



# MORTGAGE & LIFESTYLE PROTECTION

**Plan Conditions**  
**Document Reference: MLP6**



This is an **important document**. Please keep it in a safe place.

# Mortgage & Lifestyle Protection

## Plan Conditions

### Welcome to LV=, and thank you for choosing our Mortgage & Lifestyle Protection Plan

Welcome to LV= and thank you for choosing our Mortgage & Lifestyle Protection Plan.

Mortgage & Lifestyle Protection is made up of two parts. Accident and sickness cover is provided by Liverpool Victoria Friendly Society Limited, and unemployment cover, if you choose it, is provided by LV Protection Limited. Both companies are part of LV=.

These conditions and your Plan and Policy Schedules, application, any declarations you have made and any documents we send you confirming changes to your policy and the amount of your cover, form a contract between you and us.

**These are important documents, so please keep them in a safe place.**

This contract is signed on our behalf and starts on the date shown in your Plan Schedule.



Mike Rogers, Chief Executive  
LV=, Pynes Hill House, Rydon Lane, Exeter, EX2 5SP

**If we can help you, by providing these documents in Braille, in large print or on audio, please let us know.**

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## Definitions

We explain these terms because this is a legal document. In some cases the words may have other meanings in everyday use. We've highlighted these words in bold (other than personal terms such as 'you' and 'we') so you know when they apply.

**'You'** means the person who applied for this **plan**, the person who is insured and the person legally entitled to the payment from this **plan**. Where we use 'your' it has the same meaning.

**'We'**, **'us'**, or **'our'** means Liverpool Victoria Friendly Society Limited, who provide accident and sickness cover, and administer the whole **plan** including unemployment cover. Unemployment cover, if you choose it, is provided by LV Protection Limited.

**'Amount of your cover'** and **'amount of cover'** means the amount you are insured for, for either your Mortgage Payment Protection, or your Living Expenses Protection, or both, if you have chosen both. This is shown on your Policy Schedule.

**'Carer'** means someone who isn't in paid or unpaid work having chosen to care for another person who requires full-time care, because that person is physically or mentally disabled.

**'Claim exclusion period'** is the first 90 days after the **start date** of your **plan**. The only exception is if you applied for your **plan** within 30 days of applying for a new mortgage or re-mortgage, in which case the claim exclusion period is the first 60 days after the **start date** of your **plan**. The **claim exclusion period** only applies to unemployment cover, as explained in Section B. If you cancelled a similar policy with another provider to take out this plan, then we may not enforce the **claim exclusion period**. We explain this in more detail in Section B9.

**'End date'** means the date when your **plan**, or one of the **policies** included in your **plan** ends. These dates are shown in your Policy Schedules.

**'Homemaker'** means someone who isn't in paid or unpaid work having chosen to stay at home and look after their family. By family we mean their husband, wife or civil partner, and/or their children. To be a **homemaker** you cannot be claiming Jobseekers Allowance. If you are claiming Jobseekers Allowance we will consider you unemployed.

**'In work'** means you are in **permanent employment**, or are **self employed**.

**'Income'** means your taxable earned income before any income tax is paid, minus any expenses which are allowable against income tax. You'll find this figure on your P60 if you are in **permanent employment** or your tax return if you're **self employed**.

**'Income before the claim'** means the **income** you received from your **normal occupation** in the 12 months before the date you became **unable to work** or you became unemployed (where you've chosen unemployment cover). State benefits and income from savings and investments are not included.

**'Inflation'** means the rising cost of goods and services such as your weekly shopping, gas and electricity. We'll measure this using the Retail Prices Index, unless this stops being published, in which case we would use another similar published index.

**'Inflation-linking'**, and **'Inflation-linked'** mean that the **amount of your cover** will increase in line with **inflation**.

**‘Normal occupation’** means your occupation at the time you became sick or had the accident that meant you were **unable to work**, or at the time you became unemployed. It’s important to note that this is not limited to a particular employer, or a specific contract of employment.

**‘Permanent employment’** means you are working for payment under a contract of employment, with either no fixed end date, or if the contract is a fixed term contract, there must be at least 12 months remaining. Your employer must be based in the UK, and you must be paying Class 1 National Insurance Contributions. If you’re a **temporary worker**, you won’t be classed as being in **permanent employment**.

**‘Plan’** means these Plan Conditions, and your Plan Schedule.

**‘Plan anniversary’** means each 12-month anniversary from the date your **plan** originally started. You can check this on your Plan Schedule.

**‘Policy’** means your Policy Schedules, any Special Provisions listed in the Policy Schedules and any documents we send you to confirm changes to your **plan** or the **amount of your cover**. We’ll apply a Special Provision when we are not able to offer you a **plan** based on the terms detailed in these conditions. This may be because of your occupation, your health or your leisure activities. We’ll let you know if this applies to you before we start asking you to pay any **premiums**.

**‘Premium’** and **‘premiums’** mean the monthly amount you pay for the **amount of your cover**.

**‘Self-employed’** means you are registered with HM Revenue and Customs as self-employed, paying Class 2 National Insurance Contributions, and being assessed for income tax under part 2 of the Income Tax (Trading and Other Income) Act 2005.

**‘Start date’** means the date when your **plan** or your Mortgage Payment Protection or Living Expenses Protection included in your **plan** started. This date is shown in your Plan and Policy Schedules.

**‘Temporary worker’** means you’re employed but are not in **permanent employment**, or **self employed**.

**‘Total cover’** means the total of the **amount of cover** for your Mortgage Payment Protection policy, and your Living Expenses protection policy, including any **inflation-linked** increases.

**‘Unable to work’, ‘inability to work’, ‘able to work’, ‘ability to work’** We measure this in one of two ways. The way we use depends on whether you are **in work** at the time you become sick, or have an accident that prevents you from working. If you are **‘in work’** we use an ‘own occupation’ definition. Otherwise we will use an ‘activities of daily living’ definition. We explain what each of these mean in Section A1.

**‘Waiting period’** means the number of months you have chosen to wait after you’re **unable to work**, or have been made unemployed before we’ll start paying you, when we approve a claim. You choose the **waiting period** when you apply for this **plan** and you can choose a different **waiting period** for your accident and sickness cover and your unemployment cover. The **waiting period** is shown in your Policy Schedule. It starts on the date that you become **unable to work**, or become unemployed. The only exception to this is if you don’t tell us about your sickness or accident, or unemployment quickly enough. We explain this in more detail in Sections A2 & B2.

## Why choose LV= Mortgage & Lifestyle Protection?

This **plan** is designed to help you cope financially if you're **unable to work** because of long-term sickness or an accident. You also have the option of taking out unemployment cover to help you cope financially if you lose your income because you're made unemployed.

You can choose to be covered for just accident and sickness, or you can choose to be covered for accident, sickness and unemployment. You can't have unemployment cover on its own.

### Accident and Sickness Cover

This pays out if, because of an accident or sickness, you're unable to do your **normal occupation**. You would not be expected to go back to work in a different occupation – for as long as you are unable to do your **normal occupation**, the cover will continue to pay out. However we want to help you get back to work as soon as possible. So we may be able to continue to pay you a proportion of your cover if you return to work part-time in your **normal occupation** or a different occupation, for a lower salary.

### Unemployment Cover

If you're in **permanent employment** this pays out if you are made involuntarily redundant. If you're **self employed** this pays out if you are declared bankrupt, your business becomes insolvent or goes into liquidation.

You need to be claiming Jobseekers Allowance, or receiving National Insurance Credits in order to make a claim.

It pays out for up to 12 months for each claim that you make. Over the life of the **plan**, you can claim up to 36 months of unemployment cover in total.

## Choosing which policy to have

Our **plan** is split into two parts or **policies**. So having decided whether you want cover for just accident and sickness, or whether you also want to be covered for unemployment as well, you can choose from the following options:

### Mortgage Payment Protection

This **policy** is designed to provide cover for your monthly mortgage payments. This could also be used for your rent, if you don't have a mortgage.

### Living Expenses Protection

This **policy** is designed to provide cover for your other monthly outgoings, for example food, gas, electric, water, and council tax.

You can choose a different term and **amount of cover** for each **policy**, as long as your **total cover** is not more than half your **income**. The **amount of cover** you choose is not limited by the actual amount of your mortgage or rent payments, or your actual amount of living expenses.



## Section A: Accident & Sickness Cover

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### This section tells you about:

- What you're covered for
  - When we will pay the **amount of cover**
  - How much we'll pay
- 

### A1 What you're covered for

This cover is designed to pay you a regular income if you are **unable to work** because of sickness or accident. Once we review and accept your claim we'll start to pay you at the end of your **waiting period**. You must be continuously **unable to work** throughout your **waiting period**.



### What's covered

- **Unable to work due to sickness or accident, and you were in work (Own occupation definition)**

If you are **in work** then we'll pay a claim if, following your **waiting period**, because of sickness or accident, you are totally unable to carry out all the main duties of your **normal occupation** and aren't doing any other paid or unpaid work.

Your **normal occupation** is the occupation you were doing when you became sick or had the accident which prevented you from working. By main duties, we mean the duties that can't reasonably be left out without affecting your ability to do your job. When assessing your ability to carry out those duties, we'll consider whether there are any changes that you or your employer can reasonably make that would allow you to continue in your **normal occupation**.

Your cover is restricted if you are not **in work** when you have an accident or sickness that prevents you from working. If this is the case you're still covered but we'll use the more restrictive measures explained below to work out whether to pay a claim.

