

keyfacts®

BUSINESS PROTECTION CRITICAL ILLNESS WITH TERM ASSURANCE



Chosen partner of NFU Mutual



IMPORTANT FOR NFU MUTUAL CLIENTS – PLEASE READ

This policy is being provided to you by our chosen partner – AIG Life Limited (AIG). AIG is the life insurance arm in the UK of American International Group, Inc. – a leading international insurance organisation serving customers in more than 80 countries and jurisdictions.

NFU Mutual has chosen to partner with AIG to provide you with this protection policy because they:

- provide excellent service, and
- consider all claims fairly.

This document gives you the key information you need to help you decide whether AIG Business Protection Critical Illness with Term Assurance is right for you. It is available in other formats such as Braille, large print or audio. Please ask if you need one of these formats.

This document does not contain the full terms and conditions and exclusions of cover. Please also refer to your Cover Summary and Cover Details, which will be issued when your policy starts. You can ask your NFU Mutual financial adviser for a copy of the Cover Details.

This document is based on our understanding of the current laws in England and Wales and tax rules in the UK (different rules may apply in the Channel Islands, Isle of Man or Gibraltar).

If you're thinking of taking out insurance, you may wish to get expert advice from a financial adviser who can look at your personal circumstances and help you make the decision that's right for you.

WHAT IS AIG BUSINESS PROTECTION CRITICAL ILLNESS WITH TERM ASSURANCE?

AIG Business Protection Critical Illness with Term Assurance covers you or your business against the financial impact of death, terminal illness - where life expectancy is less than 12 months, during the term of the policy or critical illness (the suffering of or undergoing of one of the specified critical illnesses or operations), during the term of the policy.

AIG Business Protection Critical Illness with Term Assurance can be taken out to protect your business from the death, terminal illness or critical illness of a key person, for shareholder or partnership protection or for business loan protection.

If the sum paid out under AIG Business Protection Critical Illness with Term Assurance forms part of your estate, it may not be free of inheritance tax. Cover held by the trustees of a trust should not normally form part of the estate for Inheritance Tax purposes. However, we cannot advise whether a trust is suitable in any particular circumstances or give tax advice in relation to the use of trusts.

We recommend that you take professional advice before setting up a trust.

WHO CAN BUY AIG BUSINESS PROTECTION CRITICAL ILLNESS WITH TERM ASSURANCE?

AIG Business Protection Critical Illness with Term Assurance is available to businesses registered in the United Kingdom, Channel Islands, Isle of Man and Gibraltar and can only provide cover in respect of British citizens or those resident in the United Kingdom, Channel Islands, Isle of Man and Gibraltar, aged 17 up to and including 75. For renewable cover, the maximum age of person covered is up to and including 54. In certain circumstances we may be able to offer cover where the person to be covered is a resident overseas. Please contact us for further information.

You can select to insure:

- you alone - we call this 'single life' cover;
- you and another person - we call this 'joint life' cover; or
- one or two people other than yourself - this can be either 'single' or 'joint life' cover.

If you select joint life cover, the policy will pay out if either person dies or is diagnosed with a terminal illness, or suffers one of the specified critical illnesses or complication of pregnancy before the end of your policy. The policy will stop once we have paid the full sum assured.

The policy will pay out if a child of the person covered dies or suffers one of the specified critical illnesses.

HOW DOES AIG BUSINESS PROTECTION CRITICAL ILLNESS WITH TERM ASSURANCE WORK?

The amount of cover

When you take out AIG Business Protection Critical Illness with Term Assurance, you decide how much cover you want. This amount is called the 'sum assured'. This is the amount we pay if the person covered dies or is diagnosed with a terminal illness, or suffers or undergoes one of the specified critical illnesses or operations during the term of the policy.

The term of the cover

The term of the cover is how long the insurance lasts. You choose the term of the cover. This can be any number of years between 3 and 50 although the policy must end before the person covered reaches their 86th birthday.

