

Over 55s Life Cover plan

Terms & Conditions including the
Policy Summary, and further information
about the Funeral Benefit Option



Policy Summary

This summary does not include the full terms and conditions of your Over 55s Life Cover plan – these can be found in the ‘Terms & Conditions of the Over 55s Life Cover plan.’

The name of the insurer providing the Over 55s Life Cover plan

This policy is provided by AXA Sun Life plc who are authorised and regulated by the Financial Services Authority.

The type of insurance and cover provided by the Over 55s Life Cover plan

The Over 55s Life Cover plan is a whole of life insurance policy which, after two years, provides a cash sum on your death. The plan offers the choice of **Fixed** Cover or **Increasing** Cover. Your cover will continue for the rest of your life provided you keep paying your monthly premiums when due. Premiums stop on the *Plan Anniversary* immediately before your 90th birthday or on your death if earlier. The plan has no cash-in value at any time.

Eligibility for the plan

You are eligible for this insurance provided that, at the starting date, you:

1. Are aged 55-80
2. Are resident in the UK.

Significant Features and Benefits

- Your acceptance is guaranteed.
- After two years a cash sum is paid out on your death.
- If you die as the result of a travel accident (see the Terms & Conditions, Section 3) or within 90 days from injuries sustained in it, we will pay out four times the cash sum.

Additional Significant Features and Benefits for **Increasing** Cover:

- With **Increasing** cover, life cover will increase each year until your death. A *Starting Cash Sum* is agreed at the start of the plan. The life cover will increase by 5% of the *Starting Cash Sum* each year on the *Plan Anniversary*. For full details see the Terms and Conditions, Section 3.

Significant Exclusions and Limitations

- The full cash sum is not payable in the first two years. If you die during the first two years, other than as the result of a travel accident whilst travelling as a driver or passenger, we will pay out an amount equal to 1½ times the premiums paid. For full details, see the Terms & Conditions Section 4.
- If you stop paying your premiums when due for any reason, your plan would be cancelled and you would not get any money back.

Additional Significant Exclusions and Limitations for **Increasing** Cover:

- With **Increasing** cover, the annual increase in the cash sum is fixed for life at 5% of the *Starting Cash Sum*. This means that after the first year, the actual increase will be less than 5% of the value of the life cover at that time.
- The premium will increase by a fixed amount each year on the *Plan Anniversary* for a maximum of 20 years. The fixed amount will be 5% of the monthly premium payable in the first year of your plan. For full details see the Terms & Conditions, Sections 4 and 5.

Cancellation rights

You have the right to cancel your plan within 30 days of receiving your Policy Documents. Any premiums you have paid during this time will be refunded. After this period you can cancel your policy at any time by writing to us. However, the plan has no cash-in value at any time, so you would not get anything back. Full details can be found in the Terms & Conditions, Section 7.

How to claim

Claims should be registered with our helpline on 0845 607 6109. Full details of how to make a claim in the event of death are in the Terms and Conditions, Section 9.

How to make a complaint

If you are unhappy with the service provided by AXA Sun Life, please contact our Customer Care Co-ordinator on 0845 607 6109. Full details are provided in the Terms & Conditions, Section 10.

Financial Services Compensation Scheme (FSCS)

Your plan is covered by the Financial Services Compensation Scheme. This means that if AXA Sun Life are unable to pay claims/benefits because of financial difficulties you would be able to make a claim. Up until 31 December 2009 you are covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit. From 1 January 2010 this limit changes to 90% of the claim, without any upper limit. For further information please see www.fscs.org.uk or telephone 020 7892 7300.

Terms & Conditions of the Over 55s Life Cover plan

The information you have been provided with does not contain advice regarding whether the Over 55s Life Cover plan is suitable for you. The decision is yours and therefore it's very important that you:

1. Read these Terms & Conditions
2. Make sure you are eligible for the plan
3. Make sure you know what is and isn't covered by the plan
4. Keep these Terms & Conditions to refer to in the future
5. Check these Terms & Conditions from time to time to make sure the plan is still suitable for you.

