

# AA Life Insurance with Critical Illness Cover

Policy conditions

Provided by Friends Life Limited

AA Life Insurance





## Policy conditions

This document sets out the full policy conditions of AA Life Insurance with Critical Illness Cover. Please keep this in a safe place as you may need to refer to it in the future.

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### Important

Please contact us at the start of an illness to make sure that a future claim for critical illness and disability benefit or waiver of premium benefit is not delayed or refused.

We give more information in the following conditions:

- Condition 6.7 for critical illness and disability benefit
- Condition 7.3 for children's critical illness and disability benefit
- Condition 9.3 for waiver of premium benefit

## 1 Introduction

AA Life Insurance with Critical Illness Cover is provided by Friends Life Limited.

### 1.1 About your AA Life Insurance with Critical Illness Cover policy

Your **policy** is a legal contract between you and Friends Life Limited.

Insurance provides cover for events that occur by chance or accident. Your **policy** does not provide cover for events that **you** or a **life assured** deliberately bring about.

Please read your **policy conditions** and **policy schedule** carefully. You should keep them in a safe place as they will be needed if you claim under your **policy**.

### 1.2 What 'you', 'your', 'we', 'us' and 'our' mean

**You and your:**  
The **policyholder**.

**We, us and our:**  
Friends Life Limited.

### 1.3 General definitions we use in this document

Various expressions used in this document are in **bold**, the meanings for these are shown below.

#### Confirmation schedule

This is a document we sent to each person who answered our questions when your **policy** was applied for, showing the answers which that person gave us.

#### Effective date

The date we show in your **policy schedule** from which **premiums** are payable. It may be before the **risk date**. We also use it to calculate when **policy years** begin and the **policy term** ends.

#### Expiry date

This is the latest date on which your **policy** can end. We work this out by adding the **policy term** to the **effective date**.

#### Full-time employment

This is where a **life assured** is in an occupation where they receive taxable earned income and in which they are actively engaged and normally work 16 or more hours a week on a regular basis.

#### Life assured

This is a person we show in your **policy schedule** whose life is covered by your **policy**.

#### Maximum sum assured

This is the maximum cash sum, we show in your **policy schedule**, that we would pay on a decreasing cover **policy**.

#### Policy

The legal contract detailed in your **policy schedule** and these **policy conditions**.

#### Policy conditions

The general terms and conditions set out in this document.

#### Policyholder

This is the owner or owners of this **policy**. The Policyholder at the outset is the Applicant(s) shown in your **policy schedule** or trustees if your **policy** is written under trust.

#### Policy schedule

The document that makes the **policy conditions** personal to you and sets out the cover we provide, what it costs and how long it lasts.

#### Policy term

The number of years from the **effective date** until the **expiry date**.

#### Policy year

A year starting on the **effective date** or its anniversary.

#### Premium

The amount we show in your **policy schedule** that you must pay to us throughout the **policy term**. If your premiums are reviewable, your **policy schedule** shows the amount you must pay for the first five years. After that we may change the amount as detailed in Condition 3.2.

#### Renewal dates

The dates we show in your **policy schedule** on which you must pay us the **premium**.

### Risk date

The date we show in your **policy schedule** when your cover and benefits actually start.

### Salisbury office

AA Life Insurance  
PO Box 1550  
Salisbury  
SP1 2TW

### Sum assured

The cash sum we show in your **policy schedule** and we pay:

- on the death of a **life assured** after the **risk date** and before the **expiry date**; or
- on the diagnosis of a **life assured** having a terminal illness after the **risk date** and at least 18 months before the **expiry date**; or
- when we receive satisfactory evidence that a **life assured** is diagnosed with or suffers from a critical illness or disability, other than a mastectomy for carcinoma in situ, after the **risk date** and before the **expiry date**; or
- when we receive satisfactory evidence that a **life assured** becomes permanently and totally disabled before age 60 after the **risk date** and before the **expiry date**;

subject to the **policy** terms and conditions.

## 2 Start and end of cover

### 2.1 Start of cover

2.1.1 Cover under your **policy** starts on the **risk date**.

### 2.2 End of cover

2.2.1 Life cover, critical illness and disability benefit, children's critical illness and disability benefit and waiver of premium benefit end on the **expiry date**. Terminal illness benefit ends 18 months before the **expiry date**.

The permanent and total disability benefit for a **life assured** ends on the **expiry date** or the policy anniversary following their 60th birthday if earlier.

2.2.2 Cover will end earlier as follows:

- all cover ends immediately after a **life assured** dies;
- all cover ends immediately after we agree to pay a claim for terminal illness benefit;
- all cover ends immediately after we agree to pay a claim for critical illness and disability benefit or permanent and total disability benefit, except where the claim is in respect of a mastectomy for carcinoma in situ;
- all cover ends if you do not pay a **premium** (Condition 3.3.1);
- all cover ends if you stop your **policy** (Condition 13);
- all cover ends if we exercise our right to cancel your **policy** (Condition 15);
- all cover ends if we cancel your **policy** due to a mis-stated age (Condition 16.6.2).

## 3 Premiums

### 3.1 Payment of premiums

3.1.1 **Premiums** are payable as shown in your **policy schedule**. A **premium** must be paid on the **effective date** and on each **renewal date** after that. All **premiums** are payable throughout the **policy term** by direct debit.

### 3.2 Premium reviews

3.2.1 If your **policy schedule** shows that **premiums** are reviewable, we may change the amount of **premium** under your **policy** on any premium review date.

3.2.2 The premium review dates will be:

- the fifth anniversary of the **effective date**; and then
- each anniversary of the **effective date** after that.

If **premiums** are unpaid at a premium review date and your cover is later restarted under Condition 3.3 we will also review the **premium** on the date the cover restarts.

3.2.3 Premium reviews will take into account our view of the following assumptions:

- future claims;
- future investment returns on premium income;

- the number of policyholders who stop their policies early;
- inflation;
- taxation;
- the amount of money we are required to hold as financial reserves which we set aside for future claims; and
- the amount of money we are required to pay to reinsurance companies, who we share the cost of providing cover and settling claims with, in respect of the assumptions shown in this Condition.

3.2.4 At each review, we will compare our view of the assumptions at the time of the review with our view of assumptions at the previous review (or at the **effective date** if there has not been a previous review). When making the comparison, we will use a fair and reasonable method of calculating any change in your **premium**. There is no upper limit to the increase or decrease that may apply.

Any change in your **premium** will not depend on a **life assured's** individual circumstances, such as their health, at the time of a review.

Following the review, we may decide that a higher or lower **premium** will be needed to keep the same **sum assured**.

### 3.2.5 Advising you of any changes

We will advise you if it is necessary to change the amount of your **premium** six weeks before the premium review date. If it is necessary to increase your **premium** to keep the current **sum assured**, we will also tell you the amount of **sum assured** we could offer if you continue to pay the current **premium**.

If your **policy** includes waiver of premium benefit, the changed **premium** will include the cost of the changed waiver of premium benefit.

### 3.2.6 Carrying out changes

The amount of your **premium** will be automatically changed to the amount needed to keep the current **sum assured** with effect from the premium review date unless:

- the premium is to be increased, and
- we receive a written request from you, at least 14 days before the premium review date, to keep the current **premium** and reduce the **sum assured**.

We will send a confirmation letter when the change has been carried out. This letter will give details of the amount of the new **premium** or **sum assured**.

## 3.3 Non-payment of premiums

3.3.1 If any **premium** stays unpaid 30 days after its due date the cover and benefits under your **policy** will end without payment.

3.3.2 If the cover ends for this reason, you can apply to us within the following 12 months to restart the cover. We will need satisfactory evidence of the **life assured's** state of health and any other factors affecting the insurance risk. We will write to tell you if we can restart cover. If we decide to offer the cover on different terms to those we originally offered, which may include an increase in **premiums**, we will need to receive your signed acceptance of those terms before we restart the cover.

To restart the cover, you must also pay all unpaid **premiums**.

3.3.3 If **premiums** are unpaid at a premium review date (as defined in Condition 3.2.2) we will review the level of the **premium** (as detailed in Condition 3.2.4) before we restart the cover. We will advise you of any change in **premium** before restarting the cover.

## 4 Life cover

This benefit pays out a cash sum on the death of a **life assured** subject to the **policy** terms and conditions.

### 4.1 Definition which applies to this cover

This definition applies for the purposes of Condition 4.

4.1.1 If we name two **lives assured** in your **policy schedule** then **life assured** means the first of them to die.

### 4.2 Benefit

4.2.1 Life cover is payable if the **life assured** dies:

- after the **risk date**; and
- on or before the **expiry date**;

as long as:

- the requirements of Conditions 4.5 and 14 are met;
- we are not entitled to cancel your **policy** under Condition 15;
- we are not entitled to cancel your **policy** under Condition 16.6.2; and
- your **policy** has not ended for any other reason.

