

keyfacts

IMPORTANT INFORMATION

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Protection Choices Plan

Key Features

Unemployment Cover and Mortgage Payment Protection Insurance is provided by
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PROTECTION CHOICES... ..allows you to choose the cover you need

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.

Its Aims

Depending on the type of cover you choose, the Protection Choices 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.

For Life Cover and Critical Illness Cover:

- To pay a guaranteed lump sum if you die during the period of cover.*
- To pay the guaranteed lump sum 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). This is not available for life cover with a term of less than two years.*

If you choose Critical Illness Cover:

- To pay the guaranteed lump sum if, during the period of cover, you are diagnosed as having one of the critical illnesses we cover and are eligible to claim. *

For Family and Personal Income Plan Cover:

- To pay a guaranteed monthly amount if, during the period of cover, you die or become eligible for Terminal Illness or (if chosen) Critical Illness benefit.

For Critical Illness Cover:

- To pay a guaranteed lump sum if, during the period of cover, you are diagnosed as having one of the critical illnesses which we cover, and are eligible to claim. *

* If you choose decreasing mortgage cover, the aim is that the amount will reduce during the term roughly in line with your outstanding mortgage amount.

For Mortgage Payment Insurance:

- To provide a monthly benefit to help pay your mortgage if, due to illness, accident or unemployment (if you have chosen this option) you are unable to work, resulting in a loss of earnings.

This cover is only available to protect a new mortgage, remortgage or a further advance on your existing mortgage. Further details are available in the Technical Guide and your policy document.

Unemployment Cover (only available with Mortgage Payment Insurance):

- To provide you with a monthly benefit to help pay your mortgage if you become unemployed through no fault of your own. We will pay you benefit for up to 12 months or until you return to work or die; whichever happens first.

For Mortgage Payment Protection Insurance:

- To provide you with a monthly benefit to help pay your mortgage for up to 12 months if, because of illness, accident or unemployment, you are unable to work.

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:

- Tell us if you start living outside of the UK. This could affect your cover and premium if you live abroad for more than 12 months.

For Mortgage Payment Insurance:

- Tell us if you change occupation or employment status at any time during the plan, as this may affect your cover.
- Tell us of any claim within the time limits we set. Details can be found in the technical guide and your policy document.
- Select an appropriate level of cover and review it regularly to make sure you have enough for your needs but not more than we will pay.

Risk Factors

Depending on the type of cover you choose, the Protection Choices 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 benefit 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 benefits may change.
- If you are using Protection Choices for mortgage protection, you should ensure that the term of the plan is long enough to cover the term of your mortgage.

For Decreasing Mortgage Cover:

- In some circumstances the guaranteed amount of money may not be enough to pay off your mortgage in full if, for example, your mortgage payments have not been adjusted to take into account interest rate changes, or if your mortgage interest rate averages over 10% during the term you have chosen for cover.

For Life Cover and Critical Illness Cover:

- If you choose reviewable premiums, we will review your premium every five years. At review we may need to increase your premium to maintain the initial level of cover. See the 'Will my payments ever go up?' section.

For Critical Illness Cover, Life and Critical Illness Cover, Mortgage Payment Insurance:

- We will not pay out a claim from an excluded cause.
- The conditions or benefits covered by your policy may be subject to exclusions after your application has been underwritten.

For Mortgage Payment Insurance/Unemployment Cover:

