

keyfacts

IMPORTANT INFORMATION

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Family and Personal Income Plan

Key Features

Important Information for those choosing Critical Illness Cover

Legal & General's Critical Illness Plan is designed to address those critical illnesses which could have a severe impact on your lifestyle.

Ongoing medical and technological advances mean that traditional views of critical illness are changing. What may once have been classed as a critical illness may no longer meet today's definition of critical illness. For example, not all types of cancers are covered by this plan as some cancers no longer have a severe impact on lifestyle if detected early enough. However, all illnesses covered by this plan are consistent with the current view of critical illness held by the medical profession and the Association of British Insurer's list of critical illnesses.

You can check the full list of critical illnesses we cover in Legal & General's Guide to Critical Illness, the technical guide and your policy document. The Guide to Critical Illness Cover and the technical guide are available on request.

It is important that you choose the type of cover most suited to your personal circumstances. As well as Critical Illness Cover, Legal & General may offer other types of cover which could be more appropriate to your individual needs.

Ask your financial adviser for more details. Legal & General's Critical Illness Plan is designed to address those critical illnesses which could have a severe impact on your lifestyle.

Its Aims

The plan aims to do the following:

For all types of cover:

- To provide the amount of cover you choose.
- To provide the cover for the period you choose.
- To pay a guaranteed monthly amount if you die during the period of cover.
- To pay the guaranteed monthly amount if, during the period of cover, you become eligible for Terminal Illness benefit, for example, where life expectancy is less than 12 months. (Not applicable for the last 18 months of the plan).

For Critical Illness Cover:

- If you choose Critical Illness Cover the plan will pay the guaranteed monthly amount if, during the period you choose to cover, you are diagnosed as having one of the critical illnesses which we cover, and are eligible to claim.

Your Commitment

You must do the following:

For all types of cover:

- Pay the required premium by direct debit every month or annually by direct debit or cheque during the period of cover.
- Give us all the information we ask for on the application form, and if you have to make a claim.

For Critical Illness Cover:

- If you have chosen Critical Illness Cover, tell us if you start living outside the UK. This could affect your cover and premium if you live abroad for more than 12 months.

Risk Factors

The plan carries the following risks:

For all types of cover:

- If you do not truthfully provide all the information we ask for on your application form or when you claim, we will not pay out under the plan.
- If you stop paying the required level of premiums your cover will end after 30 days, your policy will lapse and no further benefits will be payable.
- We will not pay out in the circumstances described under the 'When will the plan not pay out?' section.
- The plan has no cash-in value.
- The present tax treatment of the plan's benefit may change.

For Critical Illness Cover:

- If you choose to take reviewable premiums for Life and Critical Illness Cover, we will review your plan every five years. At review we may need to increase your premium to maintain the initial level of cover. We will tell you if we are going to do this. See the 'Will my payments ever go up?' section.
- We will not pay out on your Critical Illness Cover (if chosen) if a claim arises from an excluded cause.
- If you have chosen Critical Illness Cover, the conditions or benefits covered by your policy may be subject to exclusions after your application has been underwritten.

YOUR QUESTIONS ANSWERED

How does the plan work?

You decide which type of cover you want. When a claim has been accepted we will pay a monthly benefit until the end of the period of cover. You can choose:

Life Cover:

We will pay the monthly amount if:

- You die.
- You become eligible for Terminal Illness benefit (for example, where life expectancy is less than 12 months) during the period of cover. This benefit is not available in the last 18 months of the plan.

Critical Illness Cover:

We will pay the monthly amount if:

- You become eligible for Critical Illness Cover or Terminal Illness benefit or you die; whichever occurs first.

Terminal Illness Cover:

This is included automatically at no extra cost. This means if you are diagnosed as having less than 12 months to live during the term of the plan, we will pay the monthly amount of money to you immediately (instead of when you die or are diagnosed with a critical illness if this cover is chosen). If you die whilst receiving instalments, the payments will continue until the end of the term. If you survive, we will still pay the monthly amount until the end of the term. We would not ask for this money back. Full details and conditions are provided in your policy document.

You must pay all premiums due to keep your cover in force.

All cover is subject to terms and conditions which will be fully detailed in your policy document. Please also see the 'When will the plan not pay out?' section.

Please note, in some cases we may need medical information before we agree to provide cover.

How long can the plan last?

For Life Cover the term of the plan can be from 5 to 40 years and the plan must end by age 70 next birthday.

For Life and Critical Illness Cover with guaranteed premiums, the term of the plan can be from 5 to 25 years. However, cover must end by age 65 next birthday.

