



Business Protection Term Assurance

COVER DETAILS



Chosen partner of



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This document is available in other formats. If you would like a Braille, large print or audio version, please contact us:

Customer Services,
AIG Life Limited,
PO Box 12010,
Harlow CM20 9LG

Telephone: 0330 123 4467 (calls are charged at standard rates from a BT landline but may cost more via mobiles and other networks). If calling from outside the UK, please call +44 330 123 4467.

Email: nfumutual@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.

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.

Welcome to AIG

American International Group, Inc. (AIG) is a leading international insurance organisation serving customers in more than 80 countries and jurisdictions. AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc.

AIG Life Limited is the life insurance arm of AIG in the UK, Channel Islands, Isle of Man and Gibraltar. We provide financial and practical support for individuals, families and businesses when illness or injury threatens their life, lifestyle or livelihood. We recognise the value in the Financial Conduct Authority initiative of Treating Customers Fairly. We believe that if we treat you, our customer, fairly at all stages, then this will enhance our core values and lead to better service. Therefore we are committed to ensuring that we embed the principles of Treating Customers Fairly within every aspect of 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.aiglifeco.uk.

AIG Life is the chosen partner of NFU Mutual

AIG is working with The National Farmers Union Mutual Insurance Society Limited, a mutual insurance company offering insurance, pension and investment products to over 900,000 customers.

This booklet is the AIG Business Protection Term Assurance Cover Details. It explains how your cover works to provide key person, shareholder, partnership and business loan protection.

If you've just taken out AIG Business Protection Term Assurance, please read this booklet carefully and keep it in a safe place, along with your Cover Summary. These two documents and the Application Details make up your contract with us.

If you're thinking about taking out AIG Business Protection Term Assurance, this booklet should be able to answer any questions you might have.

If you are taking out AIG Business Protection Term Assurance to cover another person, section A explains how this changes the terms and conditions of the cover detailed in sections B, C and D.

If there's anything that isn't clear about the insurance you have purchased from AIG Life or if you have any questions, please speak to your NFU Mutual financial adviser or call us on 0330 123 4467. If calling from outside the UK, please call +44 330 123 4467.

To make sure we have an accurate record of the instructions we are given, we may record or monitor phone calls.

Who provides AIG Business Protection Term Assurance?

AIG Business Protection Term Assurance is provided by AIG Life Limited. We specialise in protection insurance such as life insurance, critical illness cover and income protection.

The language we use in the Cover Details

'We', 'us' or 'our' means AIG Life Limited. 'You' or 'your' means the owner of the cover or, where appropriate, their legal successors - unless a different meaning is given in a particular paragraph of this document.

Look out for words in **bold**. These are all explained in section E.

Section A:

Setting up the cover

A1 The owner of the cover

Throughout this section you and your means the **owner of the cover**.

If you apply for AIG Business Protection Term Assurance on your own life - in a personal capacity - you will be the **owner of the cover**. If two people apply for **joint life cover** on both of their own lives, they will be joint **owners of the cover**.

If you apply for AIG Business Protection Term Assurance on the life of another person or persons, you will be the **owner of the cover**. This means you will be the beneficiary of the **cover** in the event of a claim, unless you chose to assign the **cover** or place it in trust.

If a **business** applies for AIG Business Protection Term Assurance on your life or the life of another person or persons, the **business** will be the **owner of the cover**. This means they will be the beneficiary of the **cover** in the event of a claim, unless they chose to assign the **cover** or place it in trust.

Special conditions apply when you wish to take out AIG Business Protection Term Assurance to cover another person. If there is a difference between the conditions detailed in sections B to D and the conditions in this section, the conditions in this section will apply.

A2 Who can take out AIG Business Protection Term Assurance?

If the **owner of the cover** is a **business**, that **business** must be registered in the **UK, Channel Islands, Isle of Man or Gibraltar**. If the **owner of the cover** is a person, they must either be a British citizen or resident in the **UK, Channel Islands, Isle of Man or Gibraltar** when **cover** is applied for. The person whose life is being covered must be either a British citizen, resident in the **UK, Channel Islands, Isle of Man or Gibraltar** or otherwise fulfil our overseas residency criteria when **cover** is applied for.

You are considered resident if:

- You have indefinite leave to remain in the **UK, Channel Islands, Isle of Man or Gibraltar**; or
- You are an EU or EEA national living permanently in the **UK, Channel Islands, Isle of Man or Gibraltar**; or
- You have resided in the **UK, Channel Islands, Isle of Man or Gibraltar** for the last 12 months, live there permanently and will continue to do so.

You or the **business** must have an insurable interest in the person covered at the time AIG Business Protection Term Assurance 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 reasonable expectation of suffering a financial loss upon their death or illness. If you are not sure if you have an insurable interest in a particular person, you should ask your adviser for guidance.

Where the **owner of the cover** is different from the person covered, we may also ask for evidence of the insurable interest.

Section B:

The cover



B1 Term Assurance

When we will pay the **benefit**

When we will pay the **benefit** depends on the **cover** shown in the **Cover Summary**.

We will pay the **benefit** if any of the persons covered die or are diagnosed with a **terminal illness**.

For a **single life** policy, the **cover** stops after we have paid the full **sum assured**.

For a **joint life** policy, the **cover** stops after we have paid the **sum assured** for one of the persons covered.

What we will base **benefit** payments on

We will base **benefit** payments on the **sum assured**. The amount of the **sum assured** can change during the **term of the cover**. How the **sum assured** changes is shown in the **Cover Summary**.

If you have chosen a level lump sum, we will base **benefit** payments on the **sum assured** as shown in the **Cover Summary**.

