

details of your protect critical illness policy



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terms applicable to protect critical illness policies (series 5)

part a) preliminary conditions

1. What type of agreement is the Skandia Protect Critical Illness Policy?

- 1.1 The contract is a Policy to provide benefits on one of two bases.
- 1.2 If the Schedule states Critical Illness Policy with Life Cover then the Policy provides benefits if the Relevant Life Assured dies or suffers one of the Critical Illnesses defined in Term 6 on or before the Expiry Date, whichever occurs first.
- 1.3 If the Schedule states Critical Illness Policy without Life Cover then the Policy provides benefits if the Relevant Life Assured suffers one of the Critical Illnesses described in Term 6 on or before the Expiry Date.
- 1.4 The Policy has no surrender value or paid-up value.
- 1.5 This document called the "**Terms**" contains full details of the Policy and spells out the commitments of both parties to the contract in this and the following sections (each called a "**Term**").

2. Glossary

- 2.1 Some words used in these Terms have a special meaning. To help you, we explain in Term 2 those which appear most often. They are shown here in bold type. Other words which appear less often we explain where they first appear or are most relevant. They will also appear there in bold type. Any words once defined (other than personal pronouns) will be shown with the first letter capitalised.
- 2.2 **We, us** and **our** refers to Skandia Life Assurance Company Limited, a private limited company limited by shares and registered in England (No. 1368932). **You** and **your** and the **Policyholder** refers to the other party to this agreement at the **Commencement Date** as stated on your Schedule. It also means a person who becomes the Policyholder in the future by assignment or by becoming the legal representative to the estate of the relevant Policyholder on death.

Acceptance date	This is the date on which your cover starts as stated on your Schedule.
Commencement Date	This is the date from which Regular Premium commitments start as stated on your Schedule.
Critical Illness	Any of the conditions described in Term 6. We reserve the right to add further conditions and enhance the existing conditions.
Expiry Date	The date on which your Policy is due to end as stated on your Schedule.
Head Office	Our office as shown on the Schedule.
Life Assured	The person(s) named on the Schedule as the Life Assured or Lives Assured.
Policy	The contract issued to you following acceptance of your application for a Skandia Protect Critical Illness Policy.

Policy Term	The Policy Term may be either a " Fixed Term ", this is where the Expiry Date of the policy is fixed, or a " Rolling Term ", this is where the Expiry Date is initially the date before the tenth anniversary of the Commencement Date. The term on a Rolling Term can be extended in accordance with these Terms before the Expiry Date.
Premium Due Date	The first of the month following the Commencement Date for monthly Regular Premiums and for yearly Regular Premiums, the Commencement Date anniversary.
Regular Premium	The amount you agree to pay to the Policy at the frequency stated on the Schedule.
Relevant Life Assured	The first Life Assured to suffer a Critical Illness as described in Term 6, or die on or before the Expiry Date. Where Total Permanent Disability Benefit or Premium Protection Benefit is included for a Life Assured as stated on the Schedule, the Relevant Life Assured will be the first Life Assured to become disabled as described in Term 13 and 14, where the benefit is included for that Life Assured.
Review Date	The date specified by Term 18. This is the effective date from which various options will take effect if you exercise any of them as described in part F.
Schedule	The Schedule issued by us for the Policy at commencement or as amended by any subsequent endorsement or revised Schedule.
Sum Assured	The amount stated on your Schedule.

If the meaning of a word is explained in Term 2 (or elsewhere in the Terms in bold type) in the singular then it includes the plural and the masculine shall include the feminine of that word and vice versa.

3. What are your Regular Premium commitments?

- 3.1 You agree to pay Regular Premiums from the Commencement Date in return for the cover provided by us under the Policy.
- 3.2 The cover starts from the Acceptance Date providing you fulfil your commitment to pay Regular Premiums.
- 3.3 Your Regular Premiums can be paid monthly or yearly. Where Regular Premiums are paid monthly they must be paid by direct debit. Where the Regular Premiums are paid yearly they can be paid by cheque or direct debit. We reserve the right to add further means of payment or to stop using a means of payment at any time for administrative reasons.
- 3.4 We may agree with you a date other than the Premium Due Date on which you can pay Regular Premiums (the "**Collection Date**"). Regular Premiums will still be regarded as due on the Premium Due Date.

- 3.5 We will allow you 30 days from the Collection Date of the first unpaid Regular Premium in which to pay your Regular Premium. If any benefit becomes payable in this time we will deduct any unpaid Regular Premium from the amount payable since the Premium Due Date.
- 3.6 You may change your chosen Regular Premium frequency.
- 3.6.1 If you choose to change your Regular Premium frequency to monthly, the change will take effect from the next Review Date.
- 3.6.2 If you choose to change your Regular Premium frequency to yearly, you will pay a proportionate Regular Premium from the effective date of the change and pay yearly Regular Premiums from the next Review Date.

4. What happens if you do not meet your Regular Premium commitments?

Stopping your Regular Premiums

- 4.1 If you stop paying your Regular Premiums, your Policy will end 30 days from the Collection Date of the first unpaid Regular Premium and the cover will end. If your Policy includes Premium Protection Benefit then Term 14 describes the conditions under which we will waive your commitment to pay Regular Premiums if you become Disabled.

Reinstating your Policy

- 4.2 You may offer to pay all outstanding Regular Premiums up to three months after the Premium Due Date of the first unpaid Regular Premium. Any amount paid to us after 30 days of the first unpaid Regular Premium will be held in a non-interest-bearing suspense account until we have received satisfactory evidence of health and accepted your request. Until we receive all our requirements, no cover is in force.
- 4.3 We reserve the right to decline your request to reinstate your Policy.

Return of Regular Premiums on termination of the Policy

- 4.4 Unless specifically stated in these Terms, no Regular Premium or part of a Regular Premium will be refunded on termination of the Policy.

part b) protection benefits

5. When is the Sum Assured payable?

5.1 Critical Illness with Life Cover

- 5.1.1 If the Relevant Life Assured suffers a Critical Illness as described in Term 6, on or before the Expiry Date, then we will pay the Sum Assured applicable on the date we agree the claim is valid. On payment of the Sum Assured no further benefit will be payable under the Policy and the Policy will end.
- 5.1.2 If the Relevant Life Assured dies on or before the Expiry Date, then we will pay the Sum Assured applicable on the date of death. On payment of the Sum Assured no further benefit will be payable under the Policy and the Policy will end.
- 5.1.3 No benefit will be payable in respect of any Critical Illness which resulted directly from or was accelerated by:
- (a) alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner; or
 - (b) unreasonable failure to seek or follow medical advice.
- 5.1.4 Where the Relevant Life Assured commits suicide within one year of the Acceptance Date or reinstatement of the Policy as described in Term 4.2 the amount payable will be limited to a return of Regular Premiums paid since the later of the Acceptance Date or reinstatement of the Policy; or Where the Relevant Life Assured commits suicide within one year of any increase to the Sum Assured, then no amount will be payable in respect of the increase to the Sum Assured. Where we required an increase in Regular Premiums to support the increase in the Sum Assured, the increase in Regular Premium will be refunded.
- 5.1.5 The restrictions in Term 5.1.4 will not apply where we have received written notice that a qualifying lender (as defined in Section 376 Income and Corporation Taxes Act 1988) who is not the Policyholder, has a bona fide interest in the Policy, we will pay the qualifying lender an amount equal to the lower of:
- (a) the Sum Assured on date we agree claim is valid; and
 - (b) the capital amount owed to the qualifying lender at the date of death of the Relevant Life Assured.

5.2 Critical Illness without Life Cover

- 5.2.1 If the Relevant Life Assured suffers a Critical Illness as described in Term 6, on or before the Expiry Date then we will pay the Sum Assured applicable on the date we agree the claim is valid. On payment of the Sum Assured no further benefit will be payable under the Policy and the Policy will end.
- 5.2.2 The Relevant Life Assured must survive for a period of at least 14 days from the date of diagnosis of the Critical Illness or the undergoing of surgery in relation to a Critical Illness as defined in Term 6 in order for the Sum Assured to be payable. If the Relevant Life

Assured dies within this period the Policy will continue unless the Relevant Life Assured was the only Life Assured remaining on the Policy, in which case, the Policy will terminate.

