

Family Income Benefit

Policy Summary

A quick guide to your policy documents

We know that sometimes there just isn't time to read all the documents that come with a new product, so this summary gives you an overview of the policy.

Your policy conditions tell you the important things we think you need to know about Family Income Benefit, they contain more detail than we cover here and explain how your policy works.

To find the details about your cover that are specific to you (such as how much you're covered for and when your policy ends) you'll need to read your policy schedule.

About LV=

LV= is a registered trademark of Liverpool Victoria Financial Services Limited, we're the company that provides your insurance. We're also the people responsible for paying any claims made on your policy (as long as they meet the terms set out in your policy conditions). We can't advise you about whether this cover is right for you - you'll need to speak to your financial adviser about that, but we'll be happy to help with any questions you have about Family Income Benefit if you choose to take this policy out.

About Family Income Benefit

These topics are covered in section A of your policy conditions

✓ What your policy covers

- You choose how much you want to be covered for and how long you want this policy to run for.
- This policy will pay the policyholder a regular income or a lump sum if you die, or are diagnosed with a terminal illness between your policy start date and the end date. This period is called the 'policy term'.
- We'll pay the income from this policy in monthly instalments starting from the date you die or are diagnosed with a terminal illness until the policy ends. The person receiving the payments can choose to have the money as a one-off reduced lump sum instead. We explain in more detail about who we pay the claim to and ways to receive claim payments in sections A6 and A7 of your policy conditions.
- This policy will only pay out once, so if you are diagnosed with a terminal illness and we pay your claim for that we won't pay out again if you die before the end date of the policy.

What we mean by 'terminal illness'

This is an incurable illness, where our chief medical officer and your medical specialists agree that you are not expected to live for more than 12 months after being diagnosed.

✗ What your policy doesn't cover

- If the person insured by this policy takes their life within 12 months of the start date we won't pay a death claim, but we will cancel the policy and refund the premiums you've paid so far.
- If you live past the policy end date and we haven't paid a terminal illness claim then the policy will stop and you'll no longer be covered. Please remember that we don't refund the money you've paid for the policy when it ends.
- If the person insured by this policy is abroad when diagnosed with a terminal illness and doesn't get the diagnosis confirmed by a doctor in one of the places we list in section A1 of the policy conditions we won't pay the claim.
- If this policy covers two people and we pay a death or terminal illness claim for one of them the policy will end, we won't pay another claim if the remaining person becomes terminally ill or dies.
- If you provide the wrong details by mistake when completing your application this may result in non-payment of a claim, or a reduction in the amount we will pay. Please read section B7 of your policy conditions to find out more.
- If we find that during any stage (between applying for this cover and the policy end date) that anyone connected with the policy has deliberately given us incorrect information we may cancel the policy or refuse to pay a claim. We explain under what circumstances we can cancel your policy in section B7 of the policy conditions.



Who we'll cover

We can only insure people who live permanently in the UK and are 17 years old or over. The maximum age at the start of the policy for the person we're insuring depends on the type of cover you want, it will either be 79 (for inflation linked cover) or 84 (for level cover).

You can insure yourself and another person, but the policy will only pay out once – it won't pay out twice if you both die or become terminally ill.

You can insure another person without insuring yourself – you'll be the policy owner and they'll be the person insured, but you can only do this if you'll suffer financially if they die or become terminally ill (for example, if you're married to or in a civil partnership with them).

How long we can insure you for

You can choose how long your policy lasts as long as it is within the following limits.

- We can only insure people for a minimum period of five years and a maximum period of 50 years.
- We can only insure people until they reach age 85 for inflation linked cover.
- We can only insure people until they reach age 90 for level cover.

Types of cover

Once your policy has started you cannot change the type of cover you have, but you can change the amount you are covered for by using a guaranteed increase option (we explain these in full in section B10 of your policy conditions).

If you want to change the type of cover you have you would need to cancel your current policy and take out a new one.

The types of cover available are:

- **Level cover** – this means the amount of cover you have and the amount you pay (your 'premium') is fixed at the start of the policy and won't change for the whole policy term. It's worth bearing in mind that the amount of cover you choose won't be worth as much in the future as it was when the policy started because your cover won't keep up with the rising cost of things over time due to inflation.
- **Inflation linked cover** – this means that your amount of cover will go up each year in line with inflation. The amount you pay (your 'premium') will increase each year in line with inflation multiplied by 1.5. We measure inflation using the Retail Prices Index (RPI).

We explain more about the different types of cover in section A3 of the policy conditions.