- **Unable to work due to illness or accident and you weren't in work (Activities of daily living definition)**

If you are not **in work** then we'll pay a claim if, following your **waiting period**, because of sickness or accident you are totally unable to carry out at least three of the following activities, using appropriate equipment to help you but without the help of another person:

- **Walking** – to be able to walk a distance of 200 metres on flat ground (with the use of a walking stick or other aid if necessary) without stopping.
  - **Climbing** – to be able to walk up or down a flight of 12 stairs (with the use of a handrail) without stopping.
  - **Bending** – to be able to bend or kneel to pick up something from the floor and stand up again.
  - **Communicating** – to be able to answer the telephone and take a simple message.
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### What's covered (continued)

- **Eyesight** – to be able to read a standard daily newspaper or to pass the standard eyesight test for driving. (after correction by spectacles or contact lenses if necessary)
- **Dexterity** – to be able to use a pen, pencil or keyboard.
- **Healthcare** – to be able to make arrangements to see a doctor and take regular medication as prescribed.
- **Financial independence** – to be able to understand the value of money, and handle routine financial transactions.

#### ■ You recover but only go back to work part time

If you've been claiming on your **plan**, but recover enough to go back to your **normal occupation** part-time, we may pay you some of the **amount of your cover**. We explain this in more detail in Section A8.

#### ■ You recover but go back to work in a different occupation

We realise that you might recover, but aren't well enough to go back to your **normal occupation**. We want to help with your recovery and help get you back to work. So, if you're still not well enough to go back to your **normal occupation** but want to start paid work in a new occupation for less money, then we may be able to pay you a proportion of the **amount of your cover** to help with this. We explain this in more detail in Section A9.

#### ■ All types of sickness or accident

There are no restrictions on the type of sickness or accident, unless we've told you about any restrictions before your **plan** or **policy** starts. We will list any exclusions that apply to you on your Policy Schedule under the heading of Special Provisions.

#### ■ Illness or medical condition that you had before you applied

As we ask you for all your medical history before we offer you the **plan**, we'll cover all illnesses unless we've told you that we won't before your **plan** or **policy** starts. We'll list any exclusions that apply to you on your Policy Schedule under the heading of Special Provisions.

We'll tell you about any exclusions that apply to you before we ask you for the first **premium**.

#### ■ Changing your occupation

If you change your occupation, and you are still **in work**, you'll be covered for your new occupation. You don't need to tell us, however you may wish to check with us whether your new occupation would give you a lower **premium**. If it wouldn't, you can still keep your existing cover and **premium** so there's nothing to lose by asking. More information on how you can change your **policy** if you change your occupation can be found in Section C3.

If you stop working, it's important that you tell us, because if you claim we'll measure whether you are **unable to work** using the activities of daily living definition. We'll also cap your cover to £1,500 a month (plus any **inflation-linked** increases). More information on what to do if you stop working can be found in Section C4.

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### What's covered (continued)

#### ■ Travelling abroad

We'll pay you after your **waiting period**, if you have a valid claim and you are in any of the following countries:

Australia, Austria, Belgium, Bulgaria, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK or USA.

If you're anywhere else in the world we would pay you after your **waiting period** for a maximum of 26 weeks. If, after 26 weeks, you return to one of the countries above we'll continue to pay you if you still have a valid claim. Please note we'll stop paying a claim if you travel from one of the countries listed above to stay in one that isn't listed for more than 2 weeks.

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### What's not covered

#### ■ Sickness or accident and still working

You cannot generally claim under this **plan** if you are sick or injured and are still **able to work** in your **normal occupation** or are doing other paid or unpaid work. The only exception is where you are recovering but we're already paying a valid claim. More detail on this is explained in Sections A8 and A9.

Do please check with us if you have more than one occupation. You may not be covered if you are able to do one occupation but not the other.

#### ■ Getting home if you become sick or have an accident abroad

This **plan** doesn't cover you for the costs of returning home if you are abroad, for example if you need special medical assistance or special seating arrangements on a plane.

Please remember: It's a good idea to have appropriate travel insurance when travelling abroad.

#### ■ Death

This **plan** doesn't pay out in the event of your death. In that event, this **plan** will end and, if we were paying you, the payments would stop.

#### ■ Fraud or Deliberate non-disclosure

Please understand that whilst we know that the vast majority of our customers are honest, we do have to protect ourselves (and our customers) against the effect of fraud.

For this reason we will cancel your **plan** and not pay a claim if we find you have deliberately withheld information from us or have intentionally provided us with false information or lied to us. This could be when you applied, when you claim, or when you apply to re-start your **plan** or your **premiums** (see Section C8). More detailed information on when we can cancel your **plan** can be found in Section C11.

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### A2 When you need to tell us about your sickness or accident

If you're **unable to work** because of your sickness or accident, it's important that you tell us within the times given below, so we can manage your claim as quickly as possible, and start making payments to you as soon as we can. You can tell us in writing, by phone or by fax.

#### (a) If the waiting period you've chosen is one or two months

You need to tell us within two weeks after your accident occurs, or sickness starts. If we don't hear from you until after two weeks, we'll still pay your claim, but we'll count your **waiting period** as if you became **unable to work** two weeks before you told us. If you are not **in work** when you make a claim we'll count your **waiting period** from the date on which your sickness or accident meant you became totally unable to carry out at least three of the activities of daily living.

#### (b) If the waiting period you've chosen is three or six months

You need to tell us within eight weeks after your accident occurs, or illness starts. If we don't hear from you until after eight weeks, we'll still pay your claim, but we'll count your **waiting period** as if you became **unable to work** eight weeks before you told us. If you are not **in work** when you make a claim we will count your **waiting period** from the date on which your sickness or accident meant you became totally unable to carry out at least three of the activities of daily living.

### A3 The evidence we need to support your claim

To make a claim you simply need to:

- Ask us for a claim form.
- Then fill in the claim form telling us about your accident or sickness, your **normal occupation** and your **income**.
- Also ask your doctor to complete the medical form we send you with your claim form
- Then return both the claim form and the medical form to us within 14 days.

So that we can assess your claim, we'll need evidence of your **income**, and we may need to get medical reports from your doctor. If we do, we will need you to complete a consent form. The form will fully explain your rights under the Access to Medical Reports Act 1988.

Please understand that whilst the vast majority of our customers are honest, we do have to protect ourselves (and our customers) against the effect of fraudulent claims. So if you're asked for additional information, please don't take this as a reflection of our opinion of you.

We don't know what evidence we'll need until you make a claim, as all claims are looked at individually. We won't ask for unnecessary evidence and we will explain why we need anything we ask for.

Whilst we're paying you, we may ask you to complete extra declarations about your **inability to work** as a routine review. As part of this review, we may need further medical reports from your doctor(s), other specialists or your employer. When this happens we'll tell you what we need and supply the forms for you and your doctor(s) to fill in. We'll pay for all reports or evidence we ask for, other than for routine medical review reports from your doctor. Your doctor may ask you to pay for these.

We may need you to be examined by a doctor or another medical specialist of our choice (such as a physiotherapist or a psychologist). We may also ask for other evidence to consider your claim or to confirm that you are still **unable to work**. Some examples of the evidence we may need are:

- a report from any doctor (or any alternative medical practitioner) who has treated or examined you.
- a report from a member of our staff or a person acting on our behalf who has visited you in your own home to discuss the claim.

You are not covered if any of the information we ask for isn't provided, unless there is a good reason. In the worst case, this could mean that we would refuse or stop paying your claim.

### A4 How we pay you

Once we approve a claim, we'll pay you a month in arrears. This means that the first payment will be paid at the end of the month after your **waiting period** ends. (Your **waiting period** is the number of months you have chosen to wait before we will start paying you).

For example for a **waiting period** of two months, if you were **unable to work** in January, we would make the first payment at the end of March. Payments will be made directly into your bank or building society account. You need to be continuously **unable to work** throughout this period for us to start paying a claim.

If you were **unable to work** for less than a whole calendar month, we would work out how much to pay you by dividing the number of days you couldn't work by the number of days in the month.

The example below shows you how we work out what to pay when this happens. The figures used in the example don't relate to your own **plan** or **policy**.



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### Example

Elise makes a claim. Her plan has a two month waiting period.

The waiting period ends on 15th March.

Elise's first payment would be calculated as follows:

$$(31 - 15) = 16$$

(as there are 31 days in March and the first 15 are not eligible for payment)

$$(16 / 31) \times 100 = 52\%$$

This means Elise will receive 52% of the full monthly amount payable at the end of March.

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## SECTION A – ACCIDENT AND SICKNESS COVER

We'll continue to pay you until one of the following happens:

You are now **able to work** (as defined in Section A1 depending on whether you were **in work** at the time you made the claim)

or your accident and sickness cover reaches its **end date**

or you die.

We explain how we work out how much we will pay you in sections A5 & A6.

### A5 How much we will pay out

Once we've approved your claim, we will work out the total monthly payment as follows:

**(a) If you're working in your normal occupation when you become unable to work we'll pay the lower of:**

the **amount of your cover** at the time,

or the maximum monthly amount we could pay you. We explain this in Section A6

However, we want to make sure that you can continue to pay your mortgage. So we have a mortgage guarantee, and we explain how this works in Section A6.

**(b) If you're a homemaker or a carer, taking a career break, retired or unemployed when you become unable to work we'll pay the lower of:**

the **amount of your cover** at the time,

or £1,500 a month (plus any **inflation-linked** increases where they take your **amount of cover** over £1,500 a month) minus any other monthly payments that you're entitled to. We explain how we apply **inflation-linked** increases in Section C1, and give full details of the monthly payments we take off in Section A6.

This limit of £1,500 can be increased by us in the future. If we decide to increase this limit, we'll let you know.

Unfortunately, we won't be able to refund any **premiums** if we don't pay the **amount of your cover** in full. So, it is worth checking this if your circumstances change, for example if you stop working.

## A6 How we work out how much we will pay you

The example below illustrates how we work out how much we will pay you.



### Example

Vince earns £25,920 a year, and his monthly take home pay is £1,820.

He can take out Mortgage & Lifestyle Protection for a maximum of 50% of his annual income of £25,920. (Which divided by 12 means he could take Mortgage & Lifestyle Protection for a maximum of £1,080 a month).

