

KEY FEATURES OF: MORTGAGE PROTECTION PLANS

This is an **important document** which you should keep in a safe place.

Legal & General working in association with:

▶ USING THIS DOCUMENT.

WHAT ARE KEY FEATURES?

The Financial Conduct Authority, the independent financial services regulator requires Legal & General to give you this important information to help you decide whether Mortgage Protection Plans are right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

OTHER DOCUMENTS

You should read this document alongside your Personal Illustration. You can also ask for:

- A copy of the Policy Terms and Conditions; and/or
- Our Guide to Critical Illness Cover (if relevant).

If you are visually impaired, and would like this document in Braille, large print or audiotape, copies are available from the Legal & General Helpdesk.

ABOUT LEGAL & GENERAL

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. As at 31 December 2015, we had over nine million customers in the UK for our life assurance, pensions, investments and general insurance plans.

AIMS

Mortgage Protection Plans are designed to help protect against the impact of death, terminal illness or critical illness (if chosen) on you and your family.

Your policy should be used to help pay off your outstanding mortgage.

Your policy is designed to cover you:

- If you die before the end of your policy.
- If you take out a plan that includes Critical Illness Cover, and you are diagnosed with one of the critical illnesses covered by Legal & General before the end of your policy.
- If you are diagnosed as being terminally ill, and in the opinion of your hospital consultant and Legal & General's medical officer, the illness is expected to lead to death within 12 months.

Legal & General will pay out a lump sum in full once. After this happens, your policy will end and you'll no longer have any cover.

You can decide if you want your policy to cover one or two people (Joint Life Cover).

For Joint Life Cover, Legal & General will only pay the lump sum out once. This will be when the first person dies or has a valid claim before the end of their policy. There is a replacement cover option which could allow the other person covered to take out a new single life plan, ensuring they still have some protection in place.

YOUR COMMITMENT

- You must give accurate information when setting up your policy as your policy may not pay out if Legal & General don't receive full and honest answers to the questions asked at application. Please don't assume that they'll contact your doctor to find out your full medical details.

- You need to let Legal & General know if any information given in your application changes before your policy starts.
- You pay Legal & General premiums for the life of your policy. You can pay them either monthly or annually. If you stop paying them, your cover will come to an end 30 days after the last premium was due.

RISKS

- We won't pay out if, within the first year of your policy, your death is caused by suicide or intentional and serious self-injury, or an event where, in our reasonable opinion, you took your own life.
- Legal & General won't pay out if your terminal illness or critical illness (if chosen) doesn't meet their definition; and for any exclusions applied to your policy which Legal & General will tell you about in your Policy Schedule.
- Legal & General will not pay out if you reach the end of your policy without making a valid claim.
- Terminal Illness Cover can't be claimed after your death or if the length of your policy is less than two years.
- Your policy may not completely pay off your outstanding mortgage unless you ensure that your amount of cover is adjusted to match any new mortgage arrangements.
- If you have decreasing cover you must also check that the interest rate applied to your mortgage does not become higher than the interest rate applied to your policy.

For further details, please read the Policy Terms and Conditions.

► MORTGAGE PROTECTION PLANS.

If you are taking out a mortgage protection plan to help pay off an outstanding mortgage, you will need to choose between Level or Decreasing Cover.

- Level Cover provides the same lump sum throughout the length of your policy.
- For Decreasing Cover, the amount of cover reduces roughly in line with the way a repayment mortgage decreases.

