INTRODUCTION

Words that appear in blue bold are explained in the section headed ‘Definitions’.

This Policy Booklet shows you the features, benefits and exclusions (things that are not covered) that apply to the policy.

TYPE OF POLICY

Income Protection Benefit

WHO IS COVERED

The life insured is covered.

PREMIUMS

Premiums can be paid either monthly or annually and start from the policy start date.

The premiums for the policy will not change unless you make changes to the policy using the options available in section headed ‘Changing your policy’.

If you choose an Increasing Income Protection Plan the premiums will increase in line with the change in the Retail Prices Index (RPI) multiplied by 1.5 subject to a maximum increase of 15% per annum.

The RPI provides an indication of inflation on a monthly basis. The RPI measures and tracks the average change in the purchase price of goods and services such as housing expenses and mortgage interest payments.

PAYING PREMIUMS DURING THE DEFERRED PERIOD

You must continue to pay premiums during your deferred period (or your first deferred period if Stepped Benefit is chosen) and whilst we are processing your claim. We will tell you when you no longer need to pay premiums and then arrange for these to be suspended while we pay your monthly benefit. We will return any overpaid premiums to you. If you don’t continue to pay premiums during your deferred period, you won’t be able to claim a monthly benefit at the end of the deferred period.

PAYING PREMIUMS WHEN RECEIVING A MONTHLY BENEFIT

We will stop taking premiums whilst you are being paid the monthly benefit.

WHAT HAPPENS IF THE PREMIUMS ARE NOT PAID?

We are entitled to cancel the policy if any premiums are not paid within 30 days of their due date. If we cancel the policy, your cover will end and no further premiums will be payable. We will not refund any premiums already paid.
AMOUNT OF COVER

If you choose level cover the monthly benefit will stay the same unless you change it during the period of cover.

If you choose increasing cover the monthly benefit will increase in line with changes in inflation on each policy anniversary with no need for further medical evidence.

The monthly benefit, including any increases you accept, will increase in line with the change in the Retail Prices Index (RPI) over a 12 month period. If we cannot use the RPI, we will use an index comparable to the RPI instead.

We will contact you at least three months before the policy anniversary to tell you what the increase in the monthly benefit and premium will be.

If the change in the RPI is less than or equal to 1% we will not increase the monthly benefit.

If the change in the RPI is more than 10% we will only increase the monthly benefit by 10% per annum.

Your options

Accept the increase

If you choose to accept the increase you do not need to take any action. We will increase the monthly benefit and the premium and update your direct debit.

a) If your monthly benefit increases above the maximum allowed by your employed earnings, self-employed earnings or if you are a houseperson, as outlined in the section headed “Payment of Claims”, then the monthly benefit may be more than we will pay out if you make a claim.

Decline the increase

When we notify you of an increase, we will also give you the option to decline the increase. To decline an increase, you must complete and return the form in the letter we send to you by the date shown.

If you choose to decline the increase to the monthly benefit and premium, then we will withdraw the option and you will not be given the option to increase the monthly benefit in the future.

WHEN WILL THE MONTHLY BENEFIT START?

The monthly benefit will start after the deferred period you select has ended. If you choose the Stepped Benefit you must choose two deferred periods and the stepped monthly benefit will become payable in two stages during a period of incapacity.

You can choose from the following:
- Four weeks (you must notify us within two weeks of becoming incapacitated).
- 13 weeks (you must notify us within four weeks of becoming incapacitated).
- 26 weeks (you must notify us within four weeks of becoming incapacitated).
- 52 weeks (you must notify us within four weeks of becoming incapacitated).

HOW LONG IS COVER FOR?

The cover starts on the policy start date and ends on the earlier of:
- The policy end date, or
- If the policy is cancelled by you or us.

Cover will stop when the policy ends and no further premiums will be payable.

WHAT WILL YOU BE COVERED FOR?

