PARTNERS’ GROUP LIFE ASSURANCE.

FOR PARTNERSHIPS AND LIMITED LIABILITY PARTNERSHIPS.
Helping you understand our policy.
This is an important document which we suggest you keep in a safe place.
PLAB 07/2017

TECHNICAL GUIDE
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 on page 22 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. See question 2.1 to find out what we need to set up your policy. You can ask us, or your financial adviser, if you would like to see a copy of our standard policy terms and conditions.

ABOUT LEGAL & GENERAL
The Legal & General Group, established in 1836, is one of the UK’s leading financial services companies. As at 31 December 2016, the total value of assets across the group was £894.2 billion, including derivative assets. We also had over nine million customers in the UK for our life assurance, pensions, investments and general insurance plans.

We’re a leading provider of Group Protection cover in the UK with 85 years of expertise and knowledge. We looked after over 4,400 group protection policies and provided protection to almost two million employees at the end of 2016.

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: www.legalandgeneralgroup.com/investors/library
CONTENTS.

AIMS, COMMITMENTS AND RISKS

Its aims 4
Your commitment 4
Risks 4

HOW THE POLICY WORKS 5

YOUR QUESTIONS ANSWERED 6

1.0 What should we consider when deciding what benefits to provide? 6
1.1 Who can the policy cover? 7
1.2 When can we include partners after the policy starts? 7
1.3 When can cover for a partner change? 8
1.4 When will cover end? 8
1.5 What is the maximum benefit you will cover? 9
1.6 What types of cover are available? 9

2.0 How do we set up a policy and when do we need to give you medical evidence? 10
2.1 What do you need to set up the policy? 10
2.2 What medical evidence will you need before you’ll cover the partners? 10
2.3 If you have medically underwritten a partner, when will they next need to give you medical evidence? 11
2.4 What are your terms if we’re switching the insurance to you from another insurer? 12
2.5 What are your actively at work requirements? 14
2.6 What medical evidence do you need for partners who want cover before or after they are eligible? 15
2.7 What happens if we need to make a claim before you’ve finished your medical assessment? 15

3.0 What premiums will you charge for the cover? 16
3.1 How will you work out the premiums? 16
3.2 Will there be any unexpected extra premiums? 16
3.3 How much commission will you pay our adviser? 16
3.4 Is there a discount for a good claims history? 16

4.0 How does the accounting work? 17
4.1 What information do you need for accounting? 17
4.2 How do you adjust premiums for partners who join or leave during the policy year? 17
4.3 If you or we cancel the policy mid year, will we lose any premiums we have paid in advance? 17

5.0 How do we make a claim? 18
6.0 What don’t you cover? 18
7.0 Can you cover a partner who is not based in the UK? 18
8.0 What tax rules apply? 19
8.1 For a policy set up for dependants’ protection as an Excepted Group Life Policy 19
8.2 For a policy set up for dependants’ protection where benefit is paid through a registered staff stand alone death in service scheme 19
8.3 For a policy set up for dependants’ protection under a non-registered arrangement 19
8.4 For business protection policies 19
9.0 Can partners continue their cover if they leave the partnership? 20

FURTHER INFORMATION 21

GLOSSARY 22

CONTACT DETAILS 24
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 section 5 and give us all the information we ask for to support the claims. Without this information, we won’t be able to pay the claim.
  Please see question 5 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 million for the tax year 2017/18, 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 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.
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 1.6 and 8 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 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.
## 1.0 WHAT SHOULD WE CONSIDER WHEN DECIDING WHAT BENEFITS TO PROVIDE?