Vince takes out £500 a month Mortgage Payment Protection and £500 a month Living Expenses Protection. This gives him total cover of £1,000 a month.

His employer will pay him for six months if he can't work due to a sickness or an accident, so he chooses a waiting period of six months.

A year later, Vince becomes ill and is unable to work as a result. At this time he is earning £27,000 a year. He has payment protection insurance on a credit card which starts paying £200 a month.

To work out the maximum monthly amount we'll pay under Vince's plan:

First of all we work out 50% of Vince's income before the claim

$$\mathbf{£27,000 \div 2 = £13,500}$$

Then we divide this by 12 to work out the monthly equivalent

$$\mathbf{£13,500 \div 12 = £1,125}$$

Then we take off the payments from his payment protection insurance on his credit card

$$\mathbf{£1,125 - £200 = £925}$$

The maximum monthly amount we could pay Vince based on his income is £925 a month. As the amount of his cover is more than the maximum monthly amount, we'll only pay Vince £925 a month, and not the £1,000 he is covered for.

After the six month waiting period as Vince is still unable to work he starts to receive tax free payments from LV= of £925 a month.

We work out the maximum monthly amount, as follows:

First we take 50% of your **income before the claim** and divide this by 12.

Then we take off any of the following monthly payments, before tax, that you're entitled to while we're paying you:

- payments from any other sickness, accident or unemployment insurance on your life (for example, any other income protection or loan repayment insurance that you're claiming on)
- 60% of ill health or retirement payments you receive from any source

- 60% of any continuing **income** or pension payments that you're still receiving whilst you are claiming, (we don't take into account any **income** earned before you became **unable to work** – for example a bonus that is paid at the end of the year, or a pension that you were receiving before you became **unable to work**)
- State pension benefit (including payments which relate to State Earnings Related Pension Schemes (SERPS) and State Second Pension (S2P) or their equivalent at the time

We take these payments off so that in total you don't receive payments totalling more than your **income** and lose the incentive to go back to work. Don't forget that the payments we make to you are free of income tax and therefore closer to your previous taxed **income**.

Then, if you don't get any State benefits for the accident or illness for which you're claiming, we'll add the Basic Amount and the Work Related Activity Component of the Employment and Support Allowance (or its equivalent) at the time.

Finally we check the result against the **amount of your cover**. We'll pay the lower of the maximum monthly amount and the **amount of your cover** as shown on your Policy Schedule.

Remember that your **income before the claim** generally means the income you received from your **normal occupation** in the 12 months before you became **unable to work**.

We can use our discretion to base your **income before the claim** on your average income over a longer period, if this more accurately reflects the **income** you were aiming to replace and where it means your **income before the claim** is higher. For example we might do this if you've suffered a progressive illness which has meant that your income has reduced although you have still been working.

If your cover is **inflation-linked**, we'll increase the amount of your **income before the claim** each year, in line with **inflation** when we are making payments to you.



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### Our mortgage guarantee

As we've explained above, when we work out the maximum monthly amount we can pay you we base this on your **income before the claim**. However, we appreciate that earnings can fluctuate, and you may find it difficult, for example if you're **self-employed**, to provide evidence of your **income**. So if your **income before the claim** no longer supports the **amount of your cover**, for your peace of mind we offer a mortgage guarantee. We guarantee that we'll still provide you with payments to help you pay your mortgage.

**In order for us to make payments to you under this mortgage guarantee, you must be named as one of the parties on the mortgage and the mortgage must be on your main residence. This guarantee only applies for mortgage payments, and doesn't apply to rent payments. It can apply to either Mortgage Payment Protection, Living Expenses protection or to both, and it applies whether you have accident and sickness cover only, or accident and sickness cover and unemployment cover.**

**When making payments to you under this mortgage guarantee we'll never pay more than the amount of your cover.**

As long as you're able to provide us with evidence of your mortgage payments we can make payments to you based on the average of your monthly mortgage payments over the 12 months before your claim. If you have been paying your mortgage for less than 12 months we'd average your monthly mortgage payments over the amount of time you'd been paying them. When we look at your mortgage payments before your claim, we won't take into account any missed payments, or any increase as a result of arrears, or any additional administration fees.

First we take your average monthly mortgage payment as explained above.

Then we take off any of the following monthly payments, before tax, that you're entitled to while we're paying you:

- payments from any other sickness, accident or unemployment insurance on your life (for example, any other income protection or loan repayment insurance that you're claiming on)
- 60% of ill health or retirement payments you receive from any source
- 60% of any continuing or pension payments that you're still receiving whilst you are claiming, (we don't take into account any income earned before you became **unable to work** – for example a bonus that is paid at the end of the year, or a pension that you were receiving before you became **unable to work**)
- State pension benefit (including payments which relate to State Earnings Related Pension Schemes (SERPS) and State Second Pension (S2P) or their equivalent at the time

We take these payments off so that in total you don't receive payments totalling more than your monthly mortgage payments and lose the incentive to go back to work.

We wouldn't pay more than the **amount of cover** you had in place at the time of your claim, and the longest we would make these payments would be to the end date of your mortgage at the time of your claim. So if your mortgage finishes before the **end date** of your **plan**, or you're no longer named as one of the parties on the mortgage, but you're still **unable to work**, then the mortgage guarantee would no longer apply. This means we would reduce your payment to the maximum amount we could pay you, as explained in Section A6 above.

We base the amount we pay out on the average of your mortgage payments in the 12 months before your claim, and we'll use this amount for the duration of your claim under this mortgage guarantee. So if your mortgage payments change while you are claiming then the amount we pay out won't change. This also means if you've got Living Expenses Protection and you've chosen for your **amount of cover** to increase in line with **inflation** (as explained in Section C1) then no increase in your **amount of cover** will be made.

If we make payments to you under this mortgage guarantee, we would ask for evidence of your mortgage when you claim. We'll ask you for proof of your mortgage payments if we're making payments to you under this mortgage guarantee. We may ask for ongoing proof of your mortgage payments, whilst we're paying a claim.

We may change the way in which we work out the maximum monthly amount we will pay you, if any of the following change:

- the way State benefits are paid in the event of you being **unable to work** due to sickness or an accident
- or the way payments from your **plan** are taxed
- or the way any of the payments we take into account in working out the maximum monthly amount we'll pay you are taxed.

If we decide to do this, we'll tell you about the changes we've made at least 30 days before they become effective. Naturally, we'll make sure any changes we make are reasonable and proportionate to the changes that have prompted the review. In fact, we will only do this to make sure that no one was entitled to receive more in total payments than they would under this **plan** prior to the changes being made, and as a result lose the incentive to return to work.

### **A7 What happens if you become sick again (sometimes called linked claims)**

This section is important if you've been claiming, return to work but become too sick to work again. It's important as if you're **unable to work** again you might not need to wait before we would start paying a claim again.

Once we've started to pay you, you'll hopefully become well enough to go back to work. However, we realise that sometimes people are unfortunate enough to find they have to stop work again, because of the same sickness or accident.

If this happens within the first six months of you going back to work, we'll start paying you again straight away as long as:

- the cause of your **inability to work** is the same as it was for the original claim.
- and your **normal occupation** is the same as it was when you were first **unable to work**.
- and you tell us within two weeks of the date that you stop work again.

If we can't confirm that the reason you are **unable to work** is the same, or you go back to work in a different occupation we'll have to treat this as a new claim. If we do, you'll need to wait until another **waiting period** ends again before we start to pay you again.

### **A8 What happens if you go back to work part-time in your normal occupation (sometimes called rehabilitation benefit)**

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This section explains how we work out what we will pay you if you can only go back to work part-time after your sickness or accident. We've used examples, which you might find helpful, later in this section.

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If you're claiming on your **plan**, and we've started to make payments to you, and you then go back to work in your **normal occupation** part-time, we will continue to pay you if:

- you've been **unable to work** continuously for at least 3 months
- and you go back to work for less than 30 hours a week



## SECTION A – ACCIDENT AND SICKNESS COVER

and you worked for more than 30 hours a week immediately before you became **unable to work**

and your **income** from part-time work, plus any payments made under this section, is less than your **income before the claim**.

We understand that if you're **self-employed**, it might be difficult for you to prove your weekly working hours when you make a claim. We'll work with you to try and find evidence that will support your working hours. An example of evidence that would help could be a copy of your accounts.

We work out how much we will pay you as follows:

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$$\left( \frac{\text{(Your income before the claim minus your income from part time work)}}{\text{÷ income before the claim}} \right) \times \text{actual cover}$$

---

In this formula, your income from part time work is based on the yearly equivalent, before any tax is paid. For example if your monthly income from part time work, before tax, was £500, then we would use £6,000 in this formula, (£500 x 12 months = £6,000 a year).

By actual cover, we mean the amount we were paying you before you went back to work part-time.

We will need evidence of your **income** from part-time work, such as your P60, payslip, written confirmation from your employer, invoices or your accounts.

We will need to review the amount we pay you if any of the following change:

- your **income** from part-time work
- the **amount of your cover**
- the maximum monthly amount we'll pay you. We describe this in Section A6.

We will pay you until one of the following happens:

- your **income** from part-time work, plus any payments made under this section, is the same as or more than your **income before the claim**
- or you're able to carry out the main duties of your **normal occupation** for more than 30 hours a week
- or your 60th birthday, or when we've paid you part-time payments for 12 months, if this is later
- or your accident and sickness cover reaches its **end date**
- or you die.

The example overleaf illustrates how we work out what we'll pay you if you go back to work in your **normal occupation** on a part-time basis.



### Example

Before her accident, Lisa earned £30,000, giving her monthly take home pay of £1,900.

Lisa has been claiming on her Mortgage & Lifestyle Protection since her accident, because she has been unable to work. The amount of her cover is £1,250 a month.