- If your mortgage payments to your lender do not move in line with our stabilised interest rate (A variable rate which will never be more than 15% or 1% different from the Woolwich standard variable rate for new mortgage advances. If this rate is unavailable then Legal & General will use an appropriate rate from another UK mortgage lender) the benefit may not be enough to cover your whole mortgage payment.
- In future we will review the premium payments. Please see the 'Will my payments ever go up?' section.
- We will review the amount of Mortgage Payment Insurance Cover. This could lead to a change in premiums. (This does not apply to Unemployment Cover).
- The cover may be less than you need if you do not review it regularly to keep it in line with your mortgage payments.
- If your income does not support your chosen cover at the time of a claim, then your benefit will have to be reduced. We will not give you back any of your premium payments if this happens.
- The benefit we pay under the plan may affect your claim to some means tested State Benefits. However, your entitlement to State Incapacity Benefit will not be affected.
- State Benefit including state incapacity benefit rules may change.
- If this cover is not being used to protect a new mortgage, remortgage or further advance on an existing mortgage this will invalidate any claim made.
- Premiums are not payable when you are receiving benefit having made a claim. See the 'Waiver of Payment Benefit' section. If you have selected Unemployment Cover however, these premiums will still need to be paid during a claim.
- The premium for Unemployment Cover, if you choose to include it, is not guaranteed. In future we may change the premium payments for people covered by this option because of factors such as claims costs. However, we will tell you at least 30 days before this happens.
- If you cancel your Mortgage Payment Insurance, any Unemployment Cover will also be cancelled.

For Mortgage Payment Protection Insurance (accident, sickness and unemployment cover):

- The benefit we pay under the policy may affect your claim to some means tested State Benefits.
- State Benefit rules may change.
- The premium is not guaranteed. In future we may change the premium payments because of factors such as our claims costs. However, we will tell you at least 30 days before this happens.
- The cover can continue only if you continue to pay the premiums, including during a claim period.

YOUR QUESTIONS ANSWERED

How does the plan work?

The choice of cover, the amounts and the term is up to you.

You can choose different amounts of cover to your partner if you are a couple. Different policy terms are also available for other types of cover. Please see your usual Financial Adviser.

And, if you buy more than one type of cover, you could benefit from valuable discounts. This is only applicable to Life, Family and Personal Income Plan, Critical Illness Cover and Mortgage Payment Insurance. For full details ask your Financial Adviser or Legal & General.

You decide which type of cover you want. You can choose from:

Life Cover

If you choose to include life cover we will pay out the guaranteed amount of money you have chosen if:

- You die, or
- You become eligible for Terminal Illness benefit (for example where life expectancy is less than 12 months) during the term you choose for your plan. This benefit is not valid in the last 18 months of the plan. Once a terminal illness claim has been paid, the policy will cease and no further benefits will be payable.

If you include life cover to protect your mortgage, you can choose either:

- A level amount of benefit, which means that the amount of money we pay is the same if you die at any time during the term of the plan, or
- for a lower premium, a decreasing amount of benefit to protect your mortgage. This means that the amount of benefit we pay is designed to decrease roughly in line with your outstanding mortgage balance.

Family and Personal Income Plan

If you choose Family and Personal Income Plan (FPIP), you can opt for the benefit to be paid either in instalments or at a claim commute to a lump sum.

If you die or are diagnosed with a terminal or critical illness (depending on the type of cover chosen), the instalments will be paid as a monthly amount until the end of the term of the plan. At the time of a claim, you or your beneficiaries can choose for the instalments to be paid monthly or as a lump sum calculated at the time of a claim.

Critical Illness Cover

If you choose to include Critical Illness Cover, we will pay out if you become eligible for Critical Illness or Terminal Illness benefit or you die; whichever is first.

Terminal Illness Cover

This is included automatically at no extra cost for Life Cover and Life and Critical Illness Cover. This pays the guaranteed sum immediately (instead of on death or critical illness) if you are diagnosed as being terminally ill, with a life expectancy of less than 12 months. This cover does not apply during the last 18 months of the period of cover. (Full details and conditions are shown in the policy document).

Mortgage Payment Insurance

This cover is available if you are taking out a new mortgage, a further advance on your existing mortgage or you are remortgaging. Mortgage Payment Insurance is designed to give you a regular benefit to help pay your mortgage if you suffer illness or injury and are unable to work, resulting in a loss of earnings.

You can choose the amount of monthly benefit you need as long as it is not more than 140% of your monthly mortgage repayments, or 50% of your pre-incapacity earnings up to £45,000 together with 20% of your pre-incapacity earnings over £45,000.

There will be a period when you are first unable to work for which we do not pay benefit. This is known as the deferred period. You can choose between 4, 8, 13, 26 and 52 weeks. (The four week deferred period is only available for certain occupation classes).