The monthly benefit, subject to the exclusions defined in the section headed ‘When we will not pay a claim’ will be paid if, before the policy end date, the life insured cannot work due to incapacity caused by an illness or an injury which results in a loss of earnings.
LOW COST OPTION

If you have the option to choose Low Cost Option we will pay the monthly benefit for any individual claim that meets the definition of incapacity for a period up to 24 months under the policy.

After any individual claim reaches a total of 24 monthly benefit payments you must return to work for a continuous period of 6 months before a further claim can be considered should you become incapacitated again from the same or related cause. If, after any individual claim reaches a total of 24 monthly benefit payments and you become incapacitated again for an unrelated cause, there is no minimum period you must have returned to work for before being eligible to make a further claim. In both instances the deferred period will apply.

If any individual claim does not reach the maximum duration of 24 monthly benefit payments and you become incapacitated for the same or related cause within 12 months we will consider this a linked claim (see section headed 'Linked Claims'). The monthly benefit payments will continue until the maximum 24 month claim period is reached.

If you are a houseperson, once the maximum claim period of 24 months has been reached, the policy will end and we will stop paying the monthly benefit and will not collect any more premiums. This can be made up of a single claim or a number of shorter claims that equal 24 months in total.

STEPPED BENEFIT

If you choose the Stepped Benefit you will have two deferred periods and two levels of monthly benefit. You choose these when you apply for the policy.

If you are incapacitated, we will pay you the lower monthly benefit at the end of the first deferred period.

If you continue to be incapacitated, the monthly benefit will increase at the end of the second deferred period and we will pay you the higher monthly benefit instead of the lower monthly benefit.

The monthly benefit is subject to the maximum benefit limits as specified in the section headed ‘Payment of Claims’.

The stepped monthly benefits should be set up for no more than the difference between your maximum monthly benefit and your continuing monthly net income. For the purpose of the policy, continuing income includes any income payable from:

- an employer such as sick pay,
- a business including dividends
- investments if this is taken into account when determining your maximum monthly benefit level, and
- a pension, ill-health early retirement scheme or regular payments to which you would be entitled from any other insurance policies due to the same incapacity to which any claim under the policy relates. For this purpose you should take into account payments made direct to a lender on your behalf, for example payments under a mortgage payment or credit protection policy.

This specifically excludes income from savings.

HOSPITALISATION BENEFIT

You become eligible for Hospitalisation Benefit if, as a direct result of your incapacity, you spend at least seven consecutive nights in hospital during your deferred period.

The benefit payable is one thirtieth of your monthly benefit for each night you stay in hospital up to a maximum of £150 per night. We will pay this from the 8th day following seven consecutive nights in hospital until the earliest of:

- Leaving hospital,
- The end of the deferred period,
- The end of the 13th week of stay,
- The policy end date, or
- Your death.

If you choose Stepped Benefit the Hospitalisation Benefit will be based on your lower monthly benefit.
COVER PAYABLE UPON DEATH (LIFE COVER)

If you die before the policy end date we will pay life cover equal to your annual premium or 12 monthly premiums, depending on if you pay them annually or monthly.

This is a single payment based on the premiums applicable to the policy immediately prior to your death. Once we have made this payment the policy will end.

WHEN WE WILL NOT PAY A CLAIM

We won’t pay the monthly benefit or Hospitalisation Benefit for incapacity arising from or being aggravated by:
- Alcohol and/or solvent abuse, or the taking of drugs (unless these drugs were prescribed by a registered doctor in the UK).
- We won’t consider a claim that arises solely from the normal effects of pregnancy. Complications of pregnancy and/or childbirth which lead to your incapacity are covered by your policy. This will need to be diagnosed and confirmed to us by your doctor or medical consultant.

Should you become incapacitated during the final 12 months of the policy, no monthly benefit will be payable if the deferred period ends after the policy end date.

DEFINITION OF INCAPACITY

To claim for the monthly benefit you will need to meet one of the incapacity definitions listed below.