If you have chosen an increasing lump sum, we will base **benefit** payments on the current **sum assured**. For the first year of the **cover**, this will be the initial **sum assured**. This amount is shown in the **Cover Summary**. After a year, the **sum assured** will increase by 5%. Every year after that, the **sum assured** will increase by 5% of the current **sum assured**.

We will write to you each year to tell you the new **sum assured** and the new **premium** that you will be paying.

If you have chosen a decreasing lump sum, we will base **benefit** payments on the current **sum assured**. The **sum assured** will reduce each month after the first month of **cover** in line with the capital outstanding on a repayment business loan with:

- an annual interest rate as chosen by the **owner of the cover**. The **Cover Summary** will show which interest rate has been chosen. The interest rate is fixed and will not vary during the **term of the cover**; and
- a term equal to the remaining **term of the cover**.

When we will not pay the **benefit**

We will not pay the **benefit** if any of the following apply:

- the person covered, the **owner of the cover**, or their legal representatives do not give us medical or other evidence that we ask for; or
- the person covered as a key person or in connection with a **business** loan, leaves the **business** before a claim is payable; or
- the diagnosis of the person covered does not meet our definition of a **terminal illness**, or a **terminal illness** is not diagnosed by a **consultant** or is not expected to lead to death within 12 months; or
- we find the person covered, the **owner of the cover** or the legal representative of the **business** which owns the **cover** has given us inaccurate, incomplete or false information which would have affected our decision to offer this **cover**, or would have led us to offer it with different conditions; or
- the **cover** is no longer **active**; or
- the claim is caused by something that we have specifically excluded from this **cover** - this will be shown in the **Cover Summary**; or

- the person covered dies as a result of their own actions within one year of the **cover** start date or of them restarting the **cover**. 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.

B2 Waiver of Premium

For extra protection, the **owner of the cover** can ask us to include Waiver of Premium in a **cover**. If Waiver of Premium is included in a **cover** and the person so covered is **incapacitated** for more than 26 weeks, we will waive the **premiums** due for that **cover**. Please note that **premiums** due in the first 26 weeks of being **incapacitated** will not be waived.

The **Cover Summary** will show if Waiver of Premium is included in a **cover** and when it ends. The remainder of this section only applies where Waiver of Premium is included in the **Cover Summary**.

For **joint life cover**, the **owners of the cover** can choose Waiver of Premium for one or both of the people covered.

When we will waive premiums

Single life

We will waive AIG Business Protection Term Assurance **premiums** if the person covered is **incapacitated** for longer than 26 weeks. We will continue to waive the **premiums** until they are no longer **incapacitated** or the earlier of the **cover** end date or the Waiver of Premium end date as shown in the **Cover Summary**.

Joint life - Waiver of Premium on either life

We will waive AIG Business Protection Term Assurance **premiums** if the person covered by Waiver of Premium is **incapacitated** for longer than 26 weeks. We will continue to waive the **premiums** until they are no longer **incapacitated** or the earlier of the **cover** end date or the Waiver of Premium end date as shown in the **Cover Summary**.

Joint life - Waiver of Premium on each life

We will waive AIG Business Protection Term Assurance **premiums** if one of the people covered is **incapacitated** for longer than 26 weeks. We will continue to waive the **premiums** until they are no longer **incapacitated** or the earlier of the **cover** end date or the Waiver of Premium end date as shown in the **Cover Summary**.

How much we will waive

We will waive the **premium** of any **cover** that includes Waiver of Premium.

If the person is covered by more than one **cover** with us, and they become **incapacitated**, we will only waive the **premiums** on those **covers** that include Waiver of Premium. This could mean that the total of all **premiums** is reduced rather than stopped.

When we will stop waiving premiums

We will stop waiving **premiums** when the earliest of the following happens:

- the person covered no longer meets the definition of **incapacitated** that applied when they first claimed; or
- they die; or
- we have paid the **benefit** for **terminal illness**; or
- the **cover** ends or the Waiver of Premium end date is reached, as shown in the **Cover Summary**.

While we are waiving a **premium**, we can ask the person covered to see a doctor or health specialist of our choice, to help us confirm whether they still meet the definition of **incapacitated** that applies to them.

When we will not waive premiums

We will not waive **premiums** if any of the following apply:

- the person covered, the **owner of the cover**, or their legal representatives do not give us medical or other evidence that we ask for; or
- the person covered does not meet our definition of **incapacitated**; or
- the person covered is **incapacitated** but Waiver of Premium is not included in the **cover** for that person (this will be shown in the **Cover Summary**); or
- the claim is caused by something that we have specifically excluded from this **cover** (this will be shown in the **Cover Summary**); or

- the person covered does not satisfy the geographical restrictions set out in the 'Claiming a benefit' section; or
- we find the person covered, the **owner of the cover** or any representative of the **business** which owns the **cover** has given us inaccurate, incomplete or false information which would have affected our decision to offer this **cover**, or would have led us to offer it with different conditions; or
- the **cover** is no longer **active**; or
- Waiver of Premium has ended as shown in the **Cover Summary**.

Section C:

Managing the cover

C1 Paying for the cover

When the **cover** is on the life of another basis, the **owner of the cover** - whether they are a person or a **business** - may choose whether they or the person covered pays the **premiums**.

When the **premium** is paid

First **premium**

We will collect this by Direct Debit (via the **BACS** system) on, or shortly after, the date the **cover** starts. The Direct Debit must be from a **UK, Channel Islands, Isle of Man or Gibraltar** bank account. **Premiums** must be paid in sterling.

