further clarity about how these would be applied in practice.

#### Example contract wording

#### How we apply this in practice

***The Company has the right to withdraw or add Unit-Linked Funds...***

We monitor the ongoing performance of the funds made available to customers and over time may seek to withdraw existing funds or add new funds. We may also look to merge several funds into one.

We will only do this if we believe it is in the best interests of the majority of our customers. In practice, this is normally where we no longer have very many customers in a particular fund and offer a very similar alternative.

We will give you notice of any changes and where a fund is to be closed we will offer you a suitable alternative.

***The Company has the right to suspend a fund...***

Under exceptional circumstances we may need to suspend trading, pricing or to move away from our stated investment strategy. We will only do this if we believe it is in the best interests of the majority of our customers.

In the unlikely event we had to do this we would let you know as soon as possible so that you're kept up to date.

***The company can invest in Unit-Linked Funds...***

ReAssure may also invest our own money into our unit linked funds. This has no impact of customers and is normally to assist with the day-to-day running of the fund.

During the periods we are invested in our own funds we are exposed to the same risks and rate of return as customers.

## 4. Decisions and Discretion

The following are examples of Terms and Conditions that allow us to apply discretion and the parameters and controls in place to ensure this is fair to customers.

### Example contract wording

### How we apply this in practice

***The company/firm's decision is final...***

We aim to ensure decisions are robust, fair and are well supported. Following guidance from the regulators, industry bodies and our own internal principles for Treating Customers Fairly.

We will clearly explain the reasons why we feel a decision is fair and in practice provide the option to appeal were appropriate. We provide a full complaints service free of charge to customers, which in most cases would include the right to approach the Financial Ombudsman Service for further independent review if you remain dissatisfied with the outcome of your complaint.

***The company has the right to cancel your contract at any time...***

In practice it's very unlikely that we would want to cancel your policy. In the unusual event that this was required, we would give you plenty of advance notice and apply this in an appropriate and fair manner.

In most cases alternative cover is likely to be available either with us or within the insurance market.

***The company won't pay your benefit if...***

Policy exclusions explain where we will not pay the benefits under certain defined circumstances.

Where appropriate, we will try to recognise that over time both the insurance industry and our own best practice evolve, which means we sometimes can relax these exclusions for our customers' benefit.

An example of this is for contracts written in the 1980s with an AIDS or HIV exclusion. We now might accept a claim for someone who has been diagnosed with HIV or AIDS.

If you have a valid claim, you should contact us.

***If you don't let us know about your claim in a set amount of time it will become invalid...***

We try to be reasonable when applying time limits on claims made against policies.

It is in your interests to let us know as soon as possible. This is especially true for benefits that pay out an income or pay your premiums as we cannot start to pay out on these until the claim has been validated.