



# Partners' Group Life Assurance

For partnerships and limited liability partnerships.

Helping you understand our policy

**Technical guide**

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

PLAB 12/2022



# 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 UK's leading financial services groups and a major global investor, with over £1.4 trillion in total assets under management at 9 March 2022 of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

*We're a leading provider of Group Protection cover in the UK with 90 years of expertise and knowledge. We looked after over 5,500 group protection policies and provided protection to almost 1.8 million employees at the end of 2021.*

## 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](https://www.legalandgeneralgroup.com/investors/library)

# Contents

<b>4</b>	<b>Aims, commitments and risks</b>				
4	Its aims				
4	Your commitment				
4	Risks				
<b>5</b>	<b>How the policy works</b>				
<b>6</b>	<b>Your questions answered</b>				
<b>7</b>	<b>1.0 What should we consider when deciding what benefits to provide?</b>				
8	1.1 Who can the policy cover?				
8	1.2 When can we include partners after the policy starts?				
9	1.3 When can cover for a partner change?				
9	1.4 What happens if a partner is absent from work?				
9	1.5 When will cover end?				
9	1.6 What is the maximum benefit you will cover?				
10	1.7 What types of cover are available?				
<b>11</b>	<b>2.0 How do we set up a policy and when do we need to give you medical evidence?</b>				
11	2.1 What do you need to set up the policy?				
11	2.2 What medical evidence will you need before you'll cover the partners?				
12	2.3 If you have medically underwritten a partner, when will they next need to give you medical evidence?				
13	2.4 What are your terms if we're switching the insurance to you from another insurer?				
15	2.5 What are your actively at work requirements?				
16	2.6 What medical evidence do you need for partners who want cover before or after they are eligible?				
16	2.7 What happens if we need to make a claim before you've finished your medical assessment?				
<b>17</b>	<b>3.0 What premiums will you charge for the cover?</b>				
17	3.1 How will you work out the premiums?				
17	3.2 Will there be any unexpected extra premiums?				
17	3.3 How much commission will you pay our adviser?				
17	3.4 Is there a discount for a good claims history?				
<b>18</b>	<b>4.0 How does the accounting work?</b>				
18	4.1 What information is needed for accounting?				
18	4.2 How do you adjust premiums for partners who join or leave during the policy year?				
18	4.3 If you or we cancel the policy mid year, will we lose any premiums we have paid in advance?				
19	<b>5.0 How do we make a claim</b>				
19	<b>6.0 What don't you cover?</b>				
19	<b>7.0 Can you cover a partner who is not based in the UK?</b>				
20	<b>8.0 What tax rules apply?</b>				
20	8.1 For a policy set up for dependants' protection as an Excepted Group Life Policy				
20	8.2 For a policy set up for dependants' protection where benefit is paid through a registered staff stand alone death in service scheme				
20	8.3 For a policy set up for dependants' protection under a non-registered arrangement				
20	8.4 For business protection policies				
20	<b>9.0 Can partners continue their cover if they leave the partnership?</b>				
21	<b>Further information</b>				
23	<b>Glossary</b>				
25	<b>Contact details</b>				

# 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 benefit is paid out, this amount could be considered as part of their **lifetime allowance**. As the **lifetime allowance** captures benefit paid from all their **registered** pension schemes, any amount above this level, which is £1,073,100 for the tax year 2022/23, will be taxed by HMRC using a rate of 55%.

## 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 **members** 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**.









### 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.

If you provide the **partners'** benefits under the firm's **registered** staff group death in service scheme, you should also consider the HM Revenue & Customs allowances that apply to a **scheme** that's **registered**. Any benefit that's paid will be considered as part of the **lifetime allowance** for the **partner**. The **lifetime allowance** captures benefit paid from all their **registered** pension schemes. Any amount paid above the **lifetime allowance**, which is £1,073,100 for the tax year 2022/23, is taxed by HMRC at a rate of 55%.

**Enhanced protection** was available to anyone with pension rights at 5 April 2006. To qualify for enhanced protection, a **partner** would have had to apply to HMRC before 6 April 2009.

**Fixed protection** was available to anyone who applied to HMRC before 6 April 2012 to keep a personal **lifetime allowance** of £1.8 million.

**Fixed protection 2014** was available to anyone who applied to HMRC before 6 April 2014 to keep a personal **lifetime allowance** of £1.5 million.

**Fixed protection 2016** is available for individuals to apply to HMRC to keep a personal **lifetime allowance** of £1.25 million.

You should consider providing benefits under an **excepted group life policy** or another **non-registered** scheme if you have **partners** who protected existing **registered** scheme benefits from the tax charge above **lifetime allowance** using:

- enhanced protection;
- fixed protection;
- fixed protection 2014; or
- fixed protection 2016.

## 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**;
- 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 to 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.







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**.



















<b>Registered</b>	Group life assurance schemes can be registered with HM Revenue & Customs as an occupational pension scheme under the Finance Act 2004. While <b>partners</b> 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.
<b>Salaried partner</b>	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.
<b>Scheme earnings</b>	The earnings we use to work out a <b>partner's</b> benefit.
<b>Special terms</b>	Terms for cover not accepted at ordinary rates. This will include <b>extra premium loadings</b> , exclusions, restrictions, postponements or where cover has been declined.
<b>State pension age</b>	The later of reaching age 65 years, and the age at which a <b>partner</b> could receive their state pension from the UK Government.
<b>Total benefit</b>	The total benefit for all insured <b>partners</b> .
<b>Total scheme earnings</b>	The total <b>scheme earnings</b> for all insured <b>partners</b> .
<b>Trust</b>	A document the <b>trustees</b> use to pass on the benefits paid by the <b>policy</b> .
<b>Trustee</b>	This is a person, firm or group, appointed to carry out what the <b>trust</b> must do. For example, make a claim under the <b>policy</b> and pass on the benefits. They must follow the laws that apply to <b>trusts</b> .
<b>Unit rate</b>	This is how we calculate the cost of a <b>policy</b> . We'll calculate the cost for each £100 of cover and multiply this with the <b>total benefit</b> or <b>total scheme earnings</b> for the <b>policy</b> . 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
 <p>Managing Director, Group Protection Legal &amp; General Assurance Society Limited Knox Court 10 Fitzalan Place Cardiff CF24 0TL</p>	<p>If we can't resolve a complaint you may be able to refer it to:</p> <p>Financial Ombudsman Service Exchange Tower London E14 9SR</p>	<p>PO Box 300 Mitcheldean GL17 1DY</p>
 <p><b>0345 026 0094</b> We may record and monitor calls. Call charges will vary. Lines are open from 9am to 5pm Monday to Friday.</p>	<p><b>0800 023 4567</b> or <b>0300 1239 123</b> (free for mobile phone user paying a monthly charge for calling phone numbers beginning with 01 or 02).</p>	<p><b>020 7741 4100</b> or <b>0800 678 1100</b></p>
 <p><a href="mailto:group.protection@landg.com">group.protection@landg.com</a></p>  <p><a href="http://legallandgeneral.com/employer/group-protection">legallandgeneral.com/employer/group-protection</a></p>	<p><a href="mailto:complaint.info@financial-ombudsman.org.uk">complaint.info@financial-ombudsman.org.uk</a></p> <p><a href="http://financial-ombudsman.org.uk">financial-ombudsman.org.uk</a></p>	<p><a href="mailto:enquiries@fscs.org.uk">enquiries@fscs.org.uk</a></p> <p><a href="http://fscs.org.uk">fscs.org.uk</a></p>

## Legal & General Assurance Society Limited

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