5.2.3 No benefit will be payable in respect of any Critical Illness which resulted directly from or was accelerated by:

- (a) alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner; or
- (b) unreasonable failure to seek or follow medical advice.

6. What Critical Illnesses are covered?

6.1 Glossary

Activities of Daily Living are:

Continence - the ability to manage bowel and bladder functions (including the use of protective undergarments and surgical appliances if appropriate) so as to maintain personal hygiene.

Dressing - the ability to put on, take off, secure and unfasten all necessary items of clothing and any braces, artificial limbs or other surgical devices.

Feeding - the ability to eat food which has been prepared and cooked (if appropriate).

Mobility - the ability to move from one room to another on level surfaces.

Transferring - the ability to get on and off the toilet, in and out of bed and move from bed to an upright chair or wheelchair and back again.

Washing - the ability to wash and bathe, getting into and out of the bath or shower.

Consultant	means a person who holds an appropriate appointment as a consultant or equivalent at a hospital in the United Kingdom, the Channel Islands or the Isle of Man and with qualifications and experience that are acceptable to our Chief Medical Officer.
Irreversible and Irreversibly	means the Disability cannot be cured by medical treatment and/or surgical procedures used by the National Health Service in the UK (or any service which replaces it) at the time of the claim.
Mental Impairment	means impairment due to organic brain disease or brain injury, where the Relevant Life Assured's ability to reason, remember and understand has deteriorated to such an extent that the Relevant Life Assured can no longer look after themselves without the constant supervision and assistance of another person.
Permanent and Permanently	means expected to last throughout life, irrespective of when the Relevant Life Assured is expected to retire or when the Policy is due to come to an end.

6.2 Alzheimer's disease

Alzheimer's disease as diagnosed by a Consultant. The diagnosis must be supported by evidence of progressive deterioration of memory and of the ability to reason and to perceive, understand, express and give effect to ideas.

6.3 Aorta graft surgery

Undergoing surgery for disease of the aorta needing excision and surgical replacement of a portion of the diseased aorta with a graft. For this definition, aorta means the thoracic and abdominal aorta but not its branches.

6.4 Bacterial meningitis

An inflammation of the meninges due to bacterial infection and resulting in Permanent neurological deficit. Bacterial meningitis must have been unequivocally diagnosed by a Consultant.

No other forms of meningitis, including viral, are covered.

6.5 Benign brain tumour

A non-malignant tumour in the brain, resulting in Permanent deficit to the neurological system. Tumours or lesions in the pituitary gland are not covered.

6.6 Blindness

Total Permanent and Irreversible loss of all sight in both eyes.

6.7 Cancer

Any malignant tumour characterised by the uncontrolled growth and spread of malignant cells and invasion of tissue. The term cancer includes leukaemia and Hodgkin's disease but the following are excluded:

- all tumours which are histologically described as pre-malignant, as non-invasive or as cancer in situ;
- all tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least TNM classification T2N0M0;
- any skin cancer other than invasive malignant melanoma.

6.8 Cardiomyopathy

A definite diagnosis of cardiomyopathy made by a Consultant, as evidenced by:

- electrocardiograph changes; and
- echocardiographic abnormalities.

These findings must be consistent with the diagnosis of cardiomyopathy.

All other forms of heart disease, heart enlargement and myocarditis are specifically excluded.

6.9 Coma

A state of unconsciousness with no reaction to external stimuli or internal needs, persisting continuously with the use of life support systems for a period of at least 96 hours and resulting in Permanent neurological deficit. Coma secondary to alcohol or drug misuse is not covered.

6.10 Coronary artery by-pass surgery

The undergoing of open heart surgery on the advice of a Consultant Cardiologist to correct narrowing or blockage of one or more coronary arteries with by-pass grafts but excluding balloon angioplasty, laser relief or any other procedures.

6.11 Deafness

Total Permanent and Irreversible loss of all hearing in both ears.

6.12 Heart attack

The death of a portion of the heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:

- typical chest pain;
- new characteristic electrocardiographic changes;
- the characteristic rise of cardiac enzymes, troponins or other biochemical markers;

where all of the above shows a definite acute myocardial infarction. Other acute coronary syndromes, including but not limited to angina, are not covered under this definition.

6.13 Heart valve replacement or repair

Undergoing open heart surgery from medical necessity to replace or repair one or more heart valves.

6.14 HIV or AIDS

Being infected by Human Immunodeficiency Virus (HIV), or suffering from Acquired Immune Deficiency Syndrome (AIDS) or other similar or related condition or syndrome provided that:

- (a) the infection is due to a blood transfusion or artificial insemination or in-vitro fertilisation taking place in the UK after the Acceptance Date; or
- (b)
 - (i) the infection results directly from a physical assault involving involuntary contact with either an hypodermic needle or an infected sharp instrument, or sexual assault; and
 - (ii) the incident giving rise to the infection happens in the UK after the Acceptance Date and is reported at a police station within five days; and
 - (iii) a test showing no HIV or HIV antibodies is made within ten days of the incident and a later test is made within six months showing infection; or
- (c)
 - (i) the infection arises in the course of the critically ill Life Assured's normal occupation; and
 - (ii) the incident giving rise to the infection happens in the UK after the Acceptance Date and is reported within five days, investigated and documented according to the relevant occupation; and
 - (iii) a test showing no HIV or HIV antibodies is made within ten days of the incident and a later test is made within six months showing infection.

6.15 Kidney failure

End stage renal failure presenting as chronic irreversible failure of both kidneys to function, as a result of which either regular renal dialysis or renal transplant is initiated.

6.16 Loss of independent existence

Suffering Mental Impairment or being Permanently and Irreversibly unable to perform three or more Activities of Daily Living. This must be supported by medical evidence from a Consultant we consider appropriate and must have continued without interruption for three consecutive months. If the Life Assured has to use special devices or equipment to perform an Activity of Daily Living then he or she shall still be deemed to be able to perform that activity.

6.17 Loss of limbs

The Permanent physical severance of two or more limbs from above the wrist or ankle joint.

6.18 Loss of speech

Total Permanent and Irreversible loss of the ability to speak as a result of physical injury or disease.

6.19 Major organ transplant

The actual undergoing as a recipient of, or inclusion on an official UK waiting list for, a transplant of a heart, liver, lung, pancreas or bone marrow.

6.20 Motor neurone disease

Confirmation by a Consultant Neurologist of a definite diagnosis of motor neurone disease.

6.21 Multiple sclerosis

A definite diagnosis by a Consultant Neurologist of multiple sclerosis which satisfies all of the following criteria:

- there must be a current impairment of motor or sensory function, which must have persisted for a continuous period of at least six months;
- the diagnosis must be confirmed by diagnostic techniques current at the time of the claim.

6.22 Paralysis or paraplegia

Total Irreversible loss of muscle function or sensation to the whole of any two limbs as a result of injury or disease. The disability must be Permanent and supported by appropriate neurological evidence.

6.23 Parkinson's disease

Confirmation by a Consultant Neurologist of a definite diagnosis of Parkinson's disease. Parkinson's disease secondary to alcohol or drug misuse is not covered.

6.24 Pre-senile dementia

Pre-senile dementia as diagnosed by a Consultant. The diagnosis must be supported by evidence of progressive deterioration of memory and of the ability to reason and to perceive, understand, express and give effect to ideas.

6.25 Progressive supranuclear palsy

Confirmation by a Consultant of a definite diagnosis of progressive supranuclear palsy.

6.26 Stroke

A cerebrovascular incident resulting in Permanent neurological damage. Transient Ischaemic Attacks are specifically excluded.

6.27 Terminal illness

Advanced or rapidly progressing incurable illness where, in the opinion of an attending Consultant and our Chief Medical Officer, the life expectancy is no greater than 12 months. Where the Schedule states the type of term as fixed, the cover for terminal illness will stop 18 months before the Expiry Date.

6.28 Third degree burns

Third degree burns covering at least 20% of the body surface area.

6.29 Two-vessel angioplasty

The undergoing of angioplasty on two or more coronary arteries to correct blockage of at least 50% in each of the affected arteries, on the undisputed advice of a Consultant. Balloon angioplasty, excimer laser, rotablation, stents and directional atherectomy are specifically included.

part c) other benefits included at no cost

7. Children's Critical Illness Benefit

7.1 Glossary

Consultant has the same meaning as defined in Term 6.1.

