

keyfacts<sup>®</sup>

BUSINESS  
PROTECTION  
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 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 TERM ASSURANCE?

AIG Business Protection Term Assurance covers you or your business against the financial impact of death or terminal illness - where life expectancy is less than 12 months, during the term of the policy.

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

If the sum paid out under AIG Business Protection 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 TERM ASSURANCE?

AIG Business Protection 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 86. 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 suffers a terminal illness before the end of your policy. The policy will stop once we have paid the full sum assured.

# HOW DOES AIG BUSINESS PROTECTION TERM ASSURANCE WORK?

## The amount of cover

When you take out AIG Business Protection 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 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 70, although the policy must end before the person covered reaches their 90th birthday.

## 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 an outstanding amount on a repayment business loan of either 5%, 6%, 7%, 8%, 10%, 11%, 13% or 15%.
- Increasing - the sum assured increases each year by 5%.

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 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 option 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.

Waiver of Premium 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, please see section B2 of the Cover Details.

## 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 current 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. 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. We call this 'insurable interest'. 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 legally enforceable financial dependency or liability upon them.

AIG Business Protection 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 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 a medical consultant cannot determine this, or expects death to occur more than one year after diagnosis, we will not pay a benefit.

For joint life policies, the policy will stop if one person covered dies or suffers a terminal illness. The other person will therefore no longer have insurance cover under this policy.

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

For a terminal illness claim, 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.

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 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 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](http://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](mailto: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](http://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](mailto: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](http://www.fscs.org.uk) or by calling 020 7741 4100.

## HOW TO CONTACT US

For any enquiries about AIG Business Protection Term Assurance:

- call 0330 123 4467
- email [nfmutual@aiglife.co.uk](mailto:nfmutual@aiglife.co.uk)

To make a complaint:

- call 0345 600 6813
- email [complaints@aiglife.co.uk](mailto:complaints@aiglife.co.uk)

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

To contact the Claims Team:

- call 0345 600 6815
- email [claims@aiglife.co.uk](mailto:claims@aiglife.co.uk)

Our Claims line is open 8.30am to 5.30pm, Monday to Friday, except on 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](http://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.



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