

keyfacts[®]

YOURLIFE PLAN INCOME PROTECTION



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 Income Protection 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 INCOME PROTECTION?

AIG Income Protection is a type of insurance which provides you with a regular monthly benefit if, because of illness or injury, you are unable to work, resulting in a loss of earnings, or if you are not in paid work and because of illness or injury you are unable to carry out the things you need to do in everyday life (we call these work tasks).

AIG Income Protection will pay a benefit if:

- you are incapacitated for longer than the deferred period;
- you are diagnosed with a terminal illness - where life expectancy is less than 12 months;
- your spouse, civil partner or child suffer from an illness or injury that impacts their everyday life for more than three months;
- you spend more than six consecutive nights in hospital;
- you suffer from a traumatic illness or injury; or
- you die.

AIG Income Protection supports you as soon as you become incapacitated. We may be able to help you with services or advice that could help improve or maintain your health and help you return to work, even before the end of your deferred period.

WHO CAN BUY AIG INCOME PROTECTION?

AIG Income Protection is available to those resident in the United Kingdom, Channel Islands, Isle of Man and Gibraltar, aged 17 up to and including 54.

HOW DOES AIG INCOME PROTECTION WORK?

The amount of cover

When you take out AIG Income Protection, you decide how much cover you want. This amount is called the 'monthly benefit'.

If you're in paid work, the monthly benefit is limited to an income replacement percentage of your pre-tax annual income prior to becoming incapacitated. This is calculated as 60% of your pre-tax annual income up to £30,000 plus 55% of your pre-tax annual income between £30,000 and £100,000 and 45% of any pre-tax annual income exceeding £100,000, divided by 12. Our income replacement guarantee means that if you were working at least 16 hours a week before you had to stop work and your monthly benefit is equal to £1,500 or less, we'll pay the benefit as shown in the Cover Summary.

The monthly benefit cannot exceed £20,833. If you're not in paid work, the maximum monthly benefit is £1,667.

Any income you're receiving from your employer, from self-employment, from other insurance benefits or from pension arrangements other than State Pensions will be deducted from these amounts. Any income received from State Benefits will not affect what we pay.

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 5 and 53, although the policy must end before you reach your 70th birthday.

Types of cover payment

You can select from two cover payment options:

- Full payment term – for each successful claim, we'll pay you the monthly benefit for as long as you're unable to work until the end of your cover.
- Limited payment term – for each successful claim, we'll pay you the monthly benefit for a maximum of 24 months. If you're still unable to work after this point, your monthly benefit will stop. A further claim for the same illness or injury can be made, however you must have returned to work for at least 26 weeks before you can claim again. Alternatively, it will be possible to claim for a different illness or injury without the need to return to work for 26 weeks..

For further details, please see section A1 of the Cover Details.

Types of cover

- Level - this covers you for a fixed monthly benefit.
- Increasing - your monthly benefit increases each year in line with the Retail Prices Index, up to a maximum annual increase of 10%.

Further information regarding these types of cover is available in section A1 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.

The deferred period

How soon your monthly benefit payments start after you become incapacitated depends on what deferred period you select when you buy your policy. This can be either 4, 8, 13, 26 or 52 weeks.

We will waive the deferred period if we pay the terminal illness benefit.

How do we define incapacitated?

There are three different ways we define incapacitated. These are based on your ability to do:

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

Which of these three definitions applies to you depends on:

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

The Cover Summary shows which definition applies to you when the cover is taken out. If your circumstances change after the cover starts, a different definition may apply. For instance, if you're not in paid work when you become incapacitated, a work tasks definition will apply, even if we gave you a different definition when the cover was taken out.

How we define incapacitated is explained in full in section D of the Cover Details.

When will we pay a benefit?

1. If you're incapacitated

We will pay a monthly benefit if you're incapacitated and meet the definition of incapacitated that applies to you. This definition will be shown in the Cover Summary and will be one of:

- own occupation;
- suited occupation; or
- work tasks (also known as daily activities).

To confirm that you meet our definition of incapacitated, we may ask you to be examined by a doctor or health specialist of our choice. We may also ask for any other reasonable evidence we need to consider your claim. You need to be incapacitated for a continuous period that is longer than the deferred period.

If you return to work after a claim, but become unable to work again, we may be able to start your monthly benefit payments again immediately, with no deferred period.

If you return to work after we have been paying a monthly benefit, and you then need to make another claim within 26 weeks, there is no deferred period if:

- the claim has the same cause as the original claim; and
- you contact us within two weeks of stopping work again.

If you select a limited payment term and your claim ends before the maximum 24 monthly payments have been made, you will be able to claim again for the same cause as the original claim within 26 weeks, without a deferred period. This second claim will be limited to the difference between 24 months and the number of months you claimed for originally.

If you have fully used your limited payment term, you will need to return to work for at least 26 consecutive weeks before you can make another claim for the same illness or injury.

2. If you're incapacitated and need services or advice that could help improve or maintain your health and help you return to work

If you're incapacitated, we may pay up to three times the monthly benefit to help you pay for services that could improve or maintain your health and help you return to work. These services could range from physiotherapy or counselling, to help travelling to work because you can no longer drive.

We need to approve these services and agree the costs before they are incurred. We will refund the costs as soon as we have received the receipts for the services that we agreed.