Regular **premium**

If a monthly **premium** has been selected we will collect the regular **premium** between the 1st and the 28th of the month. We will collect the **premium** on the same date each month. The person paying the **premium** can choose a date between the 1st and the 28th of the month that suits them. They will pay the **premium** every month for the **term of the cover**, unless we accept a Waiver of Premium claim for the **cover**.

If an annual **premium** has been selected, we will collect the **premium** on the same date each year.

When the **premium** collection falls on a weekend or bank holiday, we will collect it on the next working day.

What happens if the **premium** is not paid?

If any **premium** remains unpaid for more than 30 days from the date it was due to be collected, we will cancel the **cover**. We will write to the **owner of the cover** and (if different) the person covered to tell them that the **cover** has been cancelled.

Restarting a **cover**

If we cancel a **cover** because a **premium** is not paid, the **owner of the cover** can ask us to restart it. They can do this at any time up to six months after the date of the first missed **premium**. We will have no obligation to restart a **cover** and if the **owner of the cover** asks us to do this, we will decide at our discretion if we are willing to restart the **cover**. If we are, we will tell them what we need in order to restart the **cover** and they must clear any **premium** arrears. There may be circumstances when we reserve the right not to restart a **cover**. If this happens, we will explain our decision.

When the **premium** could change

The **premium** could change if:

- the **owner of the cover** makes a change to the **cover**; or
- we accept a Waiver of Premium claim - see section B2; or
- a Waiver of Premium claim ends; or
- it becomes subject to tax; or
- Waiver of Premium ends as shown in the **Cover Summary**, if this was selected when the **cover** started; or
- any of the information provided as part of the application process is incorrect - further details can be found in sections D8 and D13.

If the **cover** has an increasing **sum assured**, the **premium** will increase 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 cover** at that time.

We will write to the **owner of the cover** each year to tell them the new **sum assured** and the new **premium** that they will be paying. They do not need to accept the increase, but must advise us if they don't.

If they do not accept the increase, we will not increase the **sum assured**. However, if they decide to decline the increase for three consecutive years, they will no longer have the option of an increasing **sum assured** under the cover in future years.

C2 Telling us about changes to personal details

The **owner of the cover** or the person covered needs to tell us if they change:

- their name or the name of their **business**;
- their contact details (postal address, telephone number, email address) or those of their **business**;
- or
- their bank account.

We need to be told if the person covered, as a key person or in connection with a **business** loan, leaves the **business** as we will cancel the **cover** from that point.

We will ask them for their **cover** number when they call us. We will also ask some questions to confirm their identity.

The **owner of the cover** or the person covered can:

- phone us on 0330 123 4467. If calling from outside the **UK**, please call +44 330 123 4467.
- email us at nfmutual@aiglife.co.uk
- write to us at AIG Life Limited, PO Box 12010, Harlow CM20 9LG

We are open Monday to Thursday, 8.30am to 8.00pm, and Friday 8.30am - 5.30pm, except bank holidays. Please note these opening hours are **UK** local time.

We do not need to be told if the person covered changes their **occupation** within the same **business**.

C3 Changing your cover

There are many ways that a **cover** can be changed to make sure that it is still meeting the needs of the **owner of the cover**. All of the changes that can be made are explained in section C4.

The options that increase the **sum assured** or the **term of the cover** are not available to everyone. This could be because, for example, the person covered has a particular medical condition when **cover** is first taken out.

Those options that are not automatically available to everyone have 'limited' after the heading. The **Cover Summary** will show whether these options are available. Before taking up any of these options, the **owner of the cover** should consider speaking to their financial adviser.

C4 Changing your AIG Business Protection Term Assurance

The following sections explain how the **owner of the cover** can change their AIG Business Protection Term Assurance **cover**.

Whenever a change is requested, we will send written confirmation once this has been processed.

1. Increasing the **sum assured** - limited

If this option is shown in the **Cover Summary**, the **owner of the cover** has the right to increase the amount of **cover** they have. When they can do this depends on the purpose of the original **cover**. In all circumstances, they can only do this up to 13 weeks after the relevant event:

Purpose of original **cover**:

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

We will ask to see evidence of the event and, where the **owner of the cover** is different to the person covered, we may also ask for evidence of the insurable interest. Without this, we reserve the right to refuse to allow the increase.

The increase in **cover** cannot be more than 50% of the original **sum assured** or £75,000, whichever is lower.

If the increase is for an increase in the value of the key person, or an increase in the value of a shareholding or **business** then the extra **sum assured** cannot be more than this increase in value.

More than one increase can be requested but the total of all increases must not exceed the current **sum assured** of the original **cover** or £150,000, whichever is lower.

This option cannot be taken up:

- while we are waiving the **premiums**; or
- after the 55th birthday of the person covered; or
- in the last five years of the **term of the cover** except where the **term of the cover** at the start date is five years or less, in which case we will allow increases in the first two years of **cover**; or
- while we are paying a **benefit** under any **cover**; or
- while the **owner of the cover** is in a position to make a claim under the **cover**; or
- if the person covered or the **owner of the cover** has received **benefit** payments under the **cover** in the last two years.

2. Increasing the **term of the cover** - limited

If this option is shown in the **Cover Summary** and the **owner of the cover** increases the term of the **business** loan for which the original **cover** was taken out, they have the right to increase the **term of the**

cover they have. They must do this within 13 weeks of increasing the term of the **business** loan.

More than one increase can be requested but the total of all increases must not make the new term:

- more than 150% of the original term; or
- extend beyond the end of the term of the new **business** loan; or
- extend past the 65th birthday of the person covered.

