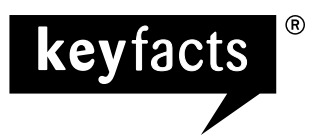
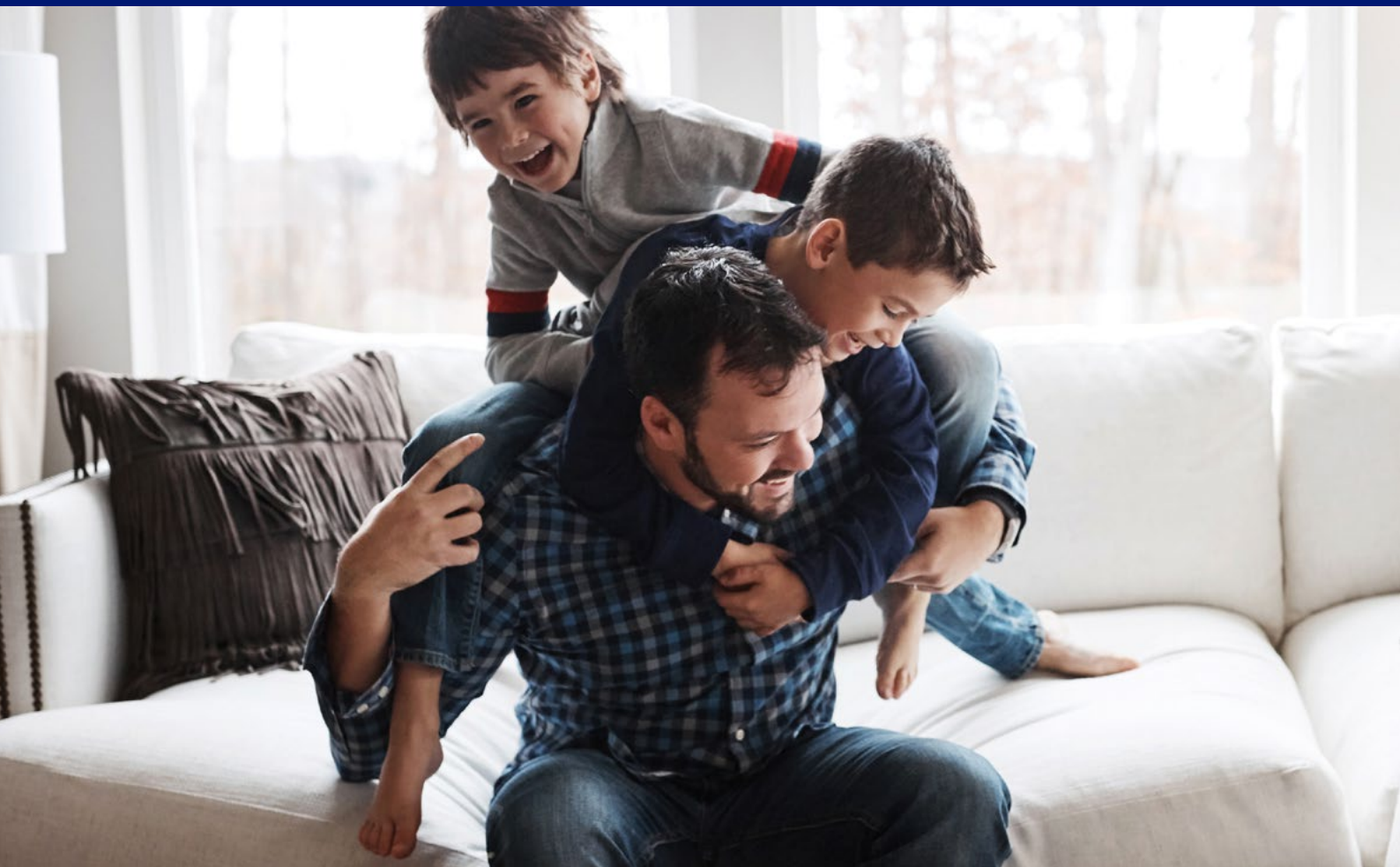




Individual Protection

Relevant Life Insurance

Key Facts



Welcome to AIG

The purpose of this document is to help you decide whether Relevant Life Insurance is right for you, featuring all the key bits you need to know. We've highlighted words and sections that'll help you understand how things work.