For Life and Critical Illness Cover with renewable premiums the term of the plan can be from 5 to 35 years. However cover must end by age 65 next birthday.

Who can the plan cover?

You can apply for the plan to cover:

- you alone;
- you and another person; or
- one or two people not including you.

If the plan covers two people it will pay only once. This would be when the first of you dies or becomes eligible for Terminal Illness or Critical Illness benefit (if this cover is chosen); whichever occurs first. The plan will then end and no further benefits will be payable.

Can children have Critical Illness Cover?

If you choose Critical Illness Cover and you have children when the policy starts or during the term of the plan, they will be automatically covered. The cover starts when each child is 26 weeks old and ends on their eighteenth birthday. Benefit will only be paid out if the child survives for 28 days from diagnosis of one of the illnesses covered.

If your child is diagnosed with a critical illness and you are eligible to claim, we will pay up to £15,000 or 60 times the monthly instalment on your plan if this is less. This will be paid as a lump sum. We will only pay one claim for each child and once two claims have been accepted, Children's Critical Illness Cover will end. However, cover will continue for you.

Which critical illnesses are covered?

The complete list of conditions we cover is shown below:

- Alzheimer's Disease
- Aorta Graft Surgery
- Aplastic Anaemia
- Bacterial Meningitis
- Benign Brain Tumour
- Blindness
- Cancer (most malignant types)
- Cardiomyopathy
- Chronic Lung Disease
- Coma
- Coronary Artery By-Pass Surgery
- Creutzfeldt-Jacob Disease (CJD)
- Deafness
- Dementia
- End Stage Kidney Failure
- End Stage Liver Failure
- Heart Attack
- Heart Valve Replacement or Repair
- HIV/AIDS (named groups only)
- HIV/AIDS Blood Transfusion
- HIV/AIDS through Assault
- Loss of Limbs
- Loss of Speech
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Paralysis/Paraplegia
- Parkinson's Disease
- Progressive Supranuclear Palsy
- Stroke
- Third Degree Burns
- Total and Permanent Disability – Functional Assessment Tests or “own” occupation definition

Children are also covered for the conditions listed except for Total and Permanent Disability, or any congenital, familial and pre-existing conditions.

In order to make a valid claim, all diagnoses and medical opinions must be provided by a medical specialist who holds an appointment as a Consultant at a hospital in the UK, whose specialism is appropriate to the cause of the claim and who is accepted by our Chief Medical Officer.

Please remember that the heading of each critical illness is only a guide to what is covered.

For example, some types of cancer are not covered. Further details of how we will consider your claim, including the full definitions we will use and the evidence we will need, are given in the policy document, Technical Guide and Legal & General's Guide to Critical Illnesses. The Technical Guide and Legal & General's Guide to Critical Illnesses are available on request.

How much does the policy pay out?

At the start of the plan you choose the monthly amount to suit your needs. The level of benefit and the period of cover you choose will determine your premium. At the time of a claim, you can choose to receive the amount monthly, or choose to receive a lump sum payment calculated by Legal & General at the time of a claim.

The attached personal illustration shows the period of cover, how much cover you have chosen, whether Critical Illness Cover and any other additional benefits are included and your monthly premium.

The plan only pays out benefit once, and then the cover ends. This limit does not apply for Children's Critical Illness Cover.

When will the plan not pay out?

For all plans, we will not pay a claim if:

- The policy has ceased due to non-payment of premiums.
- You do not truthfully provide all the information we ask for on your application form or when you claim.
- You commit suicide in the first 12 months of the plan.

For Critical Illness Cover, we will not pay a claim if:

- The cause of your claim results from drug abuse, HIV/AIDS (except named groups, blood transfusion or through assault), self inflicted injury or war and civil commotion.
- The cause of the claim is specifically excluded by any terms we apply to your plan when we accept your application (if applicable, these will be shown in your policy document).
- The claim is from a cause that arose while you are living abroad for more than 12 months.
- The claim is for a child diagnosed with a critical illness and:
 - the condition runs in the family or was present at birth;
 - the symptoms first arose before the child was covered; or
 - the child dies within 28 days of the critical illness being diagnosed.
- The claim is for any illness or condition which is not listed.

We may apply specific exclusions when we accept your policy. These will be shown in your policy document.

What other options are available?

Some of these benefits are optional. If required, they must be chosen at the start of the plan and there may be an additional cost. For full details, ask your financial adviser or Legal & General.

• Waiver of Payment Benefit

You can choose to include Waiver of Payment benefit. This benefit means that you do not have to pay your premiums if you cannot work for six months or more as a result of illness or injury. Although you must continue to pay premiums at first, after 26 weeks incapacity, we will waive your premiums.