Incapacity definition: Own occupation

If you are in gainful employment or gainful self-employment at the time of incapacity we will consider you to be incapacitated once we have assessed your claim as set out in the section headed “Assessing your claim” and are satisfied that you have no capacity for working in your own occupation, on any basis, as a direct result of your injury or illness.

Incapacity definition: Activities of Daily Living

If you are a houseperson at the time of incapacity we will consider you to be incapacitated once we have assessed your claim as set out in the section headed “Assessing your claim” and are satisfied that you are unable to undertake at least three of the tasks from the activities listed below for a sustained period and as a direct result of your incapacity.

<table>
<thead>
<tr>
<th>Walking</th>
<th>The ability to walk more than 200 metres on a level surface.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climbing</td>
<td>The ability to climb up a flight of 12 stairs and down again, using the handrail if needed.</td>
</tr>
<tr>
<td>Lifting</td>
<td>The ability to pick up an object weighing 2kg at table height and hold for 60 seconds before replacing the object on the table.</td>
</tr>
<tr>
<td>Bending</td>
<td>The ability to bend or kneel to touch the floor and straighten up again.</td>
</tr>
<tr>
<td>Getting in and out of a car</td>
<td>The ability to get into a standard saloon car, and out again.</td>
</tr>
<tr>
<td>Writing</td>
<td>The manual dexterity to write legibly using a pen or pencil, or type using a desktop personal computer keyboard.</td>
</tr>
</tbody>
</table>

COUNTRIES WHERE COVER IS PROVIDED

The policy will remain in force if:
- you reside in or travel to any part of the countries that form part of the European Union, USA, Canada, Australia, New Zealand, the Isle of Man or the Channel Islands, or
- you reside or travel for up to 12 consecutive months in any other part of the world. However, the monthly benefit provided by the policy will not be payable for more than six calendar months for incapacity while you are outside the countries listed above.
CHANGING YOUR POLICY

This option can be used a maximum of three times per policy.

On the occurrence of specified events you have the option to increase the monthly benefit without the need for further medical information. If the following do not apply when you want to change your cover then there are alternative ways outlined in the section headed ‘Other Changes’.

You can increase the monthly benefit:

a) if you receive an increase of earnings due to change of employment or promotion,
b) if you increase your mortgage, or
c) on every third policy anniversary date.

This option must be used within six months of the event and if we request relevant documents in relation to the events a) and b) stated above, you must provide them to us.

The monthly benefit can increase by

For all increases, the monthly benefit may only be increased on each occasion by up to 50% of the original monthly benefit, subject to a maximum of £833.33 per month. This is providing the monthly benefit does not exceed the maximum allowed as set out.

How we provide cover for an increase

If you use this option we will set up an additional policy in respect of the increase, which will:

- not allow you to increase your cover without additional medical evidence,
- not extend beyond your 70th birthday or the policy end date of the policy whichever is earliest,
- only be an Increasing Income Protection Plan if you choose increasing cover and the option to increase is accepted by you at all policy anniversary dates,
- not have a deferred period shorter than the deferred period of this policy.

If you choose Stepped Benefit the first deferred period of the new policy will not have a first deferred period shorter than the original policy.

If you have the option to choose the Low Cost Option, the new policy will not have a maximum benefit payment period longer than the original policy.

The additional policy will be subject to our premiums and terms and conditions for such policies at the time the additional policy is issued.

In circumstances where we no longer offer the chosen policy at the time you wish to use this option, we will offer you a reasonable available alternative.

When this option is not available

This option will not be available to you:

- after your 50th birthday,
- if a valid claim has been made,
- if you are incapacitated as defined in the section headed “Definition of Incapacity”.

OTHER CHANGES

You can request any of the following changes to your policy:

- Extend or reduce the policy end date,
- Decrease the monthly benefit,
- Increase or decrease the deferred period, or
- Change the frequency of your premiums between annually and monthly.