After a year off work, her doctor tells her she can start work again, but that she can't work more than 20 hours a week. Her employer agrees to pay her a reduced salary of £18,000 a year, reducing Lisa's take home pay to £1,200 a month.

To work out what we'll pay, we take Lisa's part-time income away from her income before the claim to give us the difference .

$$\text{£30,000} - \text{£18,000} = \text{£12,000}$$

We then divide her reduced income by her income before the claim and multiply this by 100 to tell us the decrease in her income as a percentage.

$$\text{£12,000} \div \text{£30,000} = 0.4 \times 100 = 40\%$$

Lisa's income from part time work is 40% less than her income before the claim. So she'll continue to receive 40% of her Mortgage and Lifestyle Protection payments.

$$(\text{£1,250} \times 0.4 = \text{£500})$$

This equates to £500 a month. Before her accident, Lisa took home £1,900 a month. Now that she is back at work part-time, she takes home £1,700 (£1,200 from her job, plus £500 tax free from her Mortgage & Lifestyle Protection).

## A9 What happens if you recover but not enough to go back to your normal occupation (sometimes called proportionate benefit)

This section explains how we work out what we will pay you if you can only go back to work in a different occupation after your accident or sickness.

We've used examples that you might find helpful later in this section.

Where you recover from sickness or an accident but aren't fit enough to go back to working in your **normal occupation** we will pay you if:

you were **in work** when you became sick or had the accident which meant you were **unable to work**

and because of sickness or accident you're totally unable to carry out the majority of the main duties of your **normal occupation**

and you start a different occupation

and your **income** from your new occupation, plus any payments made under this section, is lower than your **income before the claim**.

We work out how much we'll pay you as follows:

$$\left( \frac{\text{(Your income before the claim minus your income from your new occupation)}}{\text{÷ income before the claim}} \right) \times \text{actual cover}$$

In this formula, income from your new occupation is based on the yearly equivalent, before any tax is paid. For example if your monthly income, before tax, from your new occupation was £500, then we would use £6,000 in this formula, (£500 x 12 months = £6,000 a year)

By actual cover, we mean the amount we were paying you before you went back to work in your new occupation.

So that we can continue to pay you, we will need:

details of your new occupation

and a description of your new occupation

and evidence of your **income**.

We will need to review the amount we pay you if any of the following change:

your **income** from your new occupation

or the **amount of your cover**

or the maximum monthly amount we will pay you. We describe this in Section A6.

We will pay you until one of the following happens:

your **income** from your new occupation, plus any payments made under this section, is the same as or more than your **income before the claim** (but we can restart payments if your **income** falls again, as explained below)

or we believe you're fit enough to carry out the main duties of your **normal occupation**, based on the evidence we've received

or your accident and sickness cover reaches its **end date**

or you die.

We'll only restart payments to you where your **income** from your new occupation, plus the payments made under this section, falls below your **income before the claim** again. If this happens within 52 weeks or less of us stopping the payments, your payments will restart straight away. Naturally, you must have been **unable to work** and unable to carry out your **normal occupation** throughout.

Before we restart your payments we'll need evidence of your reduced **income** and medical evidence that confirms that the reduction in your **income** is a direct result of your **inability to work**. Regrettably, if you can't provide this evidence we won't be able to continue to pay you.

The example below illustrates how we work out what we would pay if someone went back to work in a lower paid occupation, using an example.



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### Example

Geoff used to be a computer analyst, and earned £16,800 a year giving him a monthly take home pay of £1,100.

He has been claiming on his Mortgage & Lifestyle Protection since his illness started, because he has been unable to work. The amount of his cover is £700 a month.

After 6 months, his doctor tells Geoff he can start working again, but that he can't type. So Geoff gets a job working on the enquiries desk at a DIY store. His new job pays £12,000 a year, which gives him a take home pay of £800.

To work out what to pay, we take Geoff's income from his new job away from his income before the claim to give us the difference.

$$\mathbf{£16,800 - £12,000 = £4,800}$$

We then divide his reduction in income by his income before the claim and multiply this by 100 to tell us the decrease in his income as a percentage.

$$\mathbf{£4,800 \div £16,800 = 0.286 \times 100 = 28.6\%}$$

Geoff's income from his new job is 28.6% less than his income before the claim. So he will continue to receive 28.6% of his Mortgage & Lifestyle Protection payments.

$$\mathbf{£700 \times 28.6\% = £200}$$

This equates to £200 a month. Before his illness Geoff took home £1,100 a month. Now that he's working in the DIY store, he takes home £1,000 (£800 from his new job at the DIY store, plus £200 tax free from his Mortgage & Lifestyle Protection).

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### Section B – Unemployment Cover

Unemployment cover is provided by LV Protection Limited, and is administered on their behalf by Liverpool Victoria Friendly Society Limited.



This section of the Plan Conditions deals with Unemployment cover. This cover is optional. Your Policy Schedule tells you if this is included in your **plan**.

Unemployment cover isn't available to you if you:

are not **in work** because you've:

- retired
- become voluntarily unemployed
- taken a career break
- become a **homemaker**

or

are a **temporary worker**

This section tells you about:

- What you're covered for
- When we'll pay the **amount of cover**
- How much we'll pay

### B1 What you're covered for

This cover is designed to pay you a regular income if you're made involuntarily unemployed. Once we review and accept your claim we'll start to pay you at the end of your **waiting period**. You must be continuously unemployed throughout your **waiting period**.



It's important to understand that if you have two jobs, you must become unemployed from both jobs, in order for us to pay a claim.

### What's covered

- **If you've been made involuntarily unemployed and you were in permanent employment**

You can make a claim if you've been made involuntarily unemployed by your employer. You must have been **in work** for a continuous period of six months immediately before the date you became unemployed. So that we treat you fairly we'll ignore any period where you have not been **in work** for two weeks or less, or you've been on statutory maternity or paternity leave or absence, or on any contractual holiday leave or absence.

## SECTION B – UNEMPLOYMENT COVER

To make a claim, you must be registered for work at a Job Centre and be receiving either Jobseekers allowance or National Insurance Credits (unless you're unemployed because you've stopped work to become a **carer**).

### ■ **If you've been made involuntarily unemployed and you were self-employed**

You can only make a claim if you've been declared bankrupt, or your business is insolvent or in liquidation. You must have been **in work** for a continuous period of six months immediately before the date you become unemployed. So that we treat you fairly we'll ignore any period where you have not been in work for two weeks or less.

To make a claim, you must be registered for work at a Job Centre and be receiving either Jobseekers Allowance or National Insurance Credits (unless you're unemployed because you have stopped work to become a **carer**).

### ■ **If you've been made involuntarily unemployed and you were employed on a fixed term contract, an apprenticeship, or a training contract**

You can make a claim if your contract is for less than 24 months, but your employer ends the contract before the fixed term ends. We'll pay you for a maximum of 12 months for any one claim, or for the remaining term of your contract, whichever is less. You must have been **in work** for a continuous period of six months immediately before the date you become unemployed. So that we treat you fairly we'll ignore any period where you have not been in work for two weeks or less, or you've been on statutory maternity or paternity leave or absence, or on any contractual holiday leave or absence.

To make a claim, you must be registered for work at a Job Centre and be receiving either Jobseekers allowance or National Insurance Credits (unless you're unemployed because you've stopped work to become a **carer**).

### ■ **If you've been made involuntarily unemployed because you have stopped work to become a carer**

If you are unemployed because you've stopped work to become a **carer**, you can make a claim if:

- you are receiving Carers Allowance
- and you spend at least 35 hours a week caring for someone
- and the person you're caring for is receiving:

- Attendance Allowance
- or Disability Living Allowance (at the middle or highest rate for personal care);
- or Constant Attendance Allowance (or at above the normal maximum rate with an Industrial Injuries Disablement Benefit or basic (full day) rate with a War Disablement Pension).

If these State benefits and allowances are no longer available, we'll use their equivalent at the time.

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## What's not covered

- **If you become unemployed during the claim exclusion period, or you're told or made aware during the claim exclusion period that you will become unemployed.**

Unless we've told you otherwise in writing, we will not pay a claim if the date you become unemployed, or the date you are told or made aware that you'll become unemployed is during the **claim exclusion period**. Being told or made aware that you'll become unemployed means that you have received confirmation that you'll become unemployed. It doesn't mean that you've been told that your job is at risk.

If you are **self employed** the date you become unemployed is the date your business is officially liquidated, declared insolvent, or the date you are declared bankrupt. Being told or made aware that you will become unemployed would, for example, be the date that you receive notice from your creditors that they intend to close your business down, or the date that you're told by the liquidators that they wish to arrange their first meeting with you.

We explain how long the **claim exclusion period** is, in the Definitions section at the front of these Plan Conditions.

In some cases we'll waive the **claim exclusion period**. We explain when we do this in Section B9.

- **If you were aware that you were going to be made unemployed before your unemployment cover started**

If you've received confirmation either in writing or verbally that your job is at risk before the date that your **plan** starts we will not pay a claim for unemployment cover. This could be if you have received an 'at risk' notice, or you've been told as part of a wider group that your job is at risk. If you're **self employed** this could mean that your business is already in difficulty and insolvency proceedings have already started, for example you've received notice from your creditors that they are intending to close your business down, or the liquidators have called the first meeting with you.

- **If you agree to take voluntary unemployment**

This is where your employer offers you the opportunity to take redundancy, as opposed to going through the formal 'at risk' process. If you decide to voluntarily accept redundancy without going through the process, then we won't pay a claim.

- **If you resign**
- **If you retire**
- **If you take early retirement**
- **If you refuse any offer of reasonable alternative employment by your employer**

If you become unemployed we'll check with your employer to see if you've refused any reasonable offer of alternative employment. A reasonable offer of alternative employment is one where the terms and conditions offered are not significantly different from your previous job. Normally if you refuse such an offer you won't be entitled to Statutory Redundancy Pay under the Employment Rights Act 1996. If this happens we will not pay a claim for unemployment cover.