### 4.3 Level cover

4.3.1 If we show 'AA Level Term with Critical Illness Cover' in your **policy schedule**, the amount of life cover is the **sum assured**, subject to Condition 4.3.2.

4.3.2 If following a premium review, as defined in Condition 3.2:

- we advise you of an increase to your **premium** as a result of the review; and
- you choose to continue paying the previous amount;

then the **sum assured** will be reduced proportionately.

We will send a confirmation letter to you telling you the amount of the reduced **sum assured**.

### 4.4 Decreasing cover

4.4.1 If we show 'AA Decreasing Term with Critical Illness Cover' in your **policy schedule**, the amount of life cover is the **sum assured**, as defined in Condition 4.4.2, subject to Condition 4.4.5.

4.4.2 The **sum assured** is, subject to the requirements of Condition 4.4.3:

- the remaining balance of the loan covered at the time of death; or
- the **maximum sum assured**, if lower.

4.4.3 The requirements are that:

- the amount of the loan covered shown in your **policy schedule** has not increased;
- the term of the loan covered has not increased;
- you have made all payments due on the loan covered; and
- the loan covered stays on a 'capital and interest' repayment method.

4.4.4 Where the requirements of Condition 4.4.3 are not met, we describe how we work out the **sum assured** in Condition 17.

4.4.5 If following a premium review, as defined in Condition 3.2:

- we advise you of an increase to your **premium** as a result of the review; and
- you choose to continue paying the previous amount;

then the **maximum sum assured** will be reduced proportionately. From then on, the **sum assured** will always be calculated from the table in Condition 17 using this reduced **maximum sum assured**.

We will send a confirmation letter to you telling you the amount of the reduced **maximum sum assured**.

## 4.5 Claims and notifications

4.5.1 Evidence of a claim that we need may include:

- an original death certificate;
- a post mortem/coroner's report;
- a police report into the circumstances of the death where appropriate;
- medical report(s) from the deceased's doctor(s);
- the deceased's medical records.

## 4.6 Termination of policy

4.6.1 If we pay the **sum assured** your **policy** will end and no other benefit will be payable.

## 5 Terminal illness benefit

This benefit pays out a cash sum if a **life assured** is diagnosed with a terminal illness subject to the **policy** terms and conditions.

### 5.1 Definitions which apply to this benefit

These definitions apply for the purposes of Condition 5.

5.1.1 If we name two **lives assured** in your **policy schedule** then **life assured** means the first of them to be diagnosed as contracting or suffering from a terminal illness.

5.1.2 Terminal illness means an advanced or rapidly progressing incurable illness where an attending medical Consultant and our Chief Medical Officer believe the **life assured's** life expectancy to be no greater than 12 months.

### 5.2 Benefit

5.2.1 Terminal illness benefit is payable if the **life assured** is first diagnosed with or is suffering from a terminal illness:

- after the **risk date**; and
  - at least 18 months before the **expiry date**;
- as long as:
- the requirements of Conditions 5.3 and 14 are met;

- we are not entitled to cancel your **policy** under Condition 15;
- we are not entitled to cancel your **policy** under Condition 16.6.2; and
- your **policy** has not ended for any other reason.

5.2.2 The amount of terminal illness benefit will be the **sum assured** payable if the **life assured** had died on the date we receive evidence satisfactory to us of the diagnosis of a terminal illness.

### 5.3 Claims and notifications

5.3.1 We will send you a claim form. We will only pay the benefit if and when we are satisfied that the claim is valid.

5.3.2 Evidence of a claim that we need may include:

- sight of the **life assured's** medical records;
- an examination of the **life assured** by a medical examiner we name;
- reports from the **life assured's** medical practitioners; and
- any other medical tests or investigations of the **life assured** our Chief Medical Officer considers appropriate.

### 5.4 Termination of policy

5.4.1 If we pay the **sum assured** your **policy** will end and no other benefit will be payable.



## 6 Critical illness and disability benefit

This benefit pays out a cash sum if a **life assured** is diagnosed with or is suffering from a critical illness or disability subject to the **policy** terms and conditions.

### 6.1 Definitions which apply to this benefit

These definitions apply for the purposes of Condition 6.

- 6.1.1 If we name two **lives assured** in your **policy schedule** then **life assured** means the first of them to be diagnosed with or suffering from a critical illness or disability.
- 6.1.2 Critical illness or disability means one of the conditions set out in Condition 6.5 and Condition 6.6. We will not treat any other medical condition as a critical illness or disability.
- 6.1.3 In Condition 6.5 the following definitions will apply:
- Irreversible means cannot be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the United Kingdom at the time of the claim;
  - 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 the location and availability of work is not relevant;
  - Permanent means expected to last throughout the **life assured's** life, not just until the cover ends or the **life assured** retires;
  - Permanent neurological deficit with persisting clinical symptoms means symptoms of dysfunction in the nervous system that are present on clinical examination and expected to last throughout the lifetime of the **life assured**. Symptoms that are covered include numbness, hyperaesthesia (increased

sensitivity), paralysis, localised weakness, dysarthria (difficulty with speech), aphasia (inability to speak), dysphagia (difficulty swallowing), visual impairment, difficulty in walking, lack of coordination, tremor, seizures, lethargy, dementia, delirium and coma.

The following are not covered:

- an abnormality seen on a brain or other scans without definite related clinical symptoms;
- neurological signs occurring without symptomatic abnormality, for example brisk reflexes without other symptoms;
- symptoms of psychological or psychiatric origin.

### 6.2 Benefit

6.2.1 Critical illness and disability benefit is payable if the **life assured** is first diagnosed with or is suffering from a critical illness or disability:

- after the **risk date**; and
  - on or before the **expiry date**;
- as long as:
- the requirements of Conditions 6.7 and 14 are met;
  - none of the exclusions in Condition 6.8 apply;
  - we are not entitled to cancel your **policy** under Condition 15;
  - we are not entitled to cancel your **policy** under Condition 16.6.2; and
  - your **policy** has not ended for any other reason.

### 6.3 Level cover

6.3.1 If we show 'AA Level Term with Critical Illness Cover' in your **policy schedule**, the amount of critical illness and disability benefit is the **sum assured**, subject to Condition 6.3.2, except for a claim in respect of a mastectomy for carcinoma in situ (details of which are set out in Condition 6.6).

- 6.3.2 If following a **premium** review, as defined in Condition 3.2:
- we advise you of an increase to your **premium** as a result of the review; and
  - you choose to continue paying the previous amount;
- then the amount of critical illness and disability benefit will be reduced proportionately.
- We will send a confirmation letter to you telling you the amount of the reduced **sum assured**.

## 6.4 Decreasing cover

- 6.4.1 If we show 'AA Decreasing Term with Critical Illness Cover' in your **policy schedule**, the amount of critical illness and disability benefit is the **sum assured**, as defined in Condition 6.4.2, except for a claim in respect of a mastectomy for carcinoma in situ (details of which are set out in Condition 6.6).
- 6.4.2 The **sum assured** is, subject to the requirements of Condition 6.4.3:
- the remaining balance of the loan covered at the time we receive satisfactory evidence of diagnosis of a critical illness; or
  - the **maximum sum assured**, if lower.
- 6.4.3 The requirements are that:
- the amount of the loan covered shown in your **policy schedule** has not increased;
  - the term of the loan covered has not increased;
  - you have made all payments due on the loan covered; and
  - the loan covered stays on a 'capital and interest' repayment method.
- 6.4.4 Where the requirements of Condition 6.4.3 are not met, we describe how we work out the **sum assured** in Condition 17.
- 6.4.5 The amount of critical illness and disability benefit under Condition 6.4 will be calculated on the date we receive satisfactory evidence of the diagnosis of a critical illness or disability.

- 6.4.6 If following a premium review, as defined in Condition 3.2:
- we advise you of an increase to your **premium** as a result of the review; and
  - you choose to continue paying the previous amount;
- then the **maximum sum assured** will be reduced proportionately. From then on, the **sum assured** will always be calculated from the table in Condition 17 using this reduced **maximum sum assured**.
- We will send a confirmation letter to you telling you the amount of the reduced **maximum sum assured**.

## 6.5 Schedule of critical illnesses and disabilities

**Alzheimer's disease** – resulting in permanent symptoms

A definite diagnosis of Alzheimer's disease by a Consultant Neurologist, Psychiatrist or Geriatrician.

There must be permanent clinical loss of the ability to do all of the following:

- remember;
- reason; and
- perceive, understand, express and give effect to ideas.

**Aorta graft surgery** – for disease or traumatic injury

The undergoing of surgery for disease or trauma to the aorta with excision and surgical replacement of a portion of the diseased or damaged aorta with a graft. The term aorta includes the thoracic and abdominal aorta but not its branches.

For the above definition, the following is not covered:

- any other surgical procedure, for example the insertion of stents or endovascular repair.

**Aplastic anaemia** – with permanent bone marrow failure

A definite diagnosis by a Consultant Haematologist of permanent bone marrow failure which results in anaemia, neutropenia and thrombocytopenia requiring treatment with at least one of the following:

- blood transfusion;
- marrow stimulating agents;
- immunosuppressive agents; or
- bone marrow transplant.