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<thead>
<tr>
<th>DIFFERENT BENEFIT CATEGORIES</th>
<th>HOW MUCH TO INSURE</th>
<th>CHECK OUR QUOTE</th>
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</thead>
<tbody>
<tr>
<td>We suggest you keep the benefit as simple as possible, ideally having the same basis for all partners. You can group the partners into separate categories and can have different amounts of cover between categories. All partners in the same category must have the same benefit basis. As this is a group policy, it must cover all your eligible partners. It’s important we know which partners are in which category. We must therefore agree the eligibility conditions for each category at the start of the policy. Examples of a category eligibility could be ‘all equity partners’ or ‘all equity partners based in London’. We’ll tell you the agreed eligibility conditions in our quote. If the benefits are to be covered under an excepted group life policy, we’ll set up a separate policy for each benefit level. We can link policies for any common terms. See question 1.6 for more details about excepted group life policies.</td>
<td>You can choose to take out an insurance policy to insure all, or part, of the benefit you want to pay to the partners. If you only insure part of the benefit you may have to pay the difference yourself. For example, if you promise to pay a benefit of £500,000 but only insure £300,000, you would have to pay the remaining £200,000 yourself. If your policy insures the benefits of a registered scheme, you should consider the HM Revenue &amp; Customs allowances that apply. See question 1.4 for more details.</td>
<td>Please check that our quote matches what you’d like us to insure. If you’d like us to change the options we’ve used, please tell us so we can change the quote. We’ll tell you how any changes will affect our terms, unit rate and premium.</td>
</tr>
</tbody>
</table>
1.1 WHO CAN THE POLICY COVER?
The policy can cover partners with an equity share in the firm and whose income from the firm is taxed as trading profits.

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

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

- the eligibility conditions, which we’ll confirm in the quote;
- our actively at work requirements;
  
  Please see question 2.5 for more details of actively at work.
- our medical evidence requirements; and
  
  Please see question 2.2 for more details of medical evidence.
- our switch terms, if you’re switching the insurance from another provider.
  
  Please see question 2.4 for more details of switch terms.

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

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

1.2 WHEN CAN WE INCLUDE PARTNERS AFTER THE POLICY STARTS?
All partners must meet the policy’s eligibility conditions. Once they do, we’ll start covering them from the entry date.

Our quote and policy will show the entry date.

The entry date can be:

- **YEARLY**
  
  We’ll only include new partners once a year at the annual renewal date.

- **MONTHLY**
  
  Cover for new partners starts at a specified date each month. Unless we tell you otherwise, this will be the same day of the month the annual renewal date falls on.

- **DAILY**
  
  We include new partners on the first day they meet the eligibility conditions.

A partner must be included for cover under the policy on the first entry date they meet the eligibility conditions. Please see question 2.6 for information on when we can cover partners who meet the eligibility conditions, but need cover to start before they complete a qualifying service or reach the first entry date.

If you wish to include a partner who doesn’t meet the eligibility conditions, we must be told in advance and all cover will be subject to our prior agreement and any terms we may apply.

If a partner becomes eligible to change to a different category, we’ll cover them in that category immediately as long as any other requirements we’ve set are met.
1.3 WHEN CAN COVER FOR A PARTNER CHANGE?
If the benefit is a fixed sum, for example £500,000, you’ll need to tell us when you’d like to increase the amount. Before we agree, we’ll check if our policy terms, unit rate and premium need to change.

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

1.4 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.

1.5 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 million for the tax year 2017/18, is taxed by HMRC at a rate of 55%.

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.

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.
1.6 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 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, we can set up a group of policies and link them together. Each policy will separately cover a benefit basis.
2.0 HOW DO WE SET UP A POLICY AND WHEN DO WE NEED TO GIVE YOU MEDICAL EVIDENCE?

2.1 WHAT DO YOU NEED TO SET UP THE POLICY?
If you accept the quote, we’ll let you know what information we’ll need. You’ll need to fill in a proposal form and pay the first premium within 14 days of the date we agree to provide cover.

You’ll also need to:

- Give us a membership list correct at the policy start date so we can give you an accurate account.
  Please see questions 4 and 4.1 for more details.
- Check if any partners need to give us medical evidence.
  Please see question 2.2 for more details about medical evidence.
- Check if all the partners are actively at work.
  We give more information about actively at work in question 2.5.

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

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

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

2.2 WHAT MEDICAL EVIDENCE WILL YOU NEED BEFORE YOU’LL COVER THE PARTNERS?

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

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

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

If they prefer to fill in the form themselves, you can find the member’s declaration form in the literature section on our website www.legalandgeneral.com/workplacebenefits. Alternatively, you can ask us for a copy.

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

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

We’ll write to you to explain any special terms. If this includes an extra premium loading and you decide you don’t want to pay this, you can cancel the cover the extra premium loading is for by telling us in writing within 30 days.
A partner’s status in an excepted group life policy will not be affected if their cover is restricted because of medical underwriting.