If you are not in gainful employment, you do not have to pay your premiums after 26 weeks if you suffer an illness or accident which stops you performing three or more functional assessment tests.

We will continue to waive premiums until:

- you no longer qualify for Waiver of Payment benefit
- you reach the end of your policy
- your 60th birthday
- you die.

whichever is the earliest.

• Indexation

This helps your cover to keep up with inflation. Both the premiums and the amount of monthly instalments we would pay, following a valid claim, will increase in line with the Retail Price Index each year (up to 10% in any one year). In addition, the premium will be subject to reviews as set out in the 'Will my payments ever go up?' section.

We will contact you yearly to see if you want to increase your cover, but if at any time you choose not to, the option will cease and we will not offer this option again. If you do refuse this option, the amount of monthly instalments paid and premiums will remain constant at the then existing level. In addition, the premium may be subject to reviews as set out in the 'Will my payments ever go up?' section. This option must be chosen at outset.

• Total and Permanent Disability definition under Critical Illness Cover

Your plan will pay out if you are totally and permanently disabled.

• Functional Assessment Tests Definition

Under this definition the plan will pay out if, due to illness or accident, you suffer an irreversible mental or physical disability which, in the opinion of Legal & General's Chief Medical Officer, results in you being permanently unable to carry out at least three of the following functional assessment tests without the help of another person:

Walking – the ability to walk 200 metres on flat ground with or without the aid of a walking stick and without stopping or experiencing discomfort

Bending – the ability to get into and out of a standard saloon car and the ability to bend or kneel to pick up an object from the floor and straighten up again

Communicating – the ability to answer the telephone and to take a message

Reading – having the required eyesight (corrected if necessary) to be able to read a daily newspaper

Writing – having the physical ability to write legibly using a pen or pencil without aid

Climbing – having the ability to climb a flight of 12 stairs without stopping or suffering severe discomfort

Further details about the cover and any limitation is in the Policy Conditions Section of the Policy Document which is made up of the Policy Schedule and the OLA (Ordinary Life Assurance) wrap. We provide more information about cover and limits in Legal & General's Guide to Critical Illness Cover and the Technical Guide. You can ask us for a copy of any of these.

We may apply specific exclusions when we accept your policy, such as excluding certain critical illnesses, conditions and pre-existing medical conditions. If this is the case, these will be shown in your policy schedule under Policy Condition 1.

- **“Own” Occupation Definition**

If your occupation class is 1 or 2* and you have chosen to take the “own” occupation definition of Total and Permanent Disability, then your plan will pay out if you are unable to follow your own occupation due to illness or accident, and in the opinion of Legal & General, are likely remain so permanently. Such a decision will be based on all the medical evidence available.

*Your adviser or Legal & General will be able to tell you what occupation class applies to you

Full details are available in the technical guide (available on request) or in your policy document.

You may increase the amount of cover later on without the need for further medical evidence up to certain limits. This is your Guaranteed Insurability Option. You can do this if:

- you get married
- you become a parent
- you increase your mortgage because you are moving home or extending your home
- your salary increases.

If you are under 45 when you apply and your application is accepted on normal rates, we will not ask any more questions and the rates at the time of the increase will apply. The limits which apply are set out in your policy document. Your financial adviser can give you more details.

Will my payments ever go up?

Life Cover:

If you choose Life Cover, your premium is guaranteed. This means that your monthly (or annual) payment will stay the same throughout the term of the plan.

Life and Critical Illness Cover:

For Life and Critical Illness cover you can choose between guaranteed or reviewable premiums.

If you choose guaranteed premiums, your payment will stay the same throughout the term of your plan.

If you choose reviewable premiums, your payment will stay the same for the first five years. We will then review your payment and recalculate it to see whether it will change at the fifth anniversary of your policy and every five years after that.

We will assess any payment change fairly. When a review takes place the main factors we currently look at include:

- general industry claims experience
- the expected impact of future medical advances
- the number of claims we have had
- the expected future number of claims we expect to have and when we expect them to be made.

Your current state of health will NOT be a factor at a review.

If, when your payment is reviewed and recalculated, it is within 5% of the premium you currently pay, we will not change your payment at this review.

Legal & General has a wide range of protection products to suit all your needs. If you are unsure whether reviewable premiums are suitable for your circumstances, you should discuss your options with your Financial Adviser.

For products with guaranteed premiums the starting premium is currently more expensive than for similar products with reviewable premiums.

For all types of cover, your premium will also change if you:

- increase the amount of cover
- choose the Indexation option
- exercise your Guaranteed Insurability Option.

What are the charges?

