Low Start Income Protection

Policy Terms and Conditions

Welcome to the Legal & General Low Start Income Protection policy

In this Policy Terms and Conditions document you'll find useful information to help you understand the policy benefits and features.

When you read this document, you'll see words like 'we', 'us' and 'our' used. When we use these words, we mean Legal and General Assurance Society.

The Policy Terms and Conditions, together with the Policy Schedule, which we send you once you start your policy, are your contract with Legal and General, which is governed by English Law.

In the Policy Schedule, you would find what is covered by your policy and what isn't covered. As well as important dates, how much you would be paying (your monthly premiums) and your cover amount.

If you'd like a copy of this document in another format, please let us know. We can send you a copy in large print, braille or on audio file.

All our communications with you will be in English.

This policy doesn't give any rights to anyone except you and us.

You can take out a Low Start Income Protection policy if:

- you've been registered with a GP in the UK for at least the last two years
- you're a UK resident
- you're aged from 18 to 59 years old.

Legal & General

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How and when to contact us

If you have an illness or injury that stops you from working for an extended period, you'll need to contact our claims department. It's best to tell us as soon as you can't work so we can make sure your claim is processed on time.

Calls may be recorded and monitored. Call charges may vary.

Read more about telling us you need to make a claim in the section called '**How to make a claim**'.

Reason for contact	Contact Details	Opening Times
Claims	0800 027 9830	9am to 5pm, Mon - Fri

Reason for contact	Contact Details	Opening Times
Customer Services	0370 010 4080 protection.customerenquiries@landg.com	9am to 5pm, Mon - Fri

If you're ever unhappy with our service, please call the Complaints department.

Reason for contact	Contact Details	Opening Times
Complaints	0370 010 4080	9am to 5pm, Mon - Fri

What if you need to make a claim?

It's important you contact us as soon as possible when you need to make a claim. For us to fully assess your claim, we'll need to receive all the information we request from both you and any third party (such as a Doctor). We want to avoid delays to your benefit being paid, so please help us to do this as quickly as possible.

Contact us to make a claim as soon as you're unable to work if you believe your illness or injury will likely continue past your chosen deferred period.

You can contact us:

online via My Account at **landg.com/myaccount**

or call us on **0800 027 9830**.

Payment of your monthly benefit may be delayed if it takes longer for us to be notified, to receive evidence from third parties such as your employers, healthcare providers and the NHS, or to assess and approve your claim, meaning that your claim may not be paid out immediately. This is more likely if you've chosen a short deferred period.

What is income protection?

Income protection pays you money each month if you face a reduction in your income because you're ill or injured and can't work. We call this a monthly benefit.

The monthly benefit we'll pay you is tax-free. It won't cover 100% of the income you'd get from work, but it can help to protect your finances while you recover. The payments can help you pay for things like bills, mortgage payments or rent, and childcare costs. You'll choose your monthly benefit cover amount when you take out the policy based on your income at that time. This will be shown in your policy schedule.

When you start your Low Start Income Protection policy, you'll need to pay us an amount every month to be covered. These payments will start from the day your policy starts. We call this your monthly premium. We'll work out your monthly premium based on your monthly benefit cover amount at the start of your policy.

Find out more about monthly premiums in the section called '**The amount you pay us each month**'

What does 'incapacitated' mean?

To make a claim, you must be incapacitated. This means you can't work or do some activities because you're ill or injured. Below, we've explained own occupation incapacitated and activities of daily living incapacitated. When making a claim, you'll need to meet one of these definitions.

Own occupation incapacitated

If you're working on average at least 16 hours a week over the 3 month period immediately prior to your incapacity, the own occupation definition will apply. If you are on statutory maternity, paternity, or adoption leave, this will be based on the 3 months immediately prior to you going on leave.

We'll recognise you as incapacitated if, because of your illness or injury, you are unable to carry out the material and substantial duties of the occupation you are following at the point of incapacity.

Activities of daily living incapacitated

If you're a houseperson, not working or working on average less than 16 hours per week over the 3 month period immediately prior to your incapacity, the activities of daily living definition will apply.