The full terms, conditions and exclusions of this cover can be found in the Cover Details and Cover Summary. The Cover Details gives you all the terms and conditions of the insurance and the Cover Summary will be a personalised summary of your cover if you decide to take it out. We'll let you know throughout this document when you might want to take a look at these.

The Cover Details are on our website aiglife.co.uk and you'll get a copy of the Cover Details and Cover Summary if you decide to buy from us.

Taking advice

You'll need to decide if this product meets your financial needs, so please read this document carefully and check it's right for you. You might want to get expert advice from a financial adviser who can look at your personal circumstances and help you make the decision that's right for you.

Giving us the right information

It's really important that you provide us with information that's true, accurate and complete when you apply for your cover. If you don't, it can cause problems later on, like your policy being cancelled or a claim being rejected or reduced.

Who are we?

We're AIG Life Limited (AIG for short). We specialise in insurance in the UK that helps people experiencing tough times in life – such as life insurance, critical illness and income protection cover.



Who can buy Relevant Life Insurance?

To apply for this cover, your business must be registered in the United Kingdom and the employee being covered must be a British Citizen, resident in the United Kingdom, be at least 17 years old and no older than 71.

You take out Relevant Life Insurance to cover an employee within the business – known as the person covered.

An employer can be a sole trader (as a business with employees), a partnership, a limited liability partnership, a limited company or a charity. However, a sole trader (in their capacity as business owner), an equity partner in a partnership or a member of a limited liability partnership aren't employees so can't be covered under relevant life insurance. An employee can include a single director of a limited company on PAYE.

What is Relevant Life Insurance?

Relevant Life Insurance is applied for and paid for by a business. It is written into trust so it pays out a lump sum to the employee covered or their beneficiaries if they die or are diagnosed with a terminal illness while employed during the policy term.

What does terminal illness mean?

A terminal illness means that the illness either has no known cure, or has progressed to the point where it can't be cured.

A claim for terminal illness can be made where the person covered has been diagnosed by a medical consultant with an illness that is expected to lead to death within 12 months. If the consultant can't diagnose this, or expects death to occur more than one year after diagnosis, we won't pay a terminal illness claim.

We'll only make a payment for a diagnosis of a terminal illness if the person covered meets the definition in the Cover Details.

The cover must be placed in trust to ensure any benefit from the cover may be paid to the person covered or their beneficiaries. Our relevant life insurance has been designed to comply with the conditions for relevant life plans as set out in Section 393(B) (4) of the Income Tax (Earnings and Pensions) Act 2003 and sections 481 and 482 of the Income Tax (Trading and Other Income) Act 2005 (ITTOIA 2005).

You must tell us if the person covered leaves your employment and notify us of any changes of trustees.

The fundamentals

The amount of cover

You decide how much cover you want for your employee. This is the amount we pay if your employee dies or is diagnosed with a terminal illness during the term of the policy. We call this the 'sum assured'. The maximum sum assured available under this cover is as follows:

Age of the person covered	Maximum sum assured, based on salary multiples
17-29	35 x income
30-39	30 x income
40-49	25 x income
50-59	20 x income
60-71	15 x income

Income includes salary, bonus, and dividends paid in lieu of salary plus any taxable benefit in kind.

The term of the cover

The term of the cover is how long the insurance lasts. You choose the term of the cover. This can be any number of years between 3 and 50, although the policy must end before the person covered reaches their 75th birthday.

Types of cover

You can choose whether you'd like the amount of your cover to stay the same or change over time.

- Level – a straightforward cover, where the amount of your insurance stays the same throughout the policy.
- Increasing – designed to keep up with rising costs over the years. The amount of your cover increases in line with the Retail Price Index (RPI) up to a maximum of 10% each year to take inflation into account.

RPI is a measure of inflation, published by the Office of National Statistics every month. It measures how the costs of goods and services change over time.