The longer the deferred period, the cheaper your policy will be. Your choice of deferred period should allow for any earnings which you expect to continue after you stop working, such as sick pay, or how long you are prepared to live on your savings.

Your monthly benefit will start one month after the end of your deferred period.

The monthly benefit moves in line with our stabilised interest rate.* We will pay the benefit until you are fit to return to work, you die, or you reach the end of the term; whichever occurs first. You do not have to pay premiums for this cover while we are paying benefit.

The cover can continue after a claim for the rest of the term as long as you continue to pay premiums. And there is no limit to the number of times you can claim.

This cover is also available for Housepersons.

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.

* A variable rate which will never be more than 15% or 1% different from the Woolwich standard variable rate for new mortgage advances. If this rate is unavailable then Legal & General will use an appropriate rate from another UK mortgage lender.

Unemployment Cover

You can only include this cover if you have chosen Mortgage Payment Insurance. We will pay a monthly benefit to help maintain your mortgage payments if you become unemployed through no fault of your own. The benefits move in line with our stabilised interest rate (A variable rate which will never be more than 15% or 1% different from the Woolwich standard variable rate for new mortgage advances. If this rate is unavailable then Legal & General will use an appropriate rate from another UK mortgage lender) and is paid after a deferred period of 4, 8 or 13 weeks. You choose this deferred period at the outset. Cover becomes valid after 60 days (for a new mortgage or remortgage) or 120 days (for an existing mortgage) from the start of the policy. We will pay benefit for a maximum of 12 months in any one claim. Cover will then continue and further claims can be made if you meet the criteria as shown in your Unemployment Cover policy document.

If you make a claim you must continue to pay premiums while we are paying benefit.

If at any time you cancel your Mortgage Payment Insurance, any Unemployment Cover will also be cancelled.

This cover is not available for Housepersons.

Mortgage Payment Protection Insurance (accident, sickness and unemployment cover)

If you include this cover, we will pay you a monthly benefit if you are unable to work because of sickness or accident or if you are made unemployed through no fault of your own. We will pay the benefit for up to 12 months or you return to work; whichever happens first.

You can choose a deferred period of 30, 60 or 180 days for accident and sickness and 30 or 60 days for unemployment cover.

You must continue to pay premiums while we are paying benefit for this cover, and you can continue the cover after you have returned to work, in case you need to claim again in the future.

This cover is not available for Housepersons.

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?

You also decide how long you want the cover for.

For level Life Cover

The term of the plan can be from 1 (If a one year term is chosen then Terminal Illness Cover does not apply) to 40 years and the plan must end by age 70 next birthday. However, life cover can last beyond your 70th birthday if the term is 10 years or less.

For Critical Illness Cover

The term of the plan can be from 5 to 35 years. However, the cover must end by age 65 next birthday.

For Life and Critical Illness Cover - with Guaranteed Premiums

The term of the plan can be from 2 to 25 years. However, cover must end by age 65 next birthday.

For Life and Critical Illness Cover - with Reviewable Premiums

The term of the plan can be from 2 to 35 years. However, cover must end by age 65 next birthday.

For decreasing Life Cover

The term of the plan can be from 5 to 40 years. However, cover must end by age 70 next birthday. Life cover can last beyond your 70th birthday if the term is 10 years or less.

For decreasing 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 decreasing Life and Critical Illness Cover - with Reviewable Premiums

The term of the plan can be from 5 to 35 years. However, cover must end by age 65 next birthday.

For Mortgage Payment Insurance

You can choose any period for cover, but the minimum term must be five years and the plan must end no later than the end of your mortgage term, you reach age 69 or you die; whichever is earlier.

For Unemployment Cover

Cover must end when:

- the Mortgage Payment Insurance comes to an end
- your mortgage ends, unless within 60 days you take another mortgage and there is no gap in your monthly premium payments
- you reach 65 or the normal retirement age at your place of work
- you stop paying the required payments
- you die.

Whichever is earliest.

For Family and Personal Income Plan

The term of the plan can be from 5 to 40 years and the plan must end by age 70 next birthday. For Family and Personal Income Plan Life and Critical Illness Cover, the term of the

plan can be between 5 and 25 years for guaranteed premiums or 5 to 35 years for reviewable premiums. However, cover must end by age 65 next birthday.