For the above definition, the following are not covered:

- other forms of anaemia.

**Bacterial meningitis** – resulting in permanent symptoms

A definite diagnosis of bacterial meningitis which results in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- other forms of meningitis, including viral meningitis.

**Benign brain tumour** – resulting in permanent symptoms or surgical removal via craniotomy

A non-malignant tumour or cyst in the brain, cranial nerves or meninges within the skull, resulting in either of the following:

- permanent neurological deficit with persisting clinical symptoms; or
- full or partial removal, excluding for investigative and histological purposes, of the tumour by craniotomy (surgical opening of the skull).

For the above definition, the following are not covered:

- tumours in the pituitary gland; or
- angiomas.

**Blindness** – permanent and irreversible

Permanent and irreversible loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.

**Cancer** – excluding less advanced cases

Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue. The term malignant tumour includes leukaemia, lymphoma and sarcoma.

For the above definition, the following are not covered:

- all cancers which are histologically classified as any of the following:
  - pre-malignant;
  - non-invasive;
  - cancer in situ;
  - having borderline malignancy; or
  - having low malignant potential.
- all tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0;
- chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A;
- any skin cancer other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

**Cardiomyopathy** – of specified severity

A definite diagnosis of cardiomyopathy by a Consultant Cardiologist which results in permanently impaired ventricular function such that the ejection fraction is 35% or less for at least 6 months when stabilised on therapy advised by the Consultant.

For the above definition, the following are not covered:

- all other forms of heart disease, heart enlargement and myocarditis; or
- Cardiomyopathy secondary to alcohol or drug abuse.

**Coma** – resulting in permanent symptoms

A state of unconsciousness with no reaction to external stimuli or internal needs which:

- requires the use of life support systems; and
- results in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following is not covered:

- Coma secondary to alcohol or drug abuse.

### **Coronary artery by-pass grafts**

The undergoing of surgery on the advice of a Consultant Cardiologist to correct narrowing or blockage of one or more coronary arteries with by-pass grafts.

For the above definition, the following are not covered:

- balloon angioplasty;
- atherectomy;
- rotablation;
- insertion of stents; and
- laser treatment.

**Creutzfeldt-Jakob disease** – resulting in permanent symptoms

A definite diagnosis of Creutzfeldt-Jakob disease by a Consultant Neurologist. There must be permanent clinical impairment of motor function and loss of the ability to do all of the following:

- remember;
- reason; and
- perceive, understand, express and give effect to ideas.

**Deafness** – permanent and irreversible

Permanent and irreversible loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.

**Dementia** – resulting in permanent symptoms

A definite diagnosis of dementia by a Consultant Neurologist, Psychiatrist or Geriatrician.

There must be permanent clinical loss of the ability to do all of the following:

- remember;
- reason; and
- perceive, understand, express and give effect to ideas.

**Encephalitis** – resulting in permanent symptoms

A definite diagnosis of encephalitis by a Consultant Neurologist resulting in permanent neurological deficit with persisting clinical symptoms.

**Heart attack** – of specified severity

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

- new characteristic electrocardiographic changes;
- the characteristic rise of cardiac enzymes or troponins recorded at the following levels or higher;
  - Troponin T > 1.0 ng/ml
  - AccuTnl > 0.5 ng/ml or equivalent threshold with other Troponin I methods.

The evidence must show a definite acute myocardial infarction.

For the above definition, the following are not covered:

- other acute coronary syndromes including but not limited to angina.

**Heart valve replacement or repair**

The undergoing of surgery on the advice of a Consultant Cardiologist to replace or repair one or more heart valves.

**HIV infection** – caught in the United Kingdom from a blood transfusion, a physical assault or at work in an eligible occupation

Infection by Human Immunodeficiency Virus resulting from:

- a blood transfusion given as part of medical treatment;
- a physical assault; or

- an incident occurring during the course of performing normal duties of employment from the eligible occupations listed below;

after the **risk date** and satisfying all of the following:

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

For the above definition, the following is not covered:

- HIV infection resulting from any other means, including sexual activity or drug abuse.

Eligible occupations:

- a member of the medical or dental professions or emergency services;
- a prison officer;
- a pharmacist;
- a laboratory assistant or an employee in a medical facility.

**Kidney failure** – requiring dialysis

Chronic and end stage failure of both kidneys to function, as a result of which regular dialysis is necessary.

**Liver failure** – resulting from advanced liver disease

Liver failure due to cirrhosis and resulting in all of the following:

- permanent jaundice;
- ascites; and
- encephalopathy.

For the above definition, the following is not covered:

- Liver disease secondary to alcohol or drug abuse.

**Loss of hands or feet** – permanent physical severance

Permanent physical severance of any combination of two or more hands or feet at or above the wrist or ankle joints.

**Loss of speech** – permanent and irreversible

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

**Major organ transplant**

The undergoing as a recipient of a transplant of bone marrow or of a complete heart, kidney, liver, lung, or pancreas, or inclusion on an official United Kingdom waiting list for such a procedure.

For the above definition, the following is not covered:

- transplant of any other organs, parts of organs, tissues or cells.

**Mastectomy for carcinoma in situ** - requiring total removal of the breast

Details of this condition and the amount payable in the event of a claim are set out in Condition 6.6.

**Motor neurone disease** – resulting in permanent symptoms

A definite diagnosis of motor neurone disease by a Consultant Neurologist. There must be permanent clinical impairment of motor function.

**Multiple sclerosis** – with persisting symptoms

A definite diagnosis of multiple sclerosis by a Consultant Neurologist. There must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least six months.

**Open heart surgery** – with surgery to divide the breastbone

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist, to correct a structural abnormality of the heart.

**Paralysis of limbs** – total and irreversible

Total and irreversible loss of muscle function to the whole of any two limbs.

**Parkinson's disease** – resulting in permanent symptoms

A definite diagnosis of Parkinson's disease by a Consultant Neurologist. There must be permanent clinical impairment of motor function with associated tremor, rigidity of movement and postural instability.

For the above definition, the following is not covered:

- Parkinson's disease secondary to drug abuse.

**Primary pulmonary hypertension** – of specified severity

A definite diagnosis of primary pulmonary hypertension by a Consultant Cardiologist resulting in clinical impairment of heart function which results in the permanent loss of ability to perform physical activities to at least Class 3 of the New York Heart Association classification of functional capacity\*.

For the above definition, the following is not covered:

- pulmonary hypertension secondary to any other known cause in other words not primary.

\*NYHA Class 3. Heart disease resulting in marked limitation of physical activities where less than ordinary activity causes fatigue, palpitation, breathlessness or chest pain.

**Progressive supra nuclear palsy** – resulting in permanent symptoms

A definite diagnosis of progressive supra nuclear palsy by a Consultant Neurologist. There must be permanent clinical impairment of eye movements and motor function.

**Respiratory failure** – from advanced lung disease

Advanced stage emphysema or other chronic lung disease, resulting in all of the following:

- the need for regular oxygen treatment on a permanent basis; and
- the permanent impairment of lung function tests as follows;

forced vital capacity (FVC) and forced expiratory volume at 1 second (FEV1) being less than 50% of normal.

**Stroke** – resulting in permanent symptoms

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in permanent neurological deficit with persisting symptoms.

For the above definition, the following are not covered:

- transient ischaemic attack; or
- traumatic injury to brain tissue or blood vessels.

**Systemic lupus erythematosus** – with severe complications

A definite diagnosis by a Consultant Rheumatologist of systemic lupus erythematosus resulting in:

- permanent neurological deficit with persisting clinical symptoms; or
- the permanent impairment of kidney function tests as follows;

glomerular filtration rate (GFR) below 30 ml/min.

**Third degree burns** – covering 20% of the body's surface area

Burns that involve damage or destruction of the skin to its full depth through to the underlying tissue and covering at least 20% of the body's surface area or 50% of the surface area of the face.

**Traumatic head injury** – resulting in permanent symptoms

Death of brain tissue due to traumatic injury resulting in permanent neurological deficit with persisting clinical symptoms.

## 6.6 Mastectomy cover

6.6.1 The amount of benefit payable for a claim in respect of a mastectomy for carcinoma in situ (as set out in Condition 6.6.2) will be whichever is the lower of:

- £15,000; and
- 20% of the **sum assured** current at the time of a claim.

Payment of this amount will not affect the **sum assured** under your **policy**. We will pay an amount in respect of a mastectomy for carcinoma in situ under your policy only once.

6.6.2 **Mastectomy for carcinoma in situ** - requiring total removal of the breast

The undergoing of a total mastectomy (total removal of all the tissue of one breast) on the advice of a hospital Consultant where there is a definite diagnosis of carcinoma in situ of the breast, positively diagnosed with histological confirmation.

For the above definition, the following are not covered:

- prophylactic mastectomy without histological evidence of carcinoma in situ; and
- any other surgical procedures such as lumpectomy and partial mastectomy.

