Partners' Group Life Assurance

For partnerships and limited liability partnerships.

Helping you understand our policy

Technical guide 09/23

This is an important document which we suggest you keep in a safe place.

For PLAB INDEF 12-22 and PLAB 12-22 8 YEAR policies

Legal & General

Using this document

What is a technical guide?

The Financial Conduct Authority is a financial services regulator. It requires us, Legal & General, to give you important information to help you to decide whether our Partners' Group Life Assurance is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

If there's anything you need to ask about once you've read it, you can ask us or your financial adviser.

Before you start reading

We've used plain language to help make the technical guide easier to understand. You'll find explanations of any technical terms we use in the glossary, which is at the rear of this document. Where terms covered in the glossary appear in the main text, we've highlighted them in bold, **like this**.

We use words like 'normally' and 'usually' in this guide. This is because some of our terms will depend on the information you give us for the quote and the choices you make about the cover you want. We'll give you the exact terms and chosen options in our quote and we'll fix these at the start of the **policy**. You'll only be able to change these if we agree.

If the partnership is a Limited Liability Partnership (LLP), 'equity partners' and '**partners**' will mean 'members of an LLP'.

You can ask us, or your financial adviser, if you need more details about how the **policy** works.

Other documents

This technical guide is not part of our contract but if we've given you or your financial adviser a quote, you should read this guide alongside that quote to help you understand the **policy**.

Our quote, which is a part of the contract, may refer to some of the explanations we give in this guide.

Our full terms and conditions will be in our **policy**. We'll send this to you after we've agreed to provide cover. You can ask us, or your financial adviser, if you would like to see a copy of our standard **policy** terms and conditions.

See question 2.1 to find out what we need to set up your **policy**.

Target market and fair value assessment information for financial advisers

Our product governance webpage:

- Explains the intended target market for each of our Group Protection products
- Provides information to help financial advisers complete their own fair value assessment
- Describes how we regularly review our Group Protection products for appropriateness under our Product Lifecycle Management processes **https://www.legalandgeneral.com/adviser/workplace-benefits/group-protection/products/insurance-distribution-directive/**

About Legal & General

Established in 1836, Legal & General is one of the world's leading asset managers, with over £1.15 trillion in total assets under management at 31 December 2023. We are also a leader in responsible investment, and continue to innovate and be recognised for our strength in this growing area of the market. We help millions of people in the UK and the US create brighter financial futures by supporting their savings, protection, mortgage and retirement needs.

We're a leading provider of Group Protection cover in the UK with over 90 years of expertise and knowledge. We looked after almost 7,200 group protection policies and provided protection to almost 2 million employees at the end of 2023.

Solvency and financial condition report (SFCR)

We are required to publish an annual Solvency and Financial Condition Report (SFCR) describing our Business and its Performance, our System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. Our latest SFCR is available at: **legalandgeneralgroup.com/investors/library**

Contents

Aims, commitments and risks

Its aims

Our Partners' Group Life Assurance **policy** aims to:

- Provide a lump sum when an insured **partner** dies.
- Allow you to set up the **policy** to help protect the firm or the **partners'** dependants. We'll give you separate **policies** when you take out cover.

Your commitment

You need to make some very specific commitments for the **policy** to work properly:

- Give us all the information we ask for when you apply for a **policy** and at **annual renewal dates**. We can cancel the **policy** if you don't give us this information.

  Please see question 4.1 for more details.

- Tell us about any new entrants, discretionary entrants, early entrants you would like us to cover and leavers. We will need more information about discretionary and early entrants before we consider cover for them.

  Please see question 2.6 for more details.

- Tell us of a claim within the time limits set out in question 5.0 and give us all the information we ask for to support the claim. Without this information, we won't be able to pay the claim.

  Please see question 5.0 for more details.

- Pay the premiums by the dates we ask for them.
- Keep to all the conditions set out in the **policy**.

- If you choose **registered** group life assurance cover, inform **partners** that if they were to die and a lump sum benefit is paid out, this will count towards a **registered** scheme tax allowance that's available to them.

  From 6 April 2024, the Finance Act 2024 changes the tax allowances available to members of **registered** schemes. We've summarised our current understanding of the changes to the tax allowances that apply to lump sum death benefits paid from a **registered** scheme below:

  Up to 6 April 2024
  Lump sum group life assurance payments will count towards the **lifetime allowance** of a **partner** who dies. The standard **lifetime allowance** is £1,073,100 for the tax year 2023/24, and applies most benefits paid from all the **registered** pension schemes that individual may have joined. If a **partner** dies, their group life assurance benefit payment plus most other **registered** scheme benefits such as a payment of unused pension savings are checked against the remaining **lifetime allowance**. Any group life assurance lump sum benefit that exceeds the **lifetime allowance** for the deceased **partner**, is taxed by HMRC at the marginal rate for the person or persons, receiving the benefit.

  From 6 April 2024
  Lump sum group life assurance payments will count towards the **lump sum and death benefit allowance** of a **partner** who dies. This allowance is for the total amount that can be paid as tax-free lump sums for that individual, both during their lifetime and when they die. The allowance is introduced with a first value of £1,073,100. Most tax-free lump sums a person takes from a **registered** pension scheme during their lifetime will reduce the amount of tax-free allowance available for any lump sum benefits paid following their death. Any part of a lump sum that is above the tax-free allowance will be taxed at the highest rate of income tax of the person or persons, receiving the benefit.

Risks

There are some risks you need to understand about the **policy**.

- If we've told you in our quote that we need **partners** to be **actively at work**, we won't start or increase their cover until they meet our **actively at work** requirements.

  Please see question 2.5 for more details.

- The premiums may go up or down depending on changes in the amount of benefit we cover. We'll usually guarantee the **unit rate** until the second **annual renewal date**. We'll then review it and usually guarantee the new **unit rate** for the next two years.
- The premiums and the **unit rate** may go up or down if, at an **annual renewal date**, there is a change of more than 25% in the membership or the **total benefit** we've used to work out the **unit rate**. The **partners** covered by the **policy** are referred to as the 'membership'.

  Please see question 3.1 for more details.

- If we include an **event limit**, we'll restrict the total amount of benefit we pay for claims if caused by a catastrophe.

  Please see question 6.0 for more details.

- We will stop all cover if you stop paying premiums. We'll tell you in writing 14 days before we do this.
- If there are any outstanding premiums, we will not pay benefit when a claim is made for them.
- If we identify a **financial crime** risk we might cancel the **policy**, withdraw a guaranteed quote or take any other reasonable action. Please see 'Further Information' section on page 22 for more details.

How the policy works

- You can set up the **policy** to protect your business or **partners'** dependants.

