

Key Facts of AA 50 Plus Life Insurance

**Including information about
the funeral benefit option**

The Financial Services Authority is the independent financial services regulator. It requires us, Friends Life and Pensions Limited, to give you important information to help you decide whether AA 50 Plus Life Insurance is right for you. You should read this document carefully so you understand what you're buying, and keep it safe for future reference.

Provided by Friends Life and Pensions Limited

AA 50 Plus Life Insurance

keyfacts®

AA 50 Plus Life Insurance is provided by Friends Life and Pensions Limited.
'We', 'us' and 'our' in this document mean Friends Life and Pensions Limited.

Contents

	Page
1 Helping you decide	3
2 Its aims	3
3 Your commitment	3
4 Risks	3
5 Questions and answers	4-6
6 Other information	6-7
7 Funeral benefit option	8

Helping you decide

- This document gives you a summary of information to help you decide if you want to go ahead with AA 50 Plus Life Insurance. Please see the policy conditions for full details of the plan.
- We've provided factual information only and no form of financial advice has been given. It is your responsibility to ensure that the product meets your needs, that you understand what the policy covers and, importantly, what is not covered. If you need financial advice and want to find an independent financial adviser in your area, go to www.unbiased.co.uk

Its aims

- To pay the cash sum if you die after the plan has been in force for at least one year. When you die, the cover will end.
- To pay the cash sum if you die from an accident within the first year, subject to certain exclusions.
- To pay 1.5 times the premiums you have paid if you die other than by accident within the first year of the plan.

Your commitment

- To answer all questions truthfully, accurately and completely to the best of your knowledge when applying for your plan.
If this commitment isn't met we may not pay a claim.
- To pay monthly premiums up to your 90th birthday.
- To increase your premiums each year where you have chosen increasing cover.
- To allow us access to your medical records to consider a claim.

Risks

- If you stop your premiums the plan will stop and you will get nothing back.
- If you die in the first year, other than by accident, the cash sum will not be payable. We will instead pay 1.5 times the amount of premiums you have paid.
- We may not pay the cash sum in some cases. **Please see 'What will stop the plan paying out?' on page 5.**
- Over time inflation will reduce the value of the cash sum paid out on your death.
- If you don't review your cover in the future, you may not have enough to meet your needs when a claim is made. You should make sure you review your cover regularly.
- Depending on how long you live, the total amount of premiums you pay may be greater than the cash sum payable on death.

Questions and answers

What is AA 50 Plus Life Insurance?

- It's a plan that pays the cash sum if you die:
 - after the policy has been in force for at least one year; or
 - due to an accident in the first year of the plan, other than in the circumstances shown in '**What will stop the plan paying out?**' on page 5.
- When you die, the cover will end.
- If you die other than by accident within the first year of the plan, we'll pay 1.5 times the premiums you have paid.
- You choose how much you want to pay. You can pay between £8 and £50 a month and the amount of cover you'll receive will depend on the premium you choose and your age.
- You can choose between level and increasing cover.
- The most you can pay into all guaranteed over 50 plans with Friends Life is £50 a month. For increasing plans, only the starting premium is taken into account when deciding whether this limit is reached.
- You must be between the ages of 50 and 80 and permanently resident in the UK to take out the plan.
- The plan will never have a cash-in value.

How flexible is it?

- If you choose level cover, you can't alter the plan once it's started. Because the guaranteed cash sum paid on your death is fixed, you should make sure you regularly review your cover as inflation will reduce the spending power of any money you get back in the future. If you wanted to increase your guaranteed cash sum in the future, you can apply for an additional policy.
- You can choose at the start of your plan for your guaranteed cash sum to increase automatically by 5% of the starting cash sum each year for twenty years, or until the plan anniversary before your 90th birthday if this is earlier. Your premiums will also increase by 5% of the starting premium each year. So the increases will be the same fixed amount of money each year. **Please see section 7 of the policy conditions for examples.** If you later decide that you no longer wish for your cash sum and premiums to increase, you can choose to cancel any further increases.

When does the plan pay out?

- If you die after the policy has been in force for at least one year, your cover will end and we'll pay the cash sum.
- If you die due to an accident in the first year of the plan, other than in the circumstances shown in '**What will stop the plan paying out?**' on page 5, we'll pay out the cash sum and the cover will end.
- If you die, other than by accident, within the first year of the plan, we'll pay out 1.5 times the premiums you have paid and the cover will end.

- If you write the plan in trust, when it's in force, we'll pay the cash sum to the trustees. If you choose to include the funeral benefit option, it would not normally be appropriate to also place your plan into trust.

What other benefits can I choose?

- There are no other benefits to choose within the plan. Please see page 8 for details of a separate funeral benefit option.

What will stop the plan paying out?

- We may not pay a claim if you do not answer all questions truthfully, accurately and completely to the best of your knowledge when applying for your plan.
- We won't pay the cash sum if you die from an accident in the first year of the plan if the cause of death is directly or indirectly as a result of one of the following:
 - deliberately self-inflicted injury, including suicide or attempted suicide;
 - participation or attempted participation in any aerial flight other than as a fare-paying passenger on a licensed airline;
 - war (whether declared or not);
 - active participation in a criminal offence, riot or civil commotion;
 - taking or being affected by alcohol or drugs (except those prescribed by a doctor registered in the United Kingdom); or
 - disease, bodily or mental infirmity or medical or surgical treatment of these, or where the life assured acts against medical advice.

In these cases we will pay 1.5 times the premiums you have paid. Death must occur within 90 days of the accident.

What will my premiums be?