Renewable cover

With renewable cover, you choose a level term of 5 or 10 years. At the end of this term, you have the option to renew the cover for a further 5 or 10 years without providing further medical information for the person covered. If you choose not to renew the cover, your cover will end.

You can renew the cover until the 60th birthday of the person covered.

Types of cover

- Level - this covers you for a fixed sum assured.
- Decreasing - the sum assured decreases each month to zero at the end of your policy. This works in the same way as the outstanding amount on a repayment business loan of either 10%, 11%, 13% or 15%.
- Increasing - the sum assured increases each year by 5%.

Renewable cover is only available with a level sum assured. Further information regarding these types of cover is available in section B1 of the Cover Details.

Paying for your policy

Your premiums will be guaranteed for the term of the cover and will not change unless you choose increasing cover.

We will collect monthly or annual premiums from you by direct debit to pay for your insurance until the date your insurance ends.

Additional options available at extra cost

- Waiver of Premium - you can include Waiver of Premium in your policy, if the person covered is aged 54 and below when you buy your policy. We will waive your premiums if the person covered is incapacitated for longer than 26 weeks. Waiver of Premium will end when the person covered reaches their 70th birthday.
- Total Permanent Disability - you can include Total Permanent Disability in your policy if the person covered is aged 59 and below when you buy your policy. The person covered will usually have to be incapacitated for at least 26 weeks before we can establish whether the incapacity is permanent. Once we have established that the incapacity is permanent, we will pay the full sum assured and the cover will end. Total Permanent Disability will end when the person covered reaches their 70th birthday.

Waiver of Premium and Total Permanent Disability may not be available to everyone or we may restrict cover. If this happens, we will explain our decision.

How we define incapacitated depends on whether the person covered is in paid work and what kind of work they do. This definition will be agreed at application and shown in the Cover Summary, based on their circumstances at the time. If their circumstances change prior to becoming incapacitated, a different definition may apply to their claim. For a full definition of incapacitated, please see section E of the Cover Details.

For further information regarding Waiver of Premium and Total Permanent Disability, please see sections B2b and B3 of the Cover Details.

Critical illnesses covered

The critical illnesses we cover fall within three groups:

- Group I - If the person covered meets any of the conditions listed under this Group I, we will pay the full sum assured. Once we have paid the full sum assured, the cover will end.
- Group II - These are additional payment conditions that pay a proportion of the sum assured. The maximum amount we will pay for a Group II condition is the lower of 50% of the sum assured or £35,000.
- Group III - These are additional payment conditions specifically covering children that pay a proportion of the sum assured. The maximum amount we will pay for a Group III condition is the lower of 50% of the sum assured or £35,000.

Full definitions can be found in section B2a of the Cover Details.