What we may need to process your request

a) Your consent to the changes by completing and returning a plan amendment form issued by us, which includes a short questionnaire about your health and medical history.

b) If you answer ‘yes’ to any of the questions in the plan amendment form, we may require you to complete a full application in order to make the changes to your policy. Where we undertake a full medical and lifestyle assessment, depending on the answers there may be circumstances where we may not be able to offer cover to you.

c) Any documents reasonably required by us to support your request.

How we will provide cover

We will confirm if the change you have requested means the original policy has to be cancelled and a new policy issued, which may have different terms and conditions.

Any changes you make may affect the premiums that are payable. We will confirm the change you have made.
GENERAL CONDITIONS

- The policy is between you and us, and you may not assign, transfer, mortgage, charge or deal in any other manner with the benefit of the policy (in whole or in part).
- During the application process we will ask you questions about your personal circumstances and we may request additional information from you in order to make an assessment and offer you a policy. You are required to answer all of our questions honestly and accurately.
  a) If you (or an agent acting on your behalf) deliberately or recklessly provide inaccurate information we are entitled to cancel the policy and refuse to pay the monthly benefit. In these circumstances we may not refund any premiums you have already paid.
  b) If you (or an agent acting on your behalf) provide inaccurate information through carelessness, we are entitled to amend the policy to reflect the terms that would have been offered had the accurate information been known. In these circumstances:
    i. if we would not have issued your policy had the accurate information been provided, we are entitled to cancel your policy, however we will refund any premiums you have already paid;
    ii. if we would have issued your policy on different terms and conditions (other than those relating to premiums) had the accurate information been provided, we may make changes to your policy and treat your policy as if it had been issued on the different terms and conditions;
    iii. in addition, if we would have issued your policy with higher premiums had the accurate information been provided, we may reduce the monthly benefit to reflect the higher premiums that would have applied had the accurate information been provided. The following formula will be used in these circumstances:

\[
\text{New monthly benefit} = \frac{\text{Premium actually charged}}{\text{Higher premium}} \times \text{original monthly benefit}
\]

- We can only pay your monthly benefit in sterling to a UK bank account in the UK. We won’t cover the cost of transferring the benefits outside of the UK.
- When giving instructions in relation to any provision of the policy, you should send a copy of the Policy Booklet, clear written instructions and proof of title to the policy, to our principal office, see the section headed “How to contact us”. We will notify you of any other evidence that we may reasonably require.
- If due to incapacity you are unable to sign the claim forms, provided this is supported by medical evidence and any other evidence which we may reasonably request, we may make payments to you without your signature. If payments are to be made to anyone other than you, that person must have a power of attorney to deal with your affairs. We will need to see the original power of attorney before we will pay your monthly benefit to them.
- All rights mentioned in the policy are conferred upon the life insured of the policy, or in the event of the death of the life insured, their successor in title, and the phrases “you” and “your” wherever used should be construed accordingly.
- We may make changes to these policy terms and conditions that we reasonably consider are appropriate due to a change in any applicable legislation, regulation or taxation. In such circumstances, we will notify you in advance of any changes being made.
- The policy is governed by English Law.
- All communication in relation to the policy will be in English.
**MAKING A CLAIM**

**Notifying us of a claim**
To make a claim under the policy, please notify us using our claims contact details in the section headed ‘How to Contact us’.

You must notify us:
- Within two weeks of the start of **incapacity** if you choose a four week **deferred period**.
- within four weeks of the start of the **incapacity** if you choose any other **deferred period**. If you unreasonably delay in telling us of a claim the **deferred period** may be deemed to have started not more than four weeks before the date that we were notified of a claim.

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

When claiming we will need your policy number, your GP/Doctors contact details and your contact details.

**ASSESSING YOUR CLAIM**

We will need some information from you such as details of your **incapacity**.