### What's not covered (continued)

- **If your unemployment starts after you have reached the earlier of the normal or agreed retirement age for your occupation or the State Retirement age**
- **If unemployment is a regular recurrent feature of your occupation**
- **If you are a temporary worker**

We explain what we mean by a **temporary worker**, in the Definitions section at the front of these Plan Conditions.

- **You or any member of your family are a director or a majority shareholder in the company that makes you unemployed**

By family members we mean your husband, wife, civil partner, parent, child, brother, sister, or any other relative by blood or marriage. However you'll continue to be covered, and we would pay a claim if a liquidator or administrator has been appointed in respect of the company by its creditors.

- **You become unemployed because:**
  - of your own misconduct, fraud or dishonesty
  - you haven't successfully completed any probationary period as part of your job.
  - of your involvement in strike action or a labour dispute
  - of your direct or indirect involvement in a riot or a war
  - you are sent to prison
- **If you are a carer and the sickness or disease, or condition of the person you're caring for existed before your unemployment cover start date**

However you will still be covered if we believe the sickness, disease, condition or injury wouldn't have normally become worse, to the extent that full time care would be needed during the period of cover.

- **If you are a carer and the person being cared for doesn't require a carer**

If in our reasonable opinion the Community Care Assessment doesn't confirm that the person you're caring for requires a carer, then we won't pay a claim, and you will not be covered.

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## B2 When you need to tell us about your unemployment

If you become unemployed it's important that you tell us within the times given below, so we can manage your claim as quickly as possible, and start making payments to you as soon as we can. You can tell us in writing, by phone or by fax.

### (a) If the waiting period you've chosen is one or two months

You need to tell us within two weeks of when you stop working. If we don't hear from you until after two weeks, we'll still pay your claim, but we'll count your **waiting period** as if you became unemployed two weeks before you told us.

### (b) If the waiting period you've chosen is three months or more

You need to tell us within eight weeks of when you stop working. If we don't hear from you until after eight weeks, we'll still pay your claim, but we'll count your **waiting period** as if you became unemployed eight weeks before you told us.



### B3 The evidence we need to support your claim

To make a claim you simply need to:

- Ask us for a claim form.
- Then fill in the claim form telling us about your unemployment.
- And fill in the financial questionnaire about your **normal occupation** and **income**.
- Then return the forms to us within 14 days.

So that we can assess your claim, we will need evidence of your unemployment and your **income before the claim**, for example:

- evidence from your previous employer that you've been made involuntarily redundant.
- evidence that you are receiving Jobseekers Allowance or National Insurance Credits.
- evidence confirming that you are registered for work at a Job Centre, that you attend the Job Centre every two weeks and that you're actively looking for work in the UK.
- payslips from your previous employer.
- where you are unemployed because you've become a **carer**, evidence that you're receiving Carers Allowance.

If the date you become unemployed, or the date you are told or made aware that you'll become unemployed, is within 90 days of the **start date** of your **plan**, we may ask you for evidence of the date that you applied for your mortgage or re-mortgage if you took this **plan** out at the same time. So it's important to keep hold of documents about your mortgage or re-mortgage. If you make a claim, we'll let you know if this evidence is needed.

We don't know what evidence we'll need until you make a claim, as all claims are looked at individually. We won't ask for unnecessary evidence and we will explain why we need anything we ask for.

Please understand that whilst the vast majority of our customers are honest, we do have to protect ourselves (and our customers) against the effect of fraudulent claims. Therefore, if you're asked for additional information, please don't take this as a reflection of our opinion of you.

Whilst we're paying you, we may ask you to provide extra evidence of your continued unemployment as a routine review, such as:

- your P45
- a bankruptcy order (if you are self-employed and have been declared bankrupt)

When this happens we'll tell you what we need and supply the forms for you to fill in. This **plan** doesn't cover the costs that may be incurred in getting this evidence so you'll need to meet these costs yourself.

You are not covered if any of the information we ask for isn't provided, unless there is a good reason. In the worst case, this could mean that we would refuse or stop paying your claim.

### B4 How we pay you

Once we approve a claim, we will pay you a month in arrears. This means that the first payment will be paid at the end of the month after your **waiting period** ends. (Your **waiting period** is the number of months you have chosen to wait before we'll start paying you.)

For example for a **waiting period** of two months, if you became unemployed in January, we would make the first payment at the end of March. Payments will be made directly into your bank or building society account. You need to be continuously unemployed throughout this period for us to start paying a claim.

If you've been unemployed for less than a whole calendar month, we would work out how much to pay you by dividing the number of days you have been unemployed by the number of days in the month.

The example below shows you how we work out what to pay when this happens. The figures used in the example don't relate to your own **plan**.



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#### Example

Daniel makes a claim. His plan has a two month waiting period.

The waiting period ends on 15th March.

Daniel's first payment would be calculated as follows:

$$(31 - 15) = 16$$

(as there are 31 days in March and the first 15 are not eligible for payment)

$$(16 / 31) \times 100 = 52\%$$

This means Daniel will receive 52% of the full monthly amount payable at the end of March

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We'll continue to pay you until one of the following happens:

- You find new employment
- or you return to your previous employer
- or you become **self-employed**
- or we have paid you for 12 months for one unemployment claim
- or we have paid you for 36 months in total for all unemployment claims you've made
- or you no longer receive Jobseekers Allowance or National Insurance Credits and you are unable to provide us with any other evidence to confirm that you're still unemployed
- or your unemployment cover reaches its **end date**
- or you die
- or until the original end date of your fixed term contract, if you are claiming because the fixed term contract you were employed under has ended early

or if you are a **carer** and you no longer receive Carer's allowance, you spend less than 35 hours a week as a **carer**, or the person you're caring for is no longer eligible for Attendance Allowance, Disability Living Allowance or Constant Attendance Allowance as described in under 'What's covered' under Section B1.

We explain how we work out how much we'll pay you in Sections B5 and B6.

Once your unemployment cover reaches its **end date**, or we've paid you for 36 months in total for all unemployment claims you've made we will cancel your unemployment cover, and reduce the **premium** you pay to reflect this.

### B5 How much we will pay out

Once we have approved your claim, we'll pay the lower of:

the **amount of your** cover at the time,

or the maximum monthly amount we could pay you. We explain this in Section B6

However, we want to make sure that you can continue to pay your mortgage. So we have a mortgage guarantee, and we explain how this works in Section B6.

Unfortunately, we won't be able to refund any **premiums** if we don't pay the **amount of your cover** in full. So, it is worth checking this if your circumstances change, for example if you stop working.



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If you've received a payment instead of working your notice period (this is sometimes referred to as 'in lieu of notice') we won't pay out for the notice period it covered. This is because you'll have already been paid for that period. This means we'll treat the date you become unemployed as the date your notice period ends, and your **waiting period** will start from this date. We also won't pay you for any compensation you may receive as a result of your fixed term contract ending early, and so your **waiting period** will start at the end of the period that the compensation payment covered.

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If, after your **plan** starts, you become a **homemaker**, take a career break, retire or become voluntarily unemployed (for example if you accept voluntary redundancy, or choose to voluntarily stop work for another reason), then your unemployment cover will be cancelled.

### B6 How we work out how much we will pay you

The example below illustrates how we work out how much we will pay you



#### Example

Julie is employed and earns £35,000 a year before tax, and her monthly take home pay is £2,190.

She can take out Mortgage & Lifestyle Protection for a maximum of 50% of her annual income of £35,000. (Which divided by 12 means she could take Mortgage and Lifestyle Protection for a maximum amount of cover of £1,458 a month).

Julie takes out Mortgage & Lifestyle Protection including unemployment cover, with £700 a month Mortgage Payment Protection and £600 a month Living Expenses Protection. This gives her total cover of £1,300 a month. She chooses a waiting period of one month for her plan.

Julie is made redundant, a year after taking her unemployment cover out, and was earning £36,000. In addition she starts to receive pension income of £500 a month from a previous employer. This means that we will take 60% of this pension income off her monthly income before the claim.

To work out the maximum monthly amount we'll pay under Julie's plan:

First of all we work out 50% of Julie's income before the claim

$$\mathbf{£36,000 \div 2 = £18,000}$$

Then we divide this by 12 to work out the monthly equivalent

$$\mathbf{£18,000 \div 12 = £1,500}$$

Then we work out 60% of Julie's monthly pension income of £500

$$\mathbf{£500 \times 60\% = £300}$$

Then we take this off Julie's monthly income before the claim.

$$\mathbf{£1,500 - £300 = £1,200}$$

The maximum monthly amount we could pay Julie based on her income is £1,200 a month. As the amount of her cover is more than the maximum monthly amount, we'll only pay Julie £1,200 a month, and not the £1,300 she is covered for.

After the 1 month waiting period as Julie is still unemployed she starts to receive tax free payments from LV= of £1,200 a month. Julie finds a new job 6 months after being made redundant, and so payments from her plan then stop.

We work out the maximum monthly amount, as follows:

First we take 50% of your **income before the claim** and divide this by 12.

Then we take off any of the following monthly payments, before tax, that you are entitled to while we're paying you:

- payments from any other sickness, accident or unemployment insurance on your life (for example, any other income protection or loan repayment insurance that you are claiming on)
- 60% of ill health or retirement payments you receive from any source
- 60% of any continuing income or pension payments that you are still receiving whilst you are claiming, (we don't take into account any income earned before you became unemployed – for example a bonus that is paid at the end of the year, or a pension that was being paid before you became unemployed)
- State pension benefit (including payments which relate to State Earnings Related Pension Schemes (SERPS) and State Second Pension (S2P) or their equivalent at the time.

We take these payments off so that in total you don't receive payments totalling more than your **income** and lose the incentive to go back to work. Don't forget that the payments we make to you are free of income tax and therefore closer to your previous taxed **income**.

