

# FPP Combined Life and Enhanced Critical Illness Cover

## Product Profile

In this document we outline the relevant product information about LV= Combined Life and Enhanced Critical Illness Cover, required for distributors. We set out the product's target market, distribution strategy, main features, limits, suitability, risks, options and costs and the outcome of our fair value assessment.

For full details of the terms and conditions of the policy, please refer to the Combined Life and Enhanced Critical Illness policy conditions.

### Target market

LV= Combined Life and Enhanced Critical Illness policy pays out a lump sum if your client or the person insured dies, or is diagnosed with one of the listed critical illnesses in the policy conditions (and survives for at least 14 days) during the term of the policy.

This product is aimed at clients who have dependants who would suffer financially in the event of their death or diagnosis of a specified critical illness. It's particularly useful for people who have a financial commitment like a mortgage or loan whose financial dependants would still be liable for the debt if they died or were diagnosed with a critical illness.

### Distribution

We offer our Combined Life and Enhanced Critical Illness Cover; with standard children's cover (which is automatically included) or with enhanced children's cover.

LV= Combined Life and Enhanced Critical Illness Cover (with standard children's cover) and LV= Combined Life and Enhanced Critical Illness Cover (with Enhanced Children's Cover) can only be sold on an advised or non-advised basis, face to face or over the phone.

It's important to regularly review your client's circumstances and protection needs to make sure their cover is appropriate.

### Main features

- Pays a cash lump sum on death, or diagnosis of one of the specified conditions, during the term.
- Covers 87\* conditions (if Total Permanent Disability is added) including 49 full payment, 38 additional payment conditions and 16 definitions providing wider coverage than the standard ABI definitions.
- Enhanced claim benefits for 17 conditions.
- Standard children's critical illness cover automatically included, at no added cost.
- Level, increasing or decreasing cover.
- Guaranteed premiums.
- Option to add Total Permanent Disability as a critical illness.
- Waiver of premium option.
- Option to choose Combined Life and Enhanced Critical Illness with enhanced children's cover which provides even more coverage for your clients family.

### What is not covered

- Your client is covered for the conditions and definitions listed in the policy conditions and no others.
- We'll only pay one claim for each additional payment condition covered under the policy. However, your client can make a claim under any of the other critical illnesses covered by this policy.
- We won't pay a claim if your client dies as a result of intentionally taking their own life in the first 12 months of the policy.
- Unless your client has chosen Life and Enhanced Critical Illness with enhanced children's cover their children are not covered for the enhanced children's critical illness conditions.
- If we pay a claim under children's cover for a full payment condition, or one of the enhanced children's cover conditions then that child will no longer be covered by the policy.

### Risks

- There is no cash in value at any time.
- To make a claim, your client must survive for at least 14 days after being diagnosed (this doesn't apply to claims for children's cover).
- If your client stops paying their premiums, their cover may cease.
- If your client chooses level cover, it won't keep up with inflation and could buy less in the future.

### Eligibility

To apply clients must be:

- permanently living in the UK
- aged between 17 and 64 (for level and decreasing cover)
- aged between 17 and 59 (for inflation-linked cover)

\*20 of these conditions are covered under 1 additional payment condition – 'Less advanced cancers'.



## Limits and basis

- The minimum term is 5 years and maximum term 50 years. The policy must end before the person insured reaches the age of 80 (for level and decreasing cover) and 70 (for inflation-linked cover).
- Clients can choose to take out a policy on a single or joint life basis.
- When a claim is paid for a full payment condition or if your client were to die, the policy would end.
- On a joint life basis, the policy ends when we pay a claim, when the first person insured dies or is diagnosed with a full payment critical illness condition.
- If your client is insuring someone else an insurable interest must exist at the start of the policy. A spouse or civil partner is automatically assumed to have an insurable interest.

## Fair value assessment

We have assessed our Life and Enhanced Critical Illness cover, including options and additional benefits, as providing fair value for customers within the target market, for whom the product is suitable.

We will regularly assess the product to ensure that it continues to provide fair value and meets with the requirements of the intended target market.

## What we take account of when assessing fair value

When assessing fair value, we look at:

- the target market, its needs and objectives

## LV= Combined Life and Enhanced Critical Illness Cover

This table shows you who the product is designed to meet the demands and needs of, and provides fair value for. It also shows who it is not designed for, and doesn't provide fair value for.