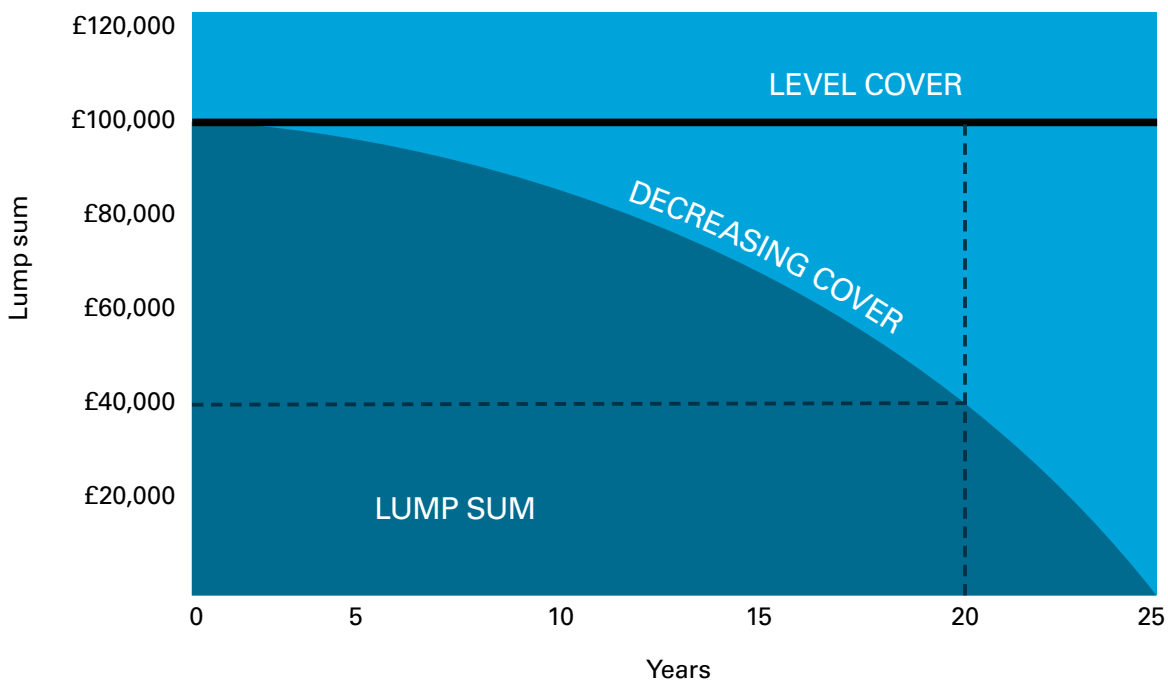
Your premiums will remain the same during the length of your policy unless you make any changes.

If you choose Decreasing Cover, your amount of cover for Terminal Illness Cover and/or Critical Illness Cover (if chosen) will also decrease.

You need to ensure that your amount of cover matches your outstanding mortgage. Your policy may not completely pay off your outstanding mortgage, if you:

- Change the mortgage you have in any way and you don't adjust your cover or length of policy to match your new arrangements.
- Choose Decreasing Cover and the interest rate on your mortgage becomes higher than the rate applied to your policy.

LEVEL COVER VS DECREASING COVER COMPARISON



The graph above compares a policy that covers £100,000 over 25 years and shows the differences between Level and Decreasing Cover. In this example, if a claim is made after 20 years, the payment provided under a Decreasing policy would be £40,000, whereas a Level policy would pay £100,000.

These figures are for illustration purposes only. You can find the interest rate for your cover in your Personal Illustration and your Policy Schedule.

▶ QUESTIONS AND ANSWERS.

WHAT BENEFITS ARE AVAILABLE?

The following benefits may be available. Some of these benefits are subject to age and other restrictions.

ACCIDENTAL DEATH BENEFIT

Automatically included at no extra cost.

✓ WHAT IS COVERED?

You will be covered from when Legal & General receive your application, for up to 90 days or until they accept, postpone or decline your application. This means that if you die due to an accident during this time, Legal & General will pay out the amount you've asked to be insured for, up to a maximum of £300,000 for all applications.

The benefit will be paid out if the person covered sustains bodily injury caused by accidental, violent, external and visible means which is the sole cause of death and if the death occurs within 90 days of such an accident.

✗ WHAT IS NOT COVERED?

The benefit will not be paid out if death occurs from:

- Suicide or intentional and serious self-injury, or an event where, in our reasonable opinion, you took your own life.
- Taking part or attempting to take part in a dangerous sport or pastime.
- Taking part or attempting to take part in any aerial flight other than as a fare paying passenger on a licensed airline.
- Committing, attempting or provoking an assault or criminal offence.
- War (whether declared or not), riot or civil commotion.
- Taking alcohol or drugs (unless these drugs were prescribed by a registered doctor in the United Kingdom).
- Accidents that have occurred prior to application.

Cover will not be provided:

- If they have been told that the application is to replace an existing policy with them while cover is still provided under the existing policy.
- From the date you tell them that you no longer want the application to proceed.

If you make a claim under Accidental Death Benefit, Legal & General will only pay out once. This will be either under the Accidental Death Benefit, Free Life Cover or the protection plan itself.

WAIVER OF PREMIUM

Optional – must be chosen at the start of your policy and will be at an additional cost.

✓ WHAT IS COVERED?

You won't have to pay your premiums after 26 weeks if you're too ill or incapacitated, due to sickness or injury, to do your normal job. If you're not in work Legal & General will use Specified Work Tasks (page 9) to assess your claim.