Finally we check the result against the **amount of your cover**. We'll pay the lower of the maximum monthly amount and the **amount of your cover** as shown on your Policy Schedule.

Remember that your income before the claim generally means the income you received from your **normal occupation** in the 12 months before you became unemployed.

We can use our discretion to base your **income before the claim** on your average **income** over a longer period, if this more accurately reflects the **income** you were aiming to replace and where it means your **income before the claim** is higher.



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### Our mortgage guarantee

As we've explained above, when we work out the maximum monthly amount we can pay you we base this on your **income before the claim**. However, we appreciate that earnings can fluctuate, and you may find it difficult, for example if you're **self-employed**, to provide evidence of your **income**. So if your **income before the claim** no longer supports the **amount of your cover**, for your peace of mind we offer a mortgage guarantee. We guarantee that we'll still provide you with payments to help you pay your mortgage.

**In order for us to make payments to you under this mortgage guarantee, you must be named as one of the parties on the mortgage and the mortgage must be on your main residence. This guarantee only applies for mortgage payments, and doesn't apply to rent payments. It can apply to either Mortgage Payment Protection, Living Expenses protection or to both, and it applies whether you have accident and sickness cover only, or accident and sickness cover and unemployment cover.**

### Our mortgage guarantee (continued)

**When making payments to you under this mortgage guarantee we'll never pay more than the amount of your cover.**

As long as you're able to provide us with evidence of your mortgage payments we can make payments to you based on the average of your monthly mortgage payments over the 12 months before your claim. If you have been paying your mortgage for less than 12 months we'd average your monthly mortgage payments over the amount of time you'd been paying them. When we look at your mortgage payments before your claim, we won't take into account any missed payments, or any increase as a result of arrears, or any additional administration fees.

First we take your average monthly mortgage payment as explained above.

Then we take off any of the following monthly payments, before tax, that you're entitled to while we're paying you:

- payments from any other sickness, accident or unemployment insurance on your life (for example, any other income protection or loan repayment insurance that you're claiming on)
- 60% of ill health or retirement payments you receive from any source
- 60% of any continuing or pension payments that you're still receiving whilst you are claiming, (we don't take into account any income earned before you became **unable to work** – for example a bonus that is paid at the end of the year, or a pension that you were receiving before you became **unable to work**)
- State pension benefit (including payments which relate to State Earnings Related Pension Schemes (SERPS) and State Second Pension (S2P) or their equivalent at the time

We take these payments off so that in total you don't receive payments totalling more than your monthly mortgage payments and lose the incentive to go back to work.

We wouldn't pay more than the **amount of cover** you had in place at the time of your claim, and the longest we would make these payments would be 12 months (or to the end date of your mortgage at the time of your claim if this is earlier). So if your mortgage finishes before the **end date** of your **plan** or you're no longer named as one of the parties on the mortgage, but you're still unemployed, then the mortgage guarantee would no longer apply. This means we would reduce your payment to the maximum amount we could pay you, as explained in Section B6 above.

We base the amount we pay out on the average of your mortgage payments in the 12 months before your claim, and we'll use this amount for the duration of your claim under this mortgage guarantee. So if your mortgage payments change while you are claiming then the amount we pay out won't change. This also means if you've got Living Expenses Protection and you've chosen for your **amount of cover** to increase in line with **inflation** (as explained in Section C1) then no increase in your **amount of cover** will be made.

If we make payments to you under this mortgage guarantee, we would ask for evidence of your mortgage when you claim. We'll ask you for proof of your

mortgage payments if we're making payments to you under this mortgage guarantee. We may ask for ongoing proof of your mortgage payments, whilst we're paying a claim.

We may change the way in which we work out the maximum monthly amount we'll pay you, if any of the following change:

- the way State benefits are **paid** in the event of unemployment
- or the way payments from your **plan** are taxed
- or the way any of the payments we take into account in working out the maximum monthly amount we'll pay you are taxed.

If we decide to do this, we'll tell you about the changes we have made at least 30 days before they become effective. Naturally, we'll make sure any changes we make are reasonable and proportionate to the changes that have prompted the review. In fact, we will only do this to make sure that no one was entitled to receive more in total payments than they would under this **plan** prior to the changes being made and in so doing lose the incentive to return to work.

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### **B7 Making additional unemployment claims**

Once you claim on your unemployment cover, you won't be able to claim again until you have been back **in work** for a continuous period of at least 6 months.

### **B8 What happens if you start doing temporary work**

You can start doing temporary work whilst you are unemployed. Before you start doing any temporary work you must let us know, and give us full details of the temporary work that you want to do.

We'll stop paying you while you're doing temporary work. If your temporary work stops within six months we will start or continue to pay you as though it was part of your original claim. This means you won't have to wait until the end of your **waiting period**.

If the temporary work lasts for more than six months we'll treat this as if you are **in work**, and your unemployment claim will end.

Remember that we don't offer unemployment cover for **temporary workers**, so if this happens you'll need to let us know.

### **B9 – Does the claim exclusion period apply if I've cancelled a similar policy with another insurer to take out this plan?**

No, subject to some conditions which we explain below, we'll waive the **claim exclusion period**. However the **amount of cover** we'll pay you if you make a claim during the **claim exclusion period** will be the lower of:

- The amount you were covered for with your previous insurer, or
- The **amount of cover** provided by this **plan**, or
- The maximum monthly amount we could pay you (which we explain in Section B6)

This amount will then be paid after your **waiting period** for the remainder of your unemployment claim. Of course if you're made unemployed after the end of the **claim exclusion period**, then the most we'll pay you is as explained in Sections B5 & B6.

We'll waive the **claim exclusion period** as long as:

- the previous cover you had was for unemployment cover, and
- was held by you for at least 90 days before you cancelled it.

Unfortunately we won't be able to waive the **claim exclusion period**, where your previous policy was cancelled by your previous insurer, or it was solely for credit card protection.

If you need to make a claim during the **claim exclusion period**, we'll need you to provide us with the following, so that we can check the details of your previous policy.

We'll ask you to give us:

- The policy documents for your previous policy, or
- Your permission in writing, for us to contact your previous insurer.

We'll ask for your permission to contact your previous insurer if you're unable to provide your previous policy documents, or if they don't contain the information we need.



## Section C – Other Conditions



This section applies to both accident and sickness cover and unemployment cover. It tells you about other things you need to know such as how to increase your cover, pay your **premiums** and cancel your **plan**.

### C1 Inflation-linking your cover



Section C1 applies only if you've chosen for the **amount of your cover** for your Living Expenses Protection **policy** to increase in line with **inflation**. We sometimes refer to this as **inflation-linking** or **inflation-linked**. If you're unsure whether this applies to you, you'll find whether or not this is included on your Policy Schedule.

#### (a) What Inflation-linking means

This means that the **amount of your cover** and **premium** will both go up in line with the increase in **inflation**. This increase will be based on the 12 month period ending three months before your **plan anniversary**. Of course where there is no increase in **inflation** over this period your **amount of cover** won't increase.

Where **inflation** has increased we'll increase the **amount of your cover** on each **plan anniversary**. This means every 12 months from the start date of your **plan**. This is shown as the plan **start date** in your Plan Schedule.

If we're paying a claim when an increase is due, we limit the increase to a maximum of 12% for that year.

However, if we're paying a claim under our mortgage guarantee then we won't increase your **amount of cover**. For more information on our mortgage guarantee please read Section A6 for accident and sickness cover, and section B6 for unemployment cover.

We'll tell you what we will increase the **amount of your cover** to and your new **premium** before we increase them.

Any Special Provisions that apply to your **plan** will also apply to any **inflation-linked** increases. These Special Provisions will be shown in your Policy Schedule.

**Inflation-linked** increases can take the amount of your cover over the maximum cover amount.

If the increases mean that the **amount of your cover** has increased to more than three times the initial **amount of your cover** shown in your Policy Schedule, we can stop increasing it. The good news is that we won't do this if we're paying a claim when an increase is due. This allows us to protect ourselves if there has been very high **inflation**, as you benefit from the fact that the increases to your **premium** when the **amount of your cover** increases is charged at the age you were when you bought this **policy**.

You can ask us not to increase the **amount of your cover**, but you must let us know before the **plan anniversary** when an increase is due.

However, if we're paying a claim at the time you ask us not to increase the **amount of your cover**, we'll still increase it but your **premium** won't go up. Once we've stopped paying the claim, we will change the **amount of your cover** back to the level that applied before your claim.

Please note if you ask us not to increase the **amount of your cover** in one year, and then wish us to increase it again the following year, you can do this without having to re-apply for **inflation-linked** cover. However, if you ask us not to increase the **amount of cover** two years in a row, you'll need to re-apply for **inflation-linked** cover. We can't guarantee that we'll be able to offer you **inflation-linked** cover again, as it will depend on your health, occupation and leisure activities and whether we're offering the same type of insurance at that time.

### **(b) Adding cover and inflation-linking**

You can still take out additional cover which is **inflation-linked** after your **plan** has started. So that we don't increase your new cover shortly after you add it, if the **plan anniversary** is less than three months after you have added the cover, we won't apply an **inflation-linked** increase until the next **plan anniversary**.

## **C2 Guaranteed Increase Options**

You can increase your **amount of cover** (other than for **inflation-linking**, which we explain in Section C1 above) without having to complete a full application form, if certain events happen. In all cases you can only do this within three months of the event happening.

The **total cover** in your **plan** after using the Guaranteed Increase Options must not be more than the maximum monthly amount. We explain how we work out the maximum monthly amount for Accident and Sickness cover in Section A6 and in Section B6 for Unemployment cover.

We call these Guaranteed Increase Options, because we guarantee that you can increase your **amount of cover**, within certain limits, as long as you are eligible. Your **premium** will go up to reflect the increase in the **amount of your cover**. The additional **premium** will be based on your age, whether you smoke or not, and your occupation at the time you increase the **amount of your cover**.