Group I critical illness conditions

- Aorta graft surgery - for disease or following traumatic injury
- Aplastic anaemia - with permanent bone marrow failure
- Bacterial meningitis - resulting in permanent symptoms
- Benign brain tumour - resulting in permanent symptoms or specified treatment
- Benign spinal cord tumour - resulting in permanent symptoms or specified treatment
- Blindness - permanent and irreversible
- Brain injury due to anoxia or hypoxia - resulting in permanent symptoms
- Cancer - excluding less advanced cases
- Cardiac arrest - with insertion of a defibrillator
- Cardiomyopathy - of specified severity
- Coma - of specified severity
- Coronary artery bypass grafts - with surgery
- Creutzfeldt-Jakob disease
- Deafness - permanent and irreversible
- Dementia including Alzheimer's disease - resulting in permanent symptoms
- Encephalitis - resulting in permanent symptoms
- Heart attack - of specified severity
- Heart surgery - with thoracotomy
- Heart valve replacement or repair - with surgery
- HIV infection - from a blood transfusion, a physical assault or at work
- Intensive care - requiring mechanical ventilation for 7 consecutive days
- Kidney failure - requiring permanent dialysis
- Liver failure - end stage
- Loss of hands or feet - permanent physical severance
- Loss of independence - of specified severity
- Loss of speech - permanent and irreversible
- Lung disease - of specified severity
- Major organ transplant - from another donor
- Motor neurone disease and specified diseases of the motor neurones - resulting in permanent symptoms
- Multiple sclerosis - of specified severity
- Neuromyelitis optica (Devic's disease)
- Paralysis of limbs - total and irreversible
- Parkinson's disease - resulting in permanent symptoms
- Parkinson plus syndromes - resulting in permanent symptoms
- Primary pulmonary arterial hypertension - of specified severity
- Pulmonary artery replacement - with surgery
- Severe Crohn's disease
- Severe mental illness - as specified
- Spinal stroke - resulting in permanent symptoms
- Stroke - of specified severity
- Surgical removal of an eyeball
- Systemic lupus erythematosus (SLE) - of specified severity
- Third degree burns - covering 20% of the body's surface area or 20% of the face's surface area
- Traumatic brain injury - resulting in permanent symptoms
- Ulcerative colitis - treated with total colectomy

Group II critical illness conditions

- Accidental hospitalisation
- Angioplasty - requiring treatment to multiple coronary vessels
- Carotid artery stenosis - treated by endarterectomy or angioplasty
- Central retinal artery or vein occlusion (Eye stroke) - resulting in permanent visual loss
- Cerebral or spinal aneurysm - with surgery or radiotherapy
- Cerebral or spinal arteriovenous malformation - with surgery or radiotherapy
- Crohn's disease - treated with intestinal resection
- Diabetes mellitus Type 1 - requiring permanent insulin injections
- Gastrointestinal stromal tumour (GIST) of low malignant potential - with surgery
- Less advanced cancers - of named sites and specified severity of the following:
 - Anus
 - Bile Ducts
 - Breast
 - Cervix
 - Colon and rectum
 - Gallbladder
 - Larynx
 - Lung and bronchus
 - Oesophagus
 - Oral cavity or oropharynx
 - Ovary
 - Pancreas
 - Prostate
 - Renal pelvis (of the kidney) and ureter
 - Stomach
 - Testicle
 - Urinary bladder
 - Uterus
 - Vagina
 - Vulva
 - Other cancer in situ - with surgery
- Neuroendocrine tumour (NET) of low malignant potential - with surgery
- Permanent pacemaker insertion - for heartbeat abnormalities
- Pituitary gland tumours - with specified treatment
- Severe sepsis - resulting in admission to a critical care unit for 3 days or more
- Significant visual impairment - permanent and irreversible
- Single lobectomy - the removal of a complete lobe of a lung
- Skin cancer (not including melanoma) - advanced stage as specified
- Syringomyelia or syringobulbia - treated by surgery.

Children's critical illness benefit

Your policy also includes cover for children of the person covered. Children are covered from birth up to age 22. Children are covered for terminal illness and all critical illnesses specified under Group I and II, except Loss of Independence or any additional options such as Waiver of Premium or Total Permanent Disability.

Group III critical illness conditions

Children are also covered for additional child specific conditions (Group III):

- Cerebral palsy
- Craniosynostosis - requiring surgery
- Cystic fibrosis
- Down's syndrome
- Edwards Syndrome
- Hydrocephalus - treated with the insertion of a shunt
- Muscular dystrophy
- Osteogenesis imperfecta
- Patau syndrome
- Spina bifida.

There are some restrictions attached to children's critical illness cover and these are explained further in section B1 of the Cover Details.

Children's critical illness benefit is the lower of 50% of the sum assured or £35,000.

There is no limit on how many children are covered under one policy. However, children's critical illness benefit will be payable once per child. The maximum children's critical illness benefit payable for each child is the lower of 50% of the sum assured and £35,000, regardless of how many policies you hold with AIG.