Your demands and needs

The Over 55s Life Cover plan meets the demands and needs of those who want to use life cover to leave a cash sum on death. This could help pay towards funeral expenses or any outstanding debts or to leave as a legacy.

Frequently used terms

Some of the words in this document have a special meaning and are highlighted in *italic*. The meanings are given below to help you.

- ***Plan Anniversary*** - The anniversary of the date you started your plan.
- ***Premium Finish Date*** - The date from which the monthly premium is no longer due. This is either on the *Plan Anniversary* immediately before your 90th birthday or on your death if earlier.

Additional frequently used terms for **Increasing** Cover:

- ***Starting Cash Sum*** - The amount agreed at the start of your plan which is used to calculate your life cover.

1. Am I eligible for the Over 55s Life Cover plan?

You are eligible for this insurance provided that, at the starting date, you:

1. Are aged 55-80
2. Are resident in the UK.

2. When will the plan pay out?

- If you were to die during the first two years, we will pay out an amount equal to 1½ times the premiums paid, unless you die as the result of a travel accident as defined in Section 3.
- After you have had the plan for two years, we will pay out a cash sum on your death.
- If you die as the result of a travel accident (or as a policyholder within 90 days from injuries sustained in it), as defined in Sections 3 & 4, the plan will pay out four times the cash sum payable at that time.

3. What are the features and benefits of the plan?

- Your acceptance is guaranteed.
- After two years a cash sum is paid out on your death.
- From day one of your plan, if you die while the policy is in force, solely as a result of and within 90 days of accidental bodily injury sustained in the circumstances described below, we will pay out four times the cash sum payable at that time:

While travelling legally as a duly licensed driver or passenger, in or on a motor vehicle.

OR

While travelling legally as a fare-paying passenger (including getting on or off):

- by rail
- by road
- by air in passenger carrying aircraft operated by airlines or established charter companies and flying to and from licensed airfields
- by sea.

Additional features and benefits for **Increasing** Cover:

- With **Increasing** cover, life cover will rise each year until your death. A *Starting Cash Sum* is agreed at the start of the plan. Your life cover will then increase by a fixed amount of 5% of the *Starting Cash Sum* each year on the *Plan Anniversary*.

4. What are the exclusions and limitations of the plan?

- The full cash sum is not payable on death during the first two years.
- If you were to die during the first two years, except as the result of a travel accident as defined in Section 3, we will pay out an amount equal to 1½ times the premiums paid.

- The maximum combined initial life cover you can take out with AXA Sun Life Over 55 plan(s) or similar plans provided by AXA Sun Life, is £20,000 in total, excluding travel accident death benefit.
- The maximum combined monthly premium is limited to that which will achieve the £20,000 life cover although this may be less than the £74 maximum monthly premium otherwise allowable.
- The plan has no cash-in value at any time.
- Depending on how long you live, the total premiums paid may be greater than the final cash sum payable on death.
- If you die as a result of a travel accident as defined in Section 3, the additional final cash sum will not be paid out if death is a direct or indirect result of:
 - you engaging in or practicing for motor vehicle racing, trials or timed events
 - war or hostilities
 - intentional self injury or suicide or any attempted suicide.

Additional exclusions and limitations for **Fixed** Cover:

- As the cash sum is fixed inflation will, over time, reduce the value of the cash sum paid out on your death.

Additional exclusions and limitations for **Increasing** Cover:

- With **Increasing** cover, the annual increase in the cash sum is fixed for life at 5% of the *Starting Cash Sum*. This means that after the first year, the actual increase will be less than 5% of the value of the life cover at that time.
- With **Increasing** cover, the premium will increase by a fixed amount each year on the *Plan Anniversary* for a maximum of 20 years. The fixed amount will be 5% of the monthly premium payable in the first year of your plan.
- With **Increasing** cover, the value of the cash sum paid out on your death may be reduced by inflation. This will happen if the total of all the increases in the cash sum payable on your death, do not cover the effect of inflation.