If you want to increase your **amount of cover** using one of the Guaranteed Increase Options you won't have to provide any additional medical information at that time. Naturally this means we have to apply some limits to the amount you can increase the **amount of your cover** by. We've explained these in more detail below.

The events which are covered by our Guaranteed Increase Options are:

### **Mortgage increase as a result of moving house**

You can use this option if you increase the amount of your mortgage because you're moving home. You can increase the **amount of your cover** by up to 50% of the **amount of cover** shown in your Policy Schedule at the time you wish to use this option.



### Example

Marc has moved house and increased his mortgage from £100,000 to £125,000.

The amount of cover under his existing Mortgage & Lifestyle Plan is £500 a month. This was enough to meet his mortgage repayments, but as his mortgage repayments have now gone up to £700 a month, he needs to increase his cover.

Marc earns £26,000 a year before tax. This means that the maximum amount of cover he can have under is plan his £13,000 a year or £1,083 a month.

As he only wishes to increase his cover to £700 a month, this is still less than the maximum cover he could have. Also as the amount which he wants to increase his cover by (£200) is less than 50% of his original amount of cover (£500), he is allowed to do this under a Guaranteed Increase Option.

#### Marriage or Civil Partnership

You can use this option if you marry or enter a civil partnership which is legally recognised in the UK (as defined by the Civil Partnership Act 2004). You can increase the **amount of your cover** by up to 50% of the **amount of cover** shown in your Policy Schedule at the time you wish to use this option.

#### Childbirth or legal adoption of a child

You can use this option if you have a child, or you legally adopt a child (this must be legally recognised in the UK). You can increase the **amount of your cover** by up to 50% of the **amount of cover** shown in your Policy Schedule at the time you wish to use this option.

#### Divorce or dissolution of a civil partnership

You can use this option if you divorce, or you civil partnership is dissolved (as defined by the Civil Partnership Act 2004). You can increase the **amount of your cover** by up to 50% of the **amount of cover** shown in your Policy Schedule at the time you wish to use this option.

#### Increase in basic salary

You can use this option if you're employed and have an increase in basic salary of at least 10%. Your basic salary must have increased because of a promotion, the award of a recognised professional qualification or both a change of employment and employer. You must be in permanent employment before and after the increase in your basic salary. You can increase the amount of your cover by up to 50% of the amount of cover shown in your Policy Schedule at the time you wish to use this option.

### General limits for Guaranteed Increase Options

There are some limits for how much you can change the **amount of cover** by. The total of all the Guaranteed Increase Options you use can't be more than £10,000 a year or 50% of the **amount of cover** shown on your Policy Schedule at the time you wish to use the option.

The **total cover** in your **plan** after using the Guaranteed Increase Options must not be more than the maximum monthly amount. We explain how we work out the maximum monthly amount for Accident and Sickness cover in Section A6 and in Section B6 for Unemployment cover.

## SECTION C – OTHER CONDITIONS

The maximum **total cover** included in your **plan** after increasing the **amount of your cover** cannot be more than:

- £50,000 a year where the own occupation definition applies
- £18,000 a year where the activities of daily living definition applies

We explain what each of these definitions mean under 'What's covered' in Section A1.

The table below explains the limits in more detail. It also shows the maximum age at which you can make use of these options. In all cases you can only use these options within three months of the event occurring.

Event	Increase limit	Maximum increase	Maximum age
Mortgage Increase	50% of the <b>amount of your cover</b> shown on your Policy Schedule at the time you wish to use the option.	£10,000 a year	55
Marriage/Civil Partnership	50% of the <b>amount of your cover</b> shown on your Policy Schedule at the time you wish to use the option.	£10,000 a year	55
Childbirth/Legal adoption of a child	50% of the <b>amount of your cover</b> shown on your Policy Schedule at the time you wish to use the option.	£10,000 a year	55
Divorce/Dissolution of Civil Partnership	50% of the <b>amount of your cover</b> shown on your Policy Schedule at the time you wish to use the option.	£10,000 a year	55
Increase in basic salary	50% of the <b>amount of your cover</b> shown on your Policy Schedule at the time you wish to use the option.	£10,000 a year	55

If you change the **amount of your cover** using one of these options, the **premium** you need to pay will also change to reflect this. The **premium** will be based on your age, occupation and whether you smoke or not at the time of the change. Any special terms that apply to your **policy** will also apply to the increase.

If you want to use one of the Guaranteed Increase Options, we'll ask you for evidence of the change of your circumstances, such as:

- A copy of your mortgage offer
- or your original marriage certificate or civil partnership registration certificate,
- or the original birth certificate or adoption certificate,
- or your original decree absolute or dissolution certificate,
- or a letter from your employer confirming your salary increase.

### C3 Other ways to change your plan

If you wish to increase the **amount of your cover** (other than for **inflation-linking**, which is explained in Section C1 above), but don't meet the limits or conditions explained for the Guaranteed Increase Options (Section C2), you can still do this but you'll need to complete a full application.

You can apply to change the **amount of your cover**, your **waiting period** or the term of your **policy** at any time. You can also apply to change your **plan** or **policy**, if you've changed job. If you want to do this please let us know, and we'll supply you with a special application form to complete. We'll let you know what information we need at the time, and we'll be able to help you complete the application form.

Unfortunately, we can't guarantee that you'll be able to do this, as it will depend on your age, health and medical history, leisure activities and whether we're offering the same type of insurance at that time.

If you shorten your **waiting period**, or increase the **amount of cover**, for your unemployment cover, and are then made unemployed within 90 days of the change, then the changes won't apply to any claim you make. Instead we'll use the **waiting period** and the **amount of cover** that you had on your unemployment cover before you asked us to change them.

Of course if you're made unemployed after 90 days of making these changes, then we'll use the new **waiting period** and **amount of cover** instead.

We'll work out the new **premium** depending on your age, health and medical history, leisure activities, whether you smoke and the **premium** rates available at the time. Any special terms that apply to your **policy** will also apply to the increase.

It's very important that you don't cancel your existing **plan** or **policy**. We'll confirm the changes you've requested to you, and if you wish to proceed with them, we'll tell you if your existing **plan** or **policy** needs to be cancelled. If it does, we'll do this automatically for you.

If you wish to cancel your unemployment cover, we can do this for you at any time. If you wish to do this, please let us know, and we will then be able to reduce the **premium** you pay for your **plan** to reflect this.

### C4 – What to do if you stop working

#### Accident & Sickness cover

It's very important that you tell us when you aren't **in work**, because if you claim, we'll assess whether you are **unable to work** for Accident & Sickness cover using the activities of daily living definition explained in Section A1. We'll also limit the **amount of your cover** to a maximum of £1,500 a month (plus **inflation linked** increases). This means that if your amount of cover was more than £1,500 a month, the most we'll pay if you make a claim is £1,500 a month. So if you don't tell us that you are not **in work**, you could find that you're paying for cover that you cannot claim for. More details of how much we'll pay out if you make a claim are explained in Sections A5 and A6.

If you wish to reduce the **amount of your cover** to less than £1,500 a month because you're not **in work**, we can do this for you, and we will also change the **premium** you need to pay.

You can apply to go back to the own occupation definition if you go back to work within 24 months of when you stopped working. Your **premium** will then change back to what

you were paying before you stopped working. We'll ask you to confirm what your new occupation is, but we won't ask you any additional medical questions.

You can apply to go back to the own occupation definition at any other time, but we'll ask you to complete a special application form which asks you details about your new occupation, and your health and medical history. Your **premium** may not be the same as what you were paying before you stopped working, and will be based on your age, whether you smoke or not, and your occupation and state of health at that time.

If you forget to tell us that you aren't in work, and claim while you are not **in work**, the **amount of your cover** will be limited to £1,500 a month (plus any **inflation linked** increases), and we'll assess whether you are **unable to work** for Accident & Sickness cover using the activities of daily living definition explained in Section A1. Unfortunately we won't be able to refund your **premiums** if this happens.

### Unemployment cover

It's very important that you tell us if you stop working, and you're not going to make a claim on your unemployment cover. This is so that we can stop your unemployment cover, and reduce the premium you pay for your **plan**. You can apply to have your unemployment cover re-started if you go back to work within 24 months. We'll ask you to confirm what your new occupation is, and you need to remember that you won't be able to make a claim unless you have been back **in work** for a continuous period of at least six months.

### C5 – What happens if you need to claim for accident and sickness cover and unemployment cover at the same time

If you are **unable to work** because of sickness or accident, and are also unemployed at the same time, we'll pay you, but your payment won't be doubled because you're claiming for more than one reason. We'll assess your claims based on the first event to have happened.

If you are **unable to work** because of sickness or accident, and we're paying a claim, and you then also become unemployed, we'll treat your claim as though it is for accident and sickness cover. If you then recover, and are **able to work** again, but are still unemployed, you won't have to wait for the full **waiting period** you have chosen again.

Instead we'll treat your **waiting period** as though it started on the date you became **unable to work** because of sickness or accident. So if we've already started to make payments to you for your accident and sickness cover, and you then become unemployed, as long as you meet the conditions for an unemployment claim we'll simply start making payments to you for your unemployment cover.

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#### Example

Peter is unable to work because of sickness or accident. He has a Mortgage & Lifestyle Protection Plan, with a waiting period of six months for his accident and sickness cover, and one month for his unemployment cover. We start to pay his accident & sickness claim at the end of his six month waiting period. After two months of us paying his claim, he becomes unemployed, but he's still unable to work because of sickness or accident. So we continue to pay his accident and sickness claim. Two months later he recovers but he's still unemployed. His accident and sickness claim stops, and we immediately start to pay his unemployment claim.

