

FPP Life and Critical Illness Cover

Product Profile

In this document we outline the relevant product information about LV= Life and 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 Life and Critical Illness policy conditions.

Target market

LV= Life and Critical Illness policy pays out a lump sum if 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

Our Life and Critical Illness policy does not include children's cover; however Enhanced children's cover can be added to the policy for an additional cost. It can be added at outset, or at any time during the term of the policy, as long as there are at least 5 years remaining on the term of the Life and Critical Illness policy.

We also offer an enhanced version of our Life and Critical Illness cover called Life and Enhanced Critical Illness cover, which offers cover for more conditions, and automatically includes a reduced amount of children's cover as standard. Please refer to the product profile for Life and Enhanced Critical Illness cover more information.

LV= Life and Critical Illness cover can be sold on an advised basis, face to face or over the phone, but can also be sold on a non-advised basis and bought directly online.

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 41 conditions (if Total Permanent Disability is added) including 39 full payment, 2 additional payment conditions and 16 definitions providing wider coverage than the standard ABI definitions.
- Enhanced accident benefit for 9 conditions.
- Option to add children's cover at an additional cost to provide comprehensive cover for your client's family.
- Level, increasing or decreasing cover.
- Guaranteed premiums only.
- Option to include Total Permanent Disability as a critical illness.
- Waiver of premium option.

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 to add children's cover their children are not covered by the policy. This can be added at any point as long as there is at least 5 years remaining on the policy.
- If we pay a claim under children's cover for a full payment condition 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 added to the policy).
- If your client stops paying their premiums, their cover may cease.
- If your client cancels their LV= Life and Critical Illness policy and they chose to add children's cover, this will automatically be cancelled as well.
- If children's cover has been added, this will only provide cover until their children reach their 23rd birthday. It's important that your client reviews their policy and let us know to remove Enhanced Children's Cover from the policy once their youngest child reaches age 23 otherwise they'll be paying for something they can't use.
- If Enhanced Children's Cover is removed it can't be added to the same policy.
- 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)



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 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
- 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
- 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.

LV= Life and 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">✓ Those wanting a lump sum payment if the insured dies or is diagnosed with a specified critical illness.✓ Those who have a limited budget and are prepared to have cover for a reduced set of illnesses.✓ Those whose need for cover expires before they reach age 80 (for level and decreasing cover) and 70 (for inflation-linked cover).✓ Those who need cover for at least 5 years, as this is the minimum term for the policy.✓ 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.✓ Those who don't have children (or whose children are over 23 years of age), or haven't currently got children but would want the option to add cover for them in the future. <p>Level cover is suitable for:</p> <ul style="list-style-type: none">✓ Those looking to protect an interest only mortgage with a policy that pays out the same lump sum throughout the length of the policy.✓ Those looking for certainty that their amount of cover is fixed for the term of the policy. <p>Decreasing cover is suitable for:</p> <ul style="list-style-type: none">✓ Those looking to cover the reducing amount they owe on a capital and interest repayment mortgage or other loans.✓ Those looking for a lump sum that decreases in-line with the debt they owe on a mortgage or loan. <p>Inflation-linked cover is suitable for:</p> <ul style="list-style-type: none">✓ 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.	<ul style="list-style-type: none">✗ 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.✗ 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.✗ Those wanting a policy that automatically covers their children.✗ Those who want to protect their income should they be unable to work due to accident, sickness, involuntary redundancy or unemployment. <p>Level cover is not suitable for:</p> <ul style="list-style-type: none">✗ Covering any rising cost to keep up with inflation as the amount of cover will be worth less in the future. <p>Decreasing cover is not suitable for:</p> <ul style="list-style-type: none">✗ 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. <p>Inflation-linked cover is not suitable for:</p> <ul style="list-style-type: none">✗ 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.

Options and additional benefits

Additional payments

This product also provides cover for 2 less severe conditions, where we'll pay an amount equal to the lower of 25% of cover or £30,000. If a claim is paid for an additional payment, your clients full amount of cover remains in place. For more details, refer to the Policy Terms and Conditions.

Enhanced Accident Benefit

These are conditions where we will pay an additional 50% on top of your client's amount of cover. The maximum payment your client can receive on top of their cover is limited to £200,000. This is paid if the cause of their claim was as a direct result of an accident for 9 of our full payment conditions. For more details, refer to the Policy Terms and Conditions.

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.

Children's Critical Illness Cover

Your client can choose to add children's cover to their policy at an additional cost. Children's cover pays out on diagnosis of a critical illness.

If your client chooses to add children's cover their children will be covered from birth up until their 23rd birthday.

Features include:

- Cover for 95 listed critical illnesses including 10 child specific conditions.
- No survival period requirement, children are covered from birth,
- Enhanced claim payments – We'll pay twice the amount of cover for certain conditions, this is capped at £70,000.
- Junior option – Any child covered under the policy can take out a new life and critical illness policy with us without medical underwriting if a claim hasn't been made. This must be taken out within 6 months of their 23rd birthday and can take out up to 50% of their parent's cover (up to £35,000). Find out more in the policy conditions.
- Death benefit – We will pay £5,000 towards the cost of the child's funeral in addition to any payment made for a claim on one of the listed children's critical illness conditions.
- Support for pregnancy complications – We'll pay £5,000 if your client suffers one of 6 listed pregnancy complications.

Please refer to the Policy Conditions for more details on the Terms and Conditions of Enhanced Children's Cover.

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)

Benefits of being an LV= member

By taking out this product your client will 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 LV= benefits.

To see the full range, and any conditions that may apply, visit [LV.com/benefits](https://www.lv.com/benefits).

LV= 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, at no added cost. 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/benefits](https://www.lv.com/benefits).

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 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.

*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.

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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