  If you protect **partners'** dependants, you can set up the **policy** to cover the benefits of a **non-registered arrangement**, to cover the benefits provided under the firm's **registered** staff group death in service scheme, or as an **excepted group life policy**.

  If you choose to protect your business, we can only insure **partners** and will set up the cover as a **non-registered arrangement**.

  If you want to cover **salaried partners**, we can only set up an **excepted group life policy** or a **policy** covering **registered** scheme benefits.

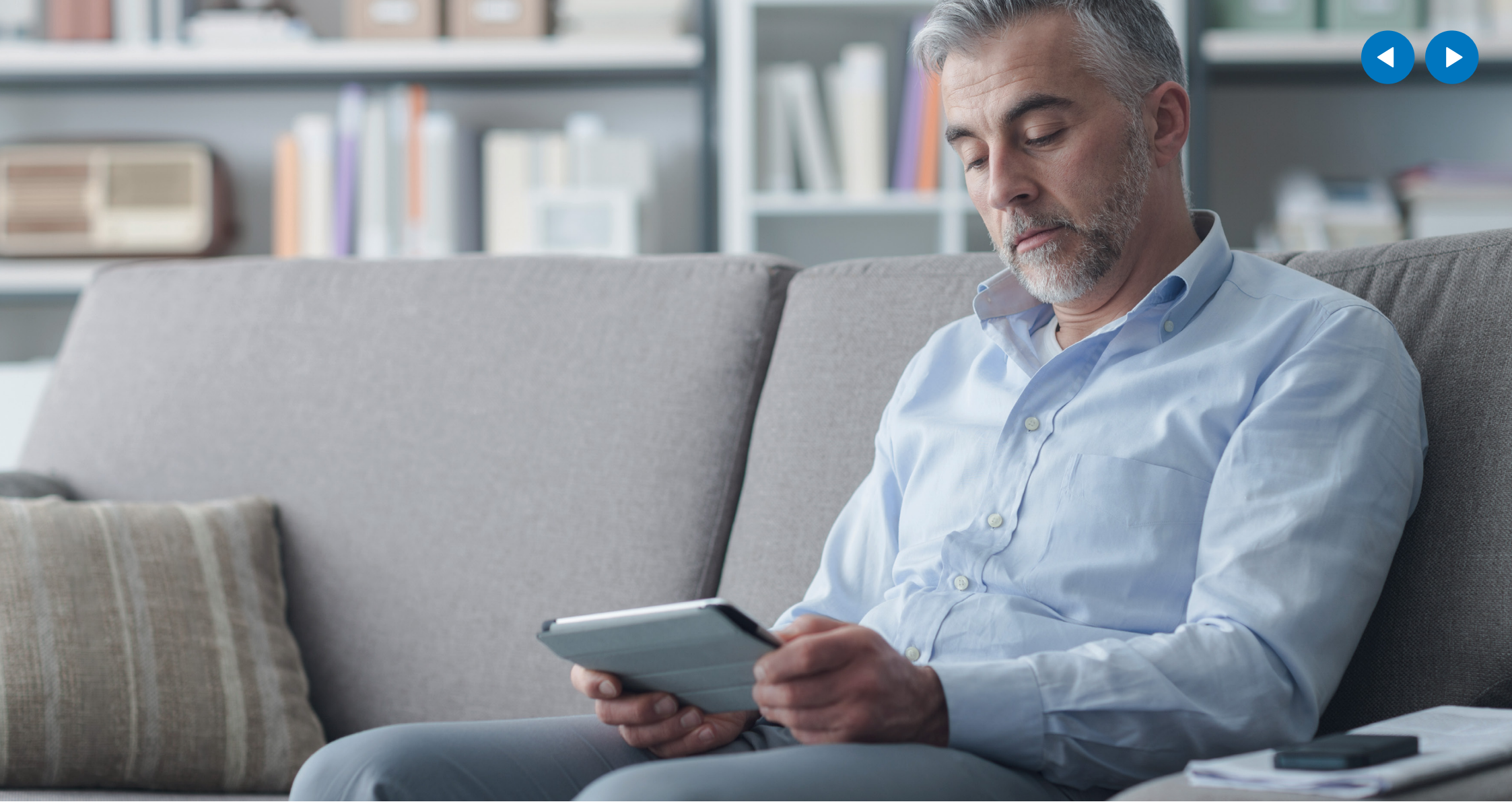
  We set up separate **policies** for separate schemes and arrangements.

  Please see questions 1.7 and 8.0 for more details.
- We'll need a minimum of 10 **partners** to start the **policy**. There isn't a maximum number of **partners** we can insure.
- We can cancel or change the **policy** if membership falls to less than five **partners**. If you insure more than one Partners' Group Life Assurance **policy** with us, the combined membership of these **policies** will need to fall below five **partners** before we can cancel them or change terms. If we do this, we'll write to you at least 30 days before we cancel or change the **policy**.
- Each **partner** pays the cost for their own cover. You will need to collect the premium for each **partner** and pay us a combined premium.
- We'll give you the specific terms and conditions in the quote. We'll guarantee the quote for three months unless we tell you otherwise.
- There are **policy** options you can choose which affect how much you pay. We'll fix your chosen options, including the eligibility, cover and terms at the start of the **policy**. You'll need to tell us if you want to change these as we need to assess if we can agree the change. We may also need to set new terms and change the **unit rate** and the premium we charge you.
- You must include all **partners** for cover under the **policy** as soon as they are eligible.
- We won't pay benefit if the **partner** is not eligible for cover.

  Please see question 1.0 for more details about eligibility.
- You must give us all the information we need when you make a claim.
- If you make a valid claim, we'll pay the lump sum to the firm. If the firm has set up a **trust** and acts as **trustee**, they will pass on the benefit in line with the **trust**.
- We'll need up-to-date information from you at each **annual renewal date** so we can calculate the premium and give you accurate accounts.

  Please see question 4.1 for more details.
- We can change the **free limit** from time to time, for example, if the number of **partners** significantly changes. We can change other **policy** terms at the end of any **unit rate** guarantee period. It's important you quickly send us the up-to-date membership list at the end of a guarantee period because any changes to the **unit rate** and **event limit** will always take effect from the start of the next guarantee period.

  For all other **policy terms** changes, we'll write to you at least 30 days before we change the terms.
- The **policy** will continue indefinitely as long as you meet its conditions, including paying premiums when we ask for them.
- We can change or cancel the **policy** if there are changes to legislation or regulation which affect **partners'** group life assurance policies. We'll give you more details of these in the **policy**.
- We'll give you full details of our cancellation rights in the **policy**.



Your questions answered

In this section we've answered some commonly asked questions to give you a bit more information about how our **policy** will work.