Paying for your Family Income Benefit

These topics are covered in section B of your policy conditions

How much it costs and how to pay

The price we charge for your cover (your 'premium') will depend on how old you are, how much you want to be covered for, how long you want to be covered for, and your health (including whether or not you smoke). There isn't a maximum or minimum amount of cover for this policy, but there is a minimum amount you need to pay for your cover,

which is £5 a month. So if the amount of cover you want costs less than this we'll still ask you to pay £5 a month, but we will increase your amount of cover to the amount you'd get for our minimum payment amount.

You can only make your payments for this policy by a monthly Direct Debit.

When you apply for this policy we'll send you a personal quote telling you how much it will cost you. Depending on how long it takes you to choose your start date (and if there have been any changes in your circumstances between the time we gave the quote and the time you agree to buy the policy) the amount you pay might be different from the amount shown in your quote. But don't worry - we'll let you know if the cost has changed before your policy starts.

Once your policy starts the amount you pay is guaranteed not change, (unless you've have chosen inflation-linked cover).

If you have inflation-linked cover your cover will increase by inflation each year and the amount you pay will increase by inflation multiplied by 1.5. The only exception to this is if we are required to change how much you pay because of a change in law which affects this type of insurance. We explain this in more detail in section B4 of the policy conditions.

How long you pay for your cover

You'll need to begin paying for your policy on your policy start date and you'll need to keep paying right up until the month before the end date shown in your policy schedule – unless we approve a claim, in which case you stop making your payments.

If you stop making your payments before the end date without a claim being approved we'll cancel your policy. This means your cover will end and you won't receive a refund of any of the payments you've already made.

If you're cancelling your policy because your circumstances have changed (not because you no longer want it) you might find it helpful to speak to a financial adviser first.

What happens if you miss making a payment

Don't worry, we'll give you 60 days from the date your premium payment is due to make up any payments you've missed before we'll cancel the policy.

We'll work with you to decide on a suitable way for you to make these payments, during this time you'll still be covered but we will ask that you pay the full amount you owe before we can pay a claim. If you can't make your payments within the 60 day period we will cancel your policy and you'll no longer be covered.

We might be able to restart the policy for you after cancellation – please read section B3 of your policy conditions to find out more about this.

If you have Waiver of Premium cover and are off work due to an illness or accident (that isn't listed as an exclusion) for more than six months (this may be less if you have other types of policy in your Flexible Protection Plan) we'll pay for your cover on your behalf. Your Flexible Protection Plan schedule will tell you if you have Waiver of Premium cover and you can find out more about this type of cover in our Waiver of Premium policy conditions.

Making changes to and ending your Family Income Benefit policy

These topics are covered in section B of your policy conditions

Guaranteed increase options

If you have a specific life changing event (your rent or mortgage goes up, your salary goes up, you get married, divorced, or have a child) you might be able to use a guaranteed increase option (GIO) to change your amount of cover (within certain limits) without having to answer any additional health questions.

You can find out more about the GIOs available with this cover in section B10 of your policy conditions.

When your policy ends

Your policy will end on your chosen end date – this is shown on your policy schedule.

If we are paying your claim, your policy will come to an end after we have paid the final monthly instalment of your cover (or if you chose to receive it as a one-off lump sum). Remember, when we pay a claim you no longer pay for your cover. Find out more about when your policy ends in section B8 of your policy conditions.

If you want to cancel your policy

If you change your mind and decide you no longer want your policy you can cancel it whenever you want. Just call **0800 678 1906** or write to us at LV=, Emperor House, Grenadier Road, Exeter Business Park, Exeter, EX1 3LH.

If you cancel within 30 days of your start date we will refund the money you've already paid (your 'premiums'). If you cancel after this time your cover will stop and we won't refund any of the payments you've made.

When we can cancel your policy

The only other time your policy may end before the end date apart from when we pay a claim is if we cancel the policy. This can happen if:

- The person insured died as a result of taking their own life within 12 months of the policy starting.
- We don't receive missed premium payments within 60 days of the due date.
- Anyone involved with the policy (for example, the policy owner or person being insured) provides untrue, inaccurate or misleading information when giving their application details, making a claim, or applying to restart the policy.

We explain this fully in section B7 of the policy conditions.

If you need to make a claim

These topics are covered in section A of your policy conditions

Who we pay

We will always pay a claim to the person that owns the policy when the person being insured dies or is diagnosed with a terminal illness, once the claim is approved.

- If the policy owner has died we will pay the executor of their will, or the court appointed administrator of their estate if they didn't leave a will.