✗ WHAT IS NOT COVERED?

You won't be able to add Waiver of Premium to your policy at the start if:

- You are 55 years old or over when your application is accepted.
- After assessment, Legal & General have had to increase your premium.
- An exclusion has been applied.

Please see the Policy Terms and Conditions for further information.

FREE LIFE COVER

Automatically included, at no extra cost.



WHAT IS COVERED?

Legal & General will cover you if you die between exchange of contracts and completion of your property purchase for a maximum of 90 days, provided you are accepted on standard terms for one of their Mortgage Protection plans and they have everything they need to start your policy.

Your Free Life Cover will end as soon as your policy starts.

You'll be covered for the lower of your proposed lump sum or the amount of your mortgage, up to a maximum of £300,000.

If you live in Scotland, you'll be covered between completion of missives and your date of entry.



WHAT IS NOT COVERED?

You won't be accepted for Free Life Cover if you are 55 years old or over. For joint life policies you both need to be under this age for Free Life Cover to apply.

You won't be covered if you have another policy covering the same mortgage.

If you make a claim under Free Life Cover, Legal & General will only pay out once. This will be either under Free Life Cover, Accidental Death Benefit or the protection plan itself.

For further details, please read the Policy Terms and Conditions.

▶ PRODUCT RANGE.

| DETAILS | Life Cover | Life Cover | Life and Critical Illness Cover | Life and Critical Illness Cover |
|----------------------------------------------------|-------------|-------------|---------------------------------|---------------------------------|
| | Level | Decreasing | Level | Decreasing |
| Pays out in the event of death or terminal illness | ✓ | ✓ | ✓ | ✓ |
| Pays out in the event of critical illness | ✗ | ✗ | ✓ | ✓ |
| Pay out | Lump Sum | Lump Sum | Lump Sum | Lump Sum |
| Maximum age for buying a plan | 77 years | 74 years | 67 years | 64 years |
| Minimum length of the plan | 1 year | 5 years | 2 years | 5 years |
| Maximum length of the plan | 50 years | 50 years | 40 years | 40 years |
| Your plan must end before age | 90 | 90 | 70 | 70 |
| Premiums | Guaranteed* | Guaranteed* | Guaranteed* | Guaranteed* |

The minimum age to take out a plan is 18. The plan must not end before your 29th birthday.

* Guaranteed Premiums stay the same for the length of your policy, unless you make changes to your policy.

▶ CRITICAL ILLNESSES COVERED.

If you choose a plan that includes Critical Illness Cover then you will be covered for the illnesses shown below. For a claim to pay out, your illness must meet Legal & General's definition and it must be verified by a consultant at a hospital in the UK, who is a specialist in an area of medicine appropriate to the cause of your claim. Please check the full definitions found in the Guide to Critical Illness Cover and Policy Terms and Conditions to make sure that you understand exactly what is covered, as in some instances cover may be limited.

- **Alzheimer's disease** – resulting in permanent symptoms.
- **Aorta graft surgery** – requiring surgical replacement.
- **Aplastic anaemia** – with permanent bone marrow failure.
- **Bacterial meningitis** – resulting in permanent symptoms.
- **Benign brain tumour** – resulting in either surgical removal or permanent symptoms.
- **Blindness** – permanent and irreversible.
- **Cancer** – excluding less advanced cases.
- **Cardiac arrest** – with insertion of a defibrillator.
- **Cardiomyopathy** – of specified severity.
- **Coma** – with associated permanent symptoms.
- **Coronary artery by-pass grafts** – with surgery to divide the breastbone or anterolateral thoracotomy.
- **Creutzfeldt-Jakob disease (CJD)** – resulting in permanent symptoms.
- **Deafness** – permanent and irreversible.
- **Dementia** – resulting in permanent symptoms.
- **Encephalitis** – resulting in permanent symptoms.
- **Heart attack** – of specified severity.
- **Heart valve replacement or repair** – with surgery.
- **HIV infection** – caught from a blood transfusion, physical assault or accident at work.
- **Kidney failure** – requiring permanent dialysis.
- **Liver failure** – of advanced stage.
- **Loss of hand or foot** – permanent physical severance.
- **Loss of speech** – total permanent and irreversible.
- **Major organ transplant** – from another donor.
- **Motor neurone disease** – resulting in permanent symptoms.
- **Multiple sclerosis** – where there have been symptoms.
- **Multiple system atrophy** – resulting in permanent symptoms.
- **Open heart surgery** – with median sternotomy.
- **Paralysis of a limb** – total and irreversible.
- **Parkinson's disease** – resulting in permanent symptoms.
- **Primary pulmonary hypertension** – of specified severity.
- **Progressive supranuclear palsy** – resulting in permanent symptoms.
- **Removal of an eyeball** – due to injury or disease.
- **Respiratory failure** – of advanced stage.
- **Spinal stroke** – resulting in symptoms lasting at least 24 hours.
- **Stroke** – resulting in symptoms lasting at least 24 hours.
- **Systemic lupus erythematosus** – with severe complications.
- **Third degree burns** – covering 20% of the surface area of the body or 20% of the face or head.
- **Total and Permanent Disability** – of specified severity. See 'What is Total and Permanent Disability?' on page 9.
- **Traumatic brain injury** – resulting in permanent symptoms.