## 6.7 Claims and notifications

6.7.1 You must tell us within three months of the diagnosis of a critical illness or disability. We will extend this period if we are satisfied the critical illness or disability prevents you from telling us.

6.7.2 We will send you a claim form. You must complete and return this to us within one month of its date of issue. We will only pay the benefit if and when we are satisfied that the claim is valid.

6.7.3 You must continue to pay us **premiums** until we tell you that we admit liability for the claim, unless **premiums** have been waived under Condition 9.

6.7.4 Evidence of a claim that we need may include:

- the **life assured** to be examined by one or more medical examiners we name;
- the **life assured's** medical records;
- medical reports from the **life assured's** doctor or any other medical practitioner; and
- any other medical tests or investigations of the **life assured** our Chief Medical Officer considers appropriate.

6.7.5 All diagnoses and medical opinions must be given by a medical specialist who:

- holds an appointment in a hospital in the United Kingdom;
- is accepted by our Chief Medical Officer; and
- whose speciality is appropriate to the cause of the claim.

## 6.8 Exclusions

6.8.1 You will have no right to benefit if a claim is directly or indirectly due to any of the following:

- alcohol or drug abuse (where the claim is for cardiomyopathy, coma or liver failure) as defined in Condition 12.1;
- drug abuse (where the claim is for Parkinson's disease) as defined in Condition 12.2; or
- war as defined in Condition 12.4.

## 6.9 Termination of policy

6.9.1 If we pay the **sum assured** your **policy** will end and no other benefit will be payable.

## 7 Children's critical illness and disability benefit

This benefit pays out a cash sum if a child of a **life assured** is diagnosed with or is suffering from a critical illness or disability subject to the **policy** terms and conditions.

### 7.1 Definitions which apply to this benefit

These definitions apply for the purposes of Condition 7.

7.1.1 In this Condition critical illness or disability means one of the conditions as defined in Condition 6.5 and Condition 6.6.

7.1.2 In this Condition child means:

- a child of a **life assured**; or
- a child who was legally adopted by a **life assured**.

### 7.2 Benefit

7.2.1 Children's critical illness and disability benefit is payable if a child aged at least 30 days and before their 18th birthday is first diagnosed with or is suffering from a critical illness or disability:

- after the **risk date**; and
- on or before the **expiry date**;

as long as:

- the requirements of Conditions 7.3 and 14 are met;
- none of the exclusions in Condition 7.4 apply;
- the child survives for 14 days after the diagnosis;
- we are not entitled to cancel your **policy** under Condition 15;
- we are not entitled to cancel your **policy** under Condition 16.6.2; and
- your **policy** has not ended for any other reason.

7.2.2 If a child is not eligible for cover because they are:

- under 30 days old when the cover starts; or
- not yet born when the cover starts;

they will become eligible once they reach the age of 30 days.

7.2.3 If a child is not eligible for cover because they were not legally adopted by a **life assured** when the cover starts, they will become eligible when they are legally adopted.

7.2.4 The overall amount of children's critical illness and disability benefit payable will be whichever is the least of:

- £20,000; and
- 50% of the total critical illness and disability benefit payable under Condition 6 if a **life assured** had been diagnosed on the same date as suffering from a critical illness or disability.

This is the total amount of benefit that we will pay for any one child. Where a **life assured** has more than one policy with us the maximum benefit we will pay for each child under all policies is £20,000 in total.

### 7.3 Claims and notifications

7.3.1 You must tell us within three months of the diagnosis of a critical illness or disability.

7.3.2 We will send you a claim form. You must complete and return this to us within one month of its date of issue. We will only pay the benefit if and when we are satisfied that the claim is valid.

7.3.3 Evidence of a claim that we need may include:

- the child to be examined by a medical examiner we name;
- any other medical tests or investigations of the child our Chief Medical Officer considers appropriate;
- sight of the child's medical records; and
- reports from the child's medical practitioner(s).

7.3.4 This benefit is payable only once for any one child under your **policy**.

7.3.5 This benefit is payable for a maximum of three children. If we make a payment for a third child, this benefit will end.



## 7.4 Exclusions

7.4.1 You will have no right to benefit if a claim is directly or indirectly due to any of the following:

- alcohol or drug abuse (where the claim is for cardiomyopathy, coma or liver failure) as defined in Condition 12.1;
- drug abuse (where the claim is for Parkinson's disease) as defined in Condition 12.2; or
- war as defined in Condition 12.4.

7.4.2 You will have no right to benefit if a claim is directly or indirectly due to a child's pre-existing condition. This means a condition, illness, disease or related condition, diagnosed or not, which was already present and has resulted in symptoms, was a condition discovered during pregnancy through a scan or test or was a risk due to family history:

- before the **risk date**;
- before the child is 30 days old; or
- before the child is legally adopted by a **life assured**.

## 8 Permanent and total disability benefit

This benefit pays out a cash sum if a **life assured** becomes permanently and totally disabled subject to the **policy** terms and conditions.

### 8.1 Definitions which apply to this benefit

These definitions apply for the purposes of Condition 8.

8.1.1 If we name two **lives assured** in your **policy schedule** then **life assured** means:

- if we state in your **policy schedule** that this benefit applies to only one of them, that person; or
- if we state in your **policy schedule** that this benefit applies to both of them, the first of them to become permanently and totally disabled.

8.1.2 If after the **risk date** and before the **expiry date** the **life assured** becomes permanently and totally disabled while in **full-time employment**, your **policy schedule** states whether the definition of permanently disabled will be as defined in Condition 8.1.3 or Condition 8.1.4.

If after the **risk date** and before the **expiry date** the **life assured** becomes permanently and totally disabled while not in **full-time employment**, the definition in Condition 8.1.4 will always apply.

8.1.3 The **life assured** is permanently disabled if before the earlier of:

- the **expiry date**; and
- the **policy** anniversary following their 60th birthday;

they are permanently and totally unable throughout the remainder of their lifetime, no matter when cover ends or the **life assured** retires, because of illness or injury, other than a deliberately self-inflicted injury, to carry out the main and substantial duties of each and every one of the occupations in which they were engaged in the 12 months immediately before the date of disablement.

Main and substantial duties are the essential duties of an occupation that take a significant part of a person's time and that neither they or an employer can reasonably omit or adjust. When deciding if the **life assured** is able to perform the duties of their occupation, we look at the standard duties for the **life assured's** occupation type rather than the particular duties for their own specific job. Availability of work is not a factor in deciding whether the **life assured** is able to perform their occupation.

8.1.4 The **life assured** is permanently disabled if before the earlier of:

- the **expiry date**; and
- the **policy** anniversary following their 60th birthday;

they are either:

- permanently and totally unable, throughout the remainder of their lifetime, no matter when cover ends or the **life assured** retires, because of illness or injury, other than a deliberately self-inflicted injury, to perform three or more of the following five tests without the help of another person, but with the use of appropriate assistive or corrective aids or appliances:

- 1 Walking  
Able to walk 200 metres on the flat without having to stop or suffering severe discomfort
- 2 Bending  
Able to get into or out of a standard saloon car and able to bend or kneel to pick up something from the floor and straighten up
- 3 Communicating  
Able to answer the telephone and take a message
- 4 Reading  
Having the eyesight required to be able to read a daily newspaper
- 5 Writing  
Having the physical ability to write legibly using a pen or pencil

OR

- shown to be suffering a psychotic or well-defined mental illness which is medically uncontrollable despite treatment by a Consultant Psychiatrist and which has no prospect whatsoever of improving at any time during their lifetime, no matter when the cover ends or the **life assured** retires.

## 8.2 Benefit

- 8.2.1 Permanent and total disability benefit is payable if the **life assured** first becomes permanently disabled:
- after the **risk date**;
  - before the **expiry date**; and
  - before the **policy** anniversary following the 60th birthday of the **life assured**;
- as long as:
- the requirements of Conditions 8.3 and 14 are met;
  - none of the exclusions in Condition 8.4 apply;
  - we are not entitled to cancel your **policy** under Condition 15;
  - we are not entitled to cancel your **policy** under Condition 16.6.2; and
  - your **policy** has not ended for any other reason.
- 8.2.2 The amount of benefit will be the same as the **sum assured** that we would have paid if the **life assured** had been diagnosed with a critical illness or disability on the date that we receive satisfactory evidence of permanent and total disability.

## 8.3 Claims and notifications

- 8.3.1 You must tell us within one month of the start of the disablement. We will extend this period if we are satisfied the disability prevents you from telling us.
- 8.3.2 We will send you a claim form. You must complete and return this to us within one month of its date of issue. We will only pay the benefit if and when we are satisfied that the claim is valid.
- 8.3.3 You must continue to pay your **premiums** until we tell you that we admit liability for the claim, or waive **premiums** under Condition 9.