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

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

2.3 IF YOU HAVE MEDICALLY UNDERWRITTEN A PARTNER, WHEN WILL THEY NEXT NEED TO GIVE YOU MEDICAL EVIDENCE?

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

FORWARD UNDERWRITING
LESS THAN 50 PARTNERS
This means, once we medically underwrite a partner they won’t normally need to give us more medical evidence for increases in benefit for another five years. The medical evidence we need will depend on the amount of the increase and any existing special terms. However, unless we tell you otherwise, our standard approach will be:

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

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

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

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

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

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

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

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

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

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

as long as their benefit doesn’t go over £5 million and they are actively at work, they won’t normally need to give us more medical evidence for:
• normal increases in benefit resulting from scheme earnings increases; and
• an increase affecting all partners resulting from an agreed future change to the insured basis.

If we accept £5 million cover or more for a partner:
• at ordinary rates; or
• with an extra premium loading of 50% or less that you are paying;
we’ll next need medical evidence when benefit increases:
• by another £300,000; and
• for each further £300,000 increase.

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

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

We will need medical evidence for the next increase in cover where the result or our decision for benefit previously subject to medical evidence was any of the following:
• restricted;
• declined;
• postponed;
• not proceeded with;
• is subject to other terms;
• restricted or declined because the partner didn’t provide medical evidence; or
• you chose not to pay an extra premium loading.

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

2.4 WHAT ARE YOUR TERMS IF WE’RE SWITCHING THE INSURANCE TO YOU FROM ANOTHER INSURER?
We’ll normally accept a high-level of cover without needing medical evidence, as long as partners meet our switch terms. This is even if the previous insurer charged a premium loading.

TERMS FOR PARTNERS WHO ARE ELIGIBLE FOR COVER FOR THE FIRST TIME AT THE SWITCH DATE
We’ll need medical evidence for the portion of their benefit that is above our free limit.

SWITCH TERMS FOR EXISTING PARTNERS PREVIOUSLY INSURED
We’ll normally accept existing cover for a partner who meets all the conditions under a), and one of the conditions in b) below:

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

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

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

We’ll need you to give us a copy of the previous insurer’s latest letter of acceptance or fill in a Declaration – switch terms form. You’ll need to give this to us when the policy starts or we won’t be able to pay a claim for these partners.
If a partner meeting our switch terms was accepted by the previous insurer on a ONEderwriting (or equivalent) approach, as long as their cover doesn’t go over £5 million, we’ll use our ONEderwriting terms for benefit increases.

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

• ordinary rates;
• an extra premium loading of 50% or less that you are paying;
• an exclusion for hazardous pursuits;
we’ll use our Forward Underwriting terms for benefit increases.

For all other partners meeting our switch terms;

• If their existing cover with the previous insurer is more than our free limit, we’ll need medical evidence on the next increase in cover. This could be at the switch date if cover is increased at that date.
• 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?

Sometimes 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 we do.

<table>
<thead>
<tr>
<th><strong>ACTIVELY AT WORK</strong></th>
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<tr>
<td><strong>What does this mean?</strong></td>
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<tr>
<td>This means the <strong>partner</strong> must be in full active employment, physically and mentally able to perform all the duties associated with their normal occupation as a <strong>partner</strong> on the day the cover is going to start or there’s an increase to their cover.</td>
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<table>
<thead>
<tr>
<th><strong>How it works</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>If you don’t have an existing policy</strong></td>
</tr>
<tr>
<td>We’ll need <strong>partners</strong> to be <strong>actively at work</strong> on the day we start cover for:</td>
</tr>
<tr>
<td>• a new arrangement including less than 100 <strong>partners</strong>; and</td>
</tr>
<tr>
<td>• an existing arrangement including less than 100 <strong>partners</strong> you are insuring for the first time.</td>
</tr>
<tr>
<td>Usually we will not need <strong>partners</strong> to be <strong>actively at work</strong> if your arrangement includes 100 or more <strong>partners</strong>.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>If you’re switching the insurance of an existing policy to us</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Usually we will not need <strong>partners</strong> to be <strong>actively at work</strong> unless you make a change to the arrangement on the day of the switch.</td>
</tr>
<tr>
<td>If you make a change, we’ll need <strong>partners</strong> to be <strong>actively at work</strong> for cover up to our <strong>free limit</strong> because of:</td>
</tr>
<tr>
<td>• a change to the eligibility conditions; or</td>
</tr>
<tr>
<td>• a change to the benefits provided.</td>
</tr>
</tbody>
</table>

Please also see question 2.4 for our other terms for switching insurance.