WHAT IS TOTAL AND PERMANENT DISABILITY?

You will be covered for the loss of physical or mental ability, due to an illness or injury, to do either your own occupation or at least three of the six Specified Work Tasks listed below ever again.

The definition that applies to you will be shown in your Policy Schedule and will depend on your occupation, employment status and whether you are paid for your work.

Specified Work Tasks

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

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

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

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

Getting in and out of a car – The ability to get into a standard saloon car, and out again.

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

▶ ADDITIONAL COVER PROVIDED WITH YOUR CRITICAL ILLNESS COVER.

- **Carcinoma in situ of the breast** – *treated by surgery.*
- **Low grade prostate cancer** – *requiring treatment.*

✓ WHAT IS COVERED?

Legal & General will pay out 25% of your amount of cover up to maximum of £25,000. If decreasing cover is chosen we'll pay 25% of the decreasing amount up to a maximum of £25,000.

These payments are in addition to your main policy. Your amount of cover and premiums will not be affected if Legal & General make an additional payment to you and they will still pay out in case of terminal illness, critical illness or death.

✗ WHAT IS NOT COVERED?

Legal & General will only pay out once for each Additional Cover.

Please check the full definitions found in the Guide to Critical Illness Cover and Policy Terms and Conditions to make sure that you are aware of exactly what is not covered.

▶ WHAT EXTRA BENEFITS ARE INCLUDED WITH YOUR CRITICAL ILLNESS COVER?

CRITICAL ILLNESS COVER FOR YOUR CHILDREN

✓ WHAT IS COVERED?

Legal & General will cover a relevant child* or any children you have in the future if, before the end of the policy, they're diagnosed with one of the critical illnesses covered, including Additional Cover (except Total and Permanent Disability). They are covered from when they're 30 days old to their 18th birthday (or 21st birthday if they're in full-time education).

For a valid claim, Legal & General will pay out 50% of your original amount of cover up to a maximum of £25,000. These payments are in addition to your main policy. Your amount of cover and premiums will not be affected if they make an additional payment to you.

Legal & General will pay out one claim per relevant child* under your policy. Once two claims in total have been made, children's cover will end. If you have more than one Critical Illness policy with Legal & General, they'll pay out an overall maximum of £50,000 for that child.

✗ WHAT IS NOT COVERED?

Your children will not be covered for:

- Total and Permanent Disability.
- Any condition that was present at birth.
- Where the symptoms arose before the relevant child* was covered.
- If death occurs within 14 days of diagnosis of one of the critical illnesses covered by Legal & General.

* Relevant child – a natural child, legally adopted child or stepchild of the person covered, who is at least 30 days old and younger than 18 (21 years old if in full-time education).

ADDITIONAL BENEFITS INCLUDED WITH CHILDREN'S CRITICAL ILLNESS COVER

Child Accident Hospitalisation Benefit – pays £5,000 if a relevant child* is admitted to hospital with physical injuries for a minimum of 28 consecutive days immediately following an accident.

Child Funeral Benefit – contributes £4,000 towards the funeral of a relevant child*.

Childcare Benefit – if Legal & General have paid a claim for Critical Illness under this policy, and you have a natural child, legally adopted child or stepchild under 5 years old, they will pay up to £1,000 towards childcare with a registered childminder.

Family Accommodation Benefit – for every night a relevant child* spends in hospital, in the three months immediately following diagnosis of one of the critical illnesses covered, Legal & General will pay £100 per night up to a maximum of £1,000.

These payments are in addition to your main policy. Your amount of cover and premiums will not be affected if Legal & General make an additional payment to you.

For further details, please read the Policy Terms and Conditions.

ACCIDENTAL HOSPITALISATION BENEFIT

✓ WHAT IS COVERED?

