

AA Critical Illness with Life Cover Policy Summary

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 Critical Illness with Life Cover is right for you. You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.

Provided by Friends Life and Pensions Limited

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AA Critical Illness with Life Cover is provided by Friends Life. 'We', 'us' and 'our' in this document mean Friends Life and Pensions Limited.

Helping you decide

- This document gives you a summary of information to help you decide if you want to go ahead with AA Critical Illness with Life Cover.
- You should also read and keep safe your policy schedule which shows what the cover will cost.
- 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 a financial adviser in your area, go to www.unbiased.co.uk.

Its aims

- To pay a cash sum if, during the cover term, you die, are diagnosed with a terminal illness, total permanent disability or critical illness that meets our policy definition. If we pay the cash sum, the policy will end.

Your commitments

If these commitments aren't met we may not pay a claim.

- To answer all questions truthfully, accurately and completely to the best of your knowledge when applying for your policy and when making a claim.
- To tell us:
 - within one month of disablement for a total permanent disability claim
 - within three months of diagnosis for a critical illness claim.
- To allow us access to your medical records to assess your application and consider a claim.

If these commitments aren't met we may not provide the cover.

- To pay monthly premiums throughout the cover term.

Risks

- If you stop your premiums the policy will stop and you'll get nothing back.
- We may not pay a claim in some cases. **Please see 'What will stop the policy paying out?'**
- Inflation will, over time, reduce the value of the lump sum paid out.
- You will need to regularly review your cover to ensure that it remains adequate for your needs.

Questions and answers

What is AA Critical Illness with Life Cover?

- It's a policy that pays a cash sum if, during the cover term, you die, or are diagnosed with a terminal illness, total permanent disability or critical illness that meets our policy definition. If we pay the cash sum, the policy will end.
- You can apply for cover for you alone or for you and another person.
- The maximum cover you can hold for this product provided by Friends Life and Pensions Limited is £500,000 in total. This includes any other critical illness or life cover products provided by Friends Life and Pensions Limited that have a £500,000 maximum cover limit. If you apply for cover that exceeds £500,000 then the cover in excess of the £500,000 will be cancelled. We will refund the appropriate proportion of the premium to you that relates to the excess cover.
- You must be aged 17 or over and permanently resident in the UK to take out the cover.
- Cover can be for any number of years from 5 to 40, as long as you're aged under 60 at entry. Cover must end before your 70th birthday.
- The cash sum stays the same throughout the cover term unless you have chosen decreasing cover where the cover will reduce each month on the same basis as the capital due on a repayment mortgage reduces with an interest rate of 10% a year.
- The policy will never have a cash-in value.

When does the policy pay out?

- If you die, are diagnosed with a terminal illness, total permanent disability or critical illness that meets our policy definition during the cover term. If we pay the cash sum, the policy will end.

Which critical illnesses are covered?

- We only cover the critical illnesses we describe below and no others. The critical illness descriptions are only a guide to what is covered and the full definitions of the illnesses and disabilities covered and the circumstances in which you can claim are given in the policy conditions. These typically use medical terms to describe the illness and in some cases the cover may be limited. For example:

- we do not cover some types of cancer
- for some illnesses, you need to have permanent symptoms.

Further information can be found in the Simplified Guide to Critical Illness.

The critical illnesses we cover are:

- Alzheimer's disease - resulting in permanent symptoms
- Aorta graft surgery
- Aplastic anaemia - of specified severity
- Bacterial meningitis - resulting in permanent symptoms
- Benign brain tumour - resulting in permanent symptoms
- Benign spinal cord tumour - resulting in permanent symptoms
- Blindness - permanent and irreversible
- Cancer - excluding less advanced cancers but including advanced skin cancer
- Cardiac arrest - with insertion of a defibrillator
- Cardiomyopathy - of specified severity
- Chronic rheumatoid arthritis
- Coma - resulting in permanent symptoms
- Coronary artery by-pass grafts
- Creutzfeldt-Jacob disease - resulting in permanent symptoms
- Deafness - permanent and irreversible
- Dementia - resulting in permanent symptoms
- Heart attack - of specified severity
- Heart valve replacement or repair
- HIV infection - caught from a blood transfusion, a physical assault or at work in an eligible occupation

- Kidney failure - requiring dialysis
- Liver failure
- Loss of hands or feet - permanent physical severance
- Loss of independence
- Loss of speech - permanent and irreversible
- Major organ transplant
- Motor neurone disease - resulting in permanent symptoms
- Multiple sclerosis - with persisting symptoms
- Open heart surgery
- Paralysis of limbs - total and irreversible
- Parkinson's disease - resulting in permanent symptoms
- Progressive supranuclear palsy - resulting in permanent symptoms
- Respiratory failure - severe lung disease - of specified severity
- Severe Crohn's disease – with persistent symptoms that has not responded to surgical intestinal resection
- Stroke - resulting in permanent symptoms
- Systemic lupus erythematosus
- Third degree burns - covering 20% of the body's surface area or 30% of the surface area of the face
- Traumatic head injury - resulting in permanent symptoms
- Type 1 Insulin dependent diabetes mellitus – of specified severity, diagnosed after the age of 40
- Ulcerative colitis – treated with total colectomy

Total permanent disability benefit

- This benefit will be paid if you suffer a total permanent disability as defined in the policy conditions. Total permanent disability will have different meanings for different people. It will relate to whether you:
 - can carry out your own occupation; or
 - if you can carry out any occupation to which you are suited; or
 - are able to carry out three of the activities of daily working.
- Total permanent disability is normally automatically included as part of the cover. It can be excluded for underwriting reasons and from one or both lives in the case of joint life cover.