We'll recognise you as incapacitated if, because of your illness or injury, you are unable to carry out at least 3 of the following activities.

Walking	Walk more than 200 metres unaided on a flat surface.
Climbing	Climb up a flight of 12 stairs and down again, using the handrail if needed.
Lifting	Pick up an object weighing 2kg at table height and hold it for 60 seconds before replacing the object on the table.
Bending	Bend or kneel to touch the floor and straighten up again without assistance.
Getting in and out of car	Get in and out of a standard saloon car without help.
Writing	Write clearly using a pen or pencil, or type using a computer keyboard.

How much benefit could be paid

If your claim is successful, we'll pay you a monthly benefit based on your income. This is the amount we'll pay if you become incapacitated.

We'll use your income from just before you became ill or injured to work out your monthly benefit. We won't use your earnings from when your policy started. This means if you're earning less than you were when your policy started, your monthly benefit might be lower.

What counts as income?

Your income is what you earn from being in paid employment or self-employment and working more than 16 hours per week.

Income if you're employed

Your income includes your earnings before tax, any bonuses or commission and the value of any taxable benefits. We'll use your payslips or any other HMRC documents (Such as P60, P11D) to check this. We'll use your total income in the 12 months before you became incapacitated.

We include any dividends you receive during the 12 months that represent your share of net profit and that you wouldn't receive if you were incapacitated.

Income if you're self-employed

Your income will be your share of the business's yearly taxable profits. We won't count any expenses from running the business that are allowed by HMRC guidance as part of your income.

If you've been self-employed for over three years, we'll use your average yearly income for the three years before you became incapacitated.

If you've been self-employed for less than three years, we'll use your average yearly income during the period before you became incapacitated.

We'll need to see tax returns or business accounts.

How we work out your monthly benefit

When you make a claim, we work out your monthly benefit based on your income just before you became incapacitated. We don't use the income you had at the start of your policy.

The maximum monthly benefit you can choose is based on 60% of your annual income for the first £60,000 and 50% of your annual income over £60,000. You can choose any monthly benefit amount up to this maximum.

You might have been self-employed for less than 12 months when you make a claim. In this case, we'll limit your total monthly benefit amount to 35% of your yearly earnings at the time you were incapacitated.

The overall maximum possible benefit is limited to £120,000 per year.

If you choose an increasing policy, the overall maximum possible benefit at the start of the policy is limited to £84,000 per year. This won't increase past £120,000 per year.

When you make a valid claim, the monthly benefit we'll pay will be the lower of:

a. the monthly benefit calculated using your income at the point of incapacity less any continuing income, or

b. your monthly benefit shown on your Policy Schedule.

Where the difference between **a.** and **b.** is less than 10%, we'll go ahead and pay the monthly benefit amount shown on your policy schedule.

We explain more about continuing income in the section '**Continuing income while you're unable to work**'

You don't have to pay tax on your monthly benefit payments. We'll keep paying them until you can return to work, your policy ends or until the limited benefit period (also known as Low Cost option) has ended.

We explain more about limited benefit periods in the section '**Your cover options**'

The monthly benefit we pay you might affect your claim for some means-tested state benefits.

Continuing income while you're unable to work

If you still receive some income while you're claiming, we call this continuing income. This means we'll take off continuing income when we work out your monthly benefit payments.

Continuing income is 60% of any income before tax from:

- an employer such as sick pay
- a business including any dividends that represents your share in the net trading profit
- investments if this is counted towards your earnings for your monthly benefit level
- income from any ill-health early retirement pension or schemes because of an incapacity relating to a claim for this policy.

We'll also include the full amount of any regular payments you can get from other insurance policies you hold because of your incapacity. This includes payments made for you directly to a lender. For example, mortgage or credit payment protection policies.

Continuing income does not include:

- any income from savings
- any state benefits (such as contributory Employment and Support Allowance (ESA) and Statutory Sick Pay) will not be deducted from the monthly benefit.

Below is an example of how we work out your maximum monthly benefit.