- 8.3.4 Evidence of a claim that we need may include:
- evidence through examination of the **life assured**, by a medical examiner we name;
  - any other medical tests or investigations of the **life assured** our Chief Medical Officer considers appropriate;
  - the **life assured's** medical records;
  - evidence the **life assured** is attending and receiving medical treatment from a medical practitioner whose speciality is appropriate to the **life assured's** condition as often as such a practitioner would reasonably recommend;
  - evidence from a blood test or other recognised process that the **life assured** is not carrying the Human Immunodeficiency Virus or antibodies to such a virus; and
  - evidence of employment and the duties of the **life assured's** employment.

8.3.5 If the **life assured** refuses to undergo medical treatment or surgery, which their medical advisers consider necessary, then we will not pay this benefit.

8.3.6 If we are not satisfied that the **life assured's** disablement is permanent, total and irreversible then we will not pay this benefit.

## 8.4 Exclusions

- 8.4.1 You will have no right to benefit if a claim is directly or indirectly due to any of the following:
- alcohol or drug abuse as defined in Condition 12.1;
  - HIV/AIDS as defined in Condition 12.3; or
  - war as defined in Condition 12.4.

## 8.5 Termination of policy

- 8.5.1 If we pay the **sum assured** your **policy** will end and no other benefit will be paid.

## 9

## Waiver of premium benefit

This benefit applies only if your **policy schedule** says your **policy** includes it.

This benefit waives your payment of **premiums** during a period when a **life assured** has been incapacitated for more than six months subject to the **policy** terms and conditions.

### 9.1 Definitions which apply to this benefit

These definitions apply for the purposes of Condition 9.

- 9.1.1 If we name two **lives assured** in your **policy schedule** then **life assured** means:
- if we state in your **policy schedule** that this benefit applies to only one of them, that person; or
  - if we state in your **policy schedule** that this benefit applies to both of them, whichever of them is incapacitated.
- 9.1.2 If after the **risk date** and before the **expiry date** the **life assured** becomes incapacitated before their 65th birthday and while in **full-time employment**, your **policy schedule** states whether the definition of incapacitated will be as defined in Condition 9.1.4 or Condition 9.1.5.
- If after the **risk date** and before the **expiry date** the **life assured** becomes incapacitated before their 65th birthday and while not in **full-time employment**, the definition in Condition 9.1.5 will always apply.
- If before the **expiry date** the **life assured** becomes or stays incapacitated after their 65th birthday, the definition in Condition 9.1.6 will always apply.
- 9.1.3 Qualifying period means a six-month period beginning on the date the **life assured** becomes incapacitated. If we have been waiving **premiums** but stop doing so and within the next three months the **life assured** again becomes incapacitated from the same cause, we will not apply the six-month qualifying period.

9.1.4 The following definition of incapacitated applies up to the **life assured's** 65th birthday if both:

- your **policy schedule** says it applies; and
- the **life assured** becomes incapacitated, after the **risk date** and before the **expiry date**, while in **full-time employment**.

The **life assured** is incapacitated if they are:

- totally unable because of illness or injury, other than a deliberately self-inflicted injury, to carry out the main and substantial duties of each and every one of the occupations they were engaged in at the start of incapacity; and
- not engaged in an occupation, whether paid or unpaid.

Main and substantial duties are the essential duties of an occupation that take a significant part of a person's time and that neither they or an employer can reasonably omit or adjust. When deciding if the **life assured** is able to perform the duties of their occupation, we look at the standard duties for the **life assured's** occupation type rather than the particular duties for their own specific job. Availability of work is not a factor in deciding whether the **life assured** is able to perform their occupation.

9.1.5 The following definition of incapacitated applies up to the **life assured's** 65th birthday if:

- your **policy schedule** says it applies; or
- the **life assured** becomes incapacitated, after the **risk date** and before the **expiry date**, while not in **full-time employment**.

The **life assured** is incapacitated if they are:

- normally and routinely unable because of illness or injury, other than a deliberately self-inflicted injury, to perform two or more of the following five tests without the help of another person, but with the use of appropriate assistive or corrective aids or appliances:

- 1 Walking  
Able to walk 200 metres on the flat without having to stop or suffering severe discomfort

- 2 Bending  
Able to get into or out of a standard saloon car and able to bend or kneel to pick up something from the floor and straighten up
- 3 Communicating  
Able to answer the telephone and take a message
- 4 Reading  
Having the eyesight required to be able to read a daily newspaper
- 5 Writing  
Having the physical ability to write legibly using a pen or pencil

OR

- unable because of illness or injury, other than a deliberately self-inflicted injury, to conduct an independent basic existence, which means being confined to the home or hospital or being unable to cook, do light housework and dress themselves;

OR

- shown to be suffering a psychotic or well-defined mental illness which is medically uncontrollable despite treatment by a Consultant Psychiatrist.

9.1.6 The following definition of incapacitated always applies if the **life assured** becomes or stays incapacitated after their 65th birthday.

The **life assured** is incapacitated if they are, because of illness or injury, other than a deliberately self-inflicted injury, normally and routinely unable to perform, three or more of the following six tests without the help of another person:

- 1 Transferring  
The ability to move from a bed to an upright chair or wheelchair or from an upright chair or wheelchair to a bed, or to get on or off a toilet or commode
- 2 Continence  
The ability to manage bowel and bladder functions to maintain an acceptable standard of personal hygiene

- 3 Dressing  
The ability to put on or take off, secure and unfasten all necessary clothing and, as appropriate, any braces, artificial limbs or other surgical appliances
- 4 Mobility  
The ability to move indoors from one room to another on a level surface in their normal place of residence
- 5 Feeding  
The ability to feed themselves once prepared food is available
- 6 Washing  
The ability to wash in the bath or shower (including getting into or out of the bath or shower) to maintain an acceptable standard of personal hygiene

## 9.2 Benefit

- 9.2.1 If the **life assured** becomes incapacitated because of illness or injury, other than a deliberately self-inflicted injury, we will waive the payment of any **premium** that becomes due after the qualifying period as long as:
  - the requirements of Conditions 9.3 and 14 are met;
  - none of the exclusions in Condition 9.4 apply;
  - we are not entitled to cancel your **policy** under Condition 15;
  - we are not entitled to cancel your **policy** under Condition 16.6.2; and
  - your **policy** has not ended for any other reason.
- 9.2.2 We will continue to waive payment until whichever of the following happens first:
  - the **life assured** is no longer incapacitated; or
  - your **policy** or your right to benefit ends for whatever reason.

## 9.3 Claims and notifications

- 9.3.1 You must tell us within one month of the start of the incapacity. If you do not, we will treat incapacity, and the qualifying period, as having started no earlier than one month before we received your notification and we will apply the definition of incapacitated taking into account the **life assured's** employment status at that time. We may use an earlier date if we are satisfied the nature of the incapacity prevented you from telling us. This would be subject to us receiving satisfactory proof of the start date of the **life assured's** incapacity.
- 9.3.2 We will send you a claim form. You must complete and return this to us within one month of its date of issue. There will be no right to benefit for any period more than one month before we receive the completed claim form. We will only pay the benefit if and when we are satisfied that the claim is valid.
- 9.3.3 You must continue to pay your **premiums** until we tell you that we admit liability for the claim and in any event until the end of the qualifying period.
- 9.3.4 As often as we decide, we will ask for evidence to support your claim. Payment of your claim is dependent on this evidence being produced. Evidence of a claim that we need may include:
  - evidence through examination of the **life assured** by a medical examiner we name, that the **life assured** continues to be incapacitated;
  - any other medical tests or investigations of the **life assured** our Chief Medical Officer considers appropriate;
  - evidence the **life assured** is attending an appropriate medical practitioner and is receiving medical treatment in accordance with NHS Best Practice;
  - evidence from a blood test or other recognised process that the **life assured** is not carrying the Human Immunodeficiency Virus or antibodies to such a virus;

- evidence of employment and the duties of the **life assured's** employment; and
  - the **life assured's** medical records.
- 9.3.5 Pregnancy is not an illness. We will therefore not consider any claim that arises solely from the normal effects of pregnancy.
- 9.3.6 The **life assured** must tell us in writing immediately if:
- their doctor stops issuing them with medical certificates stating that they are unable to work;
  - State benefits, credits or allowances being paid because of incapacity are stopped for any reason; or
  - they return to paid or unpaid work or engage in rehabilitation or attend a work training programme.
- 9.3.7 If we find out at any time that, in connection with a claim under this benefit, you or the **life assured** make an untrue statement or deliberately misrepresent or omit to disclose a material fact then we will have the right to:
- reject any pending claim;
  - not waive any more **premiums**; and
  - remove waiver of premium benefit from your **policy**.

A material fact is anything that is likely to influence our assessment of a claim including:

- the cause, nature, scope and degree of any incapacity;
- any medical investigation or treatment that is recommended or received in connection with the incapacity;
- the duties of the **life assured's** occupation;
- the **life assured's** performance of any work, whether paid or unpaid, during the claim; and
- any other insurance claim, personal injury claim or compensation claim arising from the incapacity.