1.0 What should we consider when deciding what benefits to provide?

Different benefit categories

We suggest you keep the benefit as simple as possible, ideally having the same basis for all **partners**.

You can group the **partners** into separate categories and can have different amounts of cover between categories. All **partners** in the same category must have the same benefit basis. As this is a group **policy**, it must cover all your eligible **partners**.

It's important we know which **partners** are in which category. We must therefore agree the eligibility conditions for each category at the start of the **policy**. Examples of a category eligibility could be 'all equity partners' or 'all equity partners based in London'.

We'll tell you the agreed eligibility conditions in our quote.

If the benefits are to be covered under an **excepted group life policy**, we'll set up a separate **policy** for each benefit level. We can link **policies** for any common terms.

See question 1.7 for more details about **excepted group life policies**.

How much to insure

You can choose to take out an insurance **policy** to insure all, or part, of the benefit you want to pay to the **partners**.

If you only insure part of the benefit you may have to pay the difference yourself.

For example, if you promise to pay a benefit of £500,000 but only insure £300,000, you would have to pay the remaining £200,000 yourself.

If your **policy** insures the benefits of a **registered scheme**, you should consider the HM Revenue & Customs allowances that apply.

See question 1.6 for more details.

Check our quote

Please check that our quote matches what you'd like us to insure.

If you'd like us to change the options we've used, please tell us so we can change the quote. We'll tell you how any changes will affect our terms, **unit rate** and premium.

1.1 Who can the policy cover?

The **policy** can cover **partners** with an equity share in the firm and whose income from the firm is taxed as trading profits.

If you want to cover **salaried partners**, we can only set up an **excepted group life policy** or a **policy** covering **registered** scheme benefits. If we include **salaried partners** we'll treat them the same as **partners**.

We will only start cover for each **partner** when they meet:

- the eligibility conditions, which we'll confirm in the quote;
- our **actively at work** requirements;

  Please see question 2.5 for more details of actively at work.
- our medical evidence requirements; and

  Please see question 2.2 for more details of medical evidence.
- our switch terms, if you're switching the insurance from another provider.

  Please see question 2.4 for more details of switch terms.

You will also need to fix the **benefit termination date**, the date on which cover stops. This can be the later of the **partner** reaching age 65, or the age they could receive a United Kingdom state pension (we call this **state pension age**). Alternatively you can choose an age up to 75. The **benefit termination date** must be the same for all **partners** in the particular category.

We'll continue to provide cover if a **partner** is on maternity, paternity, adoption or shared parental leave as long as they remain a **partner** of the firm and you pay the premiums when we need them.

1.2 When can we include partners after the policy starts?

All **partners** must meet the **policy's** eligibility conditions. Once they do, we'll start covering them from the entry date.

Our quote and **policy** will show the entry date.

The entry date can be:

Yearly	We'll only include new **partners** once a year at the **annual renewal date**.
Monthly	Cover for new **partners** starts at a specified date each month. Unless we tell you otherwise, this will be the same day of the month the **annual renewal date** falls on.
Daily	We include new **partners** on the first day they meet the eligibility conditions.

A **partner** must be included for cover under the **policy** on the first entry date they meet the eligibility conditions. If you wish to include a **partner** who doesn't meet the eligibility conditions, we must be told in advance and all cover will be subject to our prior agreement and any terms we may apply.

Please see question 2.6 for more details of our requirements for **partners** who meet the eligibility conditions, but need cover to start before they complete a qualifying service or reach the first entry date.

If a **partner** becomes eligible to change to a different category, we'll cover them in that category immediately as long as any other requirements we've set are met.

1.3 When can cover for a partner change?

If the benefit is a fixed sum, for example, £500,000, you'll need to tell us when you'd like to increase the amount. Before we agree, we'll check if our **policy** terms, **unit rate** and premium need to change.

If we work out the benefit using earnings, we'll usually use the **partner's** average annual income from the firm over the previous three years. We'll start covering changes to these earnings once a year at the **annual renewal date**. This means, if you make a claim, we'll use the **partner's** earnings averaged at the **policy** start date, or if later, the last **annual renewal date** to work out their benefit, even if their earnings have increased the annual average since.

1.4 What happens if a partner is absent from work?

We'll continue to provide cover for a Partner while they are absent from work. Cover will be at the same level as before the partner's absence and will remain in place as long as the partner remains eligible and the premiums are paid.

Please see question 1.5 for details of when cover would end.

1.5 When will cover end?

a) Under normal circumstances

We will stop covering a **partner** when they:

- are no longer a **partner** of the firm, retire early or no longer meet the eligibility conditions. In which case we'll stop the cover at the end of the period for which the last premium for that **partner** was due; or
- reach the **benefit termination date** set out in the **policy**, in which case we'll stop cover immediately.

b) If you, or we, cancel the cover

All cover will end when you, or we, cancel the **policy**.

- We'll continue your cover as long as you meet the conditions we show in the **policy** document.
- You can cancel the **policy** by giving us notice in writing.
- We'll give you 14 days' notice in writing if we have to cancel the **policy** because you haven't met its conditions. We'll give you full details of our cancellation terms in the **policy** document.
- We can cancel the **policy** immediately if we identify a **financial crime** risk.

Please see page 22 for further details about our approach to **financial crime** risks.

1.6 What is the maximum benefit you will cover?

The maximum benefit we can insure for a **partner** is £10 million.

When you think about the type and amount of benefit you'd like us to cover, you should consider the different tax rules that apply to **registered** schemes and **excepted group life policies**.

If you're considering providing the lump sum death benefits through a **registered** scheme, it's also worth remembering tax allowances already used up, where a **partner** has taken benefit from any **registered** scheme during their lifetime. Additionally, other benefits paid from a **registered** scheme on death such as a return of pension savings could further reduce the available allowance, which could impact the tax-free amount the member's beneficiaries receive.

Please see question 8 for our understanding of tax allowances and charges

You can choose to limit the benefit (or the earnings used to work out the benefit) for each **partner** to a maximum amount. You'll need to tell us if you'd like to apply your own maximum.

1.7 What types of cover are available?

We can provide cover for either or both of the following:

- **Business protection.**

  After a **partner's** death, we'll pay the lump sum to the firm.

  We can only set this up as a **non-registered arrangement**, and **salaried partners** cannot be included for cover.

- **Dependants' protection.**

  After a **partner's** death, we'll pay the lump sum to the firm to pass on to the **partner's** dependants under the terms of a discretionary **trust**.

  We can set up a **policy** for dependants' protection as:

  – an **excepted group life policy**; or

  – a **policy** covering the benefits of a non-**registered** group death in service arrangement; or

  – a **policy** covering the **partners'** benefits provided under the firm's **registered** staff group death in service scheme.