We will also request any relevant financial information, such as proof of your earnings and medical consent from you to allow us to contact the doctor(s) treating you throughout the period of incapacity. When we have received all forms and your medical consent, we will request medical information from your doctor so we can consider your claim. If you are in gainful employment we will request your consent to allow us to obtain information relevant to your claim from your employer.

If we accept your claim we will start your **monthly benefit** payments at the end of the **deferred period** and will pay them in monthly arrears.

If you do not provide any information or documentation that would reasonably be required to assess the claim, we will not process the claim until the information or documentation is made available.
PAYMENT OF CLAIMS

Maximum monthly benefit payable

We will limit your monthly benefit payment as follows:

a) If you are gainfully employed at the point of incapacity the total amount of monthly benefit payable in any one year will be limited to 60% of your yearly employed earnings up to, and including, £60,000 plus 50% of your employed earnings over £60,000.

b) If you are gainfully self-employed at the point of incapacity the total amount of monthly benefit payable in any one year will be limited to 60% of your total yearly self-employed earnings up to, and including, £60,000 plus 50% of your yearly self-employed earnings over £60,000. If you were self-employed for 12 months or less, we will limit your total monthly benefit to 35% of your yearly earnings at the point of incapacity.

Whether you are gainfully employed or gainfully self-employed at the point of incapacity, the total monthly benefit limit includes the following sources of continuing income:

- 60% of any gross income from an employer such as sick pay,
- 60% of any gross income from a business including dividends, received from a private business to represent your share in net trading profit,
- 60% of any gross income from investments if this is taken into account by us in determining your earnings for the monthly benefit level,
- 60% of gross income from any pension or ill-health early retirement schemes due to the incapacity to which any claim under the policy relates, and
- any regular payments to which you are entitled from any other insurance policies due to the incapacity to which any claim under the policy relates. For this purpose we will take into account payments made direct to a lender on your behalf, for example payments under a mortgage payment or credit protection policy.

This specifically excludes:

- any income from savings.

The earnings we use for assessment relates to your earnings immediately before your incapacity.

The benefit we pay may affect your claim to some means-tested State benefits. Any employment related non-means tested state benefits (such as contributory Employment and Support Allowance (ESA) and Statutory Sick Pay) will not be deducted from the monthly benefit.

INCOME GUARANTEE

Your monthly benefit at claim is calculated based on your earnings immediately before you are incapacitated, not your earnings at the start of your policy. This could mean that if your earnings go down, you may not receive what you ask for. The Income Guarantee is in place to ensure the monthly benefit we pay you, plus any continuing income you receive whilst incapacitated, provides you with the chosen monthly benefit, subject to a limit of £1,500.

We will base the Income Guarantee on the lower of £1,500 per month or your chosen monthly benefit at the start of your policy even if your earnings at the time of claim do not support this level of monthly benefit.

If you are a houseperson at the time of your incapacity you will not qualify for the Income Guarantee.

Other sources of continuing income you receive whilst incapacitated, as listed in the section headed “Payment of Claims”, will be deducted from the monthly benefit stated in your Policy Booklet, or the maximum monthly benefit at the time of claim, whichever is greater.

If the chosen monthly benefit is more than £1,500 per month and the maximum monthly benefit at claim is less than £1,500 per month, any continuing income will be deducted from the Income Guarantee (which is £1,500).

As your continuing income reduces, or comes to an end, the monthly benefit payable during the claim will increase up to but not exceeding the Income Guarantee, including any increases already made due to indexation.

OVERALL MAXIMUM MONTHLY BENEFIT

The overall maximum monthly benefit is subject to a limit of £200,000 a year whether a) or b) in the section headed “Payment of Claims” applies. This maximum limit includes the continuing income listed in the same section.

If an Increasing Protection Benefit Plan is chosen the maximum monthly benefit you can have is £8,333.33 per month (up to a maximum of £100,000 per year).
IF YOU ARE A HOUSEPERSON AT THE POINT OF INCAPACITY

We will limit the total amount payable in any one year to the lower of 12 times the monthly benefit or £1,666.67 per month, less any continuing income you receive whilst incapacitated as listed in the section headed “Payment of Claims”.

