

keyfacts®

KEY FACTS OF OUR PEGASUS WHOLE OF LIFE PLAN

April 2019

Important information you should read

Pegasus Whole of Life



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SEE IF OUR PLAN IS RIGHT FOR YOU



This key facts document should help you decide if our Pegasus Whole of Life Plan is right for you. Please read it carefully, along with your quote, to make sure you understand what you're buying.

It doesn't contain our full terms and conditions. You can find those in our [plan details](#) online at royallondon.com/plandetails or ask us for a copy using the contact details on page 15. We'll send you a copy with your cover summary if you take out a plan. Your cover summary will tell you which version of the [plan details](#) apply to you.

We can't advise whether our plan is right for you. But a financial adviser can help you decide.

It might be right for you if you want to:

- Leave your family some money when you die.
- Have a lump sum to help pay any inheritance tax liability (by placing the plan under a suitable trust).
- Protect your business against the financial consequences of you dying.

The aims of our plan

Here's what our plan aims to do for you:

- Provide life cover for your whole life or for as long as you want your cover to continue.
- Pay out a lump sum when you die or are diagnosed with a terminal illness that meets our definition.
- Provide a lump sum when you die to help protect your business or pay any inheritance tax liability.



To keep things simple, we'll talk about 'you' throughout this document, even though sometimes it might be someone else you're insuring.

Your commitment

Here's what we need you to do:

- When you apply, answer our list of questions fully, truthfully and accurately.
- Before your plan starts, tell us if any information you gave us in your application changes.
- Pay your monthly or yearly premiums by direct debit for the lifetime of your plan.

The risks

There are some things you need to know about your plan:

- If any of the information you give us when you apply for your plan is incomplete, untrue or inaccurate, we might not pay the full amount if you make a claim. We might change the terms of your plan or even cancel it and not pay out at all. See pages 10 & 11.
- If any information relating to your personal circumstances changes before your plan starts and you don't let us know, we might not pay out. Or, we might change the terms of your plan or cancel it. See pages 10 & 11.
- If you stop paying your premiums we'll cancel your plan. This means you won't be insured any more and you won't get any of your premiums back.
- If you choose reviewable premiums instead of guaranteed premiums, the amount you pay will go up at each review (see page 6 for more information). Your new premium might be higher than a guaranteed premium would have been, and also the total amount you pay over time might be more than if you had chosen guaranteed premiums. There's no limit to the amount that your reviewable premium will increase by and you may pay more into the plan than its value at claim. When it goes up you might not be able to afford your premium, so you may have to reduce your cover to keep your premiums lower.
- If you don't choose increasing cover, you should bear in mind that your cover won't increase and inflation will reduce its value over time.
- Your plan doesn't have a cash-in value at any time so you won't get any of your premiums back if you cancel your plan.

THE COVER



Information on each cover available and a statement of demands and needs is shown below.

Life Cover

Life Cover meets your demands and needs if you want to have a lump sum paid in the event of your death or diagnosis of a terminal illness whenever this happens.

Our definition of terminal illness is a definite diagnosis by the attending consultant of an illness that satisfies both of the following:

- The illness either has no known cure or has progressed to the point where it cannot be cured, and
- In the opinion of the attending consultant the illness is expected to lead to death within 12 months.

Waiver of Premium (Sickness)

Waiver of Premium (Sickness) meets your demands and needs if you want to have the monthly premiums for your policy paid for you if you have an accident or illness that leaves you unable to work or unable to carry out a number of living tasks and you meet our definition of incapacitated, or you're diagnosed with a terminal illness that meets our definition, before age 90. You can decide the amount of time between you becoming incapacitated and us paying your premiums for you. The choices are 4, 8, 13, 26 or 52 weeks. This is known as the deferred period.

If you're diagnosed with a terminal illness that meets our definition we'll start making payments straightaway – we won't make you wait for the deferred period to end.

GUARANTEED OR REVIEWABLE PREMIUMS WHAT'S THE DIFFERENCE?

You can choose to have your premiums on a guaranteed or reviewable basis.

If you choose **guaranteed premiums** they won't change unless you make a change to your plan.

Reviewable premiums will stay the same for the first 10 years. They'll be reviewed at that point and then every five years thereafter. Your premiums may increase significantly at each review because the new premium is based on your age at the review date and our future outlook on: claims, investment returns, expenses, the tax and regulatory environment, and reinsurance premiums.