Protecting your insurance against inflation

Inflation will reduce the spending power of any money paid in the future. To help protect your insurance against this effect, you can choose to increase your sum assured.

This means that the amount you pay will increase each year to pay for the extra cover. It'll increase by a higher percentage than that of the benefit, because the person covered is more likely to need to claim as they get older.

If you choose to stop or skip the increase, the premium will remain at the level it was when you made that change. If you restart the annual increase, the premium will increase again.

For more information, take a look at section 3.3 in the Cover Details.

Paying for your cover

Your business pays the premiums for Relevant Life Insurance and the cost of the premiums is usually viewed as an allowable business expense. This is as long as the local inspector of taxes is satisfied they qualify under the "wholly and exclusively" rules as governed by HMRC. For example, the expense is incurred "wholly and exclusively" for the purpose of the business' trade and isn't "excessive" in the particular circumstances.

We'll collect monthly or annual premiums from you by direct debit until your cover ends. The amount you pay won't change, unless you choose increasing cover – in which case the amount you pay will increase each year to pay for the extra cover.

If you miss a premium

We'll stop your policy and you'll no longer be covered if any premium remains unpaid for more than 30 days from the date it was due to be collected.

You may be able to reinstate your cover by paying any outstanding premiums up to 6 months after a missing premium.

For more information on reinstating your cover, take a look at the Cover Details.

Value of the cover

This isn't a savings or investment product. Your cover has no cash value unless a valid claim is made.

Placing your policy in trust

To ensure any benefit from the cover may be paid to the person covered or their beneficiaries, you, as owner of the policy, must place the cover in trust. You must do this at the same time as you apply for the cover. You can use a trust form which we've provided or one prepared by your own professional advisers. You must be a trustee, together with the person covered. It may also be beneficial to appoint a third trustee.

If the cover is not written in trust, the policy may not meet HMRC's definition of relevant life insurance for taxation purposes and your employee or their dependants' entitlement to the benefits may be affected.

There is no guarantee that the current tax position will apply in all cases or continue for the term of the cover. Tax legislation may also change in the future.

Changing your cover

You can change your policy to ensure it still meets your needs.

These options may not be available to everyone, for example if the person covered has a particular medical condition when the cover is first taken out. For more information, including further limitations, take a look at section 3.3 in the Cover Details.

Life event changes

You're able to increase the amount of cover without the person covered needing to answer any more health and lifestyle questions up until and including your employee's 55th birthday when they:

- get married or enter a civil partnership
- have a child (including adoption)
- have an increase in income as a result of a pay rise or promotion, or
- increase the amount of their mortgage.

You can also increase the term of the cover in relation to an increase in your employee's mortgage term.

The limits

There is a limit to how much you can increase your sum assured – it can't be more than the lower of 50% of the original sum assured or £75,000.

More than one increase can be requested, but there's a limit to how much you can increase your sum assured by in total – it can't be more than the lower of 100% of the original sum assured or £150,000. If it's in relation to a mortgage, then the increase can't be more than the increase to the mortgage.

More than one increase to the term of the cover can be requested but the total of all increases can't result in the new term being more than 150% of the original term, increase the term to more than 50 years, extend beyond the end of the term of the new mortgage or beyond the 75th birthday of the person covered.

More ways you can change

You can also:

- reduce the sum assured
- reduce the term of the cover
- stop, skip and restart the annual increase if you've selected increasing cover, or
- change your premiums from annual to monthly and vice versa.

More details about any of these changes including any limitations and conditions and other changes can be found in section 3.3 of the Cover Details.

Continuing the cover

If your employee leaves your business, there are two potential options to continuing the cover:

- (i) Transfer of ownership to a new employer, or
- (ii) Transfer of ownership to the employee.