	Continuing income example
John has an annual income of £40,000 before tax	John takes out a Low Start Income Protection policy based on his income of £40,000 per year before tax
60% of annual income before tax up to £60,000	60% of John's annual income of £40,000 is £24,000. £24,000 ÷ 12 months = £2000 per month
50% of annual income before tax over £60,000	John doesn't earn over £60,000 so this won't count
60% of continuing income	John will receive £1,000 per month from his company sick pay. 60% of £1000 = £600
Monthly benefit	**John's monthly benefit will be £2000 minus £600 = £1,400 per month**

It is important to regularly review your cover, if your income reduces this may impact how much you receive if you need to claim.

If you're a houseperson, not working or working less than 16 hours a week

If you're a houseperson, not working or working less than 16 hours per week when you make a claim, the most we'll pay is £1,666.67 per month (up to £20,000 per year).

If you're receiving any other sources of continuing income, we'll include these when we work out your monthly benefit.

You can read more about this in the section above.

Income Guarantee

If you're earning less than when your policy started, the Income Guarantee is there to make sure the monthly benefit we pay you, plus any continuing income you receive whilst incapacitated, provides you with the chosen monthly benefit, up to a specified limit.

If you're employed or self-employed

We'll base the Income Guarantee on the lower of £1,500 per month or your chosen monthly benefit even if your earnings at the time of your incapacity aren't enough to support this level of monthly benefit.

The amount we'll pay will be reduced by any continuing income. If your continuing income reduces, or comes to an end, the amount paid will increase but won't exceed the Income Guarantee.

There's more information on continuing income in the section, '**Continuing income while you're unable to work**'

You need to be working at least 16 hours a week when you become incapacitated for the Income Guarantee to apply.

Below is an example of how the Income Guarantee could work.

1	Peter earns £28,000 a year. He can take out a Low Start Income Protection plan for 60% of his annual gross income. **This means Peter can take a policy worth £16,800.**
2	This figure is divided by 12 to work out the maximum monthly benefit that Peter can take out. **This means the most we'll pay Peter if he needs to make a claim is £1,400 a month.**
3	Peter decides to take out a policy with a monthly benefit of £1,400 and a deferred period of 26 weeks. **This means if Peter needs to make a claim, we won't pay him any benefit for the first 26 weeks of his incapacitation.**
4	A few years later, Peter suffers an illness and is unable to work. When he claims, we calculate the monthly benefit payable based on Peter's new salary, which has reduced to £22,400 a year. **The maximum monthly benefit based on Peter's new salary is £1,120 a month.**
5	However, as Peter qualifies for the Income Guarantee, we'll pay his chosen **monthly benefit of £1,400 per month**.
6	If Peter receives other continuing income, we'd need to take this into account. For example, if Peter has continuing income of £500 per month, then we'd deduct 60% of this amount (£300) from the monthly benefit as calculated at claim: **This means Peter would receive a monthly benefit of £1,100**.
7	If Peter is still claiming a monthly benefit when his continuing income stops altogether, we'll increase the monthly benefit to the maximum benefit limit of £1,400. **This is the monthly benefit Peter chose at the start of his policy.**

As your continuing income reduces or comes to an end, the monthly benefit we'll pay you during the claim will increase up to the Income Guarantee amount.

Your cover options

Level cover

If you choose this option, your monthly benefit cover amount will be the same throughout your policy. However, you may have the option of increasing your monthly benefit when certain life events happen (for example, the birth of your child).

The rates that we use to calculate your premiums are guaranteed. The premiums for the policy will increase each year in line with your age at the policy anniversary date. The premiums shown in your Personal Quote will not change unless you make any changes to your policy. Please see your Personal Quote for a breakdown of your premiums for the length of the policy.

For more information about changing your policy, please see the section, '**Making Changes to Your Policy**'.

Increasing cover

If you choose this option, the monthly benefit amount will increase each year in line with inflation. To cover this, you'll need to make higher premium payments for your policy each year.