Excepted group life policy (EGLP)

Partners looking for dependants' protection outside a staff **registered** scheme may consider setting up an **excepted group life policy**. A tax charge (known as a 'chargeable gain') doesn't apply to **excepted group life policies**, however may apply to **non-registered arrangements**.

Please see question 8.0 for more information about tax.

There are a number of conditions a **policy** must meet to qualify as an **excepted group life policy**:

- all **partners** must have the same benefit basis;
- you can only insure a lump sum;
- you can only pay benefit for an individual or charity;
- you cannot pay benefit to another insured **partner** unless they are a relation or dependant;
- you must not take out the **policy** to avoid paying tax.

If you need us to cover different benefit levels for a single scheme, we can set up a group of **policies** and link them for accounting purposes. Each **policy** will separately cover a benefit basis.

2.0 How do we set up a policy and when do we need to give you medical evidence?

2.1 What do you need to set up the policy?

If you accept the quote, we'll let you know what information we'll need. You'll need to fill in a proposal form and pay the first premium within 14 days of the date we agree to provide cover.

You'll also need to:

- Give us a membership list correct at the **policy** start date so we can give you an accurate account.

  Please see questions 4.0 and 4.1 for more details.

- Check if any **partners** need to give us medical evidence.

  Please see question 2.2 for more details about medical evidence.

- Check if all the **partners** are **actively at work**.

  We give more information about **actively at work** in question 2.5.

If you haven't already, we suggest you set up a declaration of **trust** with the firm as the **trustee**. This can be used to distribute any benefits from the **policy**. For new arrangements we can give you a specimen indefinite **trust**. If you prefer to use your own **trust** document, or appoint different **trustees**, we can usually adapt the **policy** where needed. We won't normally ask to see a copy of your **trust**.

We'll send you the **policy** when we have confirmed and finalised all the details. The **policy** is the contractual document that tells you the terms and conditions and what we will and will not cover.

To protect you and us from financial crime, we may need to confirm your identity. We may do this by using reference agencies to search sources of information about you (an identity search). This will not affect your credit rating. If this identity search fails, we may ask you for documents to confirm your identity.

2.2 What medical evidence will you need before you'll cover the partners?

a) Cover up to the free limit

We'll usually set a **free limit** when we quote. The **free limit** is the maximum amount of cover we can give without the **partners** needing to give us medical evidence. Medical evidence is information about their health and pastimes. Our **free limit** will depend on the number of **partners** and the amount of cover.

We'll tell you the **free limit** in the quote.

b) Cover above the free limit

If a **partner** wants cover above the **free limit**, they will need to fill in a member's declaration form to give us medical evidence. We call our assessment of this evidence, **medical underwriting**.

As an alternative, we offer a tele-interview service allowing **partners** to provide these details over the phone.

If they prefer to fill in the form themselves, you can ask us for a copy of the member's declaration form or find it in the literature section on our **website**.

Depending on the information a **partner** gives us in the member's declaration form or over the phone, we sometimes need to ask for more evidence. This could include a medical examination and blood or other tests. The **partner** may have the choice of carrying these out at home or at work by a nurse. We'll pay for the cost of the medical examination and tests if we ask for more evidence.

We'll assess all the medical evidence to decide if we can offer cover and if any **special terms** are appropriate. If we do apply **special terms**, these will apply straight away.

We'll write to you to explain any **special terms**. If this includes an **extra premium loading** and you decide you don't want to pay this, you can cancel the cover the **extra premium loading** is for by telling us in writing within 30 days.

A **partner's** status in an **excepted group life policy** will not be affected if their cover is restricted because of **medical underwriting**.

Unless we tell you otherwise, the **special terms** will not affect the cover below the **free limit** or any cover we've previously accepted.

If you insure more than one Partners' Group Life Assurance **policy** with us, unless we tell you otherwise, any **special terms** will apply to the **member's** total cover under all the **policies**.

2.3 If you have medically underwritten a partner, when will they next need to give you medical evidence?

We have two types of **medical underwriting**, forward underwriting and ONEderwriting. The one we will use depends on the number of **partners** we cover under the **policy**. We'll give you full details of our requirements for medical evidence when we start cover. A summary of when we next need medical evidence follows:

Forward underwriting

Less than 20 partners

This means, once we **medically underwrite** a **partner** they won't normally need to give us more medical evidence for increases in benefit for another five years.

The medical evidence we need will depend on the amount of the increase and any existing **special terms**. However, unless we tell you otherwise, our standard approach will be:

If we **medically underwrite** a **partner**, and agree cover on any of the following terms:

- ordinary rates;
- an **extra premium loading** of 50% or less that you are paying;
- an exclusion for hazardous pursuits;

they won't normally need to give us more medical evidence for an increase until:

- it's been five years since they were last **medically underwritten**;
- the **partner's** benefit increases by more than 15% above their benefit within any 12 month period starting on or after the day we finished **medical underwriting**;
- the total of all increases after **medical underwriting** is more than £300,000;
- if our terms for a change to the **policy** ask for medical evidence; it will be the date you ask us to make the change from.

Where we allow for future increases after we've **medically underwritten** a **partner**, we'll apply the last **medical underwriting** terms to each increase. If you're paying an **extra premium loading**, you must tell us before the date of the increase and the amount of all increases as we'll need to add the premium loading to each increase. If you change your mind and you don't want us to cover the increase, you can tell us within 30 days after the date of the increase that you no longer need it. If you do, we will stop using forward underwriting for that **partner**.

If we **medically underwrite** a **partner** and apply any other terms to the requested cover, we'll need medical evidence before we'll consider any further increase in their cover.

ONEderwriting

20 partners or more

ONEderwriting is our way of keeping our **medical underwriting** as simple as possible. It means we'll **medically underwrite** a **partner** once and usually, we won't need any more medical evidence for increases in their benefit.

Unless we tell you otherwise, our standard approach for ONEderwriting will be:

If we **medically underwrite** a **partner**, and agree cover on any of the following terms:

- at ordinary rates;
- an **extra premium loading** that you are paying;
- an exclusion for hazardous pursuits; or
- an exclusion for a medical condition;

as long as their benefit doesn't go over £5 million and they are **actively at work**, they won't normally need to give us more medical evidence for:

- normal increases in benefit resulting from **scheme earnings** increases; and
- an increase affecting all **partners** resulting from an agreed future change to the insured basis.

If we accept cover for £5 million or more for a **partner:**

- at ordinary rates; or
- with an **extra premium loading** of 50% or less that you are paying;

we'll next need medical evidence when benefit increases:

- by another £300,000; and
- for each further £300,000 increase.