We will pay double the amount of the children's critical illness benefit if in the opinion of the treating consultant and our Consultant Medical Officer:

- the child is unable to receive treatment for the children's critical illness in the UK that is effective in curing or preventing further deterioration of the condition; and
- a treatment that is effective, curative or prevents further deterioration is available overseas.

Child life cover

If a child dies during the term of the cover, we will pay a child life cover benefit of £10,000. If the child is diagnosed with a terminal illness, we will pay the child life cover benefit early.

Child life cover is payable in addition to children's critical illness benefit. Child life cover is payable once per child, regardless of how many policies you hold with AIG.

Pregnancy cover

If the person covered suffers from a defined complication during pregnancy, we will pay £5,000 per pregnancy, unless the claim is because of foetal death in utero, neo-natal death or stillbirth, in which case we'll pay £5,000 per foetus or child. This is the maximum amount we would pay regardless of how many policies you hold with AIG.

Any claim made under children's critical illness, child life cover or pregnancy cover will not affect your main sum assured.

Changing your policy

There are many ways that you can change your policy to make sure that it is still meeting your needs.

You can increase the amount of your cover without providing further medical evidence if the person covered is 55 years old or less and:

- if the cover was taken for business loan protection and the owner of the cover increases their business loan;
- if the cover was taken for key person cover and the value to the business of the key person covered increases;
- if the cover was taken for shareholder protection and the share, or shareholding, of the person covered in the business increases in value; or
- if the cover was taken for business partnership cover and the value of the partnership share increases (for example, where the total number of partners has reduced).

There is a limit to how much you can increase your sum assured - it can't be more than the lower of 50% of the original sum assured or £75,000.

In addition, you can choose to:

- reduce the sum assured;
- increase the term of the cover;
- reduce the term of the cover;
- stop and restart annual increases if you have selected increasing cover; or
- change your premiums from annual to monthly and vice versa.

These options may not be available to everyone, for example if the person covered has a particular medical condition when the cover is first taken out. If you have renewable cover, you cannot change the term of the cover. For more information, including further limitations, please see section C4 of the Cover Details.

IMPORTANT INFORMATION

You can only insure someone else if you would suffer financially were they to die or suffer a terminal illness or critical illness. We call this 'insurable interest'. You or the business must have an insurable interest in the person covered at the time AIG Business Protection Critical Illness with Term Insurance is taken out. You will always have an insurable interest in your own life. It is possible to have an insurable interest in another person if you have a legally enforceable financial dependency or liability upon them.

AIG Business Protection Critical Illness with Term Insurance will only pay a benefit for a critical illness if the person covered meets our definition of that critical illness.

For some people, we may not include every critical illness. This could be because, for example, they have a particular medical condition when they apply for cover. The Cover Summary will show if we have excluded any of these critical illnesses from the cover we are offering.

AIG Business Protection Critical Illness with Term Assurance only protects you against events that happen to the person covered during the term of your policy. If something happens outside that term, you won't be covered. Your Cover Summary shows what is covered and for how long.

If you don't review your policy in line with the needs of the business, you may have more or less cover than you need.

Inflation will reduce the spending power of any benefit you are paid in the future. To help protect your cover against this effect, you can choose to set it up with a sum assured that increases by 5% each year. If the policy has an increasing sum assured, the premium will be reviewed annually and will increase by a higher percentage than that of the sum assured, because the amount of the increase of the premium will depend on the age of the person covered and the remaining term of the policy at that time.

If you set up a cover with an increasing sum assured, the amount you pay will increase each year to pay for the extra cover. If you then change to a level sum assured, the premium will remain at the level it was when you made the change. If you restart the annual increase, the premium will increase again.

If you choose renewable cover, your premiums will change when your cover renews. The new premium will be based on the premium rates at that time, the sum assured and the age of the person covered.