Relevant Child means any child of the Life or Lives Assured, whether by birth, or legal adoption, or any stepchild from a legally recognised marriage of the Life Assured and who has attained the age of 30 days. Any such child shall cease to be a Relevant Child on attaining the age of 18 years or on an earlier payment of the Children's Critical Illness Benefit in respect of such child.

- 7.2 If a Relevant Child suffers a Critical Illness as described in Term 6, on or before the Expiry Date, then we will pay the Children's Critical Illness Benefit on the date we agree the claim is valid.
- 7.3 The Relevant Child must survive for a period of at least 14 days from the date of diagnosis or undergoing of surgery in relation to a Critical Illness as defined in Term 6 in order for the Children's Critical Illness Benefit to become payable. If the Relevant Child dies within this period the Children's Critical Illness Benefit will not be payable. The 14-day survival period in Term 7.3 will not apply to the Critical Illness Benefit of Bacterial Meningitis described in Term 6.4.
- 7.4 Subject to Term 7.5 the Children's Critical Illness Benefit will be an amount equal to the lower of:
- (a) 50% of the Sum Assured applicable on the date we agree the claim is valid; or
 - (b) £25,000.
- 7.5 Where a Life Assured under this Policy is also a Life Assured on other policies providing Children's Critical Illness Benefit with us, the total amount that we will pay under all the policies will not exceed £25,000 for that Relevant Child.
- 7.6 Payment of a Children's Critical Illness Benefit will not cause the Policy to terminate.
- 7.7 Children's Critical Illness Benefit will not be payable if the Critical Illness of the Relevant Child resulted directly or indirectly from a medical condition which:
- (a) existed before the Acceptance Date of the Policy; or
 - (b) occurred after the Acceptance Date of the Policy but before:
 - (i) the age of 30 days is reached;
 - (ii) the date of adoption if legally adopted; or
 - (iii) the date of the marriage of the Life Assured to the natural parent where the Relevant Child is a stepchild.

8. Surgery Benefit

8.1 Glossary

Fixed Price Quotation means the quotation from the hospital where the Coronary Artery By-Pass Surgery is to be carried out detailing the costs of medical procedures, hospital accommodation, medication and any aftercare that is needed.

- 8.2 This benefit will become payable to enable a Relevant Life Assured to undergo Coronary Artery By-Pass Surgery as described in Term 6.10.
- 8.3 Where we agree the claim is valid for Surgery Benefit, we will pay an advancement of the Sum Assured to the hospital where the Coronary Artery By-Pass Surgery is to be carried out. We will reduce the Sum Assured by the amount paid under this benefit.
- 8.4 Once we have agreed the claim for Surgery Benefit is valid, the amount paid will be equal to the lower of:
- (a) the Sum Assured applicable on the date we agree the claim is valid; or
 - (b) the amount stated on the Fixed Price Quotation.
- 8.5 Where the Schedule states Critical Illness without Life Cover, the Relevant Life Assured must survive for at least 14 days from the date of undergoing Coronary Artery By-Pass Surgery before we will consider a claim for any remaining Critical Illness Benefit. If the Relevant Life Assured dies within this period the Policy will continue with the Sum Assured prior to the advancement, unless the Relevant Life Assured was the only Life Assured remaining on the Policy, in which case, the Policy will terminate.
- 8.6 Where the Schedule states Critical Illness with Life Cover, we will consider a claim for any remaining Critical Illness benefit after the Coronary Artery By-Pass Surgery has been carried out.
- 8.7 Payment of the Surgery Benefit will not cause the Policy to terminate unless the full Sum Assured becomes payable as described in Term 8.4, or the Relevant Life Assured dies as described in Term 8.5 and the Schedule states Critical Illness with Life Cover.
- 8.8 No benefit will be payable in respect of the additional cost of treatment for any complication or secondary condition which arises as a result of the Coronary Artery By-Pass Surgery.

9. Children's Surgery Benefit

9.1 Glossary

Fixed Price Quotation has the same meaning as described in Term 8.1.

Relevant Child has the same meaning as described in Term 7.1.

- 9.2 Where the Relevant Child needs to undergo Coronary Artery By-Pass Surgery we will pay an advancement of the Children's Critical Illness Benefit to the hospital where the Coronary Artery By-Pass Surgery is to be carried out. We will reduce the Children's Critical Illness Benefit by the amount paid under this benefit.

- 9.3 Once we have agreed the claim for Children's Surgery Benefit is valid the amount paid will be an amount equal to the lowest of:
- (a) 50% of the Sum Assured applicable on the date we agree the claim is valid; or
 - (b) the amount stated on the Fixed Price Quotation; or
 - (c) £25,000.
- This will be reduced by any sums payable in respect of a Relevant Child, in respect of Children's Critical Illness Benefit under any other policy with us.
- 9.4 The Relevant Child must survive for a period of at least 14 days from the date of undergoing Coronary Artery By-Pass Surgery before we will consider a claim for any remaining Children's Critical Illness Benefit. If the Relevant Child dies within this period, any remaining Children's Critical Illness Benefit will not be paid.
- 9.5 The payment of the Children's Surgery Benefit will not cause the Policy to terminate.
- 9.6 No benefit will be payable in respect of the additional cost of treatment for any complication or secondary condition, which arises as a result of the Coronary Artery By-Pass Surgery.

10. Serious Accident Benefit

10.1 Glossary

Serious Accident	means an accident resulting in a Severe Physical Injury where the Life Assured is immediately admitted to hospital for at least 28 consecutive days to receive medical treatment.
Severe Physical Injury	means injury resulting solely and directly from unforeseen, external, violent and visible means and independent of any other cause.

- 10.2 Your right to claim under the Serious Accident Benefit will cease immediately you become aware of circumstances which enable you to make a claim for Critical Illness, as described in Term 6, Total Permanent Disability Benefit, as described in Term 13 or a death claim as described in Term 5.1 under the Policy.
- If we decline a claim for Critical Illness or Total Permanent Disability Benefit under this Policy your right to claim for this benefit will be reinstated.
- 10.3 Where a Life Assured suffers a Serious Accident we will pay an amount equal to the lower of:
- (a) the Sum Assured applicable on the date we agree the claim is valid; or
 - (b) £50,000.
- This will be reduced by any sums payable in respect of this Life Assured, in respect of Serious Accident Benefit under this and any other policy with us.
- 10.4 The same Serious Accident may result in you being eligible to make a claim for Critical Illness or Total Permanent Disability Benefit and the Serious Accident Benefit.

Where you become aware of circumstances which enable you to make a claim for Critical Illness or Total Permanent Disability Benefit after the Serious Accident Benefit claim, but within 58 days from the date of the Serious Accident and for the same Serious Accident, we will limit the amount payable in respect of both claims to the amount of the Sum Assured.

- 10.5 Where the situation described in 10.4 above occurs, but your claim for Serious Accident Benefit has already been paid, we will reduce the Sum Assured payable in respect of the Critical Illness or Total Permanent Disability Benefit by the amount paid for the Serious Accident Benefit.
- 10.6 Payment of this benefit will not affect the Sum Assured, except where Term 10.5 applies, and it will not cause the Policy to terminate.
- 10.7 No benefit will be payable in respect of a claim for Serious Accident Benefit which resulted directly from or was accelerated by:
- (a) alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner; or
 - (b) attempted suicide and/or deliberate self harm.

11. Mastectomy Benefit for Ductal Carcinoma In Situ

11.1 Glossary

Ductal Carcinoma In Situ (DCIS)	means tumours of the breast which are histologically described as ductal carcinoma in situ, and are treated by radical mastectomy (an operation to remove the whole of at least one breast). DCIS of the breast that is treated by other methods is specifically excluded.
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- 11.2 Where a Life Assured is diagnosed with DCIS which resulted in a single or double mastectomy, we will pay an amount equal to the lower of:
- (a) 20% of the Sum Assured applicable on the date we agree the claim is valid; or
 - (b) £10,000.
- This will be reduced by any sums payable in respect of a Life Assured in respect of this benefit under any other policy with us.
- 11.3 You are able to exercise this benefit once per Life Assured provided that the combined total of all benefits paid under Term 11 and any other similar benefit under any other policy with us is not more than £10,000.
- 11.4 Payment of this benefit will not affect the Sum Assured and will not cause the Policy to terminate.
- 11.5 No claim will be payable in respect of this benefit where:
- (a) DCIS existed before the Acceptance Date of the Policy; or
 - (b) DCIS is treated by methods other than the removal of the whole of at least one breast; or
 - (c) a Life Assured is diagnosed with Cancer that is not DCIS which resulted in the removal of the whole of at least one breast; or
 - (d) a claim for DCIS is submitted at the same time or within 30 days of the diagnosis of Cancer as described in Term 6.7.