(i) Transfer of ownership to a new employer:

If the person covered leaves the employment of the business owning this Relevant Life Insurance and goes to a new employer, the new employer can request that the insurance continues. This doesn't require further medical evidence or underwriting. Such requests will be considered provided premium payments are up to date. If we agree to this, the person covered or new employer must provide us with all details of the new employer and any other information we reasonably require to enable us to administer the cover and meet our regulatory and legal obligations. The previous employer should retire as a trustee (to ensure they're no longer involved with the cover) and the new employer appointed as trustee in their place. There must be at least two trustees at any given time, one of which must be a person who isn't the settlor. The new employer will become responsible for the payment of premiums.

(ii) Transfer of ownership to the employee:

The person covered can request to continue the insurance in their sole name if they leave the employment of the business owning this Relevant Life Insurance. This won't require more medical evidence or underwriting. Any such request will only be considered provided premium payments are up to date. The employee will become responsible for the payment of premiums. The terminal illness benefit will be removed from the policy and no longer be available.

If we agree to this change, the person covered must provide us with any information we reasonably require to enable us to administer the cover and meet our regulatory and legal obligations. The employer should retire as a trustee (to ensure they are no longer involved with the cover) and a new trustee appointed in their place. There must be at least two trustees at any given time, one of which must be a person who isn't the settlor. The policy will no longer qualify for some of the tax benefits associated with Relevant Life Insurance.

Things you need to know

Making a claim

If you need to claim, you should get in touch as soon as you can using the contact details provided.

If you'd like to know more about how to claim, you can find this in the Cover Details or visit our website aiglife.co.uk.

The cover must be placed in trust to comply with legislation. The sum assured will be paid to the trustees who must then follow the terms of the trust to distribute the monies to the chosen beneficiaries.

The trustees need to send us the original trust document (if a paper trust was completed) and any deeds altering the trust before we can pay the sum assured to them. We'll return these when we pay the claim.

Where a claim can be made

For a death claim, the person covered can be anywhere in the world.

For a terminal illness claim, the person covered can be residing anywhere in the world, however the consultant must be in an eligible country.

For a list of eligible countries, take a look at section 5 of the Cover Details.

When we won't pay a claim

More claims are paid than aren't. Here are the reasons why we won't pay a claim.

- we don't get the medical or other evidence that we asked for
- the diagnosis of the person covered doesn't meet the criteria for our definition of terminal illness
- the diagnosis isn't made by a consultant or isn't expected to lead to death within 12 months
- the cover is no longer active
- the terminal illness claim was not submitted while the cover was active
- the claim is for terminal illness and the person covered has left your employment and has continued the cover in their sole name, or
- the claim is caused by something that we have specifically excluded from this cover – this will be shown in the Cover Summary.

We also won't pay a claim if the person covered dies as a result of their own actions within one year of the cover start date or the latest restart date. Once the cover has been active for more than 12 months, if you've asked us to increase the sum assured in the 12 months prior to the person covered dying as a result of their own actions, no benefit will be payable in respect of this increase.

It's important to be accurate and thorough when applying. If you or the person covered don't take sufficient care and give us information that's untrue, incomplete or inaccurate, we may need to cancel or change your policy so that it fits what we should have been told about. So if an error is later spotted in the documents, contact us as soon as possible to change it.

For more details on when we won't pay a claim, take a look at section 2.1 in the Cover Details.

Changing your mind about your cover

If you change your mind about having cover within 30 days of receiving your policy documents, we'll refund any payments you've made, unless we've already paid a benefit under your insurance.

If you don't cancel your policy within this time period, your policy will remain active as set out in your Cover Summary.

You can stop your policy at any time. Once you tell us, your policy will end on the day before your next monthly premium is due and you won't get any money back. If you're paying annual premiums, your policy will end on the day before the next monthly anniversary of the policy.

We'll retain the cost of any full (or partial) months of cover up to the date of cancellation and will refund any balance of the annual premium.

The Law

This insurance is governed by the law of England and Wales.

All our standard communications with you now and throughout the term of your insurance will be in English. If you have specific communications needs, we'll do our best to support you. Just let us know.

Current tax rules

Relevant Life Insurance has been designed to comply with the conditions for relevant life insurance contained in Section 393(B)(4) of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA 2003) and sections 481 and 482 of the Income Tax (Trading and Other Income) Act 2005 (ITTOIA 2005).