We will ask to see evidence of the event, and where the **owner of the cover** is different from the person covered, we may also ask for evidence of the insurable interest. Without this, we reserve the right to refuse to allow the increase.

This option cannot be taken up:

- while we are waiving the **premiums**; or
- after the 55th birthday of the person covered; or
- in the last five years of the **term of the cover**, except where the **term of the cover** at the start date is five years or less, in which case we will allow increases in the first two years of **cover**; or
- while we are paying a **benefit** under any **cover**; or
- while the **owner of the cover** is in a position to make a claim under the **cover**; or
- if the person covered or the **owner of the cover** has received **benefit** payments under the **cover** in the last two years.

3. Reducing the **sum assured**

The **owner of the cover** can reduce the **sum assured** at any time, as long as the reduction doesn't mean that the **sum assured** falls below the minimum allowed. If they later want to increase the **sum assured**, the amount by which they'll be able to do so will be based on the new, lower **sum assured**, not the initial one.

4. Stopping and restarting the annual increase - limited

If the **owner of the cover** has an increasing **sum assured**, we will write to them each year to tell them the new **sum assured** and the new **premium** that they will pay. They can ask for the increases to stop at any time. If they do, the **sum assured** will be frozen at the level it has reached when they ask us to stop the increase. They can ask us to start increasing it again, but we can't do this if:

- we are waiving the **premiums**; or
- the **sum assured** has been frozen for three consecutive years; or

- we are paying a **benefit** under any **cover**; or
- the **owner of the cover** is in a position to make a claim under the **cover**; or
- the person covered or the **owner of the cover** has received **benefit** payments under the **cover** in the last two years.

5. Reducing the **term of the cover**

The **owner of the cover** can reduce the **term of the cover** at any time. They can reduce it by as much as they want, as long as the reduction doesn't mean:

- the new term is lower than our minimum term; or
- the **premium** would fall below our minimum level.

If they later want to increase the term, the amount by which they will be able to do it will be based on the new, lower term, not the original one.

6. Changing how often a **premium** is paid

The **owner of the cover** can change from monthly **premiums** to annual **premiums** and vice versa. If they make this change, it will start from the date that their next **premium** is due to be collected.

How these changes affect the cost of the **cover**

If you change your **cover**, the **premium** may change.

Please contact us for details about how your **premium** may change.

Asking us to change the **cover**

To ask us to change their **cover**, the **owner of the cover** can:

- phone us on 0330 123 4467. If calling from outside the **UK**, please call +44 330 123 4467.
- email us at nfmutual@aiglife.co.uk
- write to us at AIG Life Limited, PO Box 12010, Harlow CM20 9LG

We are open Monday to Thursday, 8.30am to 8.00pm, and Friday 8.30am - 5.30pm, except bank holidays.

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To make sure we have an accurate record of the instructions, we may record or monitor phone calls.

C5 Claiming a benefit

When to claim

We ask the person claiming to contact us as soon as possible.

For Waiver of Premium claims, we ask we are notified within eight weeks of the person covered becoming **incapacitated**.

How to make a claim

The person claiming can:

- phone us on 0345 600 6815. If calling from outside the **UK**, please call +44 1737 441 815.
- email us at claims@aiglife.co.uk
- write to us at Claims Team, AIG Life Limited, PO Box 12010, Harlow CM20 9LG

We are open Monday to Friday, from 8.30am to 5.30pm, except for bank holidays. Please note these opening hours are **UK** local time. To make sure we have an accurate record of the instructions we are given, we may record or monitor phone calls.

If we are considering a death claim, we will stop collecting **premiums**. If we are considering any other type of claim, **premiums** must be paid while it is being assessed. If the claim is paid, we will advise you if we can refund any of the **premiums** paid while we assessed the claim.

If the person claiming, the **owner of the cover** or the person covered does not give us the evidence we ask for, or the information they do give us is inaccurate or incomplete, we reserve the right to decline a claim or stop waiving **premiums**. We will pay the reasonable cost of all medical reports or evidence we ask for.

Geographical restrictions

Some types of **cover** require the person covered, or the doctor that diagnoses them, to be in a particular part of the world when a claim is made or when we are paying a **benefit**.

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

For **terminal illness** (where life expectancy is less than 12 months) the person covered can be residing anywhere in the world, however the **consultant** must be in an **eligible country**.

For Waiver of Premium 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**.

We may consider claims that fall outside our geographical restrictions if we are satisfied that we are able to obtain sufficient and reliable information to allow us to fully assess the claim.

Support during a claim

If we have agreed that the person claiming may have a valid claim, we may pay up to £300 for services that support the person covered or their family. The services that are covered by this support payment will depend on the circumstances but could range from physiotherapy or counselling to the cost of taking taxis to hospital appointments.

We need to approve the services, and agree their cost, before they are used. Whether we approve the service depends on the situation of the person covered and the advice of their doctor. We will refund the cost as soon as we have received the receipts for the services that we agreed.

The claims adviser will explain the services that we can pay for.

Please remember that if we pay for support services, it does not necessarily mean we will pay a claim on your **cover**.

We will not pay for support services in relation to a Waiver of Premium claim.

Any payments made under the Claims Support Fund will not be deducted from the **benefits** payable.

Who we will pay the **benefit** to

We will pay the **benefit** to the person or **business** legally entitled to receive it. Who this will be depends on the nature of the claim, the circumstances at the time and whether the **cover** 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**.

We will normally pay the **benefit** to the **owner of the cover** or their legal representatives, if the **owner of the cover** has died. Legal representatives need to send us the original Grant of Representation, Letters of Administration or Confirmation before we can pay a claim.