- Your premiums will depend on:
 - how much cover you need
 - whether you choose level or increasing cover
 - your age.
- You pay monthly by Direct Debit.
- If you choose increasing cover then your premiums will also increase.
- Premiums will continue until your 90th birthday, after which no further premiums will be payable. However, your cover will remain in place until your death.
- The total of the premiums you will pay will depend on the premium you choose and how long you live. For example, if you choose fixed cover and a monthly premium of £12, after 5 years you would have paid £720 and after 10 years you will have paid a total of £1,440. If you choose increasing cover and a starting monthly premium of £12, this would increase by 60p a month each year after the first year. After 5 years you would have paid a total of £792 and after 10 years you would have paid a total of £1,764. These figures are for illustrative purposes only as you may pay premiums for a longer or shorter period than this.

What are the charges?

- We allow for all charges, including the cost of providing the cover, and all expenses, within the premiums you pay.

What if I stop paying?

- If you miss a premium before your 90th birthday, we'll keep your plan going for 30 days. If you don't pay it within this time we'll stop your plan and your cover will end.
- You won't get back any money.

What about tax?

- Under current tax rules, you're not liable to income tax or capital gains tax on your plan unless you sell it to someone else.
- If you die, the amount we pay out will form part of your estate for inheritance tax purposes. Once you've started your plan, you may wish to seek professional advice about placing it into trust to help in inheritance tax planning.
- Tax rules may change.

Can I change my mind?

- You have a right to change your mind. If you decide you don't want the plan, let us know in writing within 30 days of the start date of the plan and we'll give you your money back.
- The easiest way to cancel is to complete the cancellation form we send you and return it to us. Or you can write to us at **AA 50 Plus Life Insurance, PO Box 1128, St Albans AL1 9TY**. Please remember to include your full name and address and state that you wish to cancel your AA 50 Plus Life Insurance plan.
- If you don't cancel within 30 days, your plan will continue as set out in these key facts and the terms and conditions.

Other information

How to contact us

- If you have any questions, you can:



Call us on **0800 316 0886**.
Lines are open Monday to Friday 8am to 8pm, Saturday 9am to 5pm, Sunday 10am to 5pm.

We may record and monitor calls. Calls may be charged and these charges will vary. Please speak to your network provider for further information on call charges.



Write to us at **AA 50 Plus Life Insurance, PO Box 1128, St Albans AL1 9TY**.

How to make a claim

- A claim can be made by contacting our Claims Department on **0845 026 0521**. Or writing to: **The Claims Department, AA 50 Plus Life Insurance, PO Box 1128, St Albans AL1 9TY**. We'll send a claim form for completion and return. This will detail our requirements.
For a life insurance claim we'll always need the death certificate, and for an accidental death claim we may also need access to your medical records.

How to complain

- Please contact our **Customer Relations Manager** using details in the 'How to contact us' section above.
- To see our procedures for dealing with complaints, please ask for our 'We Listen' leaflet.
- If you are not satisfied with our response you can contact:

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

Telephone:
**0800 023 4567 from a landline or
0300 123 9123 from a mobile**

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

Website:
www.financial-ombudsman.org.uk
- Making a complaint won't affect your legal rights.

Terms and conditions

- These key facts set out the main points about AA 50 Plus Life Insurance. They don't include all the definitions, exclusions, terms and conditions.
- We recommend you read the policy terms and conditions. These terms and conditions will apply if you go ahead. When we set up your plan, we'll send you a copy of the plan terms and conditions and a schedule that sets out information about the plan individual to you.
- We have the right to change some of the terms and conditions. We'll write and explain if this happens.

Law

- The law of England will apply unless your plan documents show otherwise.

Language

- Our plan documents and terms and conditions are in English and all our other communications with you will be in English.

Compensation

- We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations you may be entitled to compensation under the scheme. For this type of plan, the scheme covers 90% of the claim. For further information see www.fscs.org.uk or telephone **0800 678 1100** or **0207 741 4100**.
- Please note that FSCS's first responsibility is to seek continuity of cover rather than to pay compensation.

About Friends Life

- AA 50 Plus Life Insurance is provided by Friends Life and Pensions Limited, which is entered on the FSA Register, number 110414.

Funeral benefit option – provided by Golden Charter

- You can choose to include the funeral benefit option, at no extra cost.
- This option is provided in association with Golden Charter, who are a registered provider with the Funeral Planning Authority. Please note that Golden Charter is not authorised or regulated by the Financial Services Authority.
- Golden Charter will select a funeral director near to you from its network of independent funeral directors across the country. This funeral director will carry out your funeral arrangements. You give us permission to pay the cash sum to Golden Charter rather than to your estate. Arranging this is a legal process known as 'charging' your plan.
- If your funeral costs less than the total of the cash sum minus the £250 discount, the difference will be paid to your estate. If it costs more, the difference will need to be paid by your estate or by your family.
- To be eligible for the £250 discount, your representatives will need to present the certificate of entitlement to the funeral director. You'll receive this with your funeral benefit documents from Golden Charter. Only one certificate can be used for any funeral, even if more than one plan is taken out.
- Golden Charter will pay a commission to Friends Life where the option is selected on a plan and you won't be charged for this payment.
- The funeral benefit option can be cancelled or added to your plan at any time.

How it works

- There is no additional cost for you to 'charge' your plan.
- The cash sum payable on death will be paid directly to Golden Charter.
- Golden Charter will also arrange for the funeral director to discount the cost of your funeral by £250. There is no cash alternative. The £250 is a fixed amount and inflation will reduce its value over time.
- The cash sum and the £250 discount will be deducted from the final funeral bill.

Golden Charter can be contacted on **0800 171 2952**.

AA 50 Plus Life Insurance is provided by Friends Life and Pensions Limited which is authorised and regulated by the Financial Services Authority

Friends Life and Pensions Limited

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

Incorporated company limited by shares and registered in England and Wales number 475201