12. Low Grade Prostate Cancer Benefit

12.1 Glossary

Low Grade Prostate Cancer	means any malignant tumour of the prostate characterised by uncontrolled growth and spread of malignant cells and invasion of tissue which is histologically classified as having a Gleason score of between 2 and 6 inclusive or having progressed to a TNM classification of T1N0M0.
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- 12.2 Where a Life Assured is diagnosed with Low Grade Prostate Cancer, we will pay an amount equal to the lower of:
- (a) 20% of the Sum Assured applicable on the date we agree the claim is valid; or
 - (b) £10,000.
- This will be reduced by any sums payable in respect of a Life Assured in respect of this benefit under any other policy with us.
- 12.3 You are able to exercise this benefit once per Life Assured provided that the combined total of all benefits paid under Term 12 and any similar benefit under any other policy with us is not more than £10,000.
- 12.4 Payment of this benefit will not affect the Sum Assured and will not cause the Policy to terminate.
- 12.5 No claim will be payable in respect of this benefit where:
- (a) Low Grade Prostate Cancer existed before the Acceptance Date of the Policy; or
 - (b) Prostate Cancer occurred after the Acceptance Date of the Policy where the Life Assured is diagnosed with Cancer as described in Term 6.7; or
 - (c) a claim for Low Grade Prostate Cancer is submitted at the same time or within 30 days of the diagnosis of Cancer as described in Term 6.7.

part d) other benefits available at an additional cost as stated in your schedule

13. Total and Permanent Disability Benefit

13.1 Glossary

Activities of Daily Living has the same meaning as described in Term 6.1.

Activities of Daily Work are:

Bending - the ability to bend or kneel to pick up something from the floor and straighten up again.

Climbing - the ability to walk up or down a flight of 12 stairs without holding on or resting.

Communicating - the ability to answer the telephone and take a message for someone.

General Health - the ability to independently arrange to see a doctor and take routine prescribed medication.

Lifting - the ability to lift, carry or otherwise move everyday objects using either hand. Everyday objects would include a kettle of water, bags of shopping, an overnight bag or briefcase.

Manual Dexterity - the ability to use hands and fingers with precision, including the ability to pick up and manipulate small objects, such as pens or cutlery.

Reading - the ability to read, with spectacles or contact lenses if necessary, ordinary newsprint, or to pass the standard eye test for driving. This activity would be failed if the Relevant Life Assured is certified as blind or partially sighted by an ophthalmologist.

Walking - the ability to walk a distance of more than 200 metres on flat ground without stopping or without severe discomfort.

Assistive Devices means specific aids and adaptations which will enable the Relevant Life Assured to perform the Activities of Daily Living or Activities of Daily Work. These may include items such as walking aids, wheelchairs, lever taps, sit in showers, clothing with velcro fasteners; not incontinence pads, surgical dressings, or other items of a regular nature. This list is intended to be indicative and not exhaustive.

Consultant has the same meaning as described in Term 6.1.

Disabled or means:

Disability (a) where the Relevant Life Assured is insured on an own Occupation basis and the Relevant Life Assured is unable to perform the Insured Occupation as a result of accident or illness, or

- (b) where the Relevant Life Assured is insured on an Activities of Daily Work basis, and the Relevant Life Assured is unable to carry out at least three Activities of Daily Work as a result of accident or illness.

Insured Occupation	means the Occupation you have disclosed in your application or subsequent correspondence and which has been accepted by us.
Irreversible and Irreversibly	has the same meaning as described in Term 6.1.
Mental Impairment	has the same meaning as described in Term 6.1.
Occupation	means 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 and Permanently	has the same meaning as described in Term 6.1.

- 13.2 Where the Schedule states that Total and Permanent Disability Benefit is included for a Life Assured, we will pay the Sum Assured on the date we agree the claim is valid under this Policy.
- 13.3 The Relevant Life Assured will be insured on one of two bases:
- (a) own Occupation basis; or
 - (b) Activities of Daily Work basis.
- This will be stated on the Schedule.
- 13.4 Where the Relevant Life Assured is below age 65 and insured on an own Occupation basis, we will pay the Sum Assured if the Relevant Life Assured becomes totally Permanently and Irreversibly Disabled.
- Where the Relevant Life Assured has changed Occupation and we have not been notified of the change, we will assess the claim based on the ability of the Relevant Life Assured to carry out the Insured Occupation.
- Where the Relevant Life Assured has not been in a gainful Occupation for the six months prior to claim, we will assess the claim based on the Activities of Daily Work as described in Term 13.5.
- 13.5 Where the Relevant Life Assured is below age 65 and insured on an Activities of Daily Work basis, we will pay the Sum Assured if the Relevant Life Assured becomes totally Permanently and Irreversibly Disabled. This must be supported by medical evidence from a Consultant whom we consider appropriate.
- If the Relevant Life Assured could use Assistive Devices to perform an Activity of Daily Work, then the Relevant Life Assured will still be deemed to be able to perform that activity.
- 13.6 Where the Relevant Life Assured is over 65, we will pay the Sum Assured if the Relevant Life Assured suffers Mental Impairment or becomes Permanently and Irreversibly unable to perform three or more Activities of Daily Living and has

been unable to perform these activities without interruption for three consecutive months.

If the Relevant Life Assured could use Assistive Devices to perform an Activity of Daily Living then the Relevant Life Assured will still be deemed to be able to perform that activity.

- 13.7 On payment of the Sum Assured no further benefits shall be paid and the Policy will end.
- 13.8 It is not possible to add this benefit after the Acceptance Date of the Policy. You may request for this benefit to be removed at anytime.
- 13.9 No benefit will be payable in respect of any Disability of the Relevant Life Assured which:
- (a) resulted directly or indirectly from or was accelerated by alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner; or
 - (b) resulted directly or indirectly from or was accelerated by unreasonable failure to seek or follow medical advice; or
 - (c) is shown to be the result of or related to infection with Human Immunodeficiency Virus (HIV) or Acquired Immune Deficiency Syndrome (AIDS).
- 13.10 No benefit will be payable under Term 13 where the Relevant Life Assured is living outside the:
- (a) United Kingdom, Republic of Ireland, Channel Islands and the Isle of Man and has been so for more than six months, or
 - (b) European Union, Andorra, Australia, Canada, Cyprus, Gibraltar, Hong Kong, Iceland, Japan, Liechtenstein, Monaco, New Zealand, Norway, San Marino, Saudi Arabia, Switzerland, the United States of America and the Vatican City and has been so for more than 13 consecutive weeks.

14. Premium Protection Benefit

14.1 Glossary

Activities of Daily Work	has the same meaning as described in Term 13.1.
Assistive Devices	has the same meaning as described in Term 13.1.
Disabled or Disability	has the same meaning as described in Term 13.1.
Insured Occupation	has the same meaning as described in Term 13.1.
Occupation	has the same meaning as described in Term 13.1.

- 14.2 Where the Schedule states that Premium Protection Benefit is included for a Life Assured and that Relevant Life Assured is below age 65 and insured on an own Occupation basis, we will waive your commitment to pay your Regular Premiums if the Relevant Life Assured becomes Disabled for a continuous period of six months, is not following any gainful Occupation and is still under age 65 at the end of that period.