- 9.3.8 If we are waiving **premiums**, the review process as defined in Condition 3.2 will still take place.
- 9.3.9 If the **premium** under your **policy** is changed following a review, we will advise you of the change as set out in Condition 3.2.5. We will carry out the change as set out in Condition 3.2.6.
- 9.3.10 We will waive either:
- any changed **premium**; or
  - the level of **premium** immediately before the premium review date if, following a review, you decide to leave your **premium** unchanged;
- from the premium review date.
- 9.3.11 When we stop waiving **premiums**, any future **premiums** will be payable by you at the level set at the most recent premium review date.

## 9.4 Exclusions

- 9.4.1 You will have no right to benefit if a claim is directly or indirectly due to any of the following:
- HIV/AIDS as defined in Condition 12.3; or
  - war as defined in Condition 12.4.

## 10 Special events option

This option applies only if your **policy schedule** says your **policy** includes it.

This option allows you to take out a new policy on the happening of certain special events subject to the **policy** terms and conditions.

### 10.1 Definitions which apply to this option

These definitions apply for the purposes of Condition 10.

10.1.1 The following are special events:

- the marriage of the only **life assured** or of joint **lives assured** to each other;
- registration of a civil partnership recognised under the Civil Partnership Act 2004 between joint **lives assured** or between the only **life assured** and another person;
- the birth of a child (or children if a multiple birth) to a **life assured**; and
- the legal adoption of a minor or minors by a **life assured**.

### 10.2 The option

10.2.1 When the option is available you may start a new policy without having to provide us with any further evidence of insurability. The new policy will be issued on the terms set out in Condition 10.3.

10.2.2 This option is available whenever one of the special events happens as long as:

- the **life assured** (the older **life assured** if two) is under age 55 when the special event happens;
- this option has not already been used more than once during the three year period ending on the date of the special event;
- all **premiums** due under this **policy** up to the date of the special event have been paid; and
- Conditions 10.2.3, 10.2.4, 10.2.5 and 10.2.6 do not apply.

10.2.3 This option is not available at any time when a **life assured** to whom waiver of premium benefit applies is incapacitated, as defined in Condition 9.1, or claims to be incapacitated.

10.2.4 This option is not available at any time after a **life assured** has suffered the first symptoms of a terminal illness as defined in Condition 5.1.

10.2.5 This option is not available at any time after a **life assured** has been diagnosed with or has suffered the first symptoms of a critical illness or disability as defined in Condition 6.1.

10.2.6 This option is not available at any time after a **life assured** first becomes permanently disabled as defined in Condition 8.1.

10.2.7 To use this option you must complete an application. We must receive the completed application, and you must start the new policy, within 30 days of the special event happening.

### 10.3 Terms of new policies

10.3.1 The sum assured under a new policy cannot exceed whichever is the lowest of:

- £50,000;
- 50% of the **sum assured** under this **policy** current at the time you use this option; or
- three times the **sum assured** under this **policy** current at the time you use this option, less the total sum assured under all other policies started using this option.

10.3.2 Premiums and benefits under a new policy will be payable in the same way as under this **policy**.

10.3.3 The **life assured** (the **lives assured** if two) under the new policy must be the same as under this **policy**.

10.3.4 Except where we say otherwise in Condition 10.3, the new policy will be subject to our standard terms and conditions that apply at the time it starts and that are appropriate to the age of the **life assured** at that time. The standard terms and conditions, which may include a minimum sum assured, premium and period for which cover will last, will be available on request.

- 10.3.5 The new policy must end not later than the first to happen of:
- the **life assured's** (the older **life assured's** if two) 70th birthday; or
  - the 40th anniversary of the **risk date**.
- 10.3.6 The term of a new policy must be at least five years.
- 10.3.7 The new policy will contain all benefits as under this **policy** except it will not contain:
- the special events option;
  - the mortgage increase and extension option.
- 10.3.8 The new policy will include any special terms or conditions that apply to this **policy**.

## 11 Mortgage increase and extension option

This option applies only if your **policy schedule** says your **policy** includes it.

This option allows you to take out a new policy or extend this **policy** if you increase or extend your mortgage subject to the **policy** terms and conditions.

### 11.1 The option

- 11.1.1 This option allows you, without having to give us any further evidence of insurability, to:
- extend the term of this **policy**; or
  - take out a new policy on the life of the **life assured**;
- on the terms set out in Condition 11.2.
- 11.1.2 This option is only available if:
- all the conditions in Condition 11.1.3 are met; and
  - Conditions 11.1.4, 11.1.5, 11.1.6 and 11.1.7 do not apply.

- 11.1.3 The conditions that must be met for the option to be available are:
- the **life assured** (the older **life assured** if two) must be under age 55 when you use this option;
  - this **policy** must have been kept going for the full **sum assured** up to that time;
  - the increased or extended cover must be required for a new, increased or extended mortgage that you are taking out and which has been agreed with a recognised institutional lender; and
  - the new, increased or extended mortgage must be to buy a new main residence for the **life assured** or to improve the existing main residence of the **life assured**.
- 11.1.4 This option is not available at any time when a **life assured** to whom waiver of premium benefit applies is incapacitated, as defined in Condition 9.1, or claims to be incapacitated.
- 11.1.5 This option is not available at any time after a **life assured** has suffered the first symptoms of a terminal illness as defined in Condition 5.1.
- 11.1.6 This option is not available at any time after a **life assured** has been diagnosed with or has suffered the first symptoms of a critical illness or disability as defined in Condition 6.1.
- 11.1.7 This option is not available at any time after a **life assured** first becomes permanently disabled as defined in Condition 8.1.
- 11.1.8 To use this option, you must:
- make a request to us no later than 30 days after the new, increased or extended mortgage starts;
  - complete an application; and
  - provide us with satisfactory evidence (including sight of mortgage agreements) that the conditions in Condition 11.1.3 are met.



## 11.2 Terms of new or extended policies

- 11.2.1 The sum assured under a new policy cannot exceed whichever is the lowest of:
- £150,000;
  - the amount of the mortgage at the start of the new policy; or
  - twice the **sum assured** under this **policy** current at the time you use this option;

less, in each case, the total of the sums assured under this **policy** and all other policies taken up using this option and continuing after the start of the new policy.

- 11.2.2 If the **policy schedule** for this **policy** shows a **maximum sum assured**, we will use that figure when calculating the highest sum assured allowable under the new policy under Condition 11.2.1.
- 11.2.3 Premiums and benefits under the new policy will be payable in the same way as under this **policy**.
- 11.2.4 Except where we say otherwise in Condition 11.2, the new policy will be subject to our standard terms and conditions that apply at the time it starts and that are appropriate to the age of the **life assured** at that time. The standard terms and conditions, which may include a minimum sum assured, premium and period for which cover will last, will be available on request.
- 11.2.5 The new or extended policy must end not later than the first to happen of:
- the end of the new mortgage term;
  - the **life assured's** (the older **life assured's** if two) 70th birthday; or
  - the 40th anniversary of the **risk date**.

- 11.2.6 The term of a new policy must be at least five years if cover is level or ten years if cover is decreasing.

The remaining term of this **policy** after extension must be at least five years.

- 11.2.7 The new policy will contain all benefits as under this **policy** except it will not contain:
- the special events option;
  - the mortgage increase and extension option.
- 11.2.8 The new policy will include any special terms or conditions that apply to this **policy**.
- 11.2.9 If the new policy is to replace this **policy** it will not start before the date you cancel this **policy**.

## 12 Exclusions

This Condition defines the exclusions referred to in these **policy conditions**.

### 12.1 Alcohol or drug abuse

- 12.1.1 This means inappropriate use of alcohol or drugs, including but not limited to the following:
- drinking too much alcohol;
  - taking an overdose of drugs, whether lawfully prescribed or not;
  - taking controlled drugs (as defined by the Misuse of Drugs Act 1971) other than in accordance with a lawful prescription.

## 12.2 Drug abuse

12.2.1 This means inappropriate use of drugs, including but not limited to the following:

- taking an overdose of drugs, whether lawfully prescribed or not;
- taking controlled drugs (as defined by the Misuse of Drugs Act 1971) other than in accordance with a lawful prescription.

## 12.3 HIV/AIDS

12.3.1 HIV and AIDS will have the following definitions:

### HIV: Human Immunodeficiency Virus

This is a viral infection caused by the Human Immunodeficiency Virus that gradually destroys the immune system.

### AIDS: Acquired Immune Deficiency Syndrome

This is the most serious stage of HIV infection characterised by symptoms of severe immune deficiency.

12.3.2 The HIV/AIDS exclusion does not apply if the **life assured** contracted the HIV infection from a blood transfusion as long as we are satisfied such blood transfusion was:

- received in the United Kingdom; and
- given as part of medical treatment; after the **risk date**.