If you have a repayment business loan and choose decreasing cover and select an interest rate that does not meet or exceed the rate you are paying on your loan, the benefit we will pay for a successful claim may not meet the outstanding amount of your loan.

A claim for terminal illness can only be made where the person covered has been diagnosed with 12 months or less to live. If the medical consultant cannot determine this, or expects death to occur more than one year after diagnosis, we will not pay a benefit.

If a child is diagnosed before birth with a children's critical illness and dies within 10 days of being born, we will not pay a children's critical illness benefit.

If a child of the person covered dies within 10 days of being diagnosed with a critical illness, we will not pay a children's critical illness benefit.

In addition, we will not pay a child life cover benefit in the following circumstances:

- if the cause of death first arose before the cover started or before you last restarted the cover; or
- if the cause of death is miscarriage or stillbirth.

We will not pay a pregnancy cover benefit in the following circumstances:

- if the person covered was aware of an increased risk of suffering from a complication of pregnancy before the cover started or restarted; or
- if the pregnancy resulted in a child life cover benefit being paid.

For further information on when we may not pay a benefit, please see section B1 of the Cover Details.

For joint life policies, the policy will stop if one person covered dies or is diagnosed with a terminal illness, or suffers or undergoes one of the specified Group I critical illnesses or operations. The other person will therefore no longer be insured under this policy.

For a death claim, the person covered can be anywhere in the world.

For critical illness and terminal illness claims, the person covered can be residing anywhere in the world, however the consultant must be in an eligible country.

For Waiver of Premium and Total Permanent Disability claims, the person covered must be living in an eligible country when they become incapacitated. They must return to and remain in the UK, Channel Islands, Isle of Man or Gibraltar within 26 weeks of becoming incapacitated in order to receive the benefit.

A list of eligible countries is shown in section E of the Cover Details.

We will not waive premiums if the person covered is incapacitated and Waiver of Premium is not included in the cover for that person (this information will be shown in the Cover Summary).

If any premium remains unpaid for more than 30 days from the date it was due to be collected, we will cancel your policy and you will no longer be covered.

OTHER INFORMATION

Making a claim

We want to make it easy for someone to claim. Whoever is making the claim should get in touch as soon as they can using the contact details provided.

If you would like to know more about how to claim, please see section C5 of the Cover Details.

We will pay the benefit to the person legally entitled to receive it. Who this will be depends on the nature of the claim, the circumstances at the time and whether the policy has been assigned or put under trust.

During the course of the claim assessment, we will establish and confirm who we identify as legally entitled to receive the benefit.

When we won't pay a claim

We won't pay a claim if you don't:

- pay regular monthly or annual premiums throughout the term of your policy;
- give us accurate, complete and true information when you apply for AIG Business Protection Critical Illness with Term Assurance;
- give us any medical or other evidence that we ask for; or
- tell us immediately if any of the information in the Cover Summary or Application Details we send you is wrong.

We also won't pay a claim if the person covered dies as a result of their own actions within one year of the cover start date or the latest restart date. Once the cover has been active for more than 12 months, if the person covered has asked us to increase the sum assured in the 12 months prior to them dying as a result of their own actions, no benefit will be payable in respect of this increase.

Further information about when we won't pay a claim can be found in section B1 of the Cover Details.

Changing your mind about AIG Business Protection Critical Illness with Term Assurance

When your policy starts, we will send you information about your right to change your mind and cancel your policy. You have 30 days from the date you receive this information to cancel your policy. If you cancel your policy in this time we will refund any premiums you've paid, unless we have paid you a benefit before you cancel.

Should you not cancel your policy within this time period, your policy will remain active as set out in your Cover Summary.

You can stop your policy at any other time. Once you tell us, your policy will end on the day before your next monthly premium to us is due. Any premiums paid to date will not be refunded. If you are paying annual premiums, your policy will end on the day before the next monthly anniversary of the policy. We will retain the cost of any full (or partial) months of cover up to the date of cancellation and will refund any balance of the annual premium.