- 14.3 Where the Schedule states that Premium Protection Benefit is included for a Life Assured and that Relevant Life Assured is below age 65 and insured on an Activities of Daily Work basis, we will waive your commitment to pay Regular Premiums if the Relevant Life Assured becomes Disabled for a continuous period of six months, is not following any gainful Occupation and is still under 65 at the end of that period.
- If the Relevant Life Assured could use Assistive Devices to perform an Activity of Daily Work then the Relevant Life Assured will still be deemed to be able to perform that activity.
- 14.4 Providing you have continued to pay Regular Premiums during the six-month period described in Term 14.2 and 14.3, we will waive your commitment to pay Regular Premiums at the end of the six-month period until the earliest of:
- the Relevant Life Assured attaining age 65,
 - the Relevant Life Assured ceasing to be Disabled as described in Term 13.1,
 - the Relevant Life Assured following any gainful Occupation,
 - the death of the Relevant Life Assured,
 - payment of the full Sum Assured, or
 - the Expiry Date of the Policy with a Fixed Term.
- We will not refund any Regular Premiums paid by you in the six-month period described in Term 14.
- 14.5 If the Relevant Life Assured recovers from being Disabled or returns to any gainful Occupation but then becomes Disabled again from the same cause within six months of recovery, no further six-month period will be applied. On satisfactory proof of the recurrence of the Disability, we will waive your commitment to pay Regular Premiums until the happening of the earliest event described in Term 14.4.
- 14.6 Whilst we are waiving your commitment to pay Regular Premiums, we may request medical evidence to confirm the Relevant Life Assured is still Disabled.
- 14.7 Where the Relevant Life Assured has changed Occupation and we have not been notified of the change, we will assess the claim based on the ability of the Relevant Life Assured to carry out the Insured Occupation.
- Where the Relevant Life Assured has not been in gainful Occupation for six months prior to a claim, we will assess the claim based on the Activities of Daily Work as described in Term 14.3.
- 14.8 You may request for this benefit to be added to your Policy with further medical evidence or removed at any time.
- 14.9 Where you have exercised the Inflation Option for at least three consecutive years immediately before your claim under this Policy for this benefit, your Sum Assured and Regular Premiums will be increased at each Review Date up to the Expiry Date of this Policy.
- 14.10 If your Policy has not yet passed a Review Date we will assume that you would have exercised the Inflation Option at the Review Date and increase your Sum Assured and Regular Premiums up to the Expiry Date of this Policy.
- 14.11 While your commitment to pay Regular Premiums is being waived and the type of Policy Term stated on your Schedule is fixed, the exercise of the Inflation Option described in Term 14.9 and 14.10 will not affect the Policy Term and your Policy will terminate on the Expiry Date as stated on your Schedule.
- 14.12 While your commitment to pay Regular Premiums is being waived and the type of Policy Term stated on your Schedule is rolling the exercise of the Inflation Option described in Term 14.9 and 14.10 will not automatically extend the Policy Term.
- 14.13 If your commitment to pay Regular Premiums is still being waived on the Expiry Date of your Policy, and the Policy Term is rolling, you may request that the Policy Term is extended. We will recalculate the Sum Assured for the new Policy Term based on the Regular Premium amount being waived immediately before the Expiry Date. This calculation will be based on the Life Assured's age and Regular Premium Rates applicable at that time. This will result in a reduction to the Sum Assured. We will then continue to waive your commitment to pay Regular Premiums. The Inflation Option will no longer be exercised.
- 14.14 No benefit will be payable in respect of any Disability of the Relevant Life Assured which:
- resulted directly or indirectly from or was accelerated by alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner; or
 - resulted directly or indirectly from or was accelerated by unreasonable failure to seek or follow medical advice; or
 - is shown to be the result of or related to infection with Human Immunodeficiency Virus (HIV) or Acquired Immune Deficiency Syndrome (AIDS).
- 14.15 No benefit will be payable under Term 14 where the Relevant Life Assured is living outside the:
- United Kingdom, Republic of Ireland, Channel Islands and the Isle of Man and has been so for more than six months, or
 - European Union, Andorra, Australia, Canada, Cyprus, Gibraltar, Hong Kong, Iceland, Japan, Liechtenstein, Monaco, New Zealand, Norway, San Marino, Saudi Arabia, Switzerland, the United States of America and the Vatican City and has been so for more than 13 consecutive weeks.

15. Cover Reinstatement Option

15.1 Glossary

After-Claim Policy means the Policy you can apply for within the parameters set in this Term. The Policy you can apply for, including the Critical Illnesses and benefits, will be the After-Claim Policy available at that time. This may be a more restricted list of illnesses than those covered under this Policy.

Consultant has the same meaning as described in Term 6.1.

15.2 The Cover Reinstatement Option is not available if the Relevant Life Assured is over age 60 at the time of exercising this option and cannot be exercised within five years of the Expiry Date where the Schedule states the Policy Term is fixed.

15.3 Where your Schedule states Cover Reinstatement Option is included and we pay a claim for Critical Illness Benefit as described in Term 6 or Total and Permanent Disability Benefit as described in Term 13, you have the option to apply for an After-Claim Policy without further medical evidence.

15.4 The benefits provided by the After-Claim Policy will be detailed in the After-Claim Policy Terms that we offer at that time. A copy of the current Terms is available on request.

15.5 In the event of a valid claim which resulted in full payment of the Sum Assured under this Policy, you can apply for an After-Claim Policy subject to the following:

(a) The maximum Sum Assured you can apply for will be an amount equal to the lower of the Sum Assured paid out under this Policy or £100,000.

The £100,000 limit will be reduced by the new cover allowed under this option or a similar option under any other policy with us.

(b) Where the original claim arose directly or indirectly from Cancer, you can exercise this option no earlier than one year from the date the Relevant Life Assured was confirmed by a Consultant as free of all detectable Cancer provided that the conditions described in Term 15.6 are satisfied. Your right to exercise this option expires five years from the date we agree the original Cancer claim was valid.

Where the original claim did not arise directly or indirectly from Cancer, you may apply for a new After-Claim Policy at least one year but no later than two years from when we agreed the original claim was valid.

(c) The Policy Term you can apply for will be fixed and the Expiry Date of the After-Claim Policy will be the earlier of:

- (i) the day before the tenth anniversary of the commencement date of the After-Claim Policy; or
- (ii) the anniversary of the commencement date of the After-Claim Policy before the 71st birthday of the Relevant Life Assured, whichever is earlier.

We reserve the right to offer a different Policy Term if the Fixed Term is no longer available.

(d) The type of cover you can apply for will be the same basis as for this Policy. For example, Critical Illness without Life Cover or Critical Illness with Life Cover.

15.6 Where the original claim arose directly or indirectly from Cancer, you can apply for the After-Claim Policy within the time limits described in Term 15 provided the Relevant Life Assured is confirmed by a Consultant as being free of all detectable Cancer, and has:

- (a) not undergone any test since that confirmation where the result showed the presence of any Cancer; and
- (b) attended all consultations and check-ups and undertaken all medical tests recommended by the Relevant Life Assured's Consultant for Cancer; and
- (c) provided us with satisfactory medical evidence which confirms (a) and (b) above (at your expense).

15.7 The Sum Assured under the After-Claim Policy can be paid for the same Critical Illness which was the cause of the claim under this Policy provided the illness is:

- (a) included in the Critical Illnesses as described in the After-Claim Policy Terms; and
- (b) a new event which occurred after the commencement date of the After-Claim Policy.

15.8 The Cover Reinstatement Option may be exercised only once.

15.9 It is not possible to add this benefit after the Acceptance Date of the Policy. You may request for this benefit to be removed at anytime.

part e) variations to the sum assured

16. Inflation Option

16.1 Glossary

RPI means the Retail Prices Index published monthly by the relevant UK Government department or, if that index ceases to be published or be appropriate, such similar index as we may choose.

RPI Increase means the percentage increase in the RPI over a period equal to the period from the previous Review Date (or, if this is the first Review Date, from the Commencement Date) to this Review Date. The calculation is normally made ten weeks before the Review Date and is based upon the latest published RPI figures available to us.

16.2 The Inflation Option will not be available where your Policy has been endorsed to exclude increases to the Sum Assured under the Inflation Option.

16.3 Where your Schedule states the Automatic Inflation Option is included, your Sum Assured will automatically increase on the Review Date without further medical evidence. You have a right to cancel the increase to the Sum Assured by writing to us within 30 days of the increase.

Your increase in Sum Assured will be the greater of the percentage stated on the Schedule, and the RPI Increase.

16.4 Where your Schedule states that the Automatic Inflation Option is not included you may request an increase to the Sum Assured at the Review Date without further medical evidence.

Your increase in Sum Assured will be the greater of 10% or the RPI Increase.