If we accept cover for £5 million or more for a **partner** on any other terms, we'll need medical evidence for all increases.

Where we allow for future increases after we've **medically underwritten** a **partner**, we'll apply the last **medical underwriting** terms to each increase. If you're paying an **extra premium loading**, you must tell us before the date of the increase and the amount of all increases as we'll need to add the premium loading to each increase. If you change your mind and you don't want us to cover the increase, you can tell us within 30 days after the date of the increase that you no longer need it. If you do, we will stop using ONEderwriting for that **partner**.

We will need medical evidence for the next increase in cover where the result or our previous medical evidence decision was subject to any of the following:

- restricted;
- declined;
- postponed;
- not proceeded with;
- is subject to other terms;
- restricted or declined because the **partner** didn't provide medical evidence; or
- you chose not to pay an **extra premium loading**.

If a **partner** isn't **actively at work** for a ONEderwriting increase, we'll need medical evidence before we can consider the increase.

2.4 What are your terms if we're switching the insurance to you from another insurer?

We'll normally accept a high-level of cover without needing medical evidence, as long as **partners** meet our switch terms. This is even if the previous insurer charged a premium loading.

Terms for partners who are eligible for cover for the first time at the switch date

We'll need medical evidence for the portion of their benefit that is above our **free limit**.

Switch terms for existing partners previously insured

We'll normally accept existing cover for a **partner** who meets all the conditions under a), and one of the conditions in b) below:

a) Cover with the previous insurer was:
   - for their full **benefit entitlement**; and
   - not over £5 million.

b) Cover with the previous insurer was:
   - never subject to medical evidence;
   - **medically underwritten** and not subject to any special terms; or
   - **medically underwritten** and subject to an extra premium loading of 300% or less that you are paying.

We'll accept cover for these **partners** at the same level and on the same terms (but not necessarily at the same cost) as the previous insurer.

We'll need you to give us a copy of the previous insurer's latest letter of acceptance or fill in a Declaration – switch terms form. You'll need to give this to us when the **policy** starts or we won't be able to pay a claim for these **partners**.

If a **partner** meeting our switch terms was accepted by the previous insurer on a ONEderwriting (or equivalent) approach, as long as their cover doesn't go over £5 million, we'll use our ONEderwriting terms for benefit increases.

If a **partner** meeting our switch terms was accepted by the previous insurer on a forward underwriting approach on any of the following terms:

- ordinary rates;
- an extra premium loading of 50% or less that you are paying;
- an exclusion for hazardous pursuits;

we'll use our forward underwriting terms for benefit increases.

For all other **partners** meeting our switch terms;

- if their existing cover with the previous insurer is more than our **free limit**, we'll need medical evidence on the next increase in cover. This could be at the switch date if cover is increased at that date; or
- if their existing cover with the previous insurer is less than our **free limit**, we'll need medical evidence when their benefit first goes above our **free limit**.

Terms for any partners who do not meet our switch terms

We're happy to consider and negotiate terms to insure any **partners** who don't meet our switch terms, even if they had some benefit declined by the previous insurer. If you give us their full details, we'll consider if we can cover them. We can then set terms that you'll need to accept in writing before we will start their cover. To avoid a break in cover, you'll need to give us these details before the switch date.

2.5 What are your actively at work requirements?

We've described below when we need **partners** to be **actively at work** before we can start their cover or start covering any increases in their cover. We'll tell you in our quote if your **policy** has different **actively at work** terms.

	Actively at work
What does this mean?	This means the **partner** must be in full active employment, physically and mentally able to perform all the duties associated with their normal occupation as a **partner** on the day the cover is going to start or there's an increase to their cover.
How it works	**If you don't have an existing policy** We'll need **partners** to be **actively at work** on the day we start cover for: • a new arrangement including less than 100 **partners**; and • an existing arrangement including less than 100 **partners** you are insuring for the first time. We will not need **partners** to be **actively at work** if your arrangement includes 100 or more **partners**. **If you're switching the insurance of an existing policy to us** **Partners** don't need to be **actively at work** for any existing cover you switch to us from another insurer. If you improve the eligibility or increase the benefit at this time: • **partners** joining because of the eligibility change will need to be **actively at work** before we start their cover; and • **partners** will need to be **actively at work** before we cover that benefit increase Please also see question 2.4 for our other terms for switching insurance. **After the policy start date** We won't need **partners** to be **actively at work** unless we tell you otherwise. Normally this will only be in certain circumstances, such as benefit increases for **partners** who have been ONEderwritten. **Cover for a partner who doesn't meet our actively at work requirements** If a **partner** is not **actively at work**, we will not cover them, or increase their cover, until they are next **actively at work**.

2.6 What medical evidence do you need for partners who want cover before they are first eligible?

Early entrants	
What does this mean?	An early entrant is a **partner** you want us to cover before they complete a qualifying service or reach the first entry date. See question 1.2 for more details.
When can an early entrant's cover start?	If you want to include a **partner** as an early entrant within the three months after they join the firm, we'll agree cover for them up to the **free limit**.
What if an early entrant doesn't meet the above requirements for cover?	We'll need the **partner** to fill in and send us a completed Discretionary Entrant Application For Cover Form. This will allow us to assess if we can provide cover, if we need medical evidence, and if we need to give them **special terms** or ask you to pay an **extra premium loading**. We'll need medical evidence before we can consider cover over the **free limit**. See question 2.2 for more details. We'll give temporary or accident cover for up to 90 days while we assess medical evidence. See question 2.7 for more details.

We still can consider cover for a **partner** who doesn't meet all the eligibility conditions and isn't an early entrant. You'll need to tell us about that **partner** before we can consider our terms for cover.

2.7 What happens if we need to make a claim before you've finished your medical assessment?

We'll give **partners** temporary cover, starting from the date we know they need to provide medical evidence. However, there are some limits:

- we will not pay benefit for a **partner** if they die from any medical condition they were diagnosed with, or displaying symptoms of, within the previous five years before temporary cover starts;
- we won't give temporary cover to any **partner** whose cover has been refused, is restricted or already has **special terms** attached;
- we won't give temporary cover to any **partner** who has refused to give medical evidence, either now or in the past.

When we can't provide temporary cover, we'll provide 'accident cover'. We won't pay claims for accidental death caused by:

- alcohol abuse;
- the influence of drugs;
- medical or surgical treatment (except treatment that is needed because of the accident);
- suicide; and
- intentional self-injury.

Our temporary cover or accident cover will end at the earliest of the date we finish our assessment or the end of 90 days from the start.

Temporary and accident cover will be restricted by the lower of the cover being requested and not more than £2 million over the **free limit** subject to a maximum of £3 million.