5. How much will it cost?

- A regular premium will be payable based on your age, gender and the cash sum you choose.
- Premiums stop on the *Policy Anniversary* immediately before your 90th birthday or on your death if earlier.

Additional cost information for **Fixed** cover:

- Premiums are fixed from the start, and will never rise.

Additional cost information for **Increasing** cover:

- Premiums will increase by a fixed amount each year on the *Plan Anniversary* for a maximum of 20 years. The fixed amount will be 5% of the monthly premium payable in the first year of your plan.
- If you are less than 69 when you take out **Increasing** cover, premiums will increase annually for 20 years and will then remain level until the *Premium Finish Date*, when premiums stop altogether.
- If you are 69 or over when you take out **Increasing** cover, premiums will increase annually until the *Premium Finish Date* when premiums stop altogether.

The premium and benefits you have selected will be shown on your Policy Schedule.

6. How do I pay?

Monthly by Direct Debit.

After the first premium has been paid, if any subsequent premiums are not paid on the due date, we will allow 30 days of grace during which time you can pay the outstanding premium and the policy will remain in force.

If the outstanding premium is not received within the days of grace, the plan will be cancelled and you will not get anything back.

7. How do I cancel the plan?

You can change your mind within 30 days from when you receive the “Your right to change your mind” form. Complete and return the form within 30 days to: The Manager, New Business Customer Services Department, AXA Sun Life plc, PO Box 1810, Bristol BS99 5SN and AXA Sun Life will refund any premiums you have paid. After this, you may cancel your plan at any time by notifying AXA Sun Life in writing. If you do cancel, your life cover will stop and you won’t get anything back.

8. What about tax?

The amount paid on your death will normally form part of your estate, so may be subject to Inheritance Tax, unless you write your plan subject to an appropriate trust. For details on how tax could affect **the Funeral Benefit Option**, please refer to the ‘Information about the Funeral Benefit Option’ section of this Terms & Conditions leaflet. Tax information is based on AXA Sun Life’s understanding of current law and HM Revenue & Customs practice. How taxation could affect you will depend upon your individual circumstances. Tax legislation may change in the future.

9. How to make a claim

In the event of death, a claim can be made in writing to AXA Sun Life plc, PO Box 1810, Bristol BS99 5SN or by telephone on 0845 607 6109.

We will need:

- The Policy Schedule and Endorsements to be returned
- The name of the person making the claim and evidence of their entitlement to the policy proceeds
- The name and date of birth of the policyholder
- The original death certificate
- A copy of the policyholder's Will if there is one.

It is important that you keep your policy documents safe and let your next of kin know where to find them.

From the date of death to when the payment is made we will add interest to the cash sum paid out. The rate of interest used to calculate this amount will typically be around 0.5% per annum lower than the Bank of England Base Rate.

10. What if I have a complaint?

If you would like further information or you have a complaint about our service, then please contact:

Customer Care Coordinator,
NB Customer Services Dept,
AXA Sun Life plc,
PO Box 1810,
Bristol BS99 5SN.
Tel: 0845 607 6109.

If you are not satisfied with any aspect of the service that you have received from AXA Sun Life, then we have a written complaints handling procedure, a copy of which is available on request.

Complaints that AXA Sun Life cannot settle may be referred to the Financial Ombudsman Service at:

South Quay Plaza,
183 Marsh Wall,
London E14 9SR.
Telephone: 0845 080 1800

E-mail: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Making a complaint will not affect your right to take legal action.

11. Financial Services Compensation Scheme (FSCS)

Your plan is covered by the Financial Services Compensation Scheme. This means that if AXA Sun Life are unable to pay claims/benefits because of financial difficulties you would be able to make a claim. Up until 31 December 2009 you are covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit. From 1 January 2010 this limit changes to 90% of the claim, without any upper limit.

For further information please see www.fscs.org.uk or telephone 020 7892 7300.

12. Law

AXA Sun Life will apply the law of England and Wales to this plan, and, by taking out this plan, you have agreed to this. All communication will be in English.

