

AA 50 Plus Life Insurance

Policy conditions

Provided by Friends Life and Pensions Limited



Policy conditions

This document sets out the full policy conditions of AA 50 Plus Life Insurance. Please keep this in a safe place as you may need to refer to it in the future.

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1 Introduction

AA 50 Plus Life Insurance is provided by Friends Life and Pensions Limited.

1.1 About your AA 50 Plus Life Insurance policy

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

Friends Life will pay the benefits set out in your **policy schedule** in the circumstances described in the **policy conditions**, provided all due **premiums** have been paid.

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

Please read these **policy conditions** and your **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 and Pensions 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.

Accidental death

This means death resulting from an accident caused by violent, visible and external means and solely, independently and exclusively of all other causes. Accidental drowning is also included. Death must occur within 90 days of the accident.

Life assured

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

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.

Premium

The amount we show in your **policy schedule** that you must pay to us.

Premium payment dates

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

Start date

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

Sum assured

The cash sum we show in your **policy schedule** and we pay on the **life assured's** death on or after the first anniversary of the **start 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 **start date** shown in your **policy schedule**.

2.2 End of cover

2.2.1 All cover ends immediately after the **life assured** dies.

2.2.2 Cover will end earlier as follows:

- all cover ends if you do not pay a **premium** (Condition 3.2);
- all cover ends if you stop your **policy** (Condition 8);
- all cover ends if we exercise our right to cancel your **policy** (Condition 10); and
- all cover ends if we cancel your **policy** due to a mis-stated age (Condition 11.5.2).

3 Premiums

3.1 Payment of premiums

3.1.1 **Premiums** are payable as shown in your **policy schedule**. All **premiums** are payable by Direct Debit.

3.1.2 If increasing cover is shown in your **policy schedule**, the amount of **premium** will increase by 5% of the starting **premium** on each anniversary of the **start date** until the first to occur of:

- the twentieth anniversary of the **start date**; and
- the anniversary of the **start date** immediately before your 90th birthday.

3.2 Non-payment of premiums

3.2.1 If any **premium** stays unpaid 30 days after its due date your **policy** will end without payment.

3.3 Maximum premium payable

3.3.1 The maximum total premium 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.

4 Life cover

This benefit pays out the **sum assured** on the death of the **life assured** at any time on or after the first anniversary of the **start date**, subject to the **policy** terms and conditions.

4.1 Benefit

4.1.1 The **sum assured** shown in your **policy schedule** is payable if the **life assured** dies on or after the first anniversary of the **start date**, as long as:

- the requirements of Condition 9 are met;
- we are not entitled to cancel your **policy** under Condition 10;
- we are not entitled to cancel your **policy** under Condition 11.5.2; and
- your **policy** has not ended for any other reason.

4.2 Termination of policy

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

5 Death within the first year

5.1 If the **life assured** dies before the first anniversary of the **start date**, accidental death benefit may be claimed if the requirements of Condition 6 are met.

5.2 If the **life assured** dies before the first anniversary of the **start date** and accidental death benefit is not payable, we will pay an amount equal to 1.5 times the **premiums** paid under your **policy**, up to the date of the **life assured's** death, as long as:

- the requirements of Condition 9 are met;
- we are not entitled to cancel your **policy** under Condition 10;
- we are not entitled to cancel your **policy** under Condition 11.5.2; and
- your **policy** has not ended for any other reason.

6 Accidental death benefit

This benefit pays out a cash sum equal to the **sum assured** on the **accidental death** of the **life assured** on or before the first anniversary of the **start date**, subject to the **policy** terms and conditions.

6.1 Benefit

6.1.1 An amount equal to the **sum assured** shown in your **policy schedule** is payable if the **life assured** dies on or before the first anniversary of the **start date**, as long as:

- it is an **accidental death**;
- none of the exclusions listed in Condition 6.1.2 apply;
- the requirements of Condition 9 are met;
- we are not entitled to cancel your **policy** under Condition 10;
- we are not entitled to cancel your **policy** under Condition 11.5.2; and
- your **policy** has not ended for any other reason.