3.0 What premiums will you charge for the cover?

The premiums we charge depend on many things, including the:

- amount of cover;
- age and gender of the **partners**;
- type of work;
- work locations; and
- claims history, if the **policy** was previously insured or self-insured.

Please see question 3.4 for more details about claims history.

We don't charge a minimum premium.

3.1 How will you work out the premiums?

We'll work out the cost for each £100 of **total benefit** or **total scheme earnings**. We call this cost the **unit rate**. We'll multiply the **unit rate** with the **policy's total benefit** or **total scheme earnings** at the start of each **policy** year to work out a year's premium. At the end of a **policy** year we'll adjust this premium to allow for membership changes. We'll also use the **unit rate** to work out these adjustments.

Please see question 4.0 for more details.

3.2 Will there be any unexpected extra premiums?

We'll usually fix the **unit rate** until the end of the second **policy** year. We will then review it, following which we will usually fix the **unit rate** for another two years. However, we can change the **unit rate** from any **annual renewal date** if the membership or **total benefit** has changed by more than 25% from the total we used to work out the **unit rate**. This means the premiums and the **unit rate** may go up or down.

If a **partner** has given us medical evidence, you may need to pay us an **extra premium loading** because of their health or dangerous pastimes. Although the **extra premium loading** applies immediately, we won't ask you to pay it straight away. Instead, we'll wait and add it your next account. If you tell us in writing within 30 days that you don't want this cover we will not charge the **extra premium loading**.

The premiums may also change at the start of the **policy** when we work out accurate premiums.

Please see question 4.0 for more details.

3.3 How much commission will you pay our adviser?

We'll pay commission to your adviser as a percentage of each premium you pay. The standard rate is 10%. We can pay different levels of commission although this will affect the premium we charge. Our quote will show the rate we've allowed for.

3.4 Is there a discount for a good claims history?

Yes, we consider the past claims history of our **policy**, and any previous policies, when working out the **unit rate**. We'll adjust the premiums for a good or bad claims history. A good claims history usually means the premiums will be lower than for a bad history.

4.0 How does the accounting work?

We'll work out the accounts at the start of the **policy** and then every year at a date we call the **annual renewal date**.

You'll need to pay us premiums in advance, either yearly or monthly. Yearly premiums are approximately 2% lower than the total of 12 monthly premiums.

You can pay yearly premiums by cheque or bankers automated clearing system (BACS). You can only pay monthly premiums by Direct Debit.

When the **policy** starts we'll work out and ask you to pay estimated premiums based on the membership list you gave us for the quote. If the membership list has changed, we'll ask you for an up-to-date membership list that's accurate on the day the **policy** starts. We'll use the updated list to work out the accurate premium and identify who we're covering. You will then have to pay, or we will refund, any difference between the estimated and accurate premiums.

At each **annual renewal date** we'll ask you to pay an estimated premium, based on the previous years' member data, until you give us the up-to-date membership list. We'll then work out the accurate premiums.

4.1 What information do you need for accounting?

You must tell us about anyone who needs to give us medical evidence before we can consider their full cover. This will include:

- when a **partner's** cover goes over the **free limit** for the first time;
- anyone who needs cover before or after they are first eligible and our terms say medical evidence is needed;
- if our terms say we need medical evidence for cover.

We suggest you regularly check if medical evidence is needed and not leave it to the **annual renewal date**. Regular checks will help you make sure you have the cover you need.

At the start of the **policy**, and at each **annual renewal date**, you will need to give us a membership list showing each current **partner's**:

- name;
- gender;
- date of birth;
- benefit; and
- eligibility category (if there's more than one).

It's important we get this renewal information quickly so we can work out the accurate premium and give you accurate accounts. If the information is not received within three months of an **annual renewal date** we can cancel the **policy** or change the terms and conditions of the **policy**.

It's also important that we know exactly who's covered under the **policy**. If you don't include a **partner** who you should have included on the membership list at the start of the **policy** or an **annual renewal date**, we won't pay a claim for them.

4.2 How do you adjust premiums for partners who join or leave during the policy year?

If a **partner** joins during the **policy** year, you'll need to tell us. We'll then charge a premium for the part of the **policy** year left to the next **annual renewal date**. We call premiums paid for a part year's cover a proportionate premium.

We give more information about daily and monthly entrants in question 1.2.

We'll also work out a proportionate premium for a **partner** whose cover stops during the year. If a **partner** leaves before the **benefit termination date**, we will continue to cover them until the day before the next premium is due. Therefore this adjustment will only apply for **partners** leaving a firm who pays its **policy** premiums on a monthly basis, and for **partners** reaching the **benefit termination date**.

We give more information about when cover ends in question 1.5.

If you pay premiums monthly, you'll need to tell us when a **partner** leaves. We'll then adjust the next premium. If the **policy** allows for yearly entry and annual premiums, there's no need to tell us about membership changes until the next **annual renewal date**.

4.3 If you or we cancel the policy mid year, will we lose any premiums we have paid in advance?

No. We'll work out a final account for the cover we've provided up to the **policy's** cancellation date. We will either send you a refund or you will immediately have to pay us any premiums you owe.

5.0 How do we make a claim?

You'll just need to fill in a claim form and send it back to us within two years of the insured person's death. If we receive the claim form more than two years after the death, we have the right not to pay the claim.

Occasionally we may need you to send us additional information to confirm the death or the cover at the time of death.

6.0 What don't you cover?

For **partners** who give us medical evidence, we may set terms to exclude specific medical conditions. We may also set terms during our medical underwriting process, for claims that arise due to specific hazardous pursuits. We'll tell you if we restrict cover in this way.

We may also restrict cover if we've agreed to cover **partners** based in certain overseas locations. We'll tell you if we've done this.

Please see question 7.0 for more details.

Our quotation may include an **event limit**, if the quote is for more than one **policy** the **event limit** will apply to the combined benefits as a result of the catastrophe under all the **policies**. This means we'll restrict the total amount of benefit we pay for claims caused by a catastrophe. A catastrophe is an accident or event, or a series of accidents or events, which happen within 72 consecutive hours and causes four or more claims within six months. We'll tell you in our quote if we include an **event limit**.

We won't pay a claim if the **partner** is not eligible for cover.

For **partners** who give us medical evidence, we may set terms to exclude specific medical conditions. We'll tell you if we restrict cover in this way.

We may also restrict cover if we've agreed to cover **partners** based in certain overseas locations. We'll tell you if we've done this.

7.0 Can you cover a partner who is not based in the UK?

We'll cover **partners** who live and work in the United Kingdom while they are traveling overseas for normal business purposes.

We'll usually cover **partners** based overseas as long as they don't form the majority of the **partners** covered by the **policy**. We'll need their full details, as we may need to give you **special terms** for their cover. We won't start covering them until we've told you our terms.