We'll increase your monthly benefit in line with changes in inflation. We'll use the Retail Price Index (RPI) to measure inflation. If we can't use RPI, we'll use a similar method.

The RPI measures and tracks the average change in the purchase price of goods and services such as bread, milk and petrol through to housing expenses such as mortgage interest payments.

If the change to the RPI is less than 1% then your monthly benefit will stay the same.

If the change to the RPI is more than 10%, we'll increase your monthly benefit by a maximum of 10%.

Your monthly premium will increase in line with the change in the Retail Prices Index (RPI) multiplied by 1.5. The maximum amount we'll increase the monthly premium is 15% per year.

We'll contact you each year 3 months before your policy's anniversary date to let you know what the increase in monthly benefit payments and monthly premium will be. We'll also let you know if your monthly benefit will stay the same that year.

You'll have the option of accepting the increase or not. We've put together some information in the table below to help you understand how these options will affect your policy.

If you accept the increase	If you decline the increase
You don't need to do anything. Your monthly benefit will increase. We'll update your direct debit with your new premium. There is a limit to the amount of monthly benefit we pay based on your earnings. It's important to review the increased cover amount and check if your earnings are sufficient for the increased benefit. We might not pay the full benefit if your earnings do not support the increased benefit.	You'll need to let us know before the action date on the letter or email. We'll include instructions on how to do this. If you decline the increase, your monthly benefit will stay the same for another year. If you decline the increase three years in a row we'll remove this option, and you won't have the option to increase the monthly benefit amount in line with changes in inflation, for the remaining policy term. This means that your monthly benefit will stay the same, so you won't receive the benefit of increasing your monthly benefit amount as the costs of goods and services rise in future.

Additional Low Start Income Protection premium increases

Your premiums will also increase each year in line with your age at the policy anniversary date. Please see your Personal Quote for a breakdown of your premiums for the length of the policy

Choosing a deferred period

A deferred period is the minimum number of weeks we'll wait before we start paying your monthly benefit. It will be paid on a monthly basis, in arrears. This means we aim to send your first payment one month after the end of your deferred period. We'll use the date you make your claim as the starting date for the deferred period.

When you take out your policy, you'll need to choose your deferred period. You can choose from 4, 8, 13, 26 or 52 weeks. The policy is designed to cover people who are incapacitated for long periods of time when their income stops. For example, if your employer pays you sick pay for 26 weeks, you might choose a waiting period of 26 weeks. This means your monthly benefit would start when sick pay from your employer ended.

You should check your cover if you change jobs or your work benefits change. It's a good idea to make sure your policy's deferred period is in line with any sick pay you could get.

Choosing Stepped Benefit

If your income will decrease, but not stop completely if you're incapacitated, you may want to receive some of your benefit earlier. For example, your employer might pay you full sick pay for a period and then reduce it after that time has passed.

When you apply for a policy, you can choose Stepped Benefit. With this option, you choose two deferred periods and two monthly benefit amounts.

This means that, after the first deferred period, we'll pay you the lower monthly benefit. After the second deferred period, if you're still unable to work, we'll pay you the higher monthly benefit.

Your stepped monthly benefit amounts and the deferred periods should be based on the difference between your maximum monthly benefit and any continuing monthly income you'll receive while incapacitated.

For more information about continuing income, please see the section called '**Continuing income while you're unable to work**'.

For example, Jane will get full sick pay from her employer for the first 6 months. After that, she'll get £1,500 per month for another 6 months.

Jane selects two deferred periods and two monthly benefit amounts.

The first deferred period and monthly benefit will cover her reduced sick pay after six months. The second deferred period and monthly benefit will cover her when her sick pay stops altogether after 12 months.