For Mortgage Payment Protection Insurance

Cover must end when:

- your mortgage ends, unless within 60 days you take another mortgage and there is no gap in your monthly premium payments,
- you reach 65 or the normal retirement age at your place of work,
- you die.

Whichever is earliest.

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 (subject to products selected).

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

However, Protection Choices is flexible and you can set the cover up so that at least some of it continues after a claim. Your financial adviser can help you to decide what types of cover and how much of each you need to protect your world.

Mortgage Payment Protection Insurance/ Unemployment Cover Only

With these options both you and your partner can help to protect the payments on a joint mortgage. There are separate levels of cover and you can choose how it is split between you.

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 automatically be 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 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 50% of the guaranteed sum assured; whichever is lower. For Family and Personal Income Plan we will pay up to £15,000 or 60 times the monthly instalment on your plan if this less. 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.

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 your 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.

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.

How much does the policy pay out?

For Life Cover and Critical Illness Cover you decide how much benefit you would like this plan to pay out.

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

For Mortgage Payment Insurance and Unemployment cover you choose the amount of benefit you will need. Remember that tax and National Insurance are deducted from your normal earnings, but not from the benefits we pay you.

The benefit cannot be more than 140% of your monthly mortgage repayments or 50% of your pre-incapacity earnings up to £45,000 together with 20% of your pre-incapacity earnings over £45,000. The benefit moves in line with our stabilised interest rate* to help ensure that you are covered for any fluctuations in interest rates.

For Mortgage Payment Protection Insurance Cover you choose the amount of benefit you will need. This can include any related insurance premiums (for example, your Life Cover, Endowment Policy or Building and Contents Insurance), plus an additional 25% to allow for changes in the mortgage rate. This total is subject to a maximum benefit payment of 65% of your gross monthly income. (Earnings from your paid employment excluding unearned income.)

The level of benefit and the period of cover you choose will determine your premium.

* A variable rate which will never be more than 15% or 1% different from the Woolwich standard variable rate applicable for new mortgage advances. If this rate is unavailable, Legal & General will use an appropriate rate from another lender.

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.

For Mortgage Payment Insurance, we may apply specific exclusions when we accept your policy, such as excluding certain illnesses, conditions and pre-existing medical conditions. If this is the case these will be shown in your policy schedule under the section Special Provisions.

For Mortgage Payment Insurance, full details of any limits to the cover are provided in the sample policy document under the section Special Provisions.

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

What if I already have Mortgage or Family Protection?

Protection Choices is designed to suit your needs. You can use Protection Choices to add to any existing protection you might have or to replace existing policies depending on your personal circumstances. Make sure you obtain financial advice before you cancel any existing policies. Your financial adviser can help you decide what best suits your needs.

When will the plan not pay out?

We will not pay a claim:

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.
- If the policy has ceased due to non payment of premiums.

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

- If 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 for named groups, blood transfusion or through assault), self inflicted injury or war and civil commotion.
- If the claim is from a cause that arose while you are living abroad for more than 12 months.
- If 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
 - if the child dies within 28 days of the critical illness being diagnosed.
- If the claim is for any illness or condition which is not listed.
- If the cause of a claim is specifically excluded by any terms we apply when we accept your application.

For Critical Illness Cover and Mortgage Payment Insurance, we will not pay a claim:

- If the cause of the claim is specifically excluded by any terms we apply to your plan when we accept your application (these will be shown in your policy document).

For Mortgage Payment Insurance, we will not pay a claim, or will limit a claim:

- If the cause of your claim results from criminal acts, drug abuse, failure to follow medical advice, HIV/AIDS (except for named groups), self inflicted injury or war and civil commotion.
- If your incapacity is directly caused by infection with HIV, Aids, or Aids related complex or illness, we will pay up to 12 months benefit in total.
- If your incapacity is because of complications in pregnancy, the deferred period will start at the end of the pregnancy.
- If you live or travel outside of the European Union, USA, Canada, Australia, New Zealand, Isle of Man or Channel Islands, your cover will continue for up to one year. But if you claim, benefits will be payable for no more than three months.