If the **owner of the cover** has instructed us to pay the **benefit** to someone else by a deed of assignment, we will pay this **assignee**. **Assignee(s)** need to send us the original deed of assignment before we can pay a claim.

If the **cover** is under trust, we will pay the **benefit** to the **trustee(s)**. The **trustee(s)** must then follow the terms of the trust to distribute the money to the chosen beneficiaries. **Trustee(s)** need to send us the original Trust Deed and any deeds altering the trust before we can pay a claim. We will return these when we pay the claim.

How we will pay the **benefit**

We will pay any **benefit(s)** due under the **cover** in pounds sterling by direct credit (via the **BACS** system) into a **UK, Channel Islands, Isle of Man or Gibraltar** bank account nominated by the **owner of the cover**, the **trustee(s)**, the **assignee** or their legal representative.

If the **claimant** wishes to receive the **benefit(s)** outside of the **UK, Channel Islands, Isle of Man or Gibraltar**, then arrangements for such transfer from the **claimant's UK** bank account must be made at the **claimant's** own expense.

Section D:



General terms and conditions

D1 Cancelling your cover

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

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

You can stop your **cover** at any other time. Once you tell us, your **cover** will end on the day before your next monthly **premium** is due to be collected. Any **premiums** paid to date will not be refunded. If you are paying annual **premiums**, your **cover** will end on the day before the next monthly anniversary of the **cover**. 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**.

D2 Surrender value

The **cover** does not have any surrender value at any time.

D3 Inflation

The purchasing power of the **benefit(s)** paid out may be reduced in real terms, due to the effects of **inflation**. If the **cover** has an increasing **sum assured**, this may provide some protection against the effects of **inflation**, however this is not guaranteed. For further information on the effects of **inflation**, please speak to your financial adviser.

D4 Interest

If we start paying a **benefit** any later than eight weeks after we receive all the information we need, we will pay interest on the overdue amount from the date payment should have been made. This will be at the Bank of England base rate at the time.

D5 Data protection

We are committed to protecting the privacy of customers, claimants and other business contacts.

In order to provide our products and services and to run our business, we will collect, use and disclose your personal information, including sensitive personal data (health information). Where we do this, 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.

“Personal information” identifies and relates to you or other individuals (e.g. your partner or other members of your family). If you provide personal information about another individual, you must (unless we agree otherwise) inform the individual about the content of this notice and our Privacy Policy and obtain their permission (where possible) for sharing of their personal information with us.

Personal information we collect

Personal information we may collect about the **owner of the cover** or the person covered and their dependants includes:

- General identification and contact information;
- Family details;
- Sensitive information such as health and lifestyle details;
- Other sensitive information such as racial/ethnic origin, religious or other beliefs, sexual life, criminal proceedings – outcomes and sentences, offences/ alleged offences; and
- Financial details: bank account details and other financial information.

How we use your personal information

We may use the personal information provided to us to:

- Make decisions about whether to provide insurance and assistance services (such as claim assessment, claim processing and claim settlement);
- Administer the policy, assess and pay claims, and general customer service activities (including complaint resolution and claims disputes);
- Detect, investigate and prevent crime, including fraud and money laundering;
- Carry out market research and analysis;
- Comply with applicable laws and regulatory obligations (including those outside your country of residence); and
- Market products and services of the **AIG Group**, unless you have specifically asked us not to in the application.

Sometimes, as part of our business operations, decisions are taken about you using automated computer software

and systems. These decisions do not involve human input. For example, we use automated decision making to assess your eligibility for insurance and to determine the **premium** amount.

To opt-out of any marketing communications that we may send you, contact us by e-mail at DataProtectionOfficer@aiglife.co.uk or by writing to The Data Protection Officer, AIG Life, 58 Fenchurch Street, London, EC3M 4AB. If you opt-out, we may still send you other important service and administration communications relating to the services which we provide to you from which you cannot opt-out.

Where we may get personal information from

We may get personal information about the person covered or the **owner of the cover** from them, their financial adviser, or from other sources - for instance their doctor.

We may ask their doctor for information before we offer **cover**. We may also get a report from their doctor or telephone them for more information after the **cover** has started. If we find that we have been given incomplete, inaccurate or false information, we do not receive the report from their doctor or they are unavailable for interview, we reserve the right to cancel the **cover** within 13 weeks.

Who we will share personal information with

We may share personal information about the person covered or **owner of the cover** solely for the purposes listed above in ‘How we use your personal information’ with certain named third parties. These third parties are:

- **AIG Group** companies: AIG Life Limited is a member company of American International Group, Inc. As such, we have group companies throughout the world, both inside and outside Europe (for example, in the USA);
- Our reinsurers (a list of these reinsurers can be provided on request);
- Our external third party service providers (including medical screening service providers);
- Their financial adviser;
- Their own doctor and other medical consultants;
- Legal and regulatory bodies;
- Law enforcement and fraud prevention agencies; and
- Other insurance companies or organisations.

International Transfer of personal information

Due to the global nature of our business, personal information may be transferred to parties located in other countries (including the USA, China, Mexico, Malaysia, Philippines and Bermuda) that have data protection regimes that are different to those in the country where you are based, including countries which have not been found to provide adequate protection for personal information by the European Commission.

When making these transfers, we will take steps to ensure that your personal information is adequately protected and transferred in accordance with the requirements of data protection law.

Security of personal information

Appropriate technical and physical security measures are used to keep your personal information safe and secure. When we provide personal information to a third party (including our service providers) or engage a third party to collect personal information on our behalf, the third party will be selected carefully and required to use appropriate security measures to protect the confidentiality and security of personal information.