6.1.2 We will not pay this benefit if death is directly or indirectly due to:

- 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.

6.2 Termination of policy

6.2.1 If we pay this benefit your **policy** will end and no other benefit will be payable.

7 Increasing cover

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

This cover increases the **sum assured** and **premium** on your **policy** every year as shown in Condition 7.1, subject to the **policy** terms and conditions.

7.1 The cover

7.1.1 The **sum assured** and **premium** will increase automatically on each anniversary of the **start date** until the first to occur of:

- the twentieth anniversary of the **start date**; and
- the anniversary of the **start date** immediately before your 90th birthday.

7.1.2 The increase will be at the rate of 5% of the starting **sum assured** and **premium**, so the increases will be the same fixed amount of money each year.

7.1.3 We will send you details of each increase approximately 25 days before it takes effect.

7.1.4 If you instruct us not to proceed with an increase:

- no further increases in the cover will be allowed; and
- the **sum assured** and the **premium** will then become fixed at their levels at the time.

7.2 Increases at 5%

7.2.1 This table shows how a **sum assured** of £1,000 and a **premium** of £10 would increase at a yearly rate of 5% of the starting amount.

Year	Sum assured	Premium
1	£1,000	£10.00
2	£1,050	£10.50
3	£1,100	£11.00
4	£1,150	£11.50
5	£1,200	£12.00
6	£1,250	£12.50
7	£1,300	£13.00
8	£1,350	£13.50
9	£1,400	£14.00
10	£1,450	£14.50
11	£1,500	£15.00
12	£1,550	£15.50
13	£1,600	£16.00
14	£1,650	£16.50
15	£1,700	£17.00
16	£1,750	£17.50
17	£1,800	£18.00
18	£1,850	£18.50
19	£1,900	£19.00
20	£1,950	£19.50
21 upwards	£2,000	£20.00

8 If you stop your policy

- 8.1 You 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 may cost more.
- 8.2 Your **policy** will not have any cash value.

9 Claims

- 9.1 We do not have to make any payments until we receive your **policy schedule** and such proof as we reasonably decide that:
- the **life assured** has died;
 - 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 reasonably decide is appropriate.
- 9.2 We will pay a claim on the signed instructions of:
- the **policyholder**;
 - the **policyholder's** legal personal representatives; or
 - any person to whom any of the above may have legally assigned the **policy**.
- 9.3 Any money we pay will be in pounds sterling.

10 Our right to cancel your policy

- 10.1 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 the **life assured** is not true, not accurate or not complete and you or whoever gave the information were deliberate or reckless in giving that information. Where that information was given carelessly then we will amend the terms of your **policy** to be consistent with what the terms should have been based on the correct information.
- 10.2 The information referred to in Condition 10.1 means all information given to us at our request in your application or in connection with a claim for life cover or accidental death benefit.
- 10.3 If we have the right to cancel your **policy** under Condition 10 then no benefit is payable.

11 General

11.1 Assignments

- 11.1.1 You may assign the ownership of your **policy** to someone else. You should send any notices of assignment to AA 50 Plus Life Insurance, PO Box 1128, St Albans AL1 9TY.

11.2 Changed circumstances

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

11.3 Events or circumstances beyond our control

- 11.3.1 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.

11.4 Policies written under trust

- 11.4.1 If you place your **policy** under trust, we need all trustees to agree in writing before carrying out any dealings under the **policy**.

11.5 Proof of age

- 11.5.1 Before paying any claim we must receive proof that the date of birth of the **life assured** given in the application is correct.
- 11.5.2 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.
- 11.5.3 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 interest payment. 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.

11.6 Rights of other parties

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

11.7 Sending instructions to us

- 11.7.1 You should send any instructions, notifications or requests to AA 50 Plus Life Insurance, PO Box 1128, St Albans AL1 9TY. They should be in writing, in English and include any documents, information or agreements we may need.

11.8 The law that applies to your policy

- 11.8.1 English law applies to your **policy**.

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