16.5 The increase in Regular Premium and Sum Assured will take effect from the Premium Due Date after the Review Date. We will confirm to you in writing the new Sum Assured and the increase in Regular Premium necessary to support the increase in the Sum Assured. Where the Policy Term is rolling we will recalculate the new Regular Premium on the whole of the Sum Assured and not just the increase. The new Regular Premium will be based on our Regular Premium rates applicable at that time.

16.6 Where any option to increase the Sum Assured in Part F is exercised at the same time as the Inflation Option, the Inflation Option will be based on the pre-existing Sum Assured and will be deemed to have been exercised first. It is not possible to increase your Sum Assured at any time other than on the Review Date, except under the Guaranteed Increase Options as described in Part F of the Terms.

16.7 Where the Policy Term is rolling, the exercise of the Inflation Option will extend the Term. The Policy will expire ten years from the Review Date on which the Inflation Option has been exercised. Where the Policy Term is fixed, the exercise of the Inflation Option will have no effect on the Policy Term.

16.8 If a Review Date occurs during the period when a Regular Premium is outstanding as described in Term 4, the Inflation Option may be exercised on reinstatement of the Policy.

16.9 Your right to exercise the Inflation Option will cease immediately you become aware of circumstances which enable you to make a Critical Illness, Total Permanent Disability Benefit or a death claim under the Policy. If we decline a claim under this Policy, the Inflation Option will be reinstated and provided you have continued to meet your Regular Premium commitments as described in Term 3, any Inflation Option increases which would have been available can be taken as if Term 16.9 did not apply.

17. Reduction to the Sum Assured

17.1 You may request a reduction to your Sum Assured at any time. The Regular Premium will be calculated on our Regular Premium rates applicable at that time and applied to the reduced Sum Assured. We will notify you of the new Regular Premium. The reduction in Sum Assured and Regular Premium will take effect from the next Premium Due Date.

17.2 There is no effect on the Policy Term when this option is exercised.

18. Policy Reviews

18.1 Glossary

Plan means a group of one or more policies held under the same plan number as stated on the Schedule.

18.2 Your Review Date will normally be each anniversary of the Commencement Date. Where a Policy is being added to an existing Plan, Review Dates will be the same as the Review Dates for the Policy or Policies already in the Plan except that the first Review Date for this Policy cannot be within three months of the Acceptance Date.

18.3 If your Review Date is brought forward, the Inflation Option (Term 16), Inheritance Tax Increase Option for an Increase in Estate Value (Term 21.3) or Business Increase Option (Term 22) cannot be exercised until the next Review Date at least 12 months after the respective option was exercised.

part f) guaranteed increase option

19. General Provisions relating to Guaranteed Increase Options Terms 20 to 24 inclusive

19.1 The Guaranteed Increase Options are not available for a Life Assured who has been accepted other than on our standard underwriting terms for health reasons.

19.2 The Guaranteed Increase Options will not be available where your Policy has been endorsed to exclude increases to the Sum Assured under the Guaranteed Increase Options.

19.3 The Policyholder may exercise the Guaranteed Increase Options without further medical evidence. Where the Sum Assured on your Policy is increased by exercising the Guaranteed Increase Option, the Regular Premium will be recalculated and we will notify you of the increase in the Regular Premium necessary to support the increase in Sum Assured. The increase in Regular Premium and Sum Assured will take effect from the next Premium Due Date after we accept your request unless otherwise stated under the relevant Term.

19.4 What is the effect on the Policy Term?

Where the Policy Term is fixed, the exercise of the option will have no effect on the Policy Term.

Where the Policy Term is rolling, the exercise of the option on the Review Date will extend the Policy Term to ten years from that Review Date.

Where the Policy Term is rolling the exercise of the option at any time other than the Review Date will have no effect on the Policy Term.

19.5 How are the Guaranteed Increase Options affected by claims?

Your right to exercise the Guaranteed Increase Options will cease immediately you become aware of circumstances which enable you to make a Critical Illness, Total Permanent Disability Benefit or a death claim under the Policy. If we decline a claim under this Policy your right to exercise the Guaranteed Increase Options will be reinstated provided you have continued to meet your Regular Premium commitments as described in Term 3, and subject to the restrictions and requirements detailed in the relevant Term shown below.

Unless you have exercised your Inflation Option as described in Term 16, the Guaranteed Increase Options are not available where we are waiving your obligation to pay Regular Premiums under Term 14 (Premium Protection Benefit) or during the six-month period referred to in Term 14.

19.6 What are the overall limits on the amount of increases under all Policies with us?

If there are other Policies in existence with us insuring the Life Assured then the options available on all of them will be amalgamated so that the maximum total increase will not exceed the largest allowable under any particular Policy. The increase will be apportioned over the Policies in the manner we consider most appropriate.

20. Family Event Increase Options

20.1 The Family Event Increase Options are available where the Life Assured is under age 56 at the time of the increase. You may exercise these options within six months from the event that gives rise to the option.

20.2 Marriage Option

20.2.1 If any Life Assured marries, you may request within six months of the marriage an increase in the Sum Assured without further medical evidence. The increase will take effect from the next Regular Premium paid after we accept your request. The Regular Premium increase will be based on our Regular Premium rates applicable at that time.

20.2.2 The maximum increase that you will be allowed to make on any one occasion will be £50,000.

20.2.3 You are able to exercise this option on any number of occasions provided that the combined total of all increases under Term 20.2 and any similar marriage option under any other policy with us is not more than £100,000.

20.2.4 Where there are two Lives Assured and they marry each other, the limits in Term 20.2.2 and 20.2.3 apply to both of them, not each of them.

20.2.5 The marriage certificate will be required as evidence.

20.3 Mortgage Option

20.3.1 If a Life Assured has increased their mortgage liability on their principal residence from a usual lending source, as a result of moving house or remortgaging their home, you may request within six months of the mortgage increase an increase in the Sum Assured without further medical evidence. The increase will take effect from the next Regular Premium paid after we accept your request. The Regular Premium increase will be based on our Regular Premium rates applicable at that time.

20.3.2 The maximum increase that you will be allowed to make on any one occasion will be an amount equal to the lower of:

- (a) the increase in the mortgage; or
- (b) £50,000.

20.3.3 You are able to exercise this option on any number of occasions provided that the combined total of all increases under Term 20.3 and any similar mortgage option under any other policy with us is not more than £100,000.

20.3.4 Where there are two Lives Assured and they both increase their mortgage, the limits in Term 20.3.2 and 20.3.3 apply to both of them, not each of them.

20.3.5 Evidence from the Solicitor of the Life Assured will be required as confirmation of the increase.

20.4 Birth Option

20.4.1 On the birth of a child to or legal adoption of a child by a Life Assured you may request within six months of the birth or legal adoption an increase in the Sum Assured without further medical evidence. The increase will take effect from the next Regular

Premium paid after we accept your request. The Regular Premium increase will be based on our Regular Premium rates applicable at that time.

20.4.2 The maximum increase that you will be allowed to make on any one occasion will be £50,000 per child.

20.4.3 You are able to exercise this option on any number of occasions provided that the combined total of all increases under Term 20.4 and any similar birth option under any other policy with us is not more than £100,000.

20.4.4 Where there are two Lives Assured and the birth of a child is to both of them or the legal adoption of a child is by both of them the limits in Term 20.4.2 and 20.4.3 apply to both of them, not each of them.

20.4.5 The birth or adoption certificate will be required as evidence.

20.5 Divorce Option

20.5.1 Where there are two Lives Assured under the Policy and they are married to each other, if they divorce each other you may apply for a new policy on each Life Assured without further medical evidence subject to the following:

- (a) if the Policy Term under this Policy is fixed, this option is not available within five years of the Expiry Date;
- (b) your application must be received within six months of the Decree Absolute;
- (c) each new policy you apply for cannot have a Sum Assured greater than the Sum Assured under this Policy;
- (d) each new policy you apply for must have the same Policy Term as this Policy (either fixed or rolling);
- (e) each new policy you apply for must have the same Expiry Date where the Policy Term is fixed or where the Policy Term is rolling the Expiry Date will initially be the day before the tenth anniversary of Commencement Date of the new policy;
- (f) each new policy you apply for must have the same optional benefits applicable to the Life Assured under this Policy (for example, Total Permanent Disability Benefit, Premium Protection Benefit or Cover Reinstatement Option); and
- (g) each new policy must meet our normal requirements for an application for a new policy (other than for medical evidence).