For Mortgage Payment Protection Insurance (Accident, Sickness and Unemployment Cover), we will not pay a claim:

- If the claim is for any condition (whether you knew of it or not) that you already had at the start of the plan, or any condition (whether diagnosed or not) for which you received treatment or consulted a doctor about during the 12 months before the start of cover.
- If cover is for an existing mortgage, we will not pay benefit for any condition (whether you knew of it or not) which occurs within 30 days from the start of cover.
- If the cause of the claim results from a criminal act, drug abuse, drinking alcohol, self inflicted injury or normal pregnancy.

For Unemployment Cover (under Mortgage Payment Protection Insurance or Mortgage Payment Insurance), we will not pay a claim:

- If when you applied for cover, you knew of pending unemployment, or you became unemployed within the first 60 days (new mortgage or remortgage) or 120 days (existing mortgage) of cover.
- If unemployment is voluntary, due to misconduct, or as a result of participation in a labour dispute.
- If you come to the intended end of a fixed term contract, or a period of temporary/casual employment, or if unemployment is a regular feature of your work.
- If you live or work outside the United Kingdom, Channel Islands or the Isle of Man or do not have the right to live permanently within this area.

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

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 from 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 the policy;
- your 60th birthday, or
- you die.

Whichever is the earliest.

For Mortgage Payment Insurance, waiver is automatically included and you do not have to pay premiums while you are receiving a monthly income when you are incapacitated. Your premiums are waived until you are fit enough to return to work. This option is not available on premiums for Unemployment Cover.

Full details of this extra benefit are given in the policy document.

- **Indexation**

This helps your cover to keep up with inflation. The premiums and life cover increase in line with the Retail Price Index each year (up to 10% in any one year).

This option is only available if your application is accepted at normal rates.

If you choose to include the Indexation option, we will offer you the opportunity to increase your cover regularly. If you decline the option at any time, we will not offer it again. This option is not available with Critical Illness Cover or decreasing mortgage cover. This option must be chosen at outset.

However, if you have chosen Family and Personal Income Plan, and have chosen the benefits to be paid in instalments, you can choose to include Indexation for both Life and Critical Illness Cover. As well as your premium and cover increasing in line with the Retail Prices Index, your benefits will continue to increase until the end of the term unless you have declined the option at any time.

If you have chosen the Indexation option for your Family and Personal Income Plan, then the premium payable will increase in line with any increase in the benefit provided. In addition, the premium will be subject to reviews as set out in the 'Will my payments ever go up?' section.

- **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.

- **“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.

- **Definition of Incapacity for Mortgage Payment Insurance**

The extent of incapacity giving rise to a claim depends upon your particular plan and occupation. There are three ways in which you can qualify for Mortgage Payment Insurance. These are:

- If you are totally unable by reason of sickness or accident to perform your own occupation and you are not following any other occupation.
- Your inability to carry out three of six Functional Assessment Tests. These are the same Functional Assessment Tests as described in the “Total and Permanent Disability definition under Critical Illness Cover” section above. To claim benefits you must be under the care of a specialist appropriate to your condition and not doing any other work.
- Or a combination of the two above – whereby for the first two years of a claim your benefit will be paid if you are totally unable by reason of sickness or accident to perform your own occupation and you are not following any other occupation, after which the extent of incapacity will be based upon your inability to carry out three of the six Functional Assessment Tests.

For full details please refer to your policy document for the definitions of incapacity relevant to your plan.

- **SmoothMove**

To provide SmoothMove, Legal & General have teamed up with Inter Partner Assistance, one of the largest International emergency assistance organisations.

If you include cover for your mortgage (Life Cover, Critical Illness Cover or Mortgage Payment Insurance) and are moving home, your plan will include – at no extra cost – SmoothMove, a 24 hour rescue service to help with unexpected hitches on moving day. SmoothMove also covers you for up to three months for emergency repairs and legal advice after you have moved in. Inter Partner Assistance provides the SmoothMove insurance Plan. For full details of SmoothMove, please see the Key Features and Policy Terms and Conditions of the SmoothMove Plan, which your adviser will provide.