This product is suitable for	This product is not suitable for
<ul style="list-style-type: none"> <li>✓ Those wanting a lump sum payment if the insured dies or is diagnosed with a specified critical illness.</li> <li>✓ Those whose need for cover expires before they reach age 80 (for level and decreasing cover) and 70 (for inflation-linked cover).</li> <li>✓ Those who need cover for at least 5 years, as this is the minimum term for the policy.</li> <li>✓ Those who have a financial commitment such as a mortgage or loan, and who have dependants who would be liable for this debt if they died or were diagnosed with a specified critical illness.</li> <li>✓ Those also looking for children's critical illness cover from birth to age 23.</li> </ul> <p><b>Level cover is suitable for:</b></p> <ul style="list-style-type: none"> <li>✓ Those looking to protect an interest only mortgage with a policy that pays out the same lump sum throughout the length of the policy.</li> <li>✓ Those looking for certainty that their amount of cover is fixed for the term of the policy.</li> </ul> <p><b>Decreasing cover is suitable for:</b></p> <ul style="list-style-type: none"> <li>✓ Those looking to cover the reducing amount they owe on a capital and interest repayment mortgage or other loans.</li> <li>✓ Those looking for a lump sum that decreases in-line with the debt they owe on a mortgage or loan.</li> </ul> <p><b>Inflation-linked cover is suitable for:</b></p> <ul style="list-style-type: none"> <li>✓ Those looking for the amount of cover to go up each year in line with the Retail Prices Index (RPI) to keep up with inflation.</li> </ul>	<ul style="list-style-type: none"> <li>✗ Those looking for cover to pay a regular benefit if they're unable to work for a period of time due to accident or sickness.</li> <li>✗ Those looking for business protection to cover the loss of a key person, to provide finances to purchase shares of a director or partner in the event of their death, or to cover an interest only business loan. There are other more suitable products tailored to cover these situations.</li> <li>✗ Those who don't have any financial dependants.</li> <li>✗ Those who want to protect their income should they be unable to work due to accident, sickness, involuntary redundancy or unemployment.</li> </ul> <p><b>Level cover is not suitable for:</b></p> <ul style="list-style-type: none"> <li>✗ Covering any rising cost to keep up with inflation as the amount of cover will be worth less in the future.</li> </ul> <p><b>Decreasing cover is not suitable for:</b></p> <ul style="list-style-type: none"> <li>✗ Covering the debt on an interest only mortgage as the amount of cover will decrease and the mortgage debt will remain the same, so the debt could be larger than the amount of cover in place.</li> </ul> <p><b>Inflation-linked cover is not suitable for:</b></p> <ul style="list-style-type: none"> <li>✗ Covering a mortgage debt, as the amount of cover will increase and the mortgage debt will decrease or remain the same, so this could result in clients paying for additional cover they don't need.</li> </ul>

- the expected proportion of vulnerable customers in the target market
- the product's benefits and limitations, and what services we provide
- the distributors/channels we use
- the expected overall premium
- how much it costs to provide the product and distribute it over a reasonably foreseeable period.
- the relationship between the overall price to our customers and the quality of the product and service provided.

## What information do we use to assess fair value?

- The proportion of premiums that go towards providing the amount of cover.
- How long our claims process takes from start to finish.
- What percentage of claims we pay out and if not, why not. Information on our claims stats can be found here [LVadviser.com/supporting-you/claims](https://www.lvadviser.com/supporting-you/claims)
- How many complaints there are and the proportion we uphold.

## Other considerations

We consider the levels of commission we pay and, where we are able to access the details, how much distributors charge their customers for the services they provide.

Distributors will need to consider the impact of any other costs they charge when undertaking their own fair value assessments.

## Options and additional benefits

### Children's Critical Illness Cover

We provide two kinds of children's cover with our Life and Enhanced Critical Illness cover, standard and enhanced.

Standard children's cover is automatically included (at no added cost) for your client's children for all of our critical illnesses except total permanent disability, diabetes mellitus type 1 and enhanced children's critical illness conditions from birth until their 23rd birthday.

If your client chooses enhanced children's cover (at an additional cost) their children will be covered from birth up until their 23rd birthday for all of the critical illnesses covered under the standard children's cover plus an additional 10 child specific conditions.

Children's cover pays out on diagnosis of a critical illness; there is no survival period requirement for children. If your client's child dies during the term of the policy we will pay £5,000 towards the cost of their funeral in addition to any payment made for a claim on one of the listed children's critical illness conditions.

### Junior Option

Any child covered under the policy can choose to start a new life and critical illness policy with us without having to go through medical underwriting within 6 months of their 23rd birthday, as long as we have not paid a children's critical illness claim. They'll have the option to take out up to 50% of your client's cover up to £25,000 (standard children's cover) or £35,000 (enhanced children's cover). Where this option is used under more than one policy, the total combined cover for all new policies using this option is limited to £50,000 (standard children's cover) or £70,000 (enhanced children's cover) for that child. The terms and conditions for the new policy will be based on the policy conditions at the time of using the option (these may differ from the terms and conditions of your client's policy). The amount your child pays for their policy will be based on their age and smoker status at the time of using this option.