Your rights

You have a number of rights under data protection law in connection with our use of your personal information. These rights may only apply in certain circumstances and are subject to certain exemptions. These rights may include a right to access personal information, a right to correct inaccurate data, a right to erase data or suspend our use of data. These rights may also include a right to transfer your data to another organisation, a right to object to our use of your personal information, a right to request that certain automated decisions we make have human involvement, a right to withdraw consent and a right to complain to the data protection regulator.

Further information about your rights and how you may exercise them is set out in full in our Privacy Policy (see below).

Privacy notice

For full details on how we use personal information, how we maintain the security of personal information, who we share personal information with, the data protection rights available to individuals in the European

Economic Area (EEA), and who to contact in the event of any queries, please refer to our full privacy notice which can be found on our website (www.aiglife.co.uk/privacy-policy).

Alternatively, you may request a copy by writing to The Data Protection Officer, AIG Life, 58 Fenchurch Street, London, EC3M 4AB or by email at DataProtectionOfficer@aiglife.co.uk

D6 Taxation, laws and regulations

By taking out this contract, the **owner of the cover** agrees to submit to the exclusive jurisdiction of the courts of England and Wales if there is ever a dispute between them and AIG Life Limited. **UK** laws may change in future and AIG Life Limited cannot be held responsible for any information given or any changes in tax provisions or legislation.

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.

We cannot advise whether a trust is suitable in any particular circumstances or give tax advice in relation to the use of trusts and would recommend that you take professional advice before setting up a trust.

Cover held by the **trustee(s)** of a trust should not normally form part of the estate of the person covered for Inheritance Tax purposes. There is a potential Inheritance Tax charge when **benefit(s)** are paid out of a trust (known as 'exit charges') or on every tenth anniversary of the creation of the trust (known as 'periodic charges'). This applies to **UK** residents only.

Claimant(s) who are outside of the **UK** when **benefit(s)** are received may also be subject to additional taxation in the local jurisdiction. Please consult your tax adviser or local tax inspector for clarification. If there is any change to tax laws, other laws, or **State**

Benefits, AIG Life Limited may change the terms and conditions set out in the **cover** documents in order to comply with such laws.

D7 Contract

The contract between the **owner of the cover** and AIG Life Limited consists of:

- any information provided by the person covered or the **owner of the cover** in their application and any subsequent information they have provided;
- these terms and conditions, which we may amend from time to time;
- any additional terms and conditions detailed in the **Cover Summary** that we send when the **cover** starts; and
- any additional terms and conditions detailed in any subsequent **Cover Summary**.

The contract between the **owner of the cover** and AIG Life Limited as described above constitutes the entire agreement and understanding between the parties and supersedes and extinguishes all previous drafts, agreements, arrangements and understandings between them, whether written or oral, relating to its subject matter.

If there is a conflict between these terms and any of the terms set out in the **Cover Summary**, the terms set out in the **Cover Summary** will take precedence.

If any court finds that any provision of the **Cover Summary** or any other document embodying the contract between the **owner of the cover** and AIG Life Limited (or part thereof) is invalid, illegal or unenforceable that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the **Cover Summary** or any other document embodying the contract between the **owner of the cover** and AIG Life Limited shall not be affected

The contract between the **owner of the cover** and AIG Life Limited and any dispute or claim arising out of it shall be governed by and construed in accordance with the law of England and Wales and the parties agree to submit to the exclusive jurisdiction of the English courts.

D8 Misstatement of age

If, after the **cover** is taken out, we learn that the person covered has a different date of birth than the one originally provided, this will impact on the **premium** and/or **sum assured** of their **cover**.

In some cases, this may affect their right to the **cover**. It may also affect how we have interpreted medical evidence, which may result in a claim not being paid.

D9 Complaints

If the **owner of the cover**, the person covered or any person to whom the **cover** has been assigned has a complaint, they can contact our customer services team as detailed on page two of this document.

We will try to resolve complaints as quickly as possible. If we can't deal with a complaint promptly, we will send a letter to acknowledge it and then give regular updates until it is resolved.

We are committed to resolving complaints through our own complaints procedures. However, if a matter cannot be resolved satisfactorily, the person with the complaint may be able to refer it to the Financial Ombudsman Service.

The Financial Ombudsman Service helps settle disputes between consumers and financial firms. Their service is independent and does not cost anything. They can decide if we have acted wrongly and if the person with the complaint has lost out as a result. If this is the case they will tell us how to put things right and whether we have to pay compensation.

Some businesses may not be eligible to complain to the Financial Ombudsman Service if they exceed a certain number of employees or have an annual turnover in excess of the Ombudsman's limits. If a complaint is made, we will send a leaflet explaining more about the Financial Ombudsman Service which includes

information on the current eligibility requirements. The leaflet is also available at any time on request.

Alternatively, the Ombudsman can be contacted at the following address:

Financial Ombudsman Service, Exchange Tower,
Harbour Exchange Square, London E14 9SR.

Telephone 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). If calling from outside the **UK**, please call +44 20 7964 0500.

Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

If a complaint is made, it will not affect the right to take legal proceedings.

D10 If we cannot meet our liabilities

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

Before looking to pay compensation, the FSCS will first see if they can arrange for your current policy to be maintained. They may arrange for your policy to be transferred to another insurer or provide a new policy. If this is not possible, the FSCS aims to provide compensation.

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. There is no upper financial limit on the amount of the payment.