<table>
<thead>
<tr>
<th><strong>After the policy start date</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>We won’t need <strong>partners</strong> to be <strong>actively at work</strong> unless we tell you otherwise. Normally this will only be in certain circumstances, such as benefit increases for <strong>partners</strong> who have been ONEderwritten.</td>
</tr>
</tbody>
</table>

**Cover for a partner who doesn’t meet our actively at work requirements**

If a **partner** is not **actively at work**, we will not cover them, or increase their cover, until they are next **actively at work**.
2.6 WHAT MEDICAL EVIDENCE DO YOU NEED FOR PARTNERS WHO WANT COVER BEFORE THEY ARE FIRST ELIGIBLE?

<table>
<thead>
<tr>
<th>EARLY ENTRANTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What does this mean?</strong></td>
</tr>
<tr>
<td><strong>When can an early entrant’s cover start?</strong></td>
</tr>
<tr>
<td><strong>What if an early entrant doesn’t meet the above requirements for cover?</strong></td>
</tr>
</tbody>
</table>

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

2.7 WHAT HAPPENS IF WE NEED TO MAKE A CLAIM BEFORE YOU’VE FINISHED YOUR MEDICAL ASSESSMENT?

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

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

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

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

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

Temporary and accident cover will be restricted by the lower of the cover being requested and not more than £2 million over the free limit subject to a maximum of £3 million.
3.0 WHAT PREMIUMS WILL YOU CHARGE FOR THE COVER?

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

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

Please see question 3.4 for more details about claims history.

We don’t charge a minimum premium.

3.1 HOW WILL YOU WORK OUT THE PREMIUMS?

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

Please see question 4.0 for more details.

3.2 WILL THERE BE ANY UNEXPECTED EXTRA PREMIUMS?

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

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

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

Please see question 4.0 for more details.

3.3 HOW MUCH COMMISSION WILL YOU PAY OUR ADVISER?

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

3.4 IS THERE A DISCOUNT FOR A GOOD CLAIMS HISTORY?

Yes, we consider the past claims history of our policy, and any previous policies, when working out the unit rate. We’ll adjust the premiums for a good or bad claims history. A good claims history usually means the premiums will be lower than for a bad history.
4.0 HOW DOES THE ACCOUNTING WORK?

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

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

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

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

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

4.1 WHAT INFORMATION DO YOU NEED FOR ACCOUNTING?

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

• When a partner’s cover goes over the free limit for the first time.

• Anyone who needs cover before or after they are first eligible and our terms say medical evidence is needed.

• If our terms say we need medical evidence for cover.

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

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

• name;

• date of birth;

• benefit; and

• eligibility category (if there’s more than one).

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

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

4.2 HOW DO YOU ADJUST PREMIUMS FOR PARTNERS WHO JOIN OR LEAVE DURING THE POLICY YEAR?

If a partner joins during the policy year, you’ll need to tell us. We’ll then charge a proportionate premium.

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

We continue cover for partners who leave before the benefit termination date until the day before the next premium is due. If you don’t pay your premiums annually you’ll need to tell us when a partner leaves. We’ll then adjust the next premium.

If the policy allows for yearly entry and annual premiums, there’s no need to tell us about membership changes until the next annual renewal date.

4.3 IF YOU OR WE CANCEL THE POLICY MID YEAR, WILL WE LOSE ANY PREMIUMS WE HAVE PAID IN ADVANCE?

No. We’ll work out a final account for the cover we’ve provided up to the policy’s cancellation date. We will either send you a refund or you will immediately have to pay us any premiums you owe.
5.0 HOW DO WE MAKE A CLAIM?

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

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

6.0 WHAT DON’T YOU COVER?

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

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

Please see question 7.0 for more details.

Our quotation may include an event limit. This means we’ll restrict the total amount of benefit we pay for claims caused by a catastrophe. A catastrophe is an accident or event, or a series of accidents or events, which happen within 72 consecutive hours and causes four or more claims within six months. We’ll tell you in our quote if we include an event limit.

We won’t pay a claim if the employee is not eligible for cover.

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

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

7.0 CAN YOU COVER A PARTNER WHO IS NOT BASED IN THE UK?

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

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

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

- You must pay all premiums, and we’ll pay all benefit, in the UK in sterling.
- We’ll fix any currency conversion rates at each annual renewal date.
8.0 WHAT TAX RULES APPLY?