	Stepped Benefit Example
Jane has an annual income of £72,000 before tax.	Jane takes out a Low Start Income Protection policy on a stepped benefit: • 6 month deferred period with £2,600 benefit • 12 month deferred period with £3,500 benefit
60% of annual income before tax up to £60,000.	60% of Jane's annual income up to £60,000 is £36,000 £36,000 ÷ 12 months = £3000 per month
50% of annual income before tax over £60,000.	50% of Jane's annual income over £60,000 is £6,000 £6,000 ÷ 12 months = £500 per month
Income during the first deferred period	Jane will continue to receive her full income of £6,000 per month (before tax) from her company sick pay for up to 6 months
60% of continuing income during the second deferred period	After 6 months, Jane will receive £1,500 per month from her company sick pay for another 6 months. 60% of £1,500 = £900
Maximum monthly benefit after the first deferred period	**Jane's monthly benefit will be £3,500 minus £900 = £2,600 per month**
Maximum monthly benefit after the second deferred period	**This will increase to £3,500 when her company sick pay ends**

Choosing a limited benefit period (also known as Low Cost option)

You can choose a limited benefit period of 12 or 24 months. This means we'll pay your monthly benefit for up to 12 or 24 months when you claim.

We'll start paying your monthly benefit payments after your deferred period ends. We'll stop your monthly benefit when your chosen limited benefit period ends. If you're well enough to go back to work with no loss of income before this, we'll stop your monthly benefit payments then.

What happens at end of the limited benefit period?

Your policy will continue, and you'll need to start paying monthly premiums again.

You can make another claim if you become incapacitated for a different reason. However, you need to have returned to work for 6 months in a row, working for 16 hours a week or more before you can claim for the same or related reason.

Your benefit might be affected if your income has changed when you return to work or if you don't return to work. It's important to review your cover to make sure it continues to meet your needs.

This option might not be right for you if you want peace of mind that you'll be covered no matter how long you are incapacitated. It's important that you understand monthly benefit payments will stop after the limited benefit period has ended.

The amount you pay us each month

This is called your monthly premium which you need to pay every month from the policy start date.

If your monthly premium is not paid for whatever reason, and remains unpaid in the period of 60 days after the due date of any missed payment, your policy will terminate and cover will automatically end. We won't refund any premiums you've already paid.

Paying monthly premiums during the deferred period

You'll need to keep paying your premiums during your deferred period. If you chose a shorter deferred period, we might still be processing your claim when it ends. You'll need to keep paying your premiums until we've finished processing your claim.

Your monthly premiums while claiming

Whilst you're receiving your benefit, you won't need to pay us monthly premiums for your policy. We'll stop collecting them until you're well enough to return to work and your benefit ends. If you've paid too many premiums, we'll refund them to you.

After your claim ends your policy can continue. You'll need to start paying premiums again from the date your claim ends.

Additional benefits we'll pay

Continuous cover if you're a houseperson, not working or on a career break

i. We'll pay a monthly benefit if you're a houseperson, not working or working less than 16 hours per week when you become incapacitated. The amount we'll pay you will be the monthly benefit you chose at the start of the policy or £1666.67 - whichever is the lower amount. We'll pay you this amount while you're incapacitated.

   In this situation, you'll be classed as incapacitated if you can't carry out any three of the activities of daily living.

ii. If you become incapacitated during a period of statutory maternity, paternity, or adoption leave, we'll pay you your chosen monthly benefit. We'll base this on the income you were receiving prior to going on leave. We'll pay this if you were employed or self-employed just before taking this leave.

   In this situation, your incapacity will be classed as own occupation incapacitated.

Proportionate benefit if you earn less when you return to work

After an incapacity claim, you might return to work (either as employed or self-employed) as part of your recovery. However, you might be unable to earn the same amount as before your claim. If your income is lower because of your incapacity, we'll continue paying a proportion of the monthly benefit.

We'll pay a proportionate benefit which represents the reduction of your earnings as a percentage, compared to your earnings in the 12 months before you were incapacitated.

Below is an example of how proportionate benefit could work.