You can find out more about the FSCS, including eligibility to claim, by visiting its website

www.fscs.org.uk. Alternatively, you can contact the Financial Services Compensation Scheme at the following address:

Financial Services Compensation Scheme, 10th Floor,
Beaufort House, 15 St Botolph Street, London
EC3A 7QU.

Telephone: 0800 678 1100 or 020 7741 4100. If calling from outside the **UK**, please call +44 20 7741 4100.
Email: enquiries@fscs.org.uk

Please be aware that the rules of the FSCS may change in the future, or FSCS may take a different approach on their application of the above, depending on the circumstances.

D11 Assignment

If the **owner of the cover** assigns any of their legal rights under the **cover** to someone else (including any assignment to the **trustee(s)** of a trust), we must see notice of the assignment when a claim is made. This notice must be sent to:

AIG Life Limited, PO Box 12010, Harlow CM20 9LG.

An assignment could take place when they are using the **cover** as security for a loan.

D12 Rights of third parties

No term of this contract is enforceable under the Contracts (Right of Third Parties) Act 1999 by a person who is not party to this contract. This does not affect any right or remedy of a third party which may exist or be available otherwise than under that Act.

The **owner of the cover** and AIG Life Limited are the parties to the contract.

D13 Disclosure confirmation and verification

The person covered will be asked to provide details of their health and personal circumstances. The person covered and the **owner of the cover** must provide full, honest and accurate answers to all questions asked. Furthermore, subject to what we say in section 'Telling us about changes to personal details' we must be told immediately if the information in the **Application Details** is not correct as this may affect the **cover**.

The information provided to us by the person covered is confidential and we will not disclose it to the **owner of the cover** without their permission. We will send a copy of the **Application Details** to the person covered and ask them to advise us of any corrections or additions they wish to make. If they do not answer our questions fully and honestly, this may result in us refusing any future claim.

The **owner of the cover** will be asked to provide details of their finances. We will send the **owner of the cover** details of their initial answers in the application and ask them to advise us of any corrections or additions they wish to make. If they do not answer our questions fully and honestly, it could result in us refusing any future claim.

We will provide the **owner of the cover** and the person covered with a **Cover Summary** which will include information on any exclusions made as a result of the health information provided by the person covered.

We may select the application for a disclosure check. To complete the check, we will either obtain a report from the doctor of the person covered, or call them for further information or perform data checks. If we have selected it for a check, the person covered must give permission for us to contact their doctor if required, and use all reasonable endeavours to ensure we are able to complete the check. If we have requested any additional information from the **owner of the cover** or person covered they must provide it within 30 days.

If they do not respond to a request from us within 13 weeks for medical evidence or 30 days for other information, we will cancel the **cover**.

D14 Economic sanctions

We will not be responsible or liable to provide **cover** (including payment of a claim or provision of any other **benefit**) under this policy if we are prevented from doing so by any economic sanction which prohibits us or our **Parent Company** (or our **Parent Company's** ultimate controlling entity) from providing **cover** or dealing with you under this policy.

Economic sanctions change from time to time and can include prohibiting the transfer of funds to a sanctioned country, freezing the assets of a government, the corporate entities and residents of a sanctioned country, or freezing the assets of specific individuals or corporate entities. This means that if you, or any third party who has suffered a loss which would otherwise be covered under the **cover**, are the subject of an economic sanction we may not be able to provide **cover** under the policy.

D15 Restricted persons

This **cover** will not cover any injury, loss or expense sustained directly or indirectly by any person covered who is a terrorist organisation, narcotics trafficker, or seller of nuclear, chemical or biological weapons.

Section E:

Definitions



An explanation of the terms we use across AIG Business Protection Term Assurance (please note these definitions are not case sensitive).

Active

The **cover** has started, is within its term, **premiums** are up-to-date and we have not written to the person covered or the **owner of the cover** to tell them that they are no longer covered.

AIG Group

Any wholly or partly owned, direct or indirect subsidiary of American International Group, Inc.

Application Details

A copy of all the information provided by the person covered and (if applicable) the **owner of the cover** in the application.

We must be told immediately if the information in the Application Details is not correct as this may affect the cover.

Assignee

A person to whom the rights to the **sum assured** are legally transferred.

BACS

A scheme for the electronic processing of direct debits and direct credits.

Benefit

Any payments the **claimant** receives from AIG Life Limited.

Business

Any of the following: sole proprietorships, business partnerships including limited liability partnerships, companies or corporations and any representative, employee or director providing information to us or authorised to contract with us on behalf of the business.

Channel Islands

The Island of Jersey and the Island of Guernsey.

Claimant

The person(s) legally entitled to claim the **benefit(s)** under the **cover(s)**. This is may be the **owners(s) of the cover, trustee(s)** on behalf of the trust and for the benefit of the beneficiaries, **assignee(s)** or legal representatives of the **owners(s) of the cover** estate.

Consultant

A consultant doctor who:

- specialises in an area of medicine appropriate to the cause of the claim;
- is employed at a hospital in an **eligible country**; and
- is treating the person covered for their condition.

All diagnoses made by a consultant must be confirmed by our Consultant Medical Officer.

Cover/covers

Any policy provided by AIG Life Limited.

Cover Summary

This is a document we send to the person covered or to the **owner of the cover** once we have agreed to offer them a **cover**. It explains any special conditions which apply to the **cover**, for example if there are any illnesses which are usually part of the **cover** but which we can't cover them for, and whether or not they have the automatic right to ask for an increase in the **sum assured** should their circumstances change.

Daily Activities

These are the things people need to do in everyday life. We refer to these as **work tasks**. See **work tasks** for further information.