LINKED CLAIMS

If, within 12 months from the date that you return to your occupation, you become incapacitated again from the same or a related cause, we will consider this a linked claim and will not apply the deferred period. This means we will start payment of the monthly benefit immediately, subject to any restrictions we explain.

CONTINUOUS COVER

Should you become incapacitated during:

a) a period of not being gainfully employed or gainfully self-employed, you will be entitled to receive the lower of the monthly benefit or £1,666.67 per month. We will pay this if you meet the definition of incapacity as described in the section “Definition of Incapacity” for the duration of your incapacity.

If you return to gainful employment or gainful self-employment, your definition of incapacity will return to the definition shown in the Policy Booklet.

b) any period of statutory maternity, paternity or adoption leave, you will be entitled to receive the monthly benefit provided you are in gainful employment or gainful self-employment immediately before taking this statutory maternity, paternity or adoption leave. The definition of incapacity used will be Own Occupation as stated in the Policy Booklet.

PROPORTIONATE BENEFIT

If you return to gainful employment or gainful self-employment on a lower level of earnings than you received immediately before your incapacity, directly as a result of your incapacity, the proportionate monthly benefit will be payable.

The Proportionate Benefit will be equivalent to the reduction in your earnings compared to your earnings in the 12 months before incapacity.

To be eligible for Proportionate Benefit you must have received monthly benefit due to incapacity before resuming gainful employment or gainful self-employment on reduced earnings.

If you have the option to choose the Low Cost Option the Proportionate Benefit will not be payable if you return to work on a lower level of earnings after an individual claim has reached a total of 24 monthly benefit payments. If the claim does not reach a total of 24 monthly benefit payments and you return to work on a lower level of earnings the Proportionate Benefit would be payable for the remainder of the maximum 24 month claim period.
CONDITIONS

For us to make the monthly benefit payments, you must be under regular and appropriate medical treatment as agreed with your treating doctor(s) for the condition that you are claiming for and must comply with the treatment recommendations. This may include:

- medication,
- physiotherapy, and/or
- taking part in a rehabilitation programme, counselling or therapy.

We may also request that you:

- attend medical examinations,
- supply information relating to your incapacity,
- be available, if required, to meet with an appointed representative at your home for an interview in respect of the claim,
- undergo medical investigations (including blood tests), and/or
- produce medical and financial evidence in order to support the claim.

The claim will be reviewed on both medical and financial grounds on a regular basis. If you don’t provide the evidence we ask for we may stop your monthly benefit payments.

The monthly benefit will be paid one month in arrears following the end of the deferred period and at monthly intervals until the earliest of:

- the end of your incapacity,
- the policy end date, or
- your death.

If you have the option to choose the Low Cost Option the monthly benefit will be paid one month in arrears following the end of the deferred period and at monthly intervals until the earliest of:

- the end of your incapacity,
- the policy end date,
- you have reached the end of the maximum claims period as specified in the section headed ‘Low Cost Option’, or
- your death.
## HOW TO CONTACT US

<table>
<thead>
<tr>
<th></th>
<th>Phone number</th>
<th>Contact Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Enquiries</td>
<td></td>
<td>Legal &amp; General Assurance Society Limited City Park The Droveway Hove East Sussex BN3 7PY</td>
</tr>
<tr>
<td>Change your policy</td>
<td>0370 010 4080*</td>
<td></td>
</tr>
<tr>
<td>Cancel your policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make a claim</td>
<td>0800 027 9830</td>
<td>Legal &amp; General Assurance Society Limited City Park The Droveway Hove East Sussex BN3 7PY</td>
</tr>
<tr>
<td>Make a complaint</td>
<td>0370 010 4080*</td>
<td>Legal &amp; General Assurance Society Limited Knox Court 10 Fitzalan Place Cardiff CF24 0TL</td>
</tr>
</tbody>
</table>

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

## HOW TO CANCEL THE POLICY

You can cancel the policy at any time. Once the policy starts we will provide you with a notice of your right to cancel.