	Proportionate benefit example
1	Amy earns £40,000 a year working full time. She can take out a Low Start Income Protection plan for 60% of her annual gross income. **This means Amy can take a policy worth £24,000.**
2	This figure is divided by 12 to work out the maximum monthly benefit that Amy can take out. **This means the most we'll pay Amy if she needs to make a claim is £2,000 a month.**
3	Amy decides to take out a policy with a monthly benefit of £2,000 and a deferred period of 26 weeks. She chose 26 weeks because she'll receive sick pay for that period from her employer. **This means if Amy needs to make a claim, we won't pay her any benefit for the first 26 weeks of her incapacitation.**
4	A year later, Amy has an injury and is unable to work. She makes a claim on her policy and we start paying her monthly benefit after the deferred period of 26 weeks. **Amy's salary reduced slightly to £37,000 two years before her claim. She doesn't have any other continuing income after her sick pay ends.** **The monthly benefit we'll pay, based on Amy's reduced salary is £1,850 per month.**
5	A few months later, Amy has recovered enough to go back to work. However, the effects of her injuries mean she is only able to work part time. Her new salary is £18,500.
6	As Amy is on a lower salary because of her injuries, we'll pay her proportionate benefit. This is the difference as a percentage between Amy's salary before her injury and her lower salary after she returns to work. In Amy's case her salary has halved so the reduction is 50%. **This means we'll pay Amy proportionate benefit of £925 a month which is 50% of her monthly benefit.**

We'll pay the proportionate benefit until your earnings increase again or until the end of your policy, whichever is the earliest.

However, if you choose the limited benefit period option, we'll only pay you proportionate benefit if the maximum benefit period hasn't been reached. We'll pay this until the end of the limited benefit period.

Linked Claims

After a claim, you might return to work but become incapacitated again for the same or a related illness or injury.

When we say related illness or injury, we mean any illness or condition you had symptoms of, sought advice for, received treatment for, or were aware of, that directly or indirectly contributed towards previously claimed incapacity.

If this happens within 12 months of returning to work, we'll treat this as a linked claim. This means you won't have to wait for another deferred period before we start paying your monthly benefit to you.

If you have a limited benefit period, the claim will continue for the remaining period. For example, if you selected a 24-month limited benefit period and made a claim lasting for 6 months. If you returned to work and became incapacitated again with the same or related illness or injury, we'd treat this as a linked claim. We'll pay your monthly benefit for the remaining 18 months of your 24-month limited benefit period.

You'll need to make another claim in each case, and we'll need to process your claim before we start paying your monthly benefit again.

After you return to work, if you become incapacitated because of a different reason or cause, you'll be able to claim again. We'll treat this as a new claim and your deferred period will start again.

How to make a claim

Letting us know you need to make a claim

Contact us as soon as you're incapacitated through illness or injury so we can start processing your claim as early as possible.

- If you chose a 4-week deferred period, then you need to tell us about your claim within 2 weeks of becoming incapacitated.
- For any other deferred period, you need to tell us about your claim within 4 weeks of becoming incapacitated.

We'll start your deferred period from the date you became incapacitated. However, this can't be more than four weeks before the date you contact us to make a claim.

You must not be working in any occupation at all during the deferred period and whilst the monthly benefit is being paid.

To get started, please telephone our claims team on:

0800 027 9830

When you call us, we'll need to ask you for some information. Please make sure you have your policy number, contact details and GP's contact details to hand when you call us. It might also be helpful if you have your policy document with you.

How does the claim process work?

To make sure your claim is valid, we need to check that the illness or injury is preventing you from undertaking your occupation or, if you're not working, carrying out certain daily activities. We also need to make sure the claim benefit amount is not above the monthly benefit shown on your policy. To do this:

- We'll ask you to send us details of your illness or injury, as well as contact details and permission to contact your doctor for medical information.
- We sometimes rely on third parties such as healthcare providers and the NHS to provide evidence, which can mean delays to when your claim will be assessed. Being signed off from work by your GP will help us to assess your claim but we'll likely need more information. This is because we treat all claims individually and assess each one on how an illness or injury has impacted your ability to work.
    - For example – stress on its own isn't an illness, but it can lead to symptoms that might prevent you from completing the material duties of your occupation.
- When you make a claim, we use your income from just before you became ill or injured to work out your monthly benefit. This means if you've changed your hours, or are earning less than you were when your policy started, your monthly benefit might be lower.
    - We'll need contact details for your employer and proof of earnings, as well as any other relevant information.
- **It's important to regularly review your cover to make sure it still meets your needs**. So, if your income increases or decreases, you may want to review your Low Start Income Protection.