Eligible country

An eligible country is one of the following: Australia, Austria, Belgium, Canada, **Channel Islands**, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Hungary, Iceland, Ireland, Isle of Man, Italy, Japan, Luxembourg, Malta, The Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, **UK**, USA.

Incapacitated

There are three different ways we define incapacitated in relation to the person covered.

These are based on their ability to do:

1. their **own occupation** - the kind of job they did before they had to stop **work**;
2. their **suited occupation** - the kind of job they could do; and
3. their **work tasks** (also known as **daily activities**) - the things people need to do in everyday life.

Which of these three definitions applies to the person covered depends on:

- whether they are in paid **work**; and
- what kind of **work** they do.

The **Cover Summary** shows which definition applied to the person covered when the **cover** was taken out. If their circumstances change, a different definition may apply. For instance, if the person covered is aged under 70 and not in paid **work** when they become incapacitated, a **work tasks** definition will apply.

In all cases, the incapacity must be confirmed by appropriate medical evidence and agreed by our Consultant Medical Officer.

Inflation

Inflation is the rise in the general level of prices in goods and services over a period of time. As inflation rises, the real value of your money, and the **benefits** provided by your plan, may fall because you may be able to afford less with the same amount.

Joint life

Cover for two people with the claim payable once.

Occupation

A trade, profession or the type of **work** undertaken for profit or pay. It is not a specific job with any particular employer and is independent of location and availability.

Own occupation

The person covered is not doing any paid **work** and has been diagnosed with an illness, injury or disability which prevents them from doing the essential duties of their own occupation. The essential duties are those that are normally required for, and/or form a significant and integral part of, the performance of the person's own occupation that cannot reasonably be omitted or modified.

Own occupation means the trade, profession or the type of **work** you do for profit or pay. It is not a specific job with any particular employer and is irrespective of location and availability.

Owner(s) of the cover

A person, two persons or a **business** that enter into a contract for **cover** to insure their lives or the life of another person on the basis of an insurable financial interest in that person.

Parent Company

The legal entity that owns or controls AIG Life Limited as defined by the laws applicable to the jurisdiction within which the legal entity resides.

Partnership

A partnership is the relationship existing between two or more persons who join together to carry on a trade or **business**.

Premium/premiums

The monthly or annual payment to AIG Life Limited for AIG Business Protection Term Assurance.

Single life

Cover for one person.

State Benefits

A payment made by the government of the state where the **claimant** resides.

Suited occupation

The person covered is not doing any paid **work** and has been diagnosed with an illness, injury or disability that:

- in the first 12 months following the date they stopped **work**, totally prevents them from doing the essential duties of their **own occupation**. The essential duties are those that are normally required for, and/or form a significant and integral part of, the performance of the person's **own occupation** that cannot reasonably be omitted or modified;
- after they have been off **work** for more than 12 months, totally prevents them from doing the essential duties of a suited occupation.

A suited occupation means one they could do for profit or pay taking into account their employment history, knowledge, transferable skills, training, education and experience, and is irrespective of location and availability.

Sum assured

The amount we would pay for a successful claim on AIG Business Protection Term Assurance.

Term of the cover

How long the **cover** lasts. In other words, the period between the date the **cover** starts and the date it ends as shown in the **Cover Summary**.

Terminal illness

A definite diagnosis by the attending **consultant** of an illness which satisfies both of the following:

- The illness either has no known cure or has progressed to the point where it cannot be cured; and
- In the opinion of the attending **consultant**, the illness is expected to lead to death within 12 months.

A claim will be considered where terminal illness is diagnosed and this definition is met at any time up to the day **cover** ends.

Trustee

A person, often one of a group, who becomes the legal owner of the trust assets (in this case, the policy and its proceeds) and who has powers to deal with the trust assets in accordance with the terms of the trust and the duties imposed by law.

UK

The United Kingdom consisting of England, Wales, Scotland, and Northern Ireland.

Work

Paid employment or self-employment.

Work Tasks

The person covered has been diagnosed with an illness, injury or disability which prevents them from doing at least three out of the six work tasks, also known as **daily activities**.

The person covered must need the help or supervision of another person and be unable to perform the work tasks on their own, even with the use of special equipment routinely available to help and taking any appropriate prescribed medication.

The work tasks are:

Walking

The ability to walk more than 200 metres on a level surface.

Climbing

The ability to climb up a flight of 12 stairs and down again, using the handrail if needed.

Lifting

The ability to pick up an object weighing 2kg at table height and hold for 60 seconds before replacing the object on the table.

Bending

The ability to bend or kneel to touch the floor and straighten up again.

Getting in and out of a car

The ability to get into a standard saloon car, and out again.

Writing

The manual dexterity to write legibly using a pen or pencil; or type using a desktop personal computer keyboard.

In addition to the above, we will pay the **benefit** where the person covered meets the following definition:

Mental failure

A current mental impairment because of an organic brain disease or brain injury supported by evidence of the loss of ability to:

- remember; and
- reason; and
- perceive, understand and give effect to ideas, which causes a significant reduction in mental and social functioning, requiring continuous supervision.

A **Consultant** Neurologist or Psychiatrist needs to make the diagnosis.

Or

Where the person covered is unable to meet both of the following definitions, or one of the following definitions and one work task:

Seeing

The ability to see well enough to read 16-point print using glasses or other reasonable aids.

Communicating

The ability to:

- Clearly hear conversational speech in a quiet room in their first language; or
- Understand simple messages in their first language; or
- Speak with sufficient clarity to be clearly understood in their first language.

For the above definitions, disabilities for which the relevant specialists cannot give a clear prognosis are not covered.



www.aiglife.co.uk

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