

**keyfacts**®

## **POLICY SUMMARY**

Please keep this document in a safe place for future reference together with your Policy Terms and Conditions and Policy Schedule.

AA Over 50s Life Insurance is provided by Legal & General.

**Over 50s Life Insurance**

**AA**

# 1. INCREASING PLAN

# 2. FIXED PLAN

This is an important document, which you should read carefully so that you are aware of what you are buying and help you decide whether an AA Over 50s Increasing Life Insurance Plan or Fixed Life Insurance Plan is right for you.

## Introducing AA Life Insurance

AA Life Insurance is provided by Legal & General. Under the agreement, the AA introduces its customers to Legal & General's Life Insurance products. Legal & General provide the product and any services related to it.

Unless otherwise indicated, all references to '**us**', '**our**' and '**we**' in this Policy Summary indicate Legal & General.

We have designed these plans to provide life cover for the whole of your life. This Policy Summary is only a brief guide to your cover and exclusions. You will find full details in your Policy Schedule and Policy Terms and Conditions which form part of the legal relationship between us. Please check your Policy Schedule when you receive it for confirmation of the cover you've chosen.

The Policy Schedule and Policy Terms and Conditions will be sent to you when your cover starts. Please contact us if you would like a copy of the Policy Terms and Conditions before then. Legal & General Assurance Society Limited provide these insurance plans.

**The decision to take out the plan(s) is yours and, therefore, it's very important that you ensure it meets your needs:**

- Ensure you have read this Policy Summary carefully
- Make sure you are eligible for the plan
- Make sure you know what is and isn't covered by the plan
- Keep a copy of this Policy Summary to refer to in the future

## The type of insurance and cover provided by the plans

The Over 50s Increasing Plan or Fixed Plan will pay a cash sum if you die after the first year of starting your plan. Your cover will continue for the rest of your life provided you keep paying your premiums when they are due. You should read all the available information carefully to make sure the plan is right for you.

The **Increasing Plan** provides a cash sum which increases in line with inflation as measured by the Retail Prices Index (RPI). We'll review your premium each year and it will increase by the change in the RPI, multiplied by 1.5. If the RPI rises to over 10% the maximum increase in the cash sum will be 10% and the maximum increase in premium will be 15%. If RPI is less than or equal to 0%, there will be no change in the cash sum and premiums will remain the same. We'll write to tell you of any changes at least three months before your plan's anniversary.

The **Fixed Plan** gives you the certainty of fixed premiums with a fixed cash sum paid out when you die after the first year.

## What is RPI?

RPI is used as a measure of inflation. It measures the changes in prices of everyday household goods and services like food and energy bills and shows how the cost of living rises over the years.

The Fixed Plan gives you the certainty of fixed premiums with a fixed cash sum paid out when you die after the first year.

## Eligibility for the plan

You're eligible for the plan if at the starting date you are:

- Aged 50 to 80.
- Resident in the UK and you reside in the UK for at least 183 days a year.

## Significant features and benefits

- Your acceptance is guaranteed – no medical or health assessment.
- After one year we'll pay the cash sum of the plan regardless of the cause of death, or within one year due to accidental death. For details, please refer to the '**What exactly does accidental death mean?**' section.
- Choose a premium you can afford that gives you a cash sum which meets your needs and circumstances.
- On your 90th birthday, you stop paying your premiums but your cover will continue for the rest of your life.
- You can help make sure that the cash sum reaches the people that you would like to protect by placing the plan in Trust.

## Additional features and benefits for Increasing Plan:

- Your cash sum will be reviewed each year in line with RPI.
- Following the annual plan review you can choose to decline the increase in your cash sum and premium. If you do, your cash sum and premium will remain fixed at that value. Once you have declined the opportunity to increase your cash sum and premium, you will not be able to restart the increases at any time.
- It's important if you choose to take out the Increasing Plan that you can afford the premiums, particularly taking into account that the premium will increase over the years.
- You need to pay the premiums until you die. However, on your 90th birthday you stop paying premiums, but your cover will continue. This includes reviewing your cover in line with RPI every year for the rest of your life, as long as you haven't previously declined the annual premium review.