### Additional Payments

This product also provides cover for 38\*\* less severe conditions. Where we'll pay an amount equal to the lower of 50% of cover or £30,000. If a claim is paid for an additional payment, your client's full amount of cover remains in place. For more details, refer to the Policy Terms and Conditions.

\*\*20 of these conditions are covered under 1 additional payment conditions – 'Less advanced cancers'.

### Enhanced Payments

These are conditions where we will pay twice the amount of cover. The maximum payment your client can receive on top of their amount of cover is limited to £200,000.

- For ten of our full payment conditions, if the cause of their claim was as a direct result of an accident.
- For four of our full payment conditions if your client is under 55 years of age at the time they are diagnosed with the illness or condition.
- If your client has a major organ transplant, liver failure or severe lung disease that meets our definition for one of these full payment conditions.

### Cost of diagnosis of cancer

If your client's condition and treatment meet the criteria for any of the cancers covered by this policy (and are not listed as an exclusion in their policy schedule) we'll pay them £1,000 when we receive evidence of their cancer diagnosis. We'll just need a copy of the diagnosis letter from their consultant showing the histological classification of the cancer and details of their proposed treatment. Receiving this payment doesn't guarantee we'll go on to pay your client's claim under a full payment condition or an additional payment condition as their final diagnosis and actual treatment may not meet the definition of the condition they're claiming for. This payment doesn't reduce the amount of cover.

### Support for pregnancy complications

If your client chooses Combined Life and Enhanced Critical Illness Cover with enhanced children's cover they will also be covered for certain pregnancy related conditions. We will pay £5,000 per pregnancy if the person insured is diagnosed with one of the specified pregnancy complications listed in the Appendix of the Policy Conditions. Payments for pregnancy complications won't affect the total cover amount and the policy will continue.

We won't pay this if the person insured was aware they were at risk of having the specific condition they are claiming for before applying for the policy.

### Guaranteed Increase Options

Your client can increase the amount of their cover and in some cases replace their policy with a new policy without completing a full application, if certain events happen and they are eligible. If your client changes the amount of their cover using one of the options below, their premium will also change to reflect this. The premium will be based on the age and smoker status at the time of change.

Your clients can increase their cover for each of these life events:

- an increase in their mortgage as a result of moving home, or home improvements
- mortgage extension
- an increase in their rent as a result of moving into a new rental property or as a result of an increase imposed by the landlord
- marriage or civil partnership
- divorce or dissolution of civil partnership
- splitting a joint life policy on separation
- birth or legal adoption of a child
- their basic salary increases by more than 10%.

For more details and general limits, refer to the Policy Terms and Conditions.

## Member Benefits

By taking out this product your client will also agree to become a member of Liverpool Victoria Financial Services Limited (LV=). As LV= is a mutual we are owned by our members, which means our members have a say on how the company is run. Our members also get access to a range of benefits including a Member Care Line which offers counselling, medical advice and legal advice, as well as discounts on General Insurance products offered by LV= General Insurance Group, a subsidiary of Allianz Holdings plc. To see the full range of benefits, and any conditions that apply, visit [LV.com/memberbenefits](https://www.lv.com/memberbenefits). Member benefits are non-contractual and can be changed or removed at any time.

## LV= Doctor Services

All new policyholders and their spouse or partner\* have access to a number of medical services and advice which can be accessed via one simple app or phone call. These include virtual GP consultations, prescription and second opinion services, remote physiotherapy, remote psychological services and discounted health MOTs. These benefits are non-contractual and can be changed or removed at any time, and conditions apply. For more details visit [LV.com](https://www.lv.com).

\*Spouse/partner Spouse, civil partner or person with whom the policyholder lives with as a partner and at the same address.

**LV= Doctor Services is provided by Square Health Limited. This service is not regulated by the Financial Conduct Authority or Prudential Regulation Authority.**

## Waiver of Premium

Your client can add waiver of premium when they take out their policy, or once it is in place. We set this up as a separate policy and an additional cost. For more details, refer to the Waiver of Premium Product Profile and Waiver of Premium Policy Terms and Conditions.

## Total Permanent Disability

Can be included and at an additional cost, at outset as a critical illness condition.

This will cover your client if as a result of sickness or accident they are left unable to do the main aspects of their normal occupation and are never expected to be able to do so again. For more details, refer to the Policy Terms and Conditions.

## Costs

The policy premium also includes a fee, which is a fixed monthly amount, to cover administration and support costs.

To find out more about the LV= Flexible Protection Plan, please contact your LV= Account Manager on



**0800 678 1890**



**Or visit [LVadviser.com](https://www.lvadviser.com)**

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