Please see your quote for an indication of how your premiums could increase. With reviewable premiums you could pay in more than its value at claim.

Additional support included

Helping Hand

Our Pegasus Whole of Life Plan comes with Helping Hand. This offers access to practical and emotional support when you need it most and not just when you make a claim.

We automatically include Helping Hand when you take out a Pegasus Whole of Life Plan with us. These services aren't part of Royal London's terms and conditions, so can be amended or withdrawn at any time. Helping Hand is a package of support services, provided by third parties that aren't regulated by the Financial Conduct Authority.

Additional Cover Included

Free Cover

If you apply for a Pegasus Whole of Life Plan we may be able to give you Free Cover before your plan starts. If you'd like to know more about this, please see our Free Cover leaflet, or ask us for a copy using the contact details on page 15.



See section 6 of our [plan details](#) for our definition of incapacitated.

QUESTIONS AND ANSWERS



The cost of your plan

How much will my premiums cost?

The cost will depend on things like your age, your medical history and whether you smoke. Your occupation and your state of health might also affect the cost.

We'll show the total cost on your quote and cover summary. In general, the more cover you have the higher your premiums will be.

Will my premiums change?

You can choose between guaranteed and reviewable premiums. See page 6 for more information.

If you choose increasing cover, your premiums will increase each year to cover the extra cost.

If you choose Waiver of Premium (Sickness), this cover will end at age 90. This means your premiums will automatically reduce when this cover comes to an end.

We'll always tell you before we make any changes to your premiums.



See the risks section on page 4 and section 3 of our [plan details](#) for more information on reviewable premiums.

Your options explained

What are the options for setting up my cover?

You can set up your cover on a single life, joint life first event, joint life second event or life of another basis.

Single life means that just one person is insured.

Joint life first event means that two people are insured and we'll pay out if either person dies or meets our definition of terminal illness.

Joint life second event means that two people are insured and we'll pay out after both people have died or have met our definition of terminal illness.

Life of another means that you can take out insurance to cover someone else's life. For example, this could be your spouse or partner.

After a claim for death or terminal illness, the plan will then end and no further benefits or premiums will be payable.

How long can my cover last?

Your cover will last for the rest of your life, as long as you continue to pay the premiums for your plan.

Waiver of Premium (Sickness) will last until you reach age 90. If you meet our definition of incapacitated after this, we won't pay your premiums. See section 6 of our [plan details](#) for our definition of incapacitated.

How can I have my claim paid?

You can choose to have your claim paid as a level lump sum or an increasing lump sum.

Level lump sum

We'll pay a single lump sum of a fixed amount.

Increasing lump sum

We'll pay a single lump sum that will go up over the life of your plan.

Why would I choose increasing cover?

You might choose this option if you want to protect the value of your insurance against the effects of inflation (the rising costs of goods and services over time). When you take out your plan you choose how much it goes up by. This means your premiums will also increase.

How much will my plan pay out?

This depends on how much cover you've chosen. We'll show this on your quote and cover summary.

If you choose increasing cover, we'll pay the amount your cover has gone up to at the time you make a claim.



See section 2 of our [plan details](#) for more information on how your plan works.

Changing your plan

Once my plan starts, can I change it?

Yes, but there might be certain conditions you'll need to meet before we can change your cover. But if you contact us we'll tell you what these are and explain the process to you.

Can I increase the amount I'm insured for?

Yes, you can usually increase your cover without having to answer any questions about your health, if:

For personal cover:

- You get married or divorced, or enter or dissolve a civil partnership.
- You have or adopt a child.
- You increase your mortgage because of moving house or making home improvements.
- You get a rise in your salary.

For inheritance tax (IHT) planning:

- Your expected IHT liability increases.
- There's an increase in the IHT rate.
- There's a reduction in the IHT tax rate bands, exemptions or reliefs.

For business cover:

- You increase your business mortgage or loan.
- The value of a partner's, limited liability partnership member's or shareholder's interest in the business increases.
- There's an increase in the value of business shares.
- The plan has been taken out to cover a key person and their value to the business increases.

In other situations we may need to ask you further medical questions and depending on your answers you might not be able to increase your cover. But if you contact us we'll explain the process to you.



See section 4 of our [plan details](#) for more information about changing your plan.