We’ve explained our understanding of the current tax rules for these arrangements below. You may want to get tax advice about the policy or HM Revenue & Customs rules.

8.1 FOR A POLICY SET UP FOR DEPENDANTS’ PROTECTION AS AN EXCEPTED GROUP LIFE POLICY (EGLP)

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

8.2 FOR A POLICY SET UP FOR DEPENDANTS’ PROTECTION WHERE BENEFIT IS PAID THROUGH A REGISTERED STAFF STAND-ALONE DEATH IN SERVICE SCHEME

- Premiums you pay for the policy are tax-deductible.
- Lump sum life assurance up to the lifetime allowance is free of income tax and, if paid under a discretionary trust, will not normally be liable for inheritance tax.
- A tax charge of 55% is due on benefit paid above the lifetime allowance.

8.3 FOR A POLICY SET UP FOR DEPENDANTS’ PROTECTION UNDER A NON-REGISTERED ARRANGEMENT

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

8.4 FOR BUSINESS PROTECTION POLICIES

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

After the first death, you can ask us to increase the sum assured. You could use the increase to contribute to possible tax charges on subsequent deaths.
- A pre-owned asset tax charge, as set out in the Finance Act 2004, may be due from each partner for each tax year the policy is in force.
9.0 CAN PARTNERS CONTINUE THEIR COVER IF THEY LEAVE THE PARTNERSHIP?

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

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

Brunel House
2 Fitzalan Road
Cardiff
CF24 0EB

0345 072 0751
Call charges will vary. We may record and monitor calls.

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

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

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

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

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

LAW
The policy is governed by English law.

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

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

INSURANCE ACT 2015
In the event that you breach your “duty of fair presentation”, we may at our discretion, agree to pay a claim in full if you agree to pay an additional premium.

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

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

www.fca.org.uk/register

or by contacting the FCA on

0800 111 6768

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

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

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

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

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

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

Excepted group life policy
A type of policy introduced by the Finance Act (2003).

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

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

Lifetime allowance
The maximum amount of tax advantaged benefit a person can take from all the registered pension schemes they’ve joined.

Medical underwriting
The process we use to assess the health and pastimes of a partner. At the end of the process we may apply special terms.

Non-registered arrangement
A policy only insuring partners, that:
- does not cover the benefits of a registered scheme; and
- is not an excepted group life policy.

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

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

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

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

Scheme earnings
The earnings we use to work out a partner’s benefit.

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

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

Total benefit
The total benefit for all insured partners.

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

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

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

<table>
<thead>
<tr>
<th>GROUP PROTECTION PRINCIPAL OFFICE QUESTIONS AND COMPLAINTS</th>
<th>FINANCIAL OMBUDSMAN SERVICE</th>
<th>FINANCIAL SERVICES COMPENSATION SCHEME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director, Group Protection Legal &amp; General Assurance Society Limited Brunel House 2 Fitzalan Road Cardiff CF24 0EB</td>
<td>If we can’t resolve a complaint you may be able to refer it to: Financial Ombudsman Service Exchange Tower London E14 9SR</td>
<td>PO Box 300, Mitcheldean, GL17 1DY</td>
</tr>
<tr>
<td><strong>0345 072 0751</strong> We may record and monitor calls. Call charges will vary. Lines are open from 8.30am to 5.30pm Monday to Friday.</td>
<td><strong>0800 023 4567</strong> or <strong>0300 1239 123</strong> (free for mobile phone user paying a monthly charge for calling phone numbers beginning with 01 or 02).</td>
<td><strong>020 7741 4100</strong> or <strong>0800 678 1100</strong></td>
</tr>
<tr>
<td><a href="mailto:group.protection@landg.com">group.protection@landg.com</a> <a href="http://www.legalandgeneral.com/workplacebenefits">www.legalandgeneral.com/workplacebenefits</a></td>
<td><a href="mailto:complaint.info@financial-ombudsman.org.uk">complaint.info@financial-ombudsman.org.uk</a> <a href="http://www.financial-ombudsman.org.uk">www.financial-ombudsman.org.uk</a></td>
<td><a href="mailto:enquiries@fscs.org.uk">enquiries@fscs.org.uk</a> <a href="http://www.fscs.org.uk">www.fscs.org.uk</a></td>
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