If you cancel the policy within 30 days of receiving both the notice and the policy, we will refund any premiums paid. If you cancel the policy after 30 days, you will not get any money back.

If you cancel the policy, the cover will end and no further premiums will be payable.

## HOW TO MAKE A COMPLAINT

If you wish to complain about the service you have received from us, or you would like us to send you a copy of our internal complaints handling procedure, please contact us.

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

### Online Dispute Resolution (ODR)

The European Commission has established an Online Dispute Resolution Platform (ODR Platform) http://ec.europa.eu/consumers/odr/index_en.htm that is specifically designed to help EU consumers who have bought goods or services online from a trader based elsewhere in the EU and subsequently has a problem with that online purchase. The ODR Platform will refer your complaint to the Financial Ombudsman Service who will pass it on to Legal & General.
THE FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

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

So, if we run into financial difficulties, you may be able to claim via the FSCS, for any money you’ve lost. However, before looking to pay compensation, the FSCS will first see if they can arrange for 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.
DEFINITIONS

Deferred period(s)
The number of consecutive weeks of **incapacity** during which no **monthly benefit** is payable and which must pass before any **monthly benefit** is paid. The deferred period is shown in your Policy Booklet. If stepped **monthly benefit** applies to your policy, the lower **monthly benefit** will be payable during the time between expiry of the 1st and expiry of the 2nd deferred periods. After the 2nd deferred period has expired, the higher **monthly benefit** will be payable.

Earnings
**Your earnings** in respect of your **gainful employment** or **your gainful self-employment**.

Employed earnings
- Pre-tax **earnings** for PAYE assessment purposes earned in the 12 months before **incapacity** as detailed on your P60 or previous 12 months’ pay slips.
- P11D benefits provided that they are not paid during any period of **incapacity**.
- Dividends from a private limited company (if applicable) where you are in **gainful employment** and they:
  - represent your share in the net trading profit, and
  - are not paid during any period of **incapacity**.

Gainful employment and Gainfully employed
Working for at least 16 hours per week under a written contract of employment and receiving a salary or wage.

Gainful Self-Employment and Gainfully self-employed
Working for profit for at least 16 hours per week (either alone or with others) and being liable to pay Income Tax and/or National Insurance Contributions.

Gross income
**Your** income before tax is deducted.

Houseperson
**You** will be deemed a **houseperson** for the purposes of these terms and conditions if you do not meet our definition of **gainful employment** or **gainful self-employment**.

Incapacity and Incapacitated
**Your** inability, caused by illness or injury, to carry out your **gainful employment** or **gainful self-employment**. If you are a **houseperson** your inability to carry out three of the Activities of Daily Living.

Life insured
The person who is named as the **life insured** under the policy as shown in the Policy Booklet.

Monthly Benefit(s)
The benefit chosen at the start of the policy, which may differ at the time of making a valid claim.

Our, us or we
Legal & General Assurance Society Limited.

Occupation
Any trade, profession or type of work resulting in a salary or wage if employed, or for profit or reward if **self-employed**. It is not specific to any particular employer or job description.

Policy end date
The date that cover under the policy will end.

Statutory maternity, paternity or adoption leave
The duration of statutory leave as set out and defined by government regulation.

Self-employed earnings
For the purpose of this policy, **self-employed earnings** means:
- Evidence of your share of the annual pre-tax profit. This is the total income from the business less any expenses from running that business as permitted under HMRC guidelines.
- If you are self-employed for three years or more, we will calculate your yearly earnings based on your average annual pre-tax profit over three complete years prior to **incapacity**.
- If you are self-employed for less than three years, we will calculate your yearly earnings based on your average annual pre-tax profit during the period of self-employment prior to **incapacity**.

You or your
The person who is named as the **life insured** in the Policy Booklet.