## Additional features and benefits for Fixed Plan:

- Your premium and cash sum amounts are fixed once the plan starts.

## Significant exclusions and limitations

- If you die within the first year of starting your plan we will not pay the cash sum but we will return all the premiums paid. However, if you die as a result of an accident, then the full cash sum will be paid instead. There are further limitations to when we will pay the full cash sum in these circumstances. Please refer to the section titled '**What exactly does accidental death mean?**'
- Depending on how long you live the total premiums paid to us may be greater than the cash sum payable on death.
- If you stop paying your premiums at any time, your cover will end 30 days after the first missed premium, and we won't give you any money back.
- This is not a savings or investment product, and has no cash value until a valid claim is made.
- You can take out more than one plan as long as the total of all the initial premiums added together are not more than £50 a month. This will include any existing Over 50s Life Insurance Plans you may have with us.
- If you choose the Funeral Benefit Option, you cannot place your plan in trust.

### Additional exclusions and limitations for Increasing Plan:

- If you decline the annual plan review then inflation will reduce the value of the cash sum.

### Additional exclusions and limitations for Fixed Plan:

- Inflation will, over time, reduce the value of the cash sum of your plan.

## Placing your plan in trust

After taking out an Over 50s Life Insurance plan you may want to place it in trust. By placing our policy in trust you can indicate who you want the proceeds to be paid to. A trust can control when the money from the life policy will be paid out. If the plan is not placed in trust the proceeds will be paid to your estate and may be subject to Inheritance Tax.

Setting up a trust means that you (the settlor) give your policy to the trustees who then legally own your policy and look after it for the benefit of your beneficiaries.

Quicker payout – it should help to ensure that the money paid out from the life policy can be paid to the right people quickly, without the need for lengthy processes. When you die, your personal representatives will need to obtain probate so that they have authority to deal with your estate. In England and Wales either a 'grant of probate or grant of letters of administration' is issued to your personal representatives. This process takes time and can taken even longer if you die without making a will. Since the trustees are the owners of the policy placed in trust they do not have to go through this process in order to make a claim.

Once you have taken out your Over 50s Life Insurance Plan and you are still unsure as to whether to place your plan in trust contact your legal/financial adviser for advice. If you have any questions about trusts and would like some further information then please call us on **0370 010 4080** (we may record and monitor calls, and call charges will vary).

Please note, the Trust team will not be able to provide any legal or financial advice.

## What is the overall cost of my Plan?

As these plans are designed to last for the rest of your life, it's difficult to say how much you'll pay overall. This will depend on the premium and plan you choose and how long you expect to hold the plan. To help you we have used two examples below. These are based on a 65 year old with a monthly premium of £20 and a cash sum of £3,824.

### INCREASING PLAN EXAMPLE

If your starting monthly premium is £20 and you expect your plan to run for 10 years, your monthly premium would have risen to £29.71.

The total premiums you would have paid at the end of 10 years would be £2,948.64. (This is based on your premium increasing each year by one and a half times RPI.)

If your starting cash sum is £3,824 the total cash sum at the end of 10 years would have increased to £4,989.

**This example assumes you do not decline the increases at any time and is based on RPI being 3%.**

### FIXED PLAN EXAMPLE

If your monthly premium is £20 and you expect your plan to run for 10 years, the total premiums you would have paid would be: **£20 x 12 months x 10 years = £2,400**

Your cash sum would remain unaltered at £3,824 .

**It is important to be aware that these are only examples.**

## What exactly does 'accidental death' mean?

If, during the first year of the plan, you sustain bodily injury caused by an accident\* which solely and independently of any other cause, results in death, and death occurs within 90 days of such an accident, then the cash sum will be paid.

We will not pay this cash sum if death occurs either directly or indirectly from:

- Self-inflicted injury, including suicide or attempted suicide.
- Taking part or attempting to take part in a hazardous sport or pastime.
- Taking part or attempting to take part in any aerial flight other than as a fare paying passenger on a licensed airline.
- Committing, attempting or provoking an assault or any criminal offence.
- War (whether declared or not), riot or civil commotion.
- Taking alcohol or drugs (unless these drugs were prescribed by a registered doctor in the United Kingdom).