If the claim is valid, when will the monthly benefit start?

- Your benefit will be paid on a monthly basis, in arrears. This means we aim to send your first payment one month after the end of your deferred period. This is the minimum number of weeks we'll wait before we start paying your monthly benefit.
- This may be delayed if it takes longer for us to be notified, to receive evidence from third parties such as your employers, healthcare providers and the NHS, or to assess and approve your claim, meaning that your claim may not be paid out immediately. This is more likely if you've chosen a short deferred period.
- If this happens, we'll make your first payment as soon as possible after your claim has been accepted as well as any backdated payments due in line with the terms and conditions. It's important you consider any financial arrangements you need to make so you can continue paying your bills until your claim can be paid.
- If you're experiencing financial difficulties, please let your claims assessor know.

While we're paying your monthly benefit

If your claim is successful, there are some things you'll need to do so we can keep paying your monthly benefit.

You'll need to start and continue appropriate treatment for the condition you're claiming for. The treatment will be agreed by your doctor (or doctors) and could include medication, physiotherapy, or both.

Things you might need to do so we can pay your monthly benefit

Depending on your illness or injury you might need to attend a rehabilitation programme, counselling, or therapy.

We might also ask you to go to medical examinations or meet a member of our team at your home to discuss your claim. In some cases, we might ask you to undergo medical investigations including blood tests.

We'll regularly review your claim. This means we might ask you for more medical and financial information. If you don't give us the information we ask for, we may stop your monthly benefit payments.

How long we'll pay your monthly benefit

We'll pay your monthly benefit following the end of the deferred period. These payments will continue every month until one of the following happens:

- you're no longer incapacitated or you no longer have a loss of income
- your policy ends
- you die
- your chosen limited benefit period has been reached. This would only happen if you chose the limited benefit period option (also known as Low Cost option) for your policy.

Times we won't pay claims

- This policy doesn't pay out because you become unemployed or you're made redundant.
- If incapacity is due to the normal effects of pregnancy.

  However, we won't exclude complications from pregnancy or childbirth that mean you're unable to work as confirmed to us by your doctor or medical consultant.
- If your policy ends before your deferred period has finished.

Living and travelling outside of the UK

You'll still be covered by this policy if:

i. you travel or move home to any countries that are part of the UK, European Union, USA, Canada, Australia, New Zealand, the Isle of Man, or the Channel Islands; or

ii. you travel or move home, for up to 12 months uninterrupted, to any other part of the world.

This means we'll pay your benefit for any valid claim you make whilst you're in any of these countries listed in i.

You'll still receive benefit if you make a valid claim when you're living or travelling outside of these countries (and have been for less than 12 months). However, we'll only pay a maximum of six monthly payments whilst you're away.

You won't be covered if you travel or move to any other country for more than 12 months.

This policy only covers you for income that's declared to HMRC. Should you stop declaring income to HMRC you won't be covered. If this does happen, you need to consider if this policy still meets your needs.

Giving us the facts

When you apply for a policy, we'll ask you questions about your personal circumstances. You should answer all the questions honestly and accurately.

We might contact you because we need some more information. This will help us make a decision about whether we can offer you a policy.

If you or someone applying for the policy for you give us wrong information deliberately or recklessly, we can cancel the policy. This means we won't pay your monthly benefits if you need to make a claim. We might not refund premiums you've already paid.