Childcover benefit and children's intensive care benefit

- This benefit will be paid if your natural or legally adopted child aged between 30 days and their 18th birthday:
 - is diagnosed with a critical illness that meets our policy definition during the term of your own cover with the exception of type 1 insulin dependent diabetes mellitus but including the additional condition 'child's hydrocephalus' - hydrocephalus with the insertion of a shunt (childcare benefit); or
 - requires mechanical ventilation for seven consecutive days (intensive care benefit).
- Children not yet born at the start of the plan will be automatically included once they are 30 days old.
- The child must survive for at least 14 days from the date of diagnosis.
- Only one claim can be made for any one child under a policy.
- The maximum payment for one child is the lower of £25,000 or 25% of the sum assured current at the time of the claim across all policies held.

What will stop the policy paying out?

- We won't pay out if the cause of a claim is one we exclude by applying special terms to your plan when we accept your application. We will show any special terms in the schedule that we issue with your policy documents.
- 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 policy and when making a claim.
- We will not pay a critical illness claim, a childcover benefit claim or a children's intensive care benefit claim if it is caused directly or indirectly from:
 - intentional self-inflicted injury; or
 - alcohol or drug abuse (where the claim is for coma).
- We will not pay a childcover benefit claim or a children's intensive care benefit claim in the following additional circumstances:
 - if the symptoms first arose before: the start date; or the child reaching the age of 30 days; or the legal adoption or legal guardianship of the child; or
 - if the condition is brought about by intentional harm inflicted on the eligible child by the policyholder.

Please see the policy conditions for more details.

What will my premiums be?

- Your illustration will show the premiums you need to pay for your chosen amount of cover. Your premiums will depend on:
 - how much cover you need
 - how long you want it to last
 - your age and whether you smoke or use nicotine products
- You pay monthly by direct debit.

Can my premiums change in the future?

- Premiums are fixed throughout the policy term.

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 we'll keep your policy going for 31 days. If you don't pay it within this time we'll stop your policy 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 policy unless you sell it to someone else.
- If you die and your policy is not written in trust, the amount we pay out will form part of your estate for inheritance tax purposes. Once you've started your policy, you may wish to seek advice about placing it under trust to help with inheritance tax planning.
- Tax rules details are subject to interpretation, change and individual circumstances.

Can I change my mind?

- You have a right to change your mind. If you decide you don't want the policy, let us know in writing within 30 days of the start of the policy 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 Life Cover, PO Box 1128, St Albans AL1 9TY**.
- Please remember to include your full name, address and policy number and state that you wish to cancel your AA Critical Illness with Life Cover.
- If you don't cancel within 30 days, your policy 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 **0845 026 0521** at the following times:
Lines are open weekdays from 9.00am to 5.30pm

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



e-mail us at **friendslife@opal-uk.com**



Write to us at **AA Life Cover, PO Box 1128, St Albans AL1 9TY**. To make changes to your cover, please write to us at the above address

How to make a claim

- To make a claim, please call **0845 026 0521** and ask to speak to our Claims Department. Or write to: **The Claims Department, AA Life Cover, 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.

How to complain

- Please contact our **Customer Relations Manager** using details in the '**How to contact us**' section.
- 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 or 0300 123 9123
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk
- Making a complaint won't affect your legal rights.

Policy conditions

- These key facts set out the main points about AA Critical Illness with Life Cover. They don't include all the definitions, exclusions or policy conditions.
- We recommend you read the policy conditions. These policy conditions will apply if you go ahead. When we set up your policy, we'll send you a copy of the policy conditions and a schedule that sets out information about the policy individual to you.
- This leaflet complies with the ABI (Association of British Insurers) statement of best practice for critical illness cover. The ABI Guide to Critical Illness gives general information about critical illness cover. If you would like a copy, please let us know or write to: **ABI, 51 Gresham Steet, London, EC2V 7HQ**

Law

- We and you have a free choice about the law that applies to a contract. We propose to choose the law of England and Wales, and, by entering into this contract you agree that the law of England and Wales applies.

Language

- All literature is in English and all system generated documents and communication 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 **020 7741 4100**.
- Please note that FSCS's first responsibility is to seek continuity of cover rather than to pay compensation.

About Friends Life

- AA Critical Illness with Life Cover is provided by Friends Life and Pensions Limited which is authorised and regulated by the Financial Services Authority. Registered number 110414. As part of our commitment to quality services, telephone calls may be recorded. Friends Life is a registered trade mark of the Friends Life group. www.friendslife.co.uk
Telephone 0845 600 3122

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