\*Accident means a sudden and unexpected event which happens after the start date of the policy set out in the Policy Schedule. 'Bodily injury' means injury to the body (excluding sickness, disease or any degenerative process) resulting from external, violent and visible means.

## Funeral Benefit Option – provided by Dignity Funerals Ltd

If you choose an AA Fixed or Increasing Over 50s Life Insurance Plan, you have the choice to add the Funeral Benefit Option. Choosing this option means that your cash sum is paid directly to Legal & General's chosen funeral service provider, Dignity. When you die, Dignity will use the cash sum, along with the extra £300, to contribute towards your funeral costs.

Dignity are the leading provider of funeral related services in the UK, with a network of over 700 experienced funeral directors.

- Choosing this option means that you agree to use a Dignity Funeral Director for your funeral.
- By choosing to 'charge' the cash sum from your policy to Dignity, an extra £300 will be provided to help towards your funeral costs when you die, on top of your cash sum amount. 'Charge' is a legal term meaning that the cash sum from your Plan is paid directly to Dignity, rather than to your estate.
- Dignity will only be obliged to provide funeral services up to the value of your Plan plus the £300 contribution where it is able to rely on the 'charge' over the plan. This means that you are only able to 'charge' the plan to Dignity where there are no other charges, assignments or trust arrangements affecting it.
- When you die, if the cost of the funeral is greater than the cash sum from your plan plus the extra £300 funeral benefit, your estate would normally need to pay the difference.
- If the cost of the funeral is lower than the cash sum plus the extra £300 funeral benefit, the remainder will be paid to your estate by Legal & General and may be subject to inheritance tax.
- If you (or your personal representative) cancel this charge before Dignity has been instructed to provide the funeral services, Dignity will release the charge and the £300 additional payment will no longer apply. If the 'charge' is removed and a payment is made to your estate, this could be subject to Inheritance Tax
- Legal & General may pass on your personal information to Dignity and its related group of companies for the purpose of processing and administering the Funeral Benefit option.
- Dignity will provide a Welcome Pack within 28 days of applying, with all the information you will need, including a Funeral Organiser pack which includes contact details and instructions for your loved ones and executors. It is essential that this pack is passed to the person who will be organising your funeral so that they know exactly what to do when the time comes.

This agreement is governed by English Law.

Dignity will make every effort to excel in the service they provide however, if you feel they have not met your expectations, please contact their Client Liaison Officer who will acknowledge your complaint within two working days and do their utmost to ensure any complaint is dealt with as quickly and efficiently as possible. Contact details are as follows:

Client Liaison Officer, 4 King Edwards Court, Sutton Coldfield, West Midlands B73 6AP

Telephone: 0800 731 0655 Email: [clientrelations@dignityuk.co.uk](mailto:clientrelations@dignityuk.co.uk)

## Cancellation rights

After we have accepted your application, we will send you notice of your right to cancel. We then give you 30 days to change your mind about starting your plan. If you do change your mind, you need to send this notice back to us at: Life Premium Collections – Cancellations, Legal & General Assurance Society Limited, City Park, The Droveaway, Hove, East Sussex BN3 7PY.

We will then cancel your plan and refund any premiums paid. After this period you can cancel your plan at anytime by writing to us at the same address as above.

## How to make a claim

A claim can be made by contacting us on **0800 137 101**. We may record and monitor calls. Or please write to us at: Claims Department, Legal & General Assurance Society Limited, City Park, The Droveaway, Hove, East Sussex BN3 7PY. To enable us to process your claim we may need the following:

- The Policy Schedule.
- The death certificate.
- The name of the person making the claim and their entitlement to the cash sum (i.e. as next of kin or executor of the estate.) When we have received the above we will advise of any further requirements.

## How to make a complaint

If you wish to complain about any aspect of the service you have received from us, or you would like us to send you a copy of our internal complaint handling procedure, please contact our Helpdesk on **0370 010 4080**. We may record and monitor calls. Call charges will vary.