Cancelling your plan

What if I change my mind and want to cancel my plan?

You can cancel your plan any time. If you cancel during the first 30 days of receiving your cover summary and [plan details](#) booklet that we'll send you when your plan starts, we'll refund any premiums you've paid. If you cancel after the first 30 days, we won't refund any of the premiums you've paid.

Can you cancel my plan without me asking you to?

We'll cancel your plan if you don't pay your premiums.

By applying for cover you're giving your consent for us to ask for medical information within six months of the start of your plan. If any of the information you give us when you apply isn't right and this affects how we assess your application, we might change the terms of your plan, or cancel it.

We might also cancel it if, when you make a claim, we find that you haven't told us about something that affects how we would have assessed your application.



See section 5 of our [plan details](#) for more information on cancelling your plan.

When won't the cover pay out?

We won't pay a claim for Life Cover or terminal illness if:

- The cause of your claim is the result of intentional self-inflicted injury within 12 months of the date your cover started or restarted.
- You don't meet our definition of terminal illness. See page 5 for our definition of terminal illness.

We won't pay a claim for Waiver of Premium (Sickness) if:

- The cause of your claim is the result of intentional self-inflicted injury.
- Your diagnosis doesn't meet our definition of incapacitated. See section 6 of our [plan details](#) for our definition of incapacitated.
- You don't give us medical or other evidence we ask for.
- You claim during the deferred period shown in your cover summary. The deferred period is the amount of time between you meeting our definition of incapacitated and us starting to pay your premiums for you.
- Your illness or injury happens while you're living abroad and you don't return to one of the countries we specify. See section 2 of our [plan details](#) for a list of these countries.

When you apply for your plan, we may offer you non-standard terms. This means there might be particular circumstances specific to you when we won't pay a claim. If non-standard terms apply to you, we'll show them in your decision letter and cover summary.



Please see the risks section on page 4 and section 2 of our [plan details](#) for more information on when we won't pay a claim.

How does tax affect my claim?

Your personal representatives may have to pay tax on your claim payout when you die. However, your plan can be written in trust, which may reduce tax on your claim. For more information, please speak to your financial adviser.

Where your plan is held by a company or partnership, the tax treatment of your premiums to us and any amount we pay following a claim depends on the purpose of the plan and the relationship between the plan owner and the person covered. For more information, please speak to your financial adviser.

The Government may change the law on tax. We recommend that you get advice, especially if you don't live in the UK.

MAKING A CLAIM



How do I make a claim?

If you think you've a valid claim on your plan, you should:

1. Phone us on **0345 6094 500**.
2. Fill out the claim form that we send you and send it back to us with any other documents we ask for.
3. Continue to pay your premiums until we've made a decision on your claim.



See section 2 of our [plan details](#) for information on how we'll assess a claim.

OTHER IMPORTANT INFORMATION



How do I make a complaint?

We hope you'll never have reason to make a complaint, but if you do, please get in touch with us using the contact details on page 15.

If you're not happy with our response to your complaint you can refer it to the Financial Ombudsman Service – phone **0800 023 4567** or email **complaint.info@financial-ombudsman.org.uk**.

Making a complaint won't affect your legal rights.

The law

The law of England and Wales will apply to your plan.

Language

All our communications with you now and throughout the term of your plan will be in English.

Financial Services Compensation Scheme

Your plan is covered by the Financial Services Compensation Scheme. You may be entitled to compensation if we're unable to pay claims due to insolvency, for example. This depends on the type of business and the circumstances of your claim. For more information phone **0800 678 1100** or visit the website at **fscs.org.uk**.

About this key facts document

This document gives the key facts about our Pegasus Whole of Life Plan.

This document is based on our understanding of current law and tax rules, which may change. We recommend you get expert advice about your own plan and personal circumstances.

Where can I find out about Royal London's financial situation?

We want to provide you with clear information about Royal London's financial position, so we have created a Solvency and Financial Condition Report. In it, you'll find more details about Royal London's business and company performance. The report is produced annually and you can access it at **royallondon.com/solvency**



HOW TO CONTACT US

If you have any questions, please speak to your financial adviser or get in touch with us.



Phone:

0345 6094 500



Fax:

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Email:

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Address:

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We're happy to provide your documents in a different format, such as Braille,
large print or audio, just ask us when you get in touch.
All of our printed products are produced on stock which is from FSC® certified forests.

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