- If there are two policy owners and one dies, we will pay the remaining owner. If they die together and it's unclear who died first we will pay the claim to the estate of the younger owner.
- If the policy has been put into a trust we will pay the trustees.
- If the policy owner has legally given the policy to someone else (this is called 'assigning' it) we will pay the claim to whoever the policy has been assigned to.

The policy owner and the person insured are usually the same person, but sometimes they aren't, or the policy has been placed in a trust or assigned to someone else – we explain this in more detail in section A6 of the policy conditions.

Pay my mortgage facility

This is an option we offer to help people who are claiming state benefits in addition to claiming on this policy. It enables the person claiming on this policy to use the payments to pay their mortgage. By choosing to do this the money they receive from us won't usually get deducted from the state benefit payment. Please speak to your benefits adviser for more information about this if you apply for or receive state benefits. This is based on our understanding of state benefits as of April 2023 and may change in the future.

If you or your beneficiary (we'll just say 'you' for the purpose of this explanation) choose for us to pay your claim directly to your mortgage lender we'll pay any remaining amount to the policy owner.

This option is only available if your mortgage is for residential mortgages on the main property you live in. It is not available for mortgages on second homes, holiday homes, or commercial premises.

We explain more about this in section A9 of the policy conditions.

Making a claim

Whether you are claiming due to terminal illness or death please let us know as soon as possible – if the policy owner has died or is too unwell to make the claim, their legal representative (or someone they've appointed) can act on their behalf. We explain about making a claim in section A4 and A5 of the policy conditions.

You can contact us about a claim in any of the following ways:



Email healthclaims@LV.com



Call 0800 756 5869



Write to
LV= Emperor House, Grenadier Road,
Exeter Business Park, Exeter, EX1 3LH.

Complaints and legal info

These topics are covered in section C of your policy conditions

We'll always communicate in English – your Family Income Benefit protection and its terms and conditions are governed by the laws of England and Wales.

This means that any legal disagreements will be settled exclusively by the courts of England and Wales.

Making a complaint

If you're unhappy with any part of the service you have received from us it's really important that you tell us so we can put things right. You can email us at **lifecomplaints@LV.com** or call 0800 678 1906, or write to us at: Box 2, LV=, County Gates, Bournemouth BH1 2NF.

If you'd like more information about how we handle complaints please visit **LV.com/complaints** or call us and we'll be happy to help.

We hope that we will be able to resolve any complaint that you have. If you're unhappy with the outcome, the Financial Ombudsman Service may be able to help you. You'll need to contact them within six months of receiving our final response letter. Their website **www.financial-ombudsman.org.uk** includes more information about the service and their contact details.

If you make a complaint it won't affect your right to take legal action.

What would happen if LV= got into financial trouble and was not able to pay out

We've been in business since 1843, and take great care to manage our affairs sensibly.

We're required to publish a report each year about our solvency called a Solvency and Financial Condition Report. Solvency is a company's ability to meet its long term financial commitments and this report will help you understand more about our solvency and how we manage our capital and risks. You can read this online at **LV.com/sfcr** or if you'd like us to send you a hardcopy please write to: Company secretary, Liverpool Victoria Financial Services Limited, County Gates, Bournemouth, BH1 2NF.

If we ever did get into financial trouble and couldn't honour our commitments, you would be entitled to compensation from the Financial Services Compensation Scheme. The compensation you could get depends on the type of product you have. For this type of policy, the scheme covers 100% of the claim. The scheme's first responsibility is to seek continuity of cover rather than to pay compensation.

For more information go to **www.fscs.org.uk** or call **0800 678 1100** or **0207 741 4100**.

Data protection

We'll always protect your personal data and you can find out exactly how we use, share, store and dispose of the information we have about you by visiting **LV.com/data-protection**.

If you have any other questions or would like our data protection details in print or an accessible format please email our data protection officer **DPO@LV.com** or write to: Data protection officer, LV= Financial Services, Frizzell House, County Gates, Bournemouth, BH1 2NF.

Financial crime and terrorist financing

The personal information we collect will be shared with crime prevention agencies who will use it to prevent financial crime, money-laundering, and to verify the identities of you and the person being insured. If financial crime is detected, you could be refused certain services, finance or employment. If you have a question about how your information will be used by us and fraud prevention agencies please contact LVFS financial crime, LV=, County Gates, Bournemouth BH1 2NF.

We use your information to make sure we comply with any financial sanctions that apply in the UK and overseas. This includes:

- Checking your information against sanctions list
- Sharing your information with HM Treasury and international regulators if required.

We will contact you if we need more information to comply with financial sanctions.

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

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