Alternatively you can write to us at: Complaints Department, Legal & General Assurance Society Limited, Knox Court, 10 Fitzalan Place, Cardiff CF24 0TL.

If you remain dissatisfied you can complain to: The Financial Ombudsman Service, Exchange Tower, London E14 9SR

Telephone: **0800 023 4567**<sup>†</sup> or **0300 123 9123**<sup>††</sup>

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

Website: **www.financial-ombudsman.org.uk**

Making a complaint will not affect your legal rights.

## Financial Services Compensation Scheme (FSCS)

The FSCS is designed to pay compensation if a firm is unable to pay claims, because it has stopped trading or been declared in default.

So, if we run into financial difficulties, you may be able to claim via the FSCS, for any money you've lost. However, before looking to pay compensation, the FSCS will first see if they can arrange for your current plan to be maintained. They may arrange for your plan to be transferred to another insurer or provide a new plan. If these aren't possible, the FSCS aims to provide compensation.

Most of our customers, including most individuals and small businesses, are covered by the FSCS. Whether or not you can claim, and the amount you could claim, will depend on the specific circumstances of your claim. The FSCS will pay 90% of the value of the claim. There is no upper financial limit on the amount of the payment.

You can find out more about the FSCS, including eligibility to claim, by visiting its website **www.fscs.org.uk** or calling **0800 678 1100**.

The rules of the FSCS might change in the future and the FSCS may take a different approach on their application of the above, depending on what led to the failure.

## Further information

The information detailed on the previous pages forms your Policy Summary. We have also chosen to make you aware of the following information, which we consider important.

**Language:** We will communicate in English throughout the term of this contract. The Policy Terms and Conditions and all communications will only be available in English. All communications from us will normally be by letter or telephone.

**Tax:** The amount paid on your death will normally form part of your estate, so may be subject to Inheritance Tax (not applicable if the Funeral Benefit Option has been chosen), unless you write your plan in Trust.

**Law:** This contract is governed by English law.

### About Legal & General

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. As at 30th June 2014, we were responsible for investing £467 billion worldwide on behalf of investors, policyholders and shareholders. We also had over 7.9 million customers in the UK for our life assurance, pensions, investments and general insurance plans.

Legal & General is one of the biggest providers of index-tracking investments in the UK, managing £268 billion as at 30th June 2014.

### Who regulates Legal & General?

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. We are entered on their register under number 117659. You can check this at [www.fca.org.uk](http://www.fca.org.uk)

### Direct Debit guarantee



This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.

- If there are any changes to the amount, date or frequency of your Direct Debit Legal & General Assurance Society Limited will notify you five working days in advance of your account being debited or as otherwise agreed. If you request Legal & General Assurance Society Limited to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by Legal & General Assurance Society Limited or your bank or building society you are entitled to a full and immediate refund of the amount paid from your bank or building society.
- If you receive a refund you are not entitled to, you must pay it back when Legal & General Assurance Society Limited asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

You may contact us using Text Relay. Information is also available in large print, audio and Braille on request, please call 0800 262 050 details.

Telephone calls may be monitored or recorded for quality assurance and compliance.

Automobile Association Insurance Services Limited acts solely as introducer for Legal & General's AA Over 50s Life Insurance. Automobile Association Insurance Services Limited is registered in England and Wales No 2414212. Registered office: Fanum House, Basing View, Basingstoke, Hampshire RG21 4EA. Automobile Association Insurance Services Limited is authorised and regulated by the Financial Conduct Authority (FCA) under number 310562; AA Over 50s Life Insurance and any services related to it are provided by Legal & General. Legal & General Assurance Society Limited is registered in England and Wales No. 166055. Registered office: One Coleman Street, London EC2R 5AA. Legal & General Assurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under number 117659. You can check the FCA register at [www.fca.org.uk/register](http://www.fca.org.uk/register) or call the FCA on 0800 111 6768. Legal & General will introduce customers who select the Funeral Benefit Option to Dignity Funeral Services, who are members of the National Association of Funeral Directors.

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