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If you become unemployed and we're paying a claim and you then also make a claim for accident and sickness cover then we'll usually stop paying your unemployment claim, and treat your claim as an accident and sickness claim instead. This is because if you're **unable to work**, then you won't be able to claim Jobseekers Allowance. We'll treat your **waiting period** for your accident and sickness cover as though it started on the same day as your unemployment cover **waiting period**.

However we realise if your accident and sickness **waiting period** is longer than your unemployment cover **waiting period** this may mean you may not receive any payments until the end of your accident and sickness cover **waiting period**. We want to make sure that you still get payments from your **plan**, so where this happens and you're still unemployed we'll continue to pay your unemployment claim for the remainder of your 12 month maximum claim payment period. Once we've made 12 months worth of payments your unemployment claim will stop. Then if you're still **unable to work** because of sickness or accident, we'll assess your accident and sickness claim against the Activities of Daily Living definition.

As long as your accident and sickness means you're **unable to work** as measured by the Activities of Daily Living then we'll immediately start to pay your accident and sickness claim, and your **waiting period** won't apply. However because you're not working the most we'll pay for your accident and sickness claim will be £1,500 a month.



### Example

Rebecca has been made redundant. She has a Mortgage & Lifestyle Protection Plan, with a waiting period of two months for her unemployment cover, and six months for her accident and sickness cover. She has cover of £2,000.

We start to pay her unemployment claim at the end of her two month waiting period. After two months of us paying her claim she becomes unable to work because of sickness or accident, but is still unemployed.

Because she will be no longer able to claim Jobseekers allowance we stop paying her unemployment claim, and we treat her waiting period for her accident and sickness cover as though it started on the same day as her unemployment waiting period. But this would still mean she would have to wait for two months before we started to pay her accident and sickness claim. So to help make sure that she still gets payments from her plan, we agreed to continue to pay her unemployment claim for a further ten months.

At that point her unemployment claims stops, and because she's still unable to work because of sickness or accident we immediately start to pay her accident and sickness claim. However because she's unemployed we assess her accident and sickness claim against the Activities of Daily Living definition.

We agree that she meets the Activities of Daily Living definition, and so we immediately start to pay her accident and sickness claim, but because she's still unemployed we reduced her payments to £1,500 a month.

If you become unemployed and **unable to work** because of sickness or accident on the same day, then we'll treat your claim as though it's an accident and sickness claim. In other words we'll have assumed that you became **unable to work** because of sickness or accident first.

This is because you won't be able to claim Jobseekers Allowance, as you won't be able to actively look for work, if you're **unable to work** because of sickness or accident. This means that you'll have to wait for the full **waiting period** you've chosen for your accident and sickness cover before we start to pay your claim.

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### C6 Paying your premiums

You're responsible for paying **premiums** on the date shown in your Plan Schedule. They can only be paid by direct debit. Your **premiums** are guaranteed not to increase unless you've chosen for your Living Expenses Protection to increase in line with **inflation**. (We explain this in Section C1)

If we're paying a claim under this **plan**, you won't have to pay your **premiums** while we're paying you. When we stop paying your claim, you'll need to start paying the **premiums** again.

#### How to work out the date of the last premium you'll pay

To work out the date of the last **premiums** you pay for each **policy** in your **plan** we deduct the length of the **waiting period** you've chosen, plus one month, from the **end date** of your **plan**.

If you have both a Mortgage Payment Protection and a Living Expenses Protection **policy** in your **plan**, the **end date** of each **policy** may be different. The **end date** of each **policy** is shown on each Policy Schedule.

If you have both accident and sickness cover, and unemployment cover in your **plan**, then the **waiting periods** for each of these covers can also be different, in which case you'd stop paying for them at different times. The **waiting period** for each type of cover is shown on each Policy Schedule.

As your different covers come to an end we'll automatically reduce the **premium** you pay for your **plan** to reflect this. We'll write and tell you when this happens, and tell you what cover you have remaining, and the reduced **premium** you'll need to pay for your **plan**.

We've given an example on the next page to help explain this:





### Example

Martin has a Mortgage & Lifestyle Protection Plan, with just Mortgage Payment Protection included in his plan. He has both accident and sickness cover and unemployment cover. His plan started on 15th December 2009, and he pays his premiums on the 15th of every month.

- His Mortgage Payment Protection policy has a term of 25 years, so the end date of his plan is 15th December 2034.
- His waiting period for his accident and sickness cover is two months.
- His waiting period for his unemployment cover is six months.

So the premium he pays for his plan as a whole will reduce in stages as each cover in his plan comes to an end.

First of all his unemployment cover will end as the waiting period for his unemployment cover is longer.

**15 December 2034 minus 1 month = 15 November 2034**

**15 November 2034 minus 6 month waiting period = 15 May 2034**

So the last premium he'll pay for his unemployment cover will be on 15th May 2034.

Then his accident and sickness cover ends on 15th September 2034.

**15 December 2034 minus 1 month = 15 November 2034**

**15 November 2034 minus 2 month waiting period  
= 15 September 2034**

So the premium Martin pays reduces on the 15th May 2034, and the last ever premium he'll pay for his plan as a whole will be the one due on 15th September 2034.

### C7 Stopping premiums

We give you 60 days from the due date for you to pay a **premium**. If we haven't received a **premium** from you, we'll send you a reminder to let you know.

If you fail to pay any **premium** within this 60 day period, then your **plan** stops immediately, and we'll cancel it. We won't pay anything to you if this happens. If we cancel your **plan**, we'll let you know.

### C8 Re-starting premiums

If your **plan** has stopped because you didn't pay a **premium**, you can ask us to start it again. You may be able to do this without completing a new application within six months of the first unpaid **premium**. So that we can restart your **plan**, you will need to pay all of the **premiums** you haven't paid. You will also need to sign a declaration of health, and give us details of your current occupation, and confirm that you haven't been made unemployed or put at risk of unemployment whilst you weren't paying the **premiums**.

Unfortunately, it's possible that we may not be able to restart your **plan**. In the event that this happens, we'll explain our decision to you and the reasons for it. Please note as the **plan** has actually ended we are not obliged to restart it for you.

If you wished to restart your **premium** after 6 months you would need to apply for a new **plan**.

### C9 Proof of age and name

The **premium** you pay for the **amount of your cover** is based on your date of birth as shown in your Policy Schedule.

We'll need evidence of your age before we will pay a claim on your **plan**. We'll accept your original birth certificate or passport as evidence, but not photocopies.

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We recognise that these are valuable documents that other people may need at the same time. We'll look after the documents carefully, and return them to you quickly.

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It's really important that you check your Plan and Policy Schedules have the correct date of birth on them, as it affects the amount we can pay out to you if you claim. If your actual date of birth differs from that shown on your Plan and Policy Schedules, we will change the **amount of your cover** to the amount that would have been available based on your actual age and the **premiums** you've paid.

Of course, if when you claim your name is different from your name on your Plan and Policy Schedules and birth certificate we'll also need evidence of this change (for example a marriage certificate). We may need to ask for additional evidence, and if we do, we'll tell you what evidence we need, and why we need it.

### C10 When you can cancel your plan

You can cancel your **plan** at any time, although if you do this you will lose all your cover and you won't get anything back. This **plan** has no cash-in value at any time.

If you decide to cancel your **plan**, please let us know, so that we don't ask you to pay any more **premiums**.

### C11 When we can cancel your plan

Once your **plan** starts we won't cancel it, unless you have not paid all of the **premiums** that are due. We've explained this in more detail in section C7.

There is just one exception.

Please understand that whilst the vast majority of our customers are honest, we do have to protect ourselves (and customers) against the effect of fraudulent claims.

We'll cancel your **plan** if you act fraudulently, deliberately provide untrue, inaccurate or misleading information when you apply for the **plan**, when making a claim, if you apply to change your **plan** or if you apply to re-start your **premiums** (this is explained in Section C8).

This means we'll cancel your **plan** if we determine that you would have known, or ought to have reasonably known, the true answer to a question we ask you, but have deliberately provided a false answer.

We may also cancel your **plan**, or may not pay the **amount of your cover** in full, if had you answered all of the questions we asked you honestly and in full, it would have led us to a different decision about the **amount of your cover**. For example:

- or a higher **premium** would have applied for the **amount of your cover**,
- or the **amount of your cover** would have been lower for the same **premium**,
- or we would have restricted the claims we pay out on, for example we would have excluded a particular disease, medical condition or illness from your cover,
- or the term of your **plan** would have been restricted,
- or your application would have been deferred, for example, pending the outcome of a medical investigation,
- or your application would have been declined.

When you apply for your **plan**, we'll telephone you to ask you questions about your occupation, health and medical history. We'll send you a summary of the questions we ask and the answers you give. When you receive this summary it's very important that you check the answers you gave, as we rely on this information to set up your **plan**. If you notice that any of the information is incorrect it's very important that you tell us as soon as possible.

If we cancel your **plan** you won't be entitled to any refund of **premiums** or payment from it.

### **C12 When your plan ends**

On the **end date** shown in your Policy Schedule, the **policy** will stop and no further **premiums** will be due and no benefits payable. Once all of the **policies** included in your **plan** have ended your whole **plan** ends.

You won't receive anything back when it ends. The **plan** has no cash-in value at any time.

### **C13 Transferring your plan to someone else**

You can't assign or transfer any payment in the event of a claim under your **plan** or the **plan** itself to anyone else. This means you can't give it to anyone else or put it in Trust.

We'll pay all payments due under your **plan** to you. These payments, to coin a legal phrase, will be a full and proper discharge of our liability. This means we won't owe anything to anyone else, once we've paid you.

No person, or company, apart from you, LV Protection Limited and us can have any rights under, or may enforce, this agreement.

### **C14 The law that applies to your plan**

The **plan** is governed by the law of England as applied by the courts for that part of the UK where you live. We'll always communicate in English.



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**You can get this and other documents from us in Braille, large print or on audio by contacting us.**

**Liverpool Victoria Friendly Society Limited: County Gates, Bournemouth BH1 2NF.**

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