3. Terminal illness benefit

If you meet the definition of incapacitated and are diagnosed with a terminal illness, where death is expected within 12 months, we will pay 12 times the monthly benefit as a lump sum instead of a monthly benefit and there will be no deferred period.

If you live beyond 12 months following diagnosis of a terminal illness and meet the definition of incapacitated, please let us know and we will pay the monthly benefit.

4. Family carer benefit

If your spouse, civil partner or child has an illness or injury that means they meet the work tasks definition for more than three consecutive months, we'll pay the monthly benefit or £1,500 per month, whichever is lower.

You can claim more than once, but this is limited to 12 monthly payments during the term of your cover for each person.

5. Trauma benefit

We'll make a one-off payment of six times the monthly benefit or £50,000, whichever is lower, if you suffer from one of the following illnesses or conditions:

- Blindness – permanent and irreversible
- Deafness – permanent and irreversible
- Loss of hands or feet – permanent physical severance
- Loss of independence – of specified severity
- Loss of speech - permanent and irreversible
- Paralysis of limbs - total and irreversible

6. Hospitalisation benefit

If you're in hospital during your deferred period, we'll pay £100 per night for each night you spend in hospital beyond six nights, up to a maximum of 90 nights.

7. Death benefit

We will make a lump sum payment of £10,000 if you die before the end of the cover. If this amount forms part of your estate, it may not be free of inheritance tax.

For more information about these benefits, please see section A1 in the Cover Details.

What happens if you're still incapacitated but go back to work?

If you still meet the definition of incapacitated that applied to you when the original claim was made but you return to work for less money than you were earning before you became incapacitated, we may still pay the benefit, but at a reduced rate. It may also be for a limited period. Whether you can continue to claim, what you're entitled to and how long we'll pay a benefit will depend on the occupation you return to, and the definition of incapacitated that applied to the claim. This is explained in section A1 of the Cover Details.

Waiver of Premium

If you're incapacitated and we are paying a monthly benefit or we have paid a terminal illness benefit, we will also waive the cost of your AIG Income Protection premiums.

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 you're 55 years old or less and:

- get married or become a civil partner;
- have a child (including adopting a child or becoming a legal guardian);
- are promoted by your current employer, or start a new job with a different employer, and your salary increases; or
- increase the amount of your mortgage.

There is a limit to how much you can increase your monthly benefit - it can't be more than the lower of 50% of the original monthly benefit or £835.

You can also increase the term of the cover up to 13 weeks after you increase the term of your mortgage.

In addition, you can choose to:

- reduce the monthly benefit;
- reduce the term of the cover;
- stop and restart annual increases if you have selected increasing cover;
- change the deferred period;
- change your premiums from annual to monthly and vice versa; or
- change a full payment term to a limited payment term, or vice versa.

These options may not be available to everyone, for example if you have a particular medical condition when the cover is first taken out. For more information, including further limitations, please see section B4 of the Cover Details.

IMPORTANT INFORMATION

AIG Income Protection only protects you against events that happen to you 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 your earnings and lifestyle, 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 monthly benefit that increases in line with the Retail Prices Index, up to a maximum annual increase of 10%. If the policy has an increasing monthly benefit, the premium will be reviewed annually and will increase by a higher percentage than that of the monthly benefit, because the amount of the increase of the premium will depend on your age and the remaining term of the policy at that time.

If you set up a cover with an increasing monthly benefit, the amount you pay will increase each year to pay for the extra cover. If you then change to a level monthly benefit, 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.

The monthly benefit you can receive under AIG Income Protection is limited to 60% of the first £30,000 of your pre-tax annual income plus 55% of any pre-tax annual income between £30,000 and £100,000 and 45% of any pre-tax annual income exceeding £100,000 before you had to stop work, divided by 12, limited to a maximum monthly benefit of £20,833. This means that if you choose a monthly benefit that is greater than that permitted, you would not be able to receive the full benefit if you claimed. Our income replacement guarantee means that if you were working at least 16 hours a week before you had to stop work and your monthly benefit is equal to £1,500 or less, we'll pay the benefit in the Cover Summary.

A claim for terminal illness will only be considered if you meet the definition of incapacitated that applies to you and have also 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.

You must be living in an eligible country when you become incapacitated. If you are travelling outside an eligible country when you become incapacitated, you must return to an eligible country before the end of the deferred period. In both cases you must return to the UK, Channel Islands, Isle of Man or Gibraltar within 26 weeks of becoming incapacitated and remain in the UK, Channel Islands, Isle of Man or Gibraltar to continue receiving the benefit. This also applies to your spouse, civil partner or child if claiming for family carer benefit.

For a death benefit claim, you can be anywhere in the world.

For a terminal illness or trauma benefit claim, you can be residing anywhere in the world, however the consultant must be in an eligible country.

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

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 B5 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 and the circumstances at the time.

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 Income Protection;
- 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 won't pay a death benefit claim if you die as a result of your own actions within one year of the cover start date or of restarting your cover.

Further information about when we won't pay a claim can be found in section A1 of the Cover Details.

Changing your mind about AIG Income Protection

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

Under current legislation and HMRC practice, benefit(s) payable under this cover are normally free from Income Tax and Capital Gains Tax for UK residents.

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@financialombudsman.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 Income Protection:

- 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.



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