20.5.2 Providing we are able to accept your application and the original Policy ends we will confirm acceptance to you. The new policy will be subject to our current Terms (which may include a restricted list of Critical Illnesses and benefits than covered under this Policy), Regular Premium rates and based on the Life Assured's age when the new policy is applied for.

20.5.3 If we no longer are able to offer the Terms described in Term 20.5 we will offer you a similar policy based on the current critical illness policy terms at the time you apply.

21. Inheritance Tax Increase Options

Glossary

RPI has the same meaning as described in Term 16.1.

21.1 These options are available where the Schedule states Critical Illness with Life Cover, provided the Life Cover has been effected to cover a prospective inheritance tax (IHT) liability.

21.2 We may require evidence from you that the Policy was effected for this purpose.

21.3 Increase in Estate Value

21.3.1 Where there is an increase in the value of your estate which causes an increase in the prospective liability to IHT then the increase we will allow is the increase in liability to IHT since the last Review Date. The increase will take effect from the next Regular Premium paid after we accept your request. The Regular Premium increase will be based on our Regular Premium rates applicable at that time.

21.3.2 You can increase your Sum Assured by an amount equal to the lowest of:

- (a) the increase in IHT liability since the last Review Date (or Commencement Date where a Review Date has not yet passed); or
- (b) the greater of 10% or an amount equal to inflation over the period since the last Review Date (or Commencement Date where a Review Date has not yet passed), as measured by RPI; or
- (c) £100,000.

The total increase we will allow under this option is the proportionate increase in the prospective liability to IHT covered by the Policy.

21.3.3 You are able to exercise this option on any number of occasions provided that the combined total increases under Term 21 and any similar inheritance tax increase options under any other policy with us is not more than £100,000.

21.3.4 You must provide us with evidence to confirm there has been an increase in the value of your estate and an increase in the IHT liability.

21.4 Change to Inheritance Tax Legislation

Glossary

Government Statement includes a statement in the House of Commons; an Inland Revenue or Treasury press release; or another official medium to bring the proposed change to Public attention.

- 21.4.1 You may exercise this option if there is a Government Statement announcing a change in the rate or rate bands of IHT; or the exemptions and reliefs from IHT; and which increases the liability to IHT on your estate provided you exercise the option within six months of the date of the Government Statement.
- The increase will take effect from the next Regular Premium paid after we accept your request. The Regular Premium increase will be based on our Regular Premium rates applicable at that time.
- 21.4.2 You must provide us with any evidence that we may reasonably require to confirm the IHT which would have been payable if the Life Assured had died immediately before the Government Statement (or the later date the change became law).
- 21.4.3 The total increase we will allow under this option is the proportionate increase in the prospective liability to IHT covered by the Policy.
- 21.4.4 We reserve the right to amend or cancel an increase to the Sum Assured if the proposed legislation does not come into effect or is altered.

- (b) £250,000; or
- (c) the greater of 10% or an amount equal to inflation over the period since the Option Date, as measured by RPI.

22.4.1 You are able to exercise this option on any number of occasions provided that the combined total increases under Term 22 and any similar Business Increase Option under any other policy with us is not more than £250,000.

22.4.2 Where the Option Date is not 12 months before the Review Date on which this option is to be exercised, due to the operation of Term 18 Policy Reviews, the 10% limit will not apply. It will be replaced by a percentage increase produced by the formula $10\% \times \text{number of months since the Option Date} \div 12$.

22.4.3 Evidence from the Accountant to the business will be required as confirmation of the increase.

22.5 Business Loan Option

If the Policy has been effected by a business as additional security to cover a loan taken by the business, you may request at any time before the next Review Date an increase in the Sum Assured from the next Review Date without further medical evidence by the lower of:

- a) an amount equal to the increase in the loan; or
- (b) £250,000.

22.5.1 You are able to exercise this option on any number of occasions provided that the combined total of all increases under Term 22 and any other policy with us is not more than £250,000.

22.5.2 You must provide us with written confirmation from the lender as evidence of increase in the loan.

22.6 Keyman Cover Increase Option

This option only applies to a Keyman Cover Policy where the Policy is not made subject to a trust at any time or assigned to a new Policyholder.

You may choose to increase the Sum Assured from the next Review Date without further medical evidence by the lowest of:

- (a) an amount equal to five times the increase in annual basic earned income of the Life Assured; or
- (b) 25% of the Sum Assured; or
- (c) £50,000

providing that you exercise this option within three months from the date that the salary increase occurs.

22.6.1 You are able to exercise this option as often as once every twelve months starting on the Review Date provided that the combined total of all increases under Term 22 and any other similar Business Increase Option under any other policy with us is not more than £250,000.

22.6.2 We will require evidence of the Life Assured's previous basic earned income and the increased basic earned income.

22. Business Increase Options

22.1 Glossary

Option date means the previous Review Date on which an option could have been exercised under this Policy or, if no Review Date has yet been passed, the Commencement Date.

RPI has the same meaning as described in Term 16.1.

Keyman Cover Policy means a Policy which is effected to cover the loss of profit and/or the cost of replacing a key employee (the Life Assured) in the event of death or Critical Illness, where the Policyholder is a company or limited liability partnership or a successor to that company or limited liability partnership.

22.2 The Business Increase Options are available where the Life Assured is under age 61 at the time of the increase.

22.3 The Regular Premium increase will be based on our Regular Premium rates applicable at that time.

22.4 Business Assurance Option

If the Policy forms part of a business assurance arrangement which provides for the Life Assured's business colleagues to benefit from the Policy to enable them to purchase the Life Assured's interest in the business. You may request at any time before the next Review Date an increase in Sum Assured with effect from the next Review Date without further medical evidence by an amount equal to the lowest of:

- (a) the increase in the value of the Life Assured's interest in the business (normally based on a multiple of three times the increase in the business profits over the period since the Option Date); or

23. Salary Increase Option

- 23.1 Where a Life Assured is under age 56 and increases his or her basic earned income you can increase your Sum Assured without further medical evidence. The increase will take effect from the next Regular Premium paid after we accept your request. The Regular Premium increase will be based on our Regular Premium rates applicable at that time.
- 23.2 The maximum increase that you will be allowed to make on any one occasion will be an amount equal to the lowest of:
- (a) five times the increase in annual basic earned income; or
 - (b) 25% of the Sum Assured; or
 - (c) £100,000.
- providing that you exercise this option within three months from the date that the salary increase occurs.
- 23.3 You are able to exercise this option on any number of occasions provided that the combined total of all increases under Term 23 and any similar salary options under any other policy with us is not more than £100,000.
- 23.4 This option is not available for Keyman Cover Policies as described in Term 22.1.
- 23.5 We will require evidence of the Life Assured's previous basic earned income and the increased basic earned income.

24. Retirement Option

- 24.1 The Retirement Option is available where the Schedule states Critical Illness with Life Cover is included and that you are the Life Assured under the Policy.
- 24.2 Where you retire from employment before the age of 66 and as a result lose the death-in-service benefit under an occupational pension scheme, which cannot be replaced by the pension provider, the Retirement Option can be exercised to replace some or all of this benefit.
- 24.3 This option is not available where:
- (a) the Policy is part of a business assurance arrangement as described in Term 22.4; or
 - (b) the Policy Term is Fixed and there is less than five years remaining until the Expiry Date; or
 - (c) the retiring Life Assured has taken early retirement on the grounds of ill health; or
 - (d) we are waiving your obligation to pay Regular Premiums under Term 14 Premium Protection Benefit or during the six-month period referred to in Term 14.
- 24.4 Subject to Terms 24.3 and 24.9, you may apply for a new Skandia Protect Life Assurance contract with no further medical evidence subject to the following:
- (a) your application must be received within three months of the date you retire;
 - (b) you must be the Life Assured under the new Policy;
 - (c) the Expiry Date for the new policy must be:
 - i) the same Expiry Date as the original Policy where the original Policy Term is Fixed; or,
 - ii) the day before the tenth anniversary of the commencement date of the new policy initially, where the original Policy Term is Rolling Term;