To ensure the insurance meets the conditions outlined by the above legislature, it must be placed in trust with either an individual or charity as a named beneficiary.

Under current legislation and HMRC practice, benefit(s) payable under this cover are normally free from Income Tax and Capital Gains Tax for UK residents.

HMRC usually views the premiums as an allowable business expense for the employer. Additionally, as this isn't treated as a benefit-in-kind for the employee, the employee doesn't have to pay Income Tax or National Insurance on the premiums.

Professional guidance should be sought before any type of assignment or changed ownership is undertaken.

Personal information we collect

Personal information we collect about you includes sensitive information such as your health and medical history. Where we collect this information, we'll rely either on your consent, or on a combination of the following justifications: performing a contract with you or preparing to enter into a contract with you; complying with regulatory requirements; or having a legitimate interest to request your personal information.

To give you a quicker decision about your insurance, we may make decisions about your application using an 'automated decision-making tool'. An 'automated decision-making tool' doesn't involve human input and we sometimes use it to determine whether we're able to provide you with insurance and on what terms based on the answers you give us.

We may also use your personal information to detect, investigate and prevent crime (including fraud and money laundering).

Where permitted by applicable law, AIG Life Limited may share personal information with carefully selected third parties, for example, other insurers, reinsurers, and financial advisers.

Your personal information may be transferred outside the country in which you're located including to countries outside of the UK.

As a data subject you have certain rights in relation to your personal information.

More details about AIG Life Limited's use of personal information and your rights as a data subject can be found at www.aiglife.co.uk/privacy-policy or you may request a copy using the following contact details:

Data Protection Officer,
AIG Life,
58 Fenchurch Street,
London,
EC3M 4AB

or by email at DataProtectionOfficer@aiglife.co.uk

About our business

AIG Life Limited operates in the UK, Channel Islands, Isle of Man and Gibraltar.

Information about our business, performance and financial position, and details on how we control our business and manage risks can be found in our Solvency and Financial Condition Report available on our website www.aiglife.co.uk.

Making a complaint

If you have a complaint, you can get in touch with us using the contact details provided.

We'll try to resolve complaints as quickly and fairly as possible. If we can't deal with your complaint promptly, we'll send you a letter to acknowledge it and give you regular updates until it's resolved.

If you're not happy with how we deal with your complaint, you can refer it to the Financial Ombudsman Service.

You can email them at:

complaint.info@financialombudsman.org.uk

Call 0800 023 4567 (calls to this number are free on mobile phones and landlines) or 0300 123 9123 (calls to this number cost no more than calls to 01 and 02 numbers) or write to:

The Financial Ombudsman Service,
Exchange Tower,
Harbour Exchange Square,
London
E14 9SR.

Making a complaint to the Financial Ombudsman Service doesn't affect your right to take legal action.

What happens if AIG got into financial trouble and couldn't pay out the money?

The Financial Services Compensation Scheme (FSCS) is there to protect you if we can't meet our obligations. Whilst most customers will be covered under the FSCS, whether or not you can claim and the amount you can claim depends on the specific circumstances of your claim. You can get more information from www.fscs.org.uk or by calling 0800 678 1100.

How to contact us

For any questions about your cover:

call 0345 600 6820

email enquiries@aiglife.co.uk

To make a complaint:

call 0345 600 6813

email complaints@aiglife.co.uk

To contact the Claims Team:

call 0345 600 6815

email claimsteam@aiglife.co.uk

Write to us at:

AIG Life Limited

PO Box 12010

Harlow

CM20 9LG

We're open Monday to Thursday, 8.30am to 6pm and Friday, 8.30am to 5.30pm, except for bank holidays. Please note our opening hours are UK local time.

Calls are charged at standard rates from a BT landline, but may cost more via mobiles and other networks. We may record or monitor calls. This is to make sure we have a record of any instructions we're given, help train our staff, improve the quality of our service and prevent or detect fraud.

For more information, visit aiglife.co.uk

This document is available in other formats such as Braille, large print or audio. Please ask if you need one of these formats.



www.aiglife.co.uk

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