12.3.3 The HIV/AIDS exclusion does not apply if the **life assured** is:

- a member of the emergency services;
- a member of the medical or dental professions;
- a prison officer;
- a pharmacist;
- a laboratory assistant; or
- an employee in a medical facility;

and produces evidence satisfactory to us that:

- they contracted the HIV infection accidentally while carrying out the normal duties of their occupation while in the United Kingdom; and
- they contracted the HIV infection after the **risk date**; and

- the incident from which they contracted the HIV infection was reported, investigated and documented according to normal procedures for the **life assured's** occupation; and
- a test showing no HIV or antibodies to such a virus was made within five days of the incident; and
- a positive HIV test occurred within 12 months of the reported incident.

12.3.4 The HIV/AIDS exclusion does not apply if the HIV infection results directly from a physical assault involving involuntary contact with either a hypodermic needle or an infected sharp instrument or sexual assault (without consent) and the **life assured** produces evidence satisfactory to us that:

- the incident happened in the United Kingdom after the **risk date** and was reported to the police within five days; and
- a test showing no HIV or antibodies to such a virus was made within five days of the incident; and
- a positive HIV test occurred within 12 months of the reported incident.

12.3.5 The exceptions to the HIV exclusion in Conditions 12.3.2, 12.3.3 and 12.3.4 do not apply where HIV infection results from any other means including sexual activity or drug abuse.

## 12.4 War

12.4.1 This means directly or indirectly due to any form of war whether declared or not.

## 13 If you stop your policy

13.1 You (or any one **policyholder** if two or more) can tell us to stop your **policy** at any time. If you do, no further **premiums** will be payable and all cover will stop. You may find:

- you are unable to get new cover to replace any cover that has stopped; or
- any new cover costs more or is subject to exclusions.

13.2 Your **policy** will not have any cash value.

## 14 Payment of claims

- 14.1 We do not have to make any payments or waive the payment of any **premium** until we receive your **policy schedule** and such proof as we decide that:
- the event resulting in the claim has happened;
  - the person claiming payment has a right to it; and
  - the stated date of birth of the **life assured** is correct;
- together with sight of the **life assured's** medical records where appropriate and such further evidence and information, if any, as we decide is appropriate.
- 14.2 We will pay a claim on the signed instructions of:
- a sole **policyholder**;
  - both joint **policyholders** or the survivor of them;
  - the **policyholder's** legal personal representatives; or
  - any person to whom any of the above may have legally assigned your **policy**.
- 14.3 Any money we pay will be in pounds sterling from the Paying Office we state in your **policy schedule**.

## 15 Our right to cancel your policy

### 15.1 Information provided to us

- 15.1.1 We have the right to cancel your **policy** if we find out at any time that information given by, or on behalf of, a **policyholder** or a **life assured** is not true, not accurate or not complete.
- 15.1.2 The information referred to in Condition 15.1.1 means:
- all information given to us at our request, or at the request of a doctor or nurse acting on our behalf, up to the **risk date**; and
  - all information given to us correcting or adding to the information shown on a **confirmation schedule**;

that affects our decision to provide cover or the terms of that cover.

- 15.1.3 We have the right to cancel your **policy** under Condition 15.1 even if the information is not connected to the cause of a claim or a benefit claimed.

### 15.2 Changes before the risk date

- 15.2.1 We also have the right to cancel your **policy** if we find out at any time that a **policyholder** or a **life assured** failed to tell us of any changes in the health or circumstances of a **life assured** that:
- happened before the **risk date**;
  - would have led to any of the information referred to in Condition 15.1.2 being different if given on the **risk date**; and
  - would have affected our decision to provide cover or the terms of that cover.
- 15.2.2 The changes referred to in Condition 15.2.1 include a **life assured**:
- having or expecting to have doctor, hospital or clinic consultation, treatment as an in-patient or out-patient or a blood test for any reason;
  - having a symptom of any type that they have been asked about in the application;
  - taking up any hazardous sport or pastime, or intending to do so;
  - working or travelling abroad, or intending to do so; or
  - changing country of residence, or intending to do so;
- and changes in:
- their family history; or
  - their occupation or the duties of that occupation.
- 15.2.3 We have the right to cancel your **policy** under Condition 15.2 even if the information or change is not connected to the cause of a claim or a benefit claimed.

### 15.3 Information given when applying to restart your policy

- 15.3.1 We also have the right to cancel your **policy** if we restart your **policy** under Condition 3.3.2 and later find out that:

- any statement made to us for that purpose by, or on behalf of, a **policyholder** or a **life assured** was not true, not accurate or not complete;
- the answer to a question in any letter or questionnaire we sent to a **policyholder**, a **life assured** or any person acting for you or them was not true, not accurate or not complete; or
- the answer to a question asked by any doctor or nurse acting on our behalf was not true, not accurate or not complete;

where the statement or answer would have affected our decision to restart cover or the terms of that cover.

- 15.3.2 We have the right to cancel your **policy** under Condition 15.3 even if the information is not connected to the cause of a claim or a benefit claimed.

## 15.4 Information given when making a life cover or terminal illness benefit claim

- 15.4.1 If, in connection with a claim under life cover or terminal illness benefit, a **policyholder** or a **life assured**:
- makes an untrue statement about a material fact;
  - deliberately omits to disclose a material fact; or
  - provides false or falsified evidence of a material fact;

then we will reject any pending claim and your **policy** will be cancelled.

- 15.4.2 A material fact is anything that is likely to influence our assessment of a claim including:
- the cause and circumstances of death;
  - the cause, nature, scope and degree of the illness; and
  - the treatment received or recommended for any illness.

## 15.5 Information given when making a critical illness and disability benefit, children's critical illness and disability benefit or permanent and total disability benefit claim

- 15.5.1 If, in connection with a claim under critical illness and disability benefit, children's critical illness and disability benefit or permanent and total disability benefit, a **policyholder** or a **life assured** or a child of a **life assured** in connection with a children's critical illness and disability claim:

- makes an untrue statement about a material fact;
- deliberately omits to disclose a material fact; or
- provides false or falsified evidence of a material fact;

then we will reject any pending claim and your **policy** will be cancelled.

- 15.5.2 A material fact is anything that is likely to influence our assessment of a claim including:
- the cause, nature, scope and degree of any illness or disability;
  - any medical investigation or treatment that is recommended or received for any illness or disability;
  - the duties of the **life assured's** occupation;
  - the **life assured's** performance of any work, whether paid or unpaid, during the claim; and
  - details of any other insurance claim, personal injury claim or compensation claim arising from the disability.

## 15.6 Termination of policy

- 15.6.1 If we have the right to cancel your **policy** under Condition 15 then no benefit is payable.

## 16 General

### 16.1 Assignments

- 16.1.1 You should send any notices of assignment to our **Salisbury office**.

### 16.2 Changed circumstances

- 16.2.1 We may change the terms of your **policy** to reflect any changes in taxation, insurance or other law affecting our obligations under it.

### 16.3 Delay in payment

- 16.3.1 If we pay a claim because of death, we will calculate interest for the period from the date of death to the date of payment.
- 16.3.2 If we pay a terminal illness benefit claim, we will calculate interest for the period from the date we receive evidence that satisfies us the claim is valid to the date of payment. We will refund **premiums** paid after the date we receive evidence that satisfies us the claim is valid.
- 16.3.3 The amount of interest will depend on the interest rates we are using at the time. We will not pay interest if it is below our minimum. Details of our current interest rate and minimum payment will be available on request.
- 16.3.4 If we pay interest, we will take off income tax as law requires.

### 16.4 Events or circumstances beyond our control

- 16.4.1 We will not be liable to pay you, or any other person, any compensation for loss caused by events or circumstances beyond our control. This includes loss caused by any delay in carrying out our obligations caused by restrictions imposed on us by law or regulation.

### 16.5 Policies written under trust

- 16.5.1 If you place your **policy** under trust, we need all trustees to agree in writing before taking up any option or other right under your **policy**.

### 16.6 Proof of age

- 16.6.1 Before paying any claim we must receive proof the date of birth of the **life assured** given in the application is correct.
- 16.6.2 If we find a **life assured** was born earlier than the date of birth given, we will adjust the benefits under your **policy** to those we would have offered had we known their correct age from the start. If we would not have offered terms, we will cancel your **policy** from outset and refund any **premiums** paid without interest.
- 16.6.3 If we find a **life assured** was born later than the date of birth given, we will calculate what the **premium** would have been had we known the correct age at the start of your **policy**. We will then refund any overpayment with interest. The amount of interest will depend on the interest rates we are using at the time. We will not pay interest if it is below our minimum. Details of our current interest rate and minimum payment will be available on request. If we pay interest, we will take off income tax as law requires.

### 16.7 Rights of other parties

- 16.7.1 We and the **policyholder** are the parties to this contract.
- 16.7.2 Except where we say otherwise in your **policy**, we do not intend anyone else to have direct or indirect contractual rights under it.

### 16.8 Sending instructions to us

- 16.8.1 You should send any instructions, notifications or requests to our **Salisbury office**. They should be in writing, in English and include any documents, information or agreements we may need.