- **LifeTrack Direct**

If you choose the Unemployment option with Mortgage Payment Insurance or if you choose to take Mortgage Payment Protection Insurance (also known as Accident, Sickness and Unemployment Cover), we will also include a free service called 'LifeTrack Direct' which offers help and assistance in finding a new job if you become unemployed and make a claim. This cover is not available to Housepersons.

Your personal illustration shows whether any of the above are included in your plan and if so, the cost.

When will my cover start?

If you include different types of cover, they can all start at different times to suit your needs.

If you are moving house or taking out a larger mortgage, your mortgage cover normally begins on the same day as your new mortgage.

Can I increase the amount of cover later on?

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.

For Life Cover, and Critical Illness Cover 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

Or, additionally, for Family and Personal Income Plan:

- Your salary increases

For Mortgage Payment Insurance and Unemployment Cover, you can use this option if your mortgage payments increase during the term of your plan due to moving home or improving your home.

If you are under 45 when you apply and your application is accepted on normal rates, we will not ask any more medical 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.

Mortgage Payment Insurance

If you choose Mortgage Payment Insurance, we will review your cover after every five years and we may need to increase the payments to continue to provide the level of cover you need.

Premiums will also be reviewed five years before the end of the plan. If you include Unemployment Cover, the payments are not fixed, but if we need to change the payments or the insurance terms, we will always let you know at least 30 days before in writing.

Mortgage Payment Protection Insurance

If you choose Mortgage Payment Protection Insurance your premiums are not guaranteed. They are reviewed each year.

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 happens if I move house?

The plan can move too, and you can increase the cover for a larger mortgage, subject to certain limits.

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 suitable 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 it's own Life Assurance and Investment products.

How do I make a claim?

If you need to make a claim for any benefit other than Unemployment Cover or Mortgage Payment Protection Insurance (detailed opposite), 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 diagnosis 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

If you need to make a claim for Unemployment Cover or Mortgage Payment Protection Insurance please contact us at: Legal & General Insurance Services

PO Box 91
A1 Barnet Way
Borehamwood
Hertfordshire
WD6 2UN
Telephone 0845 200 3152

(For your protection, we may record and monitor calls. Calls are charged at the local rate).

Please quote your policy number. We will send you a claim form to complete and return. We will then consider your claim. We may ask you to provide us with certificates or other evidence as required.

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.

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.

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 general insurance plans. Our fund managers are responsible for investing over £165 billion worldwide (as at 31 December 2004) 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.

And 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 will not get any money back. If you want to cancel at a later stage, please write to the address above.

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.

For Income Protection Benefit and Mortgage Payment Insurance, present UK tax law and Inland Revenue practice means that:

- you don't get tax relief on premiums
- you don't pay tax or National Insurance contributions on your benefits
- premium for unemployment cover include Insurance Premium Tax.

This may change in the future. Please ask your financial adviser or Legal & General for details.

Law

This contract is governed by English law.

Language

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

Our Regulator

Legal & General Assurance Society are authorised and regulated by the Financial Services Authority and are entered on their register under number 117659. Unemployment Cover and Mortgage Payment Protection Insurance is provided by Legal & General Insurance Limited, who are authorised and regulated by the Financial Services Authority and they are entered on their register under number 202050. You can check this at www.fsa.gov.uk/register or telephone them on 0845 606 1234.

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 0870 010 4080.

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.

For Unemployment Cover and Mortgage Payment Protection Insurance

If you wish to complain about any aspect of the service you have received from Legal & General Insurance, or you would like us to send you a copy of our internal complaint handling procedure, please contact our Helpdesk on 0870 900 8829. 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 Insurance Limited, The Podium, Centre City House, 5 Hill Street, Birmingham B5 4US.

If you remain dissatisfied about any complaint, 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 protection products 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.

For Unemployment Cover and Mortgage Payment Protection Insurance

The first £2,000 of any claim would be met in full. Above this amount, 90% of the remainder will be met.

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

The Mortgage Lender

If you have assigned the policy to your mortgage lender and you fall behind with (or stop paying) premiums we may have to keep the lender informed.

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 Protection Choices 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.