If you or someone applying for the policy for you give us wrong information through carelessness, we can change your policy. We'll use the terms that would have been in place if we had the full and true information. In these circumstances:

i. if we wouldn't have given you a policy, we'll cancel your policy and refund any premiums you've already paid

ii. if we'd have given your policy different terms and conditions, we can make those changes to the terms and conditions of your policy. We'll then treat your policy as though it had been issued on the different terms and conditions

iii. if we'd have charged you higher premiums, we'll lower your monthly benefit. Your monthly benefit will be in line with the higher premiums you should have been charged. In this situation, we'll use the formula below to work out your monthly benefit.

$$\text{New monthly benefit} = \frac{\text{Actual premium charged multiplied by original monthly benefit}}{\text{Higher premium}}$$

Making changes to your policy

If your needs change, you can ask us to change your cover. We might need you to answer some questions about your current circumstances, including your health and lifestyle. Sometimes, the information you give us about your health or lifestyle might mean we can't make the changes you've asked for.

If we need to give you a new policy so we can make the change, it might have different terms & conditions. The premium will be based on the rates available when the new policy is issued. We'll let you know before we make any changes.

Increasing your cover option

There are certain times when your insurance needs may change. Your policy lets you increase your monthly benefit within six months of certain life events happening without having to answer any new medical questions. You can increase your monthly benefit if:

- you get married or enter a registered civil partnership
- you get divorced or dissolve a registered civil partnership
- your child is born
- you legally adopt or become the legal guardian of a child
- your earnings increase by 10% or more
- you increase your mortgage.

We might need to see evidence of an event happening to go ahead with your increase. For example, we might ask to see a copy of your marriage certificate or your child's birth certificate.

You can also increase your cover within six months of every third policy anniversary date.

You can increase your original monthly benefit by up to 100% up to a maximum of £833.33 per month. The monthly benefit can't be more than the maximum allowed for your income.

You can increase your cover multiple times, but the total of all increases can't be more than the maximum total allowed of £2,500 per month.

If you use this option, we'll send you a second policy. This policy will have to end before your 70th birthday, or the end date of your original policy - whichever is sooner. The new policy will be based on the terms and conditions we apply at the time, and only if we still offer this product at the time of your request.

You won't be able to use this option:

- after your 55th birthday
- if a valid claim has been made
- if you're incapacitated and just about to make a claim.

Other changes you can make to your policy

You can ask us to make any of the following changes:

- make your policy term longer or shorter
- decrease the monthly benefit
- change your deferred period.

We might need to ask you to fill in a questionnaire about your health.

In some cases, you might need to complete a full application to make the changes to your policy. We might then ask you to have a full medical and lifestyle assessment so we can decide whether we can cover you.

Depending on the change you've requested, we might ask you for documents to support this request.

To proceed with your change, we might need to cancel your original policy and replace it, which means your policy number may change.

Your premium amount might change because of changes you make.

How to cancel your policy

You can cancel the policy at any time. Once the policy starts, we'll send you a notice of your right to cancel.

If you cancel the policy within 30 days of receiving both the notice and the policy, we'll refund any premiums you've paid.

If you cancel the policy after 30 days, you will not get any money back.

If you cancel the policy, your cover will end. We won't take any more premium payments from you.

If you want to cancel your policy, contact us:

Tel: **0370 010 4080**

Email: **protection.customerenquiries@landg.com**

Or you can write to us at:
Legal & General Assurance Society Limited
City Park
The Droveway
Hove
East Sussex
BN3 7PY

How to make a complaint

If you're unhappy with our service, please get in touch. We can also send you a copy of our complaints procedure.

Reason for contact	Contact Details	Opening Times
Complaints	0370 010 4080	9am to 5pm, Mon - Fri

Calls may be recorded and monitored. Call charges may vary.
We'll keep in touch with you and try to make things right as quickly as we can.

If you're not happy with our response

If you're still unhappy, you can write to:
The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Or you can telephone on:

0800 023 4567

0300 123 9 123

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

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

Making a complaint will not affect your legal rights.

The Financial Services Compensation Scheme

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 the continuity of your current policy. The FSCS may arrange for your policy to be transferred to another insurer or arrange for a new policy to be provided.

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 100% of the value of the claim.

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.

Solvency and Financial Conditions Report

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

Alternative formats

If you would like a copy of this in large print, braille, PDF or in an audio format, call us on **0370 010 4080**. We may record and monitor calls. Call charges will vary.

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