

IMPORTANT INFORMATION

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Life Cover

Key Features of the Mortgage Decreasing Term Assurance Plan

Legal & General's Mortgage Decreasing Term Assurance Plan

Key Features

Its aims

The plan aims to do the following:

- To provide the amount of cover you choose.
- To provide cover for the period you choose.
- To pay the lump sum if you die during the period of cover. The amount of cover decreases over the chosen period.
- To pay the lump sum if, during the period of cover, you become eligible for Terminal Illness benefit, with a life expectancy of less than 12 months. (Not applicable for the last 18 months of the plan.)

Your commitment

You must do the following:

- Pay the required premium by direct debit every month, or annually by direct debit or cheque during the period of cover.
- Give us all the information we ask for in the application process, and if you have to make a claim.

Risk factors

The plan carries the following risks:

- If you do not truthfully provide all the information we ask for on your application form or when you claim, we will not pay out under the plan.
- If you stop paying the required level of premiums your cover will end after 30 days. Your plan will lapse and no further benefits will be payable.
- In some circumstances, the amount of money may not be enough to pay off your mortgage in full. For example if your mortgage payments have not been adjusted to take into account interest rate changes, or if mortgage interest rates average over 10% during the term you have chosen for cover.
- We will not pay out in the circumstances described under the 'When will the plan not pay out?' section.
- The plan has no cash-in value.
- You should ensure that the term of the plan is long enough to cover the term of your mortgage.
- The present tax treatment of the plan's benefits may change.

Frequently Asked Questions

How does the plan work?

The plan will pay out if you die or become eligible for Terminal Illness benefit (where life expectancy is less than 12 months) during the term you choose for your plan. Terminal Illness Cover is not applicable in the last 18 months of the period of cover. During the term you choose for your plan, the amount of cover decreases over the years, approximately in line with the amount you owe on your mortgage depending on the amount of cover you choose at outset.

If mortgage rates are lower than 10% during the term of the plan, the cover could become more than you need to pay off your mortgage. This would give you an additional level of protection. If mortgage rates average over 10%, the cover may not be sufficient to repay your mortgage.

You must pay all premiums due to keep your cover in force.

All cover is subject to terms and conditions, which will be fully detailed in your policy document. Please also see the 'When will the plan not pay out?' section.

In some cases we may need medical information before we agree to provide cover.

How long will the plan last?

You decide how long you want the cover for.

The term of the plan can be from 5 to 40 years and the plan must end by age 70 next birthday. However, the plan can last beyond your 70th birthday if the term is 10 years or less.

Who can the plan cover?

You can apply for the plan to cover:

- You alone
- You and another person

If the plan covers two people it will only pay out once. This would be when the first of you dies or becomes eligible for Terminal Illness benefit, whichever occurs first. The plan will then end and no further benefit will be paid.

How much does the policy pay out?

You decide how much benefit you would like this plan to pay out. The level of benefit and the period of cover you choose will determine your premium.

The plan only pays out benefit once and then all cover ends.

The term assurance quote result page will show the period of cover, how much cover you have chosen, whether any other additional benefits will be included and your monthly premium.

What if I already have mortgage protection?

Make sure you obtain financial advice before cancelling any existing policies. A financial adviser can help you decide what best suits your needs.

When will the plan not pay out?

We will not pay a claim if:

- You do not truthfully provide all the information we ask for on your application form or when you or your representative makes a claim.
- The policy has ceased due to non payment of premiums.
- You commit suicide in the first 12 months of the plan.

Further details about the cover and any limitations are in the Policy Conditions section of the Policy Document which is made up of the Policy Schedule and the OLA (Ordinary Life Assurance) wrap. We provide more information about cover and limits in Legal & General's Technical Guide. You can ask us for a copy of these.

We may apply specific exclusions when we accept your policy. If this is the case these will be shown in your policy schedule under Policy Condition 1.

What extra protection is available?

Terminal Illness Cover

We include Terminal Illness Cover automatically at no extra cost. This pays out the lump sum immediately (instead of on death) if you are diagnosed as being terminally ill and you are eligible to claim, with a life expectancy of less than 12 months. This cover does not apply during the last 18 months of the period of cover. Full details and conditions are provided in your policy document.

Accidental Death Cover

We include free Accidental Death Cover whilst your application is being completed. This is only available for a maximum period of 90 days, or until your application is accepted or declined, whichever is sooner.

In the event of death we will pay the lower of:

- the amount of cover you have applied for including all subsequent applications, and
- a lump sum of £300,000

If the person/s insured sustain bodily injury caused by accidental means which, solely and independently of any other causes, results in death and death occurs within 90 days of the event.

We will not pay the benefit 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 dangerous sport or pastime;
- taking part or attempting to take part in any aerial flight other than as a fare-paying passenger of a licensed airline;
- committing, attempting or provoking an assault or criminal offence;
- war (whether declared or not), riot or civil commotion;
- taking alcohol or drugs (unless they were prescribed by a registered doctor in the United Kingdom).

Full details and conditions can be provided on request.

SmoothMove

To provide SmoothMove Legal & General have teamed up with Inter Partner Assistance, one of the largest international emergency assistance organisations.