In addition to any **special terms**, we'll also apply the following additional standard terms to a **partner** while they are based outside the United Kingdom:

- you must pay all premiums, and we'll pay all benefit, in the UK in sterling;
- we'll fix any currency conversion rates at each **annual renewal date**.

8.0 What tax rules apply?

Our current understanding of the tax rules for these arrangements below. You may want to get tax advice about the **policy** or HM Revenue & Customs rules.

8.1 For a policy set up for dependants' protection as an Excepted Group Life Policy (EGLP)

- There is no tax relief on premiums.
- Benefit payments are paid free of income tax and do not count towards the **lifetime allowance** or the **lump sum and death benefit allowance**.
- Lump sum benefits are subject to the normal inheritance tax rules for discretionary **trusts**. This means exit and periodic charges may apply at a maximum of 6% in each case.
- The **policy** is exempt from the chargeable event provisions of the Income Tax (Trading and Other Income) Act 2005. Therefore, a chargeable gain and income tax charge will not be charged on any lump sums paid on death.

8.2 For a policy set up for dependants' protection where benefit is paid through a registered staff stand-alone death in service scheme

- Premiums you pay for the **policy** are tax-deductible.
- From 6 April 2024, the Finance Act 2024 changes the tax allowances available to members of **registered** schemes, including the allowance lump sum death benefit payments count towards. This Act abolishes the **lifetime allowance** and introduces the **lump sum and death benefit allowance**.

  Up to 6 April 2024
  Lump sum group life assurance payments from **registered** schemes, will count towards the **lifetime allowance** of a **partner** who dies. The standard **lifetime allowance** is £1,073,100 for the tax year 2023/24, and applies most benefits paid from all the **registered** pension schemes a **partner** may have joined, including any unused pension savings that may be paid on their death. A group life assurance benefit payment is checked against their remaining **lifetime allowance**. Any benefit that exceeds this allowance is taxed by HMRC at the marginal rate of income tax for the person or persons, receiving the benefit.

  From 6 April 2024
  Lump sum group life assurance payments from **registered** schemes, will count towards the **lump sum and death benefit allowance** of a **partner** who dies. This allowance is for the total amount that can be paid as tax-free lump sums for a person both during their lifetime and when they die. The limit is introduced with a first value of £1,073,100. Most tax-free lump sums a person takes from a **registered** pension scheme during their lifetime will reduce the amount of allowance available for any lump sum benefits paid following their death. Any part of a lump sum that is above this allowance will be taxed at the highest rate of income tax of the person or persons, receiving the benefit.

8.3 For a policy set up for dependants' protection under a non-registered arrangement

- There is no tax relief on premiums.
- Benefit payments do not count towards the **lifetime allowance** or **lump sum and death benefit allowance**.
- Lump sum benefits are subject to the normal inheritance tax rules for discretionary **trusts**. This means exit and periodic charges may apply at a maximum of 6% in each case.
- The **policy** is subject to the chargeable event provisions of the Income Tax (Trading and Other Income) Act 2005. Therefore income tax could be due if a second or subsequent death under the **policy** causes a chargeable gain. Any gain would be shared out between **partners** (including the estate of the **partner** who died) in proportion to their profit sharing ratio.

  We'll send the firm a chargeable event certificate as required by the Income and Corporation Taxes Act 1988.

  After the first death, you can ask us to increase the sum assured. You could use the increase to contribute to possible tax charges on subsequent deaths.
- A pre-owned asset tax charge, as set out in the Finance Act 2004, may be due from each **partner** for each tax year the **policy** is in force.

8.4 For business protection policies

- There is no tax relief on premiums.
- Benefit payments do not count towards the **lifetime allowance** or **lump sum and death benefit allowance**.
- The **policy** is subject to the chargeable event provisions of the Income Tax (Trading and Other Income) Act 2005. Therefore income tax could be due if a second or subsequent death under the **policy** causes a chargeable gain. Any gain would be shared out between **partners** (including the estate of the **partner** who died) in proportion to their profit sharing ratio.

  We'll send the firm a chargeable event certificate as required by the Income and Corporation Taxes Act 1988.

  After the first death, you can ask us to increase the sum assured. You could use the increase to contribute to possible tax charges on subsequent deaths.
- A pre-owned asset tax charge, as set out in the Finance Act 2004, may be due from each **partner** for each tax year the **policy** is in force.

9.0 Can partners continue their cover if they leave the partnership?

No, **partners** cannot continue cover at their own expense if they leave the partnership.

Further information

Providing insurance

This Partners' Group Life Assurance **policy** is provided by Legal & General Assurance Society Limited. Our principal office for the purpose of the **policy** is at:

Four Central Square
Cardiff
CF10 1FS

0345 026 0094

Call charges will vary. We may record and monitor calls.

Privacy Policy

We're the sole data controller for the information we hold with respect to the **policy**, and solely responsible for its security.

To arrange and manage the **policy**, you'll need to send us personal information about **partners** who are, or become, eligible for cover. This may include medical and health information. You need to satisfy yourself of a legal basis that allows you to send us these details, or consider seeking appropriate consent (explicit consent in the case of medical or health information).

Please share our full Privacy Policy with the **partners** so they understand what we do with the information we collect. Our full Privacy Policy is available at:

legalandgeneral.com/privacy-policy/

Questions and complaints

If you have any questions or complaints, please speak to your adviser who arranged this **policy** for you.

If you then need to speak to us, you can call us or send the details of your question or complaint to our Managing Director, Group Protection. You can find our contact details at the back of this technical guide.

If we can't settle the complaint you may be able to refer it to the Financial Ombudsman Service. You can find their contact details at the back of this technical guide.

Making a complaint won't affect your right to take legal action.

Compensation

You may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) if we cannot meet our liabilities. You can find out more about the amounts and eligibility from the FSCS. Their contact details are at the back of this technical guide.

Law

The **policy** is governed by English law.

References in this guide to the tax treatment of premiums and benefits are based on our understanding of law and HMRC practice, which may change.

Language

All communications from us, including our terms and conditions, will only be available in English.

Insurance Act 2015

In the event that you breach your 'duty of fair presentation', we may at our discretion, agree to pay a claim in full if you agree to pay an additional premium.

This is conditional on the breach not being 'deliberate' or 'reckless', and occurring in a situation where we can show that we would have charged a higher or additional premium had full disclosure occurred.

Industry regulation

We're authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. Our Financial Services Register number is 117659. You can check this on the Financial Services Register by visiting the FCA's website

fca.org.uk/register

or by contacting the FCA on

0800 111 6768

This technical guide is for commercial customers as defined in the Financial Conduct Authority's Insurance: Conduct of Business sourcebook (ICOBS).