Legal & General will pay £5,000 if you are in hospital with physical injuries for a minimum of 28 consecutive days, immediately following an accident.

✗ WHAT IS NOT COVERED?

Legal & General will only pay out once for each person covered. This benefit will not be payable if a valid claim has been made for Terminal Illness Cover or Critical Illness Cover.

FURTHER INFORMATION.

HOW DO LEGAL & GENERAL SET YOUR PREMIUMS?

Your premium depends on several factors. If you take part in dangerous activities, or have a pre-existing medical problem, Legal & General might need to charge an extra premium or exclude a specific condition or dangerous activity from your cover.

CAN I INCREASE MY COVER?

You can apply to increase your cover at anytime. Usually, changes to your amount of cover will be assessed at the time. However, if the 'Guaranteed Insurability Option' is shown in your Policy Schedule, then you can increase your cover, if there are certain changes in your life, without the need to provide Legal & General with further medical information. Please see your Policy Terms and Conditions for further information.

CAN I MAKE CHANGES?

You can make changes to your policy. Please talk to Legal & General and they'll consider your request and let you know if what you're asking for is possible and what your new premium will be.

If you make any changes to your policy then a new policy may be set up and different terms and conditions could apply.

WHAT HAPPENS IF I MOVE ABROAD AFTER THE POLICY HAS STARTED?

If you move abroad during the length of your policy, please check your Policy Terms and Conditions, as your cover may be affected.

WHAT IF I WANT TO CANCEL?

You can cancel your policy at any time. When you first take out your policy Legal & General will send you a cancellation notice. If you cancel within 30 days, they'll refund any premiums you've paid. If you cancel your policy at a later stage, you will not get any money back.

ARE PAY OUTS TAXED?

Any pay out that Legal & General make should be free from UK Income Tax and Capital Gains Tax. The Government may change this tax position at any time. If the plan is written under a suitable trust, the amount of cover payable on death should not form part of the estate for Inheritance Tax purposes. If the plan is not written in trust, the amount of cover payable on death will normally go into the estate and Inheritance Tax may apply.

WHY USE A TRUST?

A trust has many practical and financial benefits.

Inheritance Tax – It should help to ensure that any money paid out from the policy would not be part of the estate of the person covered, helping to minimise Inheritance Tax.

Quicker pay out – It should help to ensure that the money paid out from the policy can be paid to the right people quickly, without the need for lengthy legal processes.

Control of funds – A trust can control when the money from the policy will be paid out. This can ensure that children receive some financial support from the money, but do not have full access to it.

For more information on setting up a trust please contact Legal & General.

HOW DO I CLAIM OR CANCEL?

Claims/Cancellations Department
Legal & General Assurance Society Limited
City Park
The Droveaway
Hove
East Sussex BN3 7PY

For Life claims:

0800 137 101*

life.claims@landg.com

For Critical Illness claims:

0800 068 0789*

health.claims@landg.com

For Waiver of Premium claims:

0800 027 9830*

health.claims@landg.com

For Cancellations:

0370 010 4080*

WHO REGULATES LEGAL & GENERAL?

Legal & General are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Legal & General are entered on their register under number 117659. You can check this at www.fca.org.uk or telephone them on **0800 111 6768**.

Please note this document complies with the ABI Statement of Best Practice for Critical Illness Cover.

HOW DO I COMPLAIN?

If you have a complaint about our service or would like a copy of our internal complaint handling procedure, please contact Legal & General at:

Legal & General Assurance Society Limited
Knox Court
10 Fitzalan Place
Cardiff CF24 0TL

0370 010 4080*

Making a complaint doesn't affect your legal rights. If you're not happy with the way Legal & General handle your complaint, you can talk to the Financial Ombudsman Service at:

Exchange Tower
London E14 9SR

0800 023 4567

0300 123 9 123

complaint.info@financial-ombudsman.org.uk

www.financial-ombudsman.org.uk

THE FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

Legal & General are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if Legal & General cannot meet their obligations. Whether or not you are able to claim and how much you may be entitled to will depend on the specific circumstances at the time. For further information about the scheme please contact the FSCS at: www.fscs.org.uk or call them on: **0800 678 1100**.

For General Enquiries please call Legal & General's Helpdesk on:

0370 010 4080*

Monday to Friday 8.30am to 6pm. Saturday 9am to 1pm.

*Call charges will vary. Legal & General may monitor or record calls.

This contract is governed by English Law. The terms and conditions and all communication will only be available in English.



www.legalandgeneral.com

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