If you are moving house and taking out cover to protect your new mortgage, your plan will include – at no extra cost – SmoothMove, a 24 hour rescue service to help with unexpected hitches on moving day. SmoothMove also covers you for up to three months for domestic emergency repairs and legal advice after you have moved in.

Inter Partner Assistance provides the SmoothMove Insurance Plan. For full details of SmoothMove, please see the Key Features and Policy Terms and Conditions of the SmoothMove Plan, which will be included with your life assurance quotation.

When will my cover start?

You can choose the date on which your plan will start. If you are moving house or taking out a larger mortgage, your mortgage cover normally begins on the same day as your mortgage, subject to underwriting and acceptance.

Can I increase the amount of cover later on?

You may increase the amount of cover later on without the need for further evidence up to certain limits. This is known as your Guaranteed Insurability Option. You can do this if:

- You get married or enter into a civil partnership
- You become a parent
- You increase your mortgage because you are moving home or improving your home.

For your policy to include this Guaranteed Insurability Option the policy must be accepted on standard terms and normal rates before your 45th birthday. This option must be exercised before your 50th birthday (older life for joint life policies). We will not ask any more medical questions and the rates at the time of the increase will apply. The limits which apply are set out in your policy document. A financial adviser can give you more details.

Will my payments ever go up?

The premium is guaranteed. This means that your monthly or annual payment will stay the same throughout the term of the plan unless you change the amount or type of cover or exercise your Guaranteed Insurability Option

What happens if I move home?

The plan can move too, and you can increase the cover for a larger mortgage, subject to certain limits.

What are the charges?

The premium payments include all the costs of administration, underwriting, claims, commission and selling expenses.

What if I am not sure whether this product is suitable for me?

We are not seeking to give you advice. If you have any doubt whether this product is suitable for your circumstances, please contact Legal & General. Any advice from Legal & General will only relate to our range of life assurance and investment products.

How do I make a claim?

If you need to make a claim, please write to us at:
Legal & General Claims Department
City Park
The Droveaway
Hove
BN3 7PY

When we receive notification of a claim we will send you a claim form to complete and return to us. We will then consider your claim. We may ask you to provide us with certificates or other evidence as required.

Further Information

Your cancellation rights

After we have accepted your application, we will send you notice of your right to cancel. By law we must send you this notice. We then give you 30 days to change your mind about starting the plan.

If you do change your mind, you need to send the notice back to us at:

Legal & General Assurance Society
City Park
The Droveway
Hove
BN3 7PY

and we will then cancel the plan. If you do this, we will refund any premiums you have paid. If you do not take this opportunity to cancel, and you want to do so at a later stage, you may not get any money back.

If you want to cancel at a later stage, please write to the address above.

Complaints

If you wish to complain about any aspect of the service you have received from Legal & General, or you would like us to send you a copy of our internal complaint handling procedure, please contact our Helpdesk on 08700 104 080.

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

Alternatively you can write to us at:

Legal & General Assurance Society
PO Box 1186
Hove
BN3 1SD

If you remain dissatisfied, you can complain to The Financial Ombudsman Service:

South Quay Plaza
183 Marsh Wall
London
E14 9SR

Telephone: 0845 080 1800.

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

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

Making a complaint will not affect your legal rights.

Law

This contract is governed by English law.

Language

We will communicate in English throughout the term of this contract.

Tax

The proceeds from this plan are free from UK income tax and capital gains tax. However, for life assurance, as we pay the proceeds after the death of an insured person, inheritance tax may be due on the benefit paid. You may be able to avoid inheritance tax by using an appropriate trust. Ask Legal & General for more details. The Government may change the tax position described above.

Our regulator

We are authorised and regulated by the Financial Services Authority. We are entered on their register under number 117659. You can check this at www.fsa.gov.uk/register or telephone them on 0845 606 1234.

About Legal & General

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. We are one of the UK's top 50 companies in the FTSE 100 Index. Over 5.75 million people rely on us for life assurance, pensions, investments and general insurance plans. The Legal & General Group is responsible for investing over £237 billion worldwide (as at 31 December 2006) on behalf of investors, policyholders and institutions.

Legal & General is one of the biggest providers of index-tracking investments in the UK, managing £162 billion as at 31 December 2006.

Compensation

The Financial Services Compensation Scheme covers the policies issued by us. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

The Financial Services Compensation Scheme may arrange to transfer your policy to another insurer, provide a new policy or, if these actions are not possible, provide compensation. For protection products, the first £2,000 of a claim or policy is protected in full. Above this amount, the scheme covers 90% of the value of a policy.

You can get more information from:

Financial Services Compensation Scheme

7th Floor Lloyds Chambers

1 Portsoken Street

London

E1 8BN

Tel: 020 7892 7300

Email: enquiries@fscs.org.uk

Website: www.fscs.org.uk

The mortgage lender

If you have assigned the policy to your mortgage lender and you fall behind with (or stop paying) premiums we may have to keep the lender informed.

Please note

This Key Features is a guide to our Mortgage Decreasing Term Assurance Plan and is based on our understanding of current laws and tax rules. Further details are given in the plan schedule and the policy document, which is the legally binding contract between you and Legal & General. You should get expert advice about the legal and tax information in this leaflet.