- (d) the new Policy must meet our normal requirements for an application for a new policy (other than for medical evidence).
- 24.5 The Sum Assured you can apply for under the new policy is limited to an amount equal to the lower of:
- (a) the lump sum death-in-service benefit provided by the company funded pension scheme just before retirement; or
 - (b) £100,000.
- This will be reduced by any other option to apply for, or increase the Sum Assured in respect of a retirement option under any other policy with us.
- 24.6 The new policy will include Premium Protection Benefit where this optional benefit applies to the Life Assured as stated in your Schedule for this Policy, but no other optional benefits (Total Permanent Disability or Cover Reinstatement Option) may be included.
- 24.7 The new Policy will be subject to our current Terms, Regular Premium rates and based on the Life Assured's age when the new policy is applied for.
- 24.8 You are able to exercise this option on any number of occasions provided the combined total of all increases and Sum Assured on new policies, as a result of this option or any similar option under any other policy with us, is not more than £100,000.
- 24.9 We will require evidence from the pension scheme administrator of the level of lump sum death-in-service benefit previously provided by the company-funded occupational pension's scheme and that the scheme has no arrangements enabling life assurance cover to be effected at retirement.

part g) continuing cover option

25. Continuing Cover Option

- 25.1 This option is available where your Schedule states that there are two Lives Assured.
- 25.2 Where we agree your claim is valid and your Policy terminates due to a Critical Illness, Total Permanent Disability or death claim, you may apply for a new policy without further medical evidence subject to the following:
- (a) the new policy must be on the life of the Life Assured who was not the cause of the original claim;
 - (b) the Life Assured is not over age 60 at the time of exercising this option;
 - (c) where the Policy Term on the original Policy was fixed a valid claim has not been made within five years of the Expiry Date;
 - (d) the new policy is applied for within three months of the date we agree the claim is valid;
 - (e) the new policy is on the same basis as stated in the original Policy Schedule. (For example, Critical Illness with Life Cover or Critical Illness without Life Cover);
 - (f) the Sum Assured under the new policy cannot exceed the Sum Assured paid out under this Policy;
 - (g) the new policy must have the same Expiry Date as the original Policy where the Policy Term is fixed. Where the original Policy Term was rolling, the Expiry Date will initially be the day before the tenth anniversary of the commencement date of the new policy;
 - (h) the new policy can have the same optional benefits applicable to the Life Assured as stated in your Policy Schedule under this Policy (for example, Total Permanent Disability Benefit, Premium Protection Benefit or Cover Reinstatement Option); and
 - (i) the new policy must meet our normal requirements for an application for a new policy (other than for medical evidence).
- 25.3 Providing we are able to accept your application we will confirm acceptance to you. The new policy will be subject to our current Terms (which may include a more restricted list of Critical Illnesses and benefits than covered under this Policy), Regular Premium rates and based on the Life Assured's age when the new policy is applied for.
- 25.4 If we are no longer able to offer the Terms described in Term 25 we will offer you a similar policy based on the current critical illness policy we offer at the time you apply.
- 25.5 This option may be exercised once per Life Assured.

part h) general provisions

26. Making a claim

- 26.1 **Glossary**
- | | |
|------------------------------|--|
| Fixed Price Quotation | has the same meaning as described in Term 8.1. |
|------------------------------|--|
- 26.2 If you think that you have a valid claim on your Policy, you should notify us in writing immediately. On receipt of this notification we will write to you to inform you of our requirements regarding your claim. These requirements may include return of the Schedule, completion of a claim form and evidence to support your claim.
- 26.3 You should continue to make your Regular Premium payments, until we confirm to you otherwise (unless, your claim is for the death of the Relevant Life Assured). Any Regular Premiums paid after the date we agree a claim is valid for Critical Illness Benefit as described in Term 6, or, Total Permanent Disability Benefit as described in Term 13, or, the date of death of the Relevant Life Assured, will be refunded without interest unless they were paid under Term 14 Premium Protection Benefit, in which case, no Regular Premiums will be refunded.
- 26.4 Your right to exercise the Inflation Option, and Guaranteed Increase Options will cease immediately you become aware of circumstances which enable you to make a Critical Illness, Total Permanent Disability Benefit or a death claim under the Policy. If we decline a claim under this Policy your right to exercise these options will be reinstated, provided you have continued to meet your Regular Premium commitments as described in Term 3, and subject to the restrictions and requirements detailed in the relevant Terms 16 and 20 to 24.
- 26.5 Any benefit will be paid as soon as all our requirements have been met.
- 26.6 Where we accept a claim as valid we will pay the Sum Assured or a benefit payment to the Policyholder only, except for either Surgery Benefit as described in Term 8 or Children's Surgery Benefit as described in Term 9, which will be paid to the hospital where the Fixed Price Quotation has been obtained from.
- 26.7 We will pay interest after the deduction of tax from the date we agree the claim is valid or where the claim is for death, the date we receive written notification at our Head Office. The rate of interest will be based on the rate of increase in a gross-interest-bearing deposit fund, which we are using for this purpose at the time of payment.
- 26.8 Where the Schedule states the Sum Assured is payable in instalments, it will be paid in four equal, yearly instalments. The first instalment will be paid as soon as we agree the claim is valid. No further interest will be payable after the first instalment is paid.
- 26.9 We will pay for all medical evidence unless specifically stated otherwise.
- 26.10 Where a claim is made under the Policy and, before the claim is paid, circumstances arise whereby another claim could be made, the Sum Assured is payable once.

27. Premium Guarantee

We guarantee that, provided Regular Premiums are paid on time, Regular Premiums will not be increased unless you request any changes to the Policy, including the Inflation Option.

In the event of any changes to the Policy being made at your request, we guarantee that, provided subsequent Regular Premiums are paid on time, Regular Premiums after the change will not be increased unless you subsequently request any further changes to the Policy, including the Inflation Option.

28. Changes to the type of Policy Term

It is not possible to change a Fixed Term to Rolling Term or vice versa.

29. Minimum Sum Assured

It is not possible to reduce your Sum Assured below our minimum Sum Assured limit at any time.

30. Communication

30.1 Communications to us

- (a) In order to exercise any Policy options or to give us any valid election or requests affecting your Policy, then the election or request must have been received at our Head Office and be in writing bearing your original signature.
- (b) Your request or instruction must comply with any reasonable requirements we may have at the time, which may include return of the Schedule and completion of a standard request or discharge form.
- (c) Your request or instruction will not be treated as received until actually received by us at our Head Office.
- (d) To protect your rights we will not normally accept notification by electronic means - including for example e-mail; facsimile transmission; internet; telex; telephone; nor will we accept photocopied documentation.
- (e) We may agree to vary Term 30.1(d) to enable communication by specific electronic means generally for some or all of our Policyholders. Any variation will be subject to such conditions and safeguards that we consider reasonable and appropriate.

30.2 Communications to you

- (a) Any notice required to be given to you under these Terms will be valid if sent by post to your last recorded address in our records.
- (b) Any such communication will be treated as though you had received it when it would normally be expected to have been received in the ordinary course of post. We can accept no responsibility for any failure by you to notify us of any change of address.
- (c) If we agree to vary Term 30.1(d) above then we may similarly vary Term 30.2(a) to have reciprocal effect.

31. Assignment

When acknowledging and noting any assignment or notice of assignment, we accept no responsibility for the validity or effect of the transaction to which it relates.

32. Joint Ownership

Where the Policy is owned by two or more individuals as Policyholder, then if any of them dies all of the rights, title, and interest of that individual will automatically accrue to the surviving individuals as Policyholder.

Any transaction requiring a request by the Policyholder will require a request from all of you.

33. Third Party Rights

Only you, or your legal personal representatives or assignees (including trustees where the Policy is subject to a trust), may enforce the terms of the Policy. We will not recognise the rights of any third party.

34. Currency

If the Pound is a currency which is replaced by the Euro then the currency of the Policy will become the Euro and premiums and benefits will be payable in Euro based on the rate of conversion provided for by Legislation and the Policy will continue. If subsequently the Euro or any successor currency adopted by the European Union is abandoned then the currency of the Policy will revert to the Pound or its later equivalent.

35. Amendment of these Terms

Only where there is a mutual agreement between you and us to amend these Terms, a Term of this Policy may be varied or waived provided it is evidenced by an endorsement or written communication signed by one of our authorised officials.

36. Relevant Law

The Terms of this Policy are to be interpreted in accordance with and are governed by English law and are subject to the non-exclusive jurisdiction of the courts of England and Wales.

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