

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 the monthly benefit if the person covered:

- is incapacitated for longer than the deferred period; or
- meets the definition of being incapacitated and is diagnosed with an illness that meets our definition of a terminal illness - where life expectancy is less than 12 months; or
- has to leave full-time employment to provide full-time care for their child who is incapacitated.

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 the person covered is in paid work, the monthly benefit is calculated as a percentage of their pre-tax annual income prior to becoming incapacitated. This is limited to 60% of their annual income up to £25,000 plus 50% of any annual income exceeding £25,000, divided by 12. The monthly benefit cannot exceed £12,500. If the person covered is not in paid work, the maximum monthly benefit is £1,667.

Please note this is the maximum benefit and any income the person covered is receiving from their employer, from self-employment, from other insurance benefits or from pension arrangements other than State Pensions will be deducted from this amount. 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 the person covered reaches their 70th birthday.

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.

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.

When the person covered meets the definition of incapacitated, we will waive the deferred period only where they have 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 waive the deferred period.

How do we define incapacitated?

How we define incapacitated depends on whether it refers to:

- the person covered; or
- their child.

Incapacitated - the person covered

There are three different ways we define incapacitated in relation to the person covered. These are based on their ability to do:

1. own occupation - the kind of job they did before they had to stop work;
2. suited occupation - the kind of job they 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 the person covered depends on:

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

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

Incapacitated - child

The child must need full-time care and supervision by another person because of an illness or injury that is expected to continue beyond 12 months. This must be confirmed by a consultant who is treating the child and agreed by our Consultant Medical Officer.

The child must be between 30 days and 18 years old and must be:

- a natural child of the person covered or their partner;
- legally adopted by the person covered or their partner; or
- a legal stepchild of the person covered following their marriage or civil partnership.

How we define incapacitated is explained in full in section D 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.

Waiver of Premium

While we are paying a monthly 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 the person covered is 55 years old or less and:

- gets married or becomes a civil partner;
- has a child (including adopting a child or becoming a legal guardian); or
- is promoted by their current employer, or starts a new job with a different employer, and their salary increases.

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 current monthly benefit of the original cover or £835.

In addition, you can choose to:

- reduce the monthly benefit;
- increase the term of the cover;
- reduce the term of the cover;
- stop and restart annual increases if you have selected increasing cover;
- change the deferred period; 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 B4 of the Cover Details.

When will we pay the benefit?

1. If the person is incapacitated

We will pay a benefit if the person covered is incapacitated and meets the definition of

incapacitated that applies to them. 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 the person covered is incapacitated, we may ask them 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 the claim. The person covered needs to be incapacitated for a continuous period that is longer than the deferred period.

If they return to work after we have been paying a monthly benefit, and 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
- the person covered contacts us within two weeks of stopping work again.

2. If the person covered is incapacitated and needs services or advice that could help improve or maintain their health and help them return to work

If we agree that the person covered may have a valid AIG Income Protection claim because they are incapacitated, we may also help them pay for services that could improve or maintain their health and help them return to work. What services might help them will depend on their situation. The services could range from physiotherapy or counselling, to help travelling to work because they can no longer drive.

We need to approve the services they want to spend the money on and agree the costs before they are incurred. Whether we approve the service depends on the situation of the person covered and the advice of their doctor.

There is no deferred period for this benefit. This means we will refund the cost as soon as we have received the receipts for the services that we agreed.

For each potentially valid claim, we will pay up to three times the value of a monthly benefit payment to help the person covered improve or maintain their health and return to work. Please remember that if we pay this benefit, it does not necessarily mean we will approve a claim for monthly benefit payments under AIG Income Protection.

3. If the person covered has to leave full-time employment to provide full-time care for their child who is incapacitated

We will pay the monthly benefit if the person covered leaves full-time employment to provide full-time care for their child, and they are receiving State Carer's Allowance to care for their child. Their child must meet the definition of incapacitated explained in section D of the Cover Details. To confirm that they need care we may ask for any reasonable evidence of their condition, and any other reasonable evidence to consider the claim. We will pay the benefit once the person covered stops full-time employment and starts receiving State Carer's Allowance. The person covered can claim more than once but we will only pay a maximum of 6 monthly benefit payments under the cover.

If the person covered is not in full-time employment, we will not pay any benefit.

What happens if the person covered is still incapacitated but goes back to work?

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

IMPORTANT INFORMATION

AIG Income Protection 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 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 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 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 £25,000 of your pre-tax annual income plus 50% of any pre-tax annual income exceeding £25,000 before you had to stop work, divided by 12, limited to a maximum monthly benefit of £12,500. 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.

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.

The person covered must be living in an eligible country when they become incapacitated. If they are travelling outside an eligible country when they become incapacitated, they must return to an eligible country before the end of the deferred period. In both cases they 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.

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

If you don't pay your first premium, your policy won't start and you won't be covered. If you miss a subsequent premium and it 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, the circumstances at the time and whether the policy has been assigned.

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.

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, unless you assign your policy to someone else.

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

Personal information we collect

AIG will process your personal information in accordance with data protection laws. For further information, please read our privacy policy on our website www.aiglife.co.uk or in section C5 of the Cover Details. This sets out what information we will collect, how we will use it and who we will share it with.

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 designed to pay compensation if a firm is unable to pay claims, because it has stopped trading or been declared in default.

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.

HOW TO CONTACT US

For any enquiries about AIG Income Protection:

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

To make a complaint:

- call 0345 600 6813
- email 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

Our Claims Team is open 8.30am- 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 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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