Financial Crime Risk Management

We are committed to protecting our customers and us from **financial crime** whilst meeting all our legal and regulatory obligations to complete checks on policyholders, employees or potential beneficiaries, company directors and all beneficial owners.

If in our opinion, it becomes appropriate or necessary, in order to manage our exposure to the risk of **financial crime**, we might take one or more of the following steps:

- withdraw or make changes to a quote for cover;
- cancel a **policy** by giving written notice;
- where we consider it to be reasonable in light of the level of risk of **financial crime**, immediate cancellation of cover or any benefit payable under the **policy**; and/or
- take any other reasonable action that we deem necessary in all the circumstances

Glossary

Our terms explained.

Actively at work
This means the **partner** must be in full active employment, physically and mentally able to perform all the duties associated with their normal occupation as a **partner** on the day the cover is due to start or there's an increase to their cover.

Annual renewal date
The anniversary of when your **policy** starts or another yearly date that we've agreed with you.

Benefit entitlement
This is the amount of benefit a **partner** is covered for under the **policy**. Sometimes this can be restricted. For example, if a portion of benefit is declined after **medical underwriting**. Their full benefit entitlement would therefore be the amount of benefit before any portions are restricted or declined.

Benefit termination date
The last day to which we'll cover a **partner**.

Event limit
A restriction we may apply to the total amount of benefits we pay which results from a catastrophe.

Read question 6.0 for more details

Excepted group life policy
A type of **policy** itroduced by the Finance Act (2003).
Read question 1.7 for more details

Extra premium loading
If **medical underwriting** shows a **partner** doesn't meet our standard criteria we may increase the premium for them. We call this an extra premium loading.

Financial Crime
Financial crime is defined as:

- The contravention of or the risk of any other sanction, restriction, or adverse measure pursuant to any sanctions program;
- Money laundering and terrorist financing;
- Fraud (internal and external);
- Bribery and corruption;
- Facilitation of tax evasion; and Insider dealing and market abuse.

A sanctions program is any national or international sanctions laws and regulations enacted by the United Kingdom, United States of America, the European Union or the United Nations, and such other sanctions laws and regulations enacted by any other country or body that we consider, from time to time and at our absolute discretion, would exposes us to any risk beyond a level that we consider to be reasonable.

Free limit
The maximum amount of cover we will provide to a **partner** without the need for medical evidence or details of their hobbies. We'll tell you the free limit in our quote as a level of benefit or **scheme earnings**.

Lifetime allowance
From 6 April 2024 the Finance Act 2024 abolishes the lifetime allowance and introduces new allowances, including a **lump sum and death benefit allowance** that applies to most lump sums paid from a **registered** scheme. We'd encourage you to review your scheme eligibility or benefit design if it refers to the lifetime allowance.
Up until 6 April 2024, the lifetime allowance is the maximum amount of tax advantaged benefit that may be paid for a **partner** from all the **registered** schemes they've joined.

From 6 April 2024, within our **policy**:

- References to the standard lifetime allowance will mean the standard lifetime allowance defined in Part 4 of the Finance Act 2004 as it applied on 5 April 2024, including its 2023/24 value of £1,073,100.
- References to a **partner's** lifetime allowance adjusted for any **registered** scheme benefits they may have received, or a lifetime allowance protection or enhancement factor, will mean the remaining **lump sum and death benefit allowance** that is available to that **partner**.

Lump sum and death benefit allowance

The lump sum and death benefit allowance introduced by the Finance Act 2024.

This allowance is for the total amount that can be paid as tax-free lump sums from **registered** schemes for a person, both during their lifetime and when they die. Most tax-free lump sums taken during the person's lifetime will reduce the amount of allowance available for any lump sum benefits paid on death. The lump sum and death benefit allowance has been set at £1,073,100.

Medical Underwriting

The process used to assess the health and pastimes of a **partner**. At the end of the process **special terms** may be applied

Non-registered arrangement

A policy only insuring **partners**, that:

- does not cover the benefits of a **registered** scheme; and
- is not an **excepted group life policy**.

Partner

An equity partner of a firm, or a member of a Limited Liability Partnership, who has an equity share in the firm and whose income from the firm is taxed as trading profit.

Policy

The legal contract between you and us. You choose how much of the benefits you've promised to the **partners** that you want to insure under the policy.

Registered

Group life assurance schemes can be registered with HM Revenue & Customs as an occupational pension scheme under the Finance Act 2004. While **partners** cannot set up a registered scheme just for themselves, they can join a registered group life assurance scheme they've set up for their employees.

Salaried partner

An employee of the firm, appointed as a salaried partner, who is paid a salary and does not have an equity share in the firm.

Scheme earnings

The earnings we use to work out a **partner's** benefit.

Special terms

Terms for cover not accepted at ordinary rates. This will include **extra premium loadings**, exclusions, restrictions, postponements or where cover has been declined.

State pension age

The later of reaching age 65 years, and the age at which a **partner** could receive their state pension from the UK Government.

Total benefit

The total benefit for all insured **partners**.

Total scheme earnings

The total **scheme earnings** for all insured **partners**.

Trust

A document the **trustees** use to pass on the benefits paid by the **policy**.

Trustee

This is a person, firm or group, appointed to carry out what the **trust** must do. For example, make a claim under the **policy** and pass on the benefits. They must follow the laws that apply to **trusts**.

Unit rate

This is how we calculate the cost of a **policy**. We'll calculate the cost for each £100 of cover and multiply this with the **total benefit** or **total scheme earnings** for the **policy**. We'll tell you the unit rate in our quote.

Contact details

Group protection principal office Questions and complaints	Financial ombudsman service	Financial services compensation scheme
Managing Director, Group Protection Legal & General Assurance Society Limited Four Central Square Cardiff CF10 1FS	If we can't resolve a complaint you may be able to refer it to: Financial Ombudsman Service Exchange Tower London E14 9SR	PO Box 300 Mitcheldean GL17 1DY
0345 026 0094 We may record and monitor calls. Call charges will vary. Lines are open from 9am to 5pm Monday to Friday.	**0800 023 4567** or **0300 1239 123** (free for mobile phone user paying a monthly charge for calling phone numbers beginning with 01 or 02).	**020 7741 4100** or **0800 678 1100**
group.protection@landg.com	complaint.info@financial-ombudsman.org.uk	enquiries@fscs.org.uk
legalandgeneral.com/employer/group-protection	**financial-ombudsman.org.uk**	**fscs.org.uk**

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Registered in England and Wales No. 166055
Registered office: One Coleman Street, London EC2R 5AA

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W8852 03/24

Technical guide 09/23