The premium payments shown in your illustration include all the costs of administration, underwriting, claims, commission and selling expenses.

What if I am not sure whether this product is for me?

If you have any doubt about whether this product is suitable for your circumstances, please contact either Legal & General or your Financial Adviser. Legal & General only advises on its own Life Assurance and Investment products.

How do I make a claim ?

If you need to make a claim, please write to us at:

Legal & General Claims Department
2 Montefiore Road
Hove, East Sussex BN3 1SE

When we receive notification of a claim we will send you a claim form to complete and return to us. We will then consider your claim. We may ask you to provide us with certificates or other evidence as required.

For Critical Illness claims, we may need to ask you to undergo a medical examination. In order to make a valid claim, all diagnoses and medical opinions must be provided by a medical specialist who:

- holds an appointment as a Consultant at a hospital in the UK
- whose specialism is appropriate to the cause of the claim
- is accepted by our Chief Medical Officer.

We're here to help

If you have any queries, or would like more information, please contact your usual financial adviser. Or you can call the Legal & General Helpdesk on 08700 104 080.

FOR YOUR PROTECTION, WE MAY RECORD AND MONITOR CALLS. CALLS ARE CHARGED AT THE NATIONAL RATE.

FURTHER INFORMATION

About Legal & General

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. We are one of the UK's top 50 FTSE quoted companies. Over 5.4 million people rely on us for life assurance, pensions, investments and savings plans. Our fund managers are responsible for investing over £180 billion worldwide (as at 30th June 2005) on behalf of investors, policyholders and institutions.

Your cancellation rights

After we have accepted your application, we will send you notice of your right to cancel. By law we must send you this notice. We then give you 30 days to change your mind about starting the plan. If you do change your mind, you need to send the notice back to us at:

Legal & General Assurance Society Limited
Room 115, Montefiore Road, Hove, East Sussex BN3 2ZZ

We will then cancel the plan. If you do this, we will refund any premiums you have paid.

If you do not take this opportunity to cancel, and you want to do so at a later stage, you may not get any money back. If you want to cancel at a later stage, please write to the above address.

Tax

The proceeds from this plan are free from UK income tax and capital gains tax. However, for life assurance, as we pay the proceeds after the death of an insured person, inheritance tax may be due on the benefit paid. You may be able to avoid inheritance tax by using an appropriate trust. Ask your financial adviser for more details. The Government may change the tax position described above.

Law

This contract is governed by English law.

Language

We will communicate in English throughout the term of this contract.

Our Regulator

We are authorised and regulated by the Financial Services Authority. We are entered on their register under number 117659. You can check this at www.fsa.gov.uk/register or telephone them on 0845 606 1234.

This leaflet is a guide to the key features of this product. Full details are contained in the policy document, which is the legally binding contract between you and Legal & General.

Complaints

If you wish to complain about any aspect of the service you have received from Legal & General, or you would like us to send you a copy of our internal complaint handling procedure, please contact our Helpdesk on 08700 104 080. For your protection, we may

record and monitor calls. Calls are charged at the national rate. Alternatively, you can write to us at:
Legal & General Assurance Society Limited, PO Box 1186,
Hove, East Sussex BN3 1SD.

If you remain dissatisfied, you can complain to:
The Financial Ombudsman Service
South Quay Plaza, 183 Marsh Wall, London E14 9SR
Telephone: 0845 080 1800
Email: enquiries@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Making a complaint will not affect your legal rights.

Compensation

The Financial Services Compensation Scheme covers the policies issued by us. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

The Financial Services Compensation Scheme may arrange to transfer your policy to another insurer, provide a new policy or if these actions are not possible, provide compensation. For the Family and Personal Income Plan, the first £2,000 of a claim is protected in full. Above this amount, the scheme covers payment to 90% of the value of the policy in liquidation.

You can get more information from the Financial Services Compensation Scheme:

7th Floor Lloyds Chambers, 1 Portsoken Street
London, E1 8BN
Tel: 020 7892 7300
Email: enquiries@fscs.org.uk
Website: www.fscs.org.uk

A Guide to Critical Illness Cover

The ABI (Association of British Insurers) give general information about critical illness cover in their booklet 'A Guide to Critical Illness Cover'. You can ask us for a copy or you can get a copy by writing to:

The Association of British Insurers, 51 Gresham Street, London EC2V 7HQ.

Please note

This leaflet complies with the ABI Statement of Best Practice for Critical Illness Cover. It is a guide to our Family and Personal Income Plan and is based on our understanding of current laws and tax rules. Further details are given in the plan schedule and the policy document. You should get expert advice about the legal and tax information in this leaflet.