Your policy will not have a surrender value at any time.

The Law

The Law of England and Wales will apply to this insurance.

Language

All our communications with you now, and throughout the term of your insurance, will be in English.

Current tax rules

Benefit(s) payable may be subject to corporation tax, income tax or capital gains tax, however any tax payable depends on the legal structure of the business and the need for which the cover is taken out.

Professional guidance should be sought before any type of assignment or changed ownership is undertaken.

If your policy is not placed in trust, the benefit we pay may form part of your estate for inheritance tax purposes.

Personal information we collect

Personal information we collect about you includes sensitive information such as your health and medical history. Where we collect this information, we will rely either on your consent, or on a combination of the following legal justifications: performing a contract with you or preparing to enter into a contract with you; complying with regulatory requirements; or having a legitimate interest to request your personal information.

To give you a quicker decision about your insurance, we may make decisions about your application using an 'automated decision-making tool'. An 'automated decision-making tool' doesn't involve human input and we sometimes use it to determine whether we are able to provide you with insurance and on what terms based on the answers you give us.

We may also use your personal information to detect, investigate and prevent crime (including fraud and money laundering).

Where permitted by applicable law, AIG may share personal information with carefully selected third parties, for example, other insurers, reinsurers, and financial advisers.

Your personal information may be transferred outside the country in which you are located including to countries outside the European Economic Area.

As a data subject you have certain rights in relation to your personal information. More details about AIG's use of personal information and your rights as a data subject can be found at www.aiglife.co.uk/privacy-policy or you may request a copy using the following contact details: Data Protection Officer, AIG Life, 58 Fenchurch Street, London, EC3M 4AB or by email at DataProtectionOfficer@aiglife.co.uk

About our business

Information about our business, performance and financial position, and details on how we control our business and manage risks can be found in our Solvency and Financial Condition Report (SFCR) available on our website www.aiglife.co.uk.

Making a complaint

If you have a complaint, you can get in touch with us using the contact details provided. We will try to resolve complaints as quickly and fairly as possible.

If we cannot deal with your complaint promptly, we'll send you a letter to acknowledge it and give you regular updates until it is resolved.

If you are not happy with how we deal with your complaint, you can refer it to the Financial Ombudsman Service.

You can email them at complaint.info@financial-ombudsman.org.uk call 0800 023 4567 (calls to this number are free on mobile phones and landlines) or 0300 123 9123 (calls to this number cost no more than calls to 01 and 02 numbers) or write to: The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR.

Making a complaint to the Financial Ombudsman Service does not affect your right to take legal action.

What happens if AIG got into financial trouble and couldn't pay out the money

The Financial Services Compensation Scheme (FSCS) is there to protect you if we cannot meet our obligations. Whilst most customers will be covered under the FSCS, whether or not you can claim and the amount you can claim depends on the specific circumstances of your claim. You can get further information from www.fscs.org.uk or by calling 020 7741 4100.

HOW TO CONTACT US

For any enquiries about AIG Business Protection Critical Illness with Term Assurance:

- call 0330 123 4467
- email nfumutual@aiglife.co.uk

To make a complaint:

- call 0345 600 6813
- email complaints@aiglife.co.uk

To contact the Claims Team:

- call 0345 600 6815
- email claimsteam@aiglife.co.uk

We are open Monday to Thursday, 8.30am to 8pm and Friday, 8.30am to 5.30pm, except bank holidays.

Please note these opening hours are UK local time.

You can also write to us at AIG Life Limited, PO Box 12010, Harlow CM20 9LG or visit www.aiglife.co.uk for more information.

Calls are charged at standard rates from a BT landline but may cost more via mobiles and other networks. We may record or monitor calls to make sure we have an accurate record of the instructions we are given, for training purposes, to improve the quality of our service and to prevent and detect fraud.



NFU Mutual

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