Information about the Funeral Benefit Option

The **Funeral Benefit Option** is provided in association with The Co-operative Funeralcare, who are not authorised and regulated by the Financial Services Authority but are a registered provider with the Funeral Planning Authority.

The Option allows you to use the cash sum from your Over 55s Life Cover plan to pay directly towards your funeral with The Co-operative Funeralcare. You give us permission to pay the cash sum to The Co-operative Funeralcare rather than to your estate. Arranging this is a legal process known as 'charging' your plan.

How it works

- There is no additional cost for you to 'charge' your Over 55s Life Cover plan.
- As long as you have had the plan for at least two years, the cash sum payable on death will be paid directly to The Co-operative Funeralcare.
- The Co-operative Funeralcare will also pay a £250 Contribution towards the cost of your funeral. There is no cash alternative
- The cash sum and the £250 Contribution will be deducted from the final funeral bill.
- To receive the £250 Contribution, your representatives will need to present the Certificate of Entitlement to the Funeral Director. You'll receive this with your Documents Folder from The Co-operative Funeralcare.
- If you die within the first two years of the plan, the full cash sum will not be payable. Instead, all the premiums already paid plus half as much again would be returned to your estate rather than to The Co-operative Funeralcare. However, if your representatives then choose to use The Co-operative Funeralcare to provide your funeral, they will still be entitled to the £250 Contribution.
- Should you die as a result of a travel accident, or within 90 days from injuries sustained from it, you will be entitled to the Travel Accident Death Benefit and four times the cash sum will be paid to your estate (see Section 3 of the Terms & Conditions leaflet). However, if your representatives then choose to use The Co-operative Funeralcare to provide your funeral, they will still be entitled to the £250 Contribution.

Important things to consider

- The **Funeral Benefit Option** only applies to funerals provided by The Co-operative Funeralcare, a participating Co-operative Society Funeral Home or an affiliated Funeral Director.
- You may have several Over 55s Life Cover plans, or similar products from other insurance providers, but only one should be 'charged' to a funeral provider.
- Should you change your mind, you can remove the **Funeral Benefit Option** at any time with no cancellation fee. In the same way, should your representatives choose to use another funeral provider, or have the cash sum paid to the estate, they can remove the Option when you die. They just need to be aware that the £250 Contribution would no longer apply.
- If you decide to cancel the **Funeral Benefit Option**, the cash sum payable on death after two years will be paid to your estate rather than The Co-operative Funeralcare. Please be aware that once the **Funeral Benefit Option** is cancelled it cannot be reinstated and you wouldn't be entitled to 'charge' any other life cover plans you have with AXA Sun Life.
- It's important that you keep paying your premiums when due each month because, if you stop paying, your Over 55s Life Cover plan will end and you wouldn't get anything back. No cash sum would be paid and the £250 Contribution would not apply.
- If the final cost of the funeral is less than the combined value of the cash sum and the £250 Contribution, AXA Sun Life will pay the balance to your estate. Should the total of the cash sum and £250 Contribution not cover the total cost, your representatives will need to pay the difference at the time.
- The £250 Contribution from The Co-operative Funeralcare is fixed and will remain the same, so inflation will reduce its value over time.

Further Information

- If the contract between The Co-operative Funeralcare and AXA Sun Life was terminated during the lifetime of your policy, The Co-operative Funeralcare would still provide the funeral where possible. However, if they were unable to do so, AXA Sun Life would seek an alternative funeral provider for your funeral arrangements. If AXA Sun Life were unable to find another appropriate funeral provider, the cash sum would be paid to your estate on death and the £250 Contribution would not apply.
- In the event of The Co-operative Funeralcare going out of business, they would not conduct your funeral and the £250 Contribution would not apply. Your Over 55s Life Cover plan would continue as normal, and AXA Sun Life would seek an alternative funeral provider. If this was not possible, the cash sum would be paid to your estate.
- Where the cash sum is paid to the estate instead of to The Co-operative Funeralcare, it may be subject to Inheritance Tax. See section 8 of the Terms & Conditions. Tax information is based on our understanding of current law and HM Revenue & Customs practice. Tax legislation may change in future.