### 16.9 The law that applies to your policy

- 16.9.1 We show the law that applies to your **policy** in your **policy schedule**.

## 17 Decreasing cover

This table is used to calculate the **sum assured** payable under a decreasing cover **policy** where the requirements of Condition 4.4.3 have not been met.

17.1 If we show 'AA Decreasing Term with Critical Illness Cover' in your **policy schedule**, and the requirements of Condition 4.4.3 are not met, the **sum assured** is calculated from the table below.

Year of assurance	10 years	11 years	12 years	13 years	14 years	15 years	16 years	17 years	18 years	19 years	20 years	21 years	22 years	23 years	24 years
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
1	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
2	9,310	9,399	9,473	9,535	9,587	9,632	9,670	9,704	9,733	9,759	9,781	9,802	9,820	9,836	9,850
3	8,564	8,750	8,904	9,032	9,141	9,234	9,314	9,384	9,445	9,498	9,545	9,587	9,625	9,658	9,688
4	7,759	8,050	8,289	8,490	8,659	8,804	8,929	9,038	9,133	9,217	9,291	9,356	9,415	9,467	9,514
5	6,889	7,293	7,626	7,904	8,139	8,340	8,514	8,665	8,797	8,913	9,015	9,106	9,187	9,260	9,325
6	5,950	6,476	6,909	7,271	7,577	7,839	8,065	8,262	8,433	8,585	8,718	8,837	8,942	9,037	9,121
7	4,936	5,593	6,134	6,587	6,970	7,298	7,581	7,826	8,041	8,230	8,397	8,545	8,677	8,795	8,901
8	3,841	4,640	5,298	5,849	6,315	6,714	7,058	7,356	7,617	7,847	8,050	8,230	8,391	8,535	8,664
9	2,658	3,610	4,395	5,052	5,607	6,083	6,492	6,848	7,160	7,434	7,676	7,891	8,082	8,253	8,407
10	1,380	2,498	3,420	4,191	4,843	5,401	5,882	6,300	6,666	6,987	7,271	7,523	7,748	7,949	8,130
11		1,297	2,366	3,261	4,018	4,665	5,223	5,708	6,132	6,505	6,834	7,127	7,388	7,621	7,830
12			1,229	2,256	3,126	3,870	4,511	5,068	5,555	5,984	6,363	6,699	6,998	7,266	7,507
13				1,171	2,163	3,011	3,742	4,377	4,933	5,421	5,853	6,236	6,578	6,884	7,158
14					1,123	2,083	2,912	3,631	4,260	4,814	5,303	5,737	6,124	6,470	6,780
15						1,082	2,015	2,825	3,534	4,158	4,709	5,198	5,634	6,023	6,373
16							1,046	1,955	2,750	3,449	4,067	4,615	5,104	5,541	5,933
17								1,015	1,903	2,683	3,373	3,986	4,532	5,020	5,458
18									988	1,857	2,625	3,307	3,914	4,457	4,945
19										964	1,816	2,573	3,247	3,850	4,391
20											943	1,780	2,526	3,194	3,792
21												924	1,748	2,485	3,146
22													908	1,719	2,448
23														893	1,694
24															879
25															
26															
27															
28															
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31															
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39															
40															

17.2 The table shows the **sum assured** that applies in the first month of each **policy year** under a decreasing cover **policy** with an initial **maximum sum assured** of £10,000. The **sum assured** reduces each month.

For a **policy** with an initial **maximum sum assured** more or less than £10,000, we will increase or reduce each **sum assured** in the table proportionately.

17.3 If the **maximum sum assured** is reduced following a premium review, as described in Condition 4.4.5, from then on the **sum assured** will be calculated using this reduced **maximum sum assured**.

17.4 We calculate the **sum assured** in later months of each **policy year** in the same way as those we show in this table. A table showing the **sum assured** for every month in every **policy year** is available on request.

25 years	26 years	27 years	28 years	29 years	30 years	31 years	32 years	33 years	34 years	35 years	36 years	37 years	38 years	39 years	40 years
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
9,863	9,875	9,886	9,895	9,904	9,912	9,919	9,925	9,931	9,937	9,942	9,947	9,951	9,955	9,958	9,961
9,715	9,740	9,762	9,782	9,800	9,816	9,831	9,845	9,857	9,869	9,879	9,889	9,898	9,906	9,913	9,920
9,556	9,594	9,628	9,659	9,688	9,713	9,737	9,758	9,778	9,795	9,812	9,826	9,840	9,853	9,864	9,875
9,384	9,436	9,484	9,527	9,567	9,602	9,635	9,664	9,691	9,716	9,738	9,759	9,778	9,795	9,811	9,826
9,198	9,266	9,328	9,385	9,436	9,482	9,524	9,563	9,598	9,630	9,660	9,686	9,711	9,734	9,754	9,774
8,997	9,082	9,160	9,231	9,294	9,352	9,405	9,453	9,497	9,538	9,574	9,608	9,639	9,667	9,693	9,717
8,779	8,884	8,979	9,064	9,142	9,212	9,277	9,335	9,389	9,437	9,482	9,523	9,561	9,595	9,627	9,656
8,545	8,670	8,782	8,884	8,977	9,061	9,138	9,207	9,271	9,329	9,383	9,432	9,476	9,517	9,555	9,589
8,292	8,438	8,570	8,690	8,799	8,898	8,988	9,070	9,144	9,213	9,275	9,333	9,385	9,433	9,477	9,518
8,018	8,188	8,342	8,481	8,607	8,721	8,826	8,921	9,007	9,087	9,159	9,226	9,287	9,342	9,394	9,441
7,723	7,918	8,094	8,254	8,399	8,531	8,651	8,760	8,860	8,951	9,034	9,110	9,180	9,244	9,303	9,357
7,404	7,627	7,827	8,010	8,175	8,325	8,461	8,586	8,700	8,804	8,899	8,986	9,065	9,139	9,206	9,267
7,060	7,312	7,539	7,745	7,932	8,103	8,257	8,398	8,527	8,645	8,753	8,851	8,941	9,024	9,100	9,170
6,688	6,971	7,228	7,460	7,671	7,862	8,037	8,196	8,341	8,473	8,595	8,706	8,808	8,901	8,987	9,065
6,286	6,604	6,892	7,152	7,388	7,603	7,799	7,977	8,140	8,288	8,424	8,549	8,663	8,768	8,864	8,952
5,852	6,207	6,528	6,819	7,083	7,323	7,542	7,741	7,922	8,088	8,240	8,379	8,507	8,624	8,731	8,829
5,383	5,779	6,136	6,460	6,754	7,021	7,264	7,485	7,688	7,872	8,041	8,196	8,338	8,468	8,588	8,697
4,877	5,316	5,713	6,072	6,398	6,694	6,964	7,210	7,434	7,639	7,827	7,998	8,156	8,300	8,433	8,554
4,331	4,816	5,255	5,653	6,013	6,341	6,640	6,912	7,160	7,387	7,595	7,785	7,959	8,119	8,265	8,400
3,740	4,276	4,761	5,200	5,598	5,960	6,290	6,590	6,865	7,115	7,344	7,554	7,746	7,923	8,085	8,234
3,103	3,694	4,228	4,711	5,150	5,549	5,912	6,243	6,545	6,821	7,074	7,305	7,517	7,711	7,890	8,054
2,414	3,064	3,651	4,183	4,666	5,105	5,504	5,868	6,200	6,504	6,782	7,036	7,269	7,483	7,679	7,859
1,671	2,384	3,029	3,613	4,143	4,625	5,063	5,463	5,828	6,161	6,466	6,745	7,001	7,236	7,452	7,649
867	1,650	2,357	2,997	3,578	4,106	4,587	5,025	5,426	5,791	6,125	6,432	6,712	6,970	7,206	7,423
	857	1,631	2,332	2,968	3,547	4,073	4,553	4,991	5,391	5,757	6,093	6,400	6,682	6,940	7,178
		847	1,614	2,310	2,942	3,518	4,043	4,522	4,960	5,360	5,727	6,063	6,371	6,654	6,914
			838	1,598	2,289	2,918	3,492	4,015	4,493	4,931	5,331	5,698	6,035	6,344	6,628
				830	1,584	2,271	2,896	3,468	3,990	4,467	4,904	5,305	5,673	6,010	6,320
					822	1,571	2,254	2,877	3,446	3,967	4,443	4,880	5,281	5,649	5,987
						816	1,559	2,238	2,859	3,426	3,945	4,421	4,858	5,259	5,627
							810	1,549	2,224	2,842	3,408	3,926	4,401	4,838	5,239
								804	1,539	2,211	2,827	3,391	3,908	4,383	4,819
									799	1,530	2,199	2,813	3,375	3,892	4,366
										794	1,522	2,189	2,800	3,361	3,877
											790	1,514	2,179	2,788	3,348
												786	1,508	2,170	2,778
													783	1,501	2,161
														779	1,495
															776

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Friends Life Limited

Registered Office: Pixham End, Dorking, Surrey RH4 1QA

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