



Policy Provisions

Protection for Life
Critical Illness with Life Cover
PFL-CILC-DI (2007B)

Introduction

This booklet provides details for a Critical Illness with Life Cover policy.

Each schedule issued by Scottish Widows plc (“Scottish Widows”) and referring to this booklet, the provisions contained in this booklet, and any valid endorsements to these issued by Scottish Widows, make up the policy documents for a contract between Scottish Widows and the policyholder(s) named in the schedule, and are in their entirety conclusive as to its terms.

Notes to help you understand your policy.

Because this is a complicated legal document, we have provided explanations in the right-hand margin (just like the information you are reading now). However, please note that these explanations do not form part of the contract between you and us. They are included only to help you understand the policy.

This contract and all other communications will be written in English.

Please keep this document in a safe place. It can be stored in your Protection for Life folder.

Also please remember to inform us if you change your name, address or bank account.

Please contact us in plenty of time if you are going to make a claim, to make sure you don’t lose out – see provisions 4.3, 5.4 and 6.4 about this.

To make a claim please call us on 0845 601 4179 for a life cover claim, and 0845 601 4839 for a critical illness or premium protection claim.

You can reach us at our main administrative office: 15 Dalkeith Road, Edinburgh, EH16 5BU or telephone number 0131 655 6000.

We may record and monitor calls to help us to improve our service.

It will help if you can quote your policy number (or plan number) when you contact us.

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1 Preliminary

1.1 Meanings of terms

“**Actuary**” is any person who holds an appointment to Scottish Widows in accordance with SUP 4.3.1R of the Financial Services Authority Handbook (as may be amended from time to time). If there is more than one such person then we will choose one of them as our Actuary.

“**Policyholder**” is the legal owner of the policy. This is the person or persons named in the schedule or, if applicable, their legal successor(s).

“**Policy month**” is a one-month period starting on the start date or a monthly anniversary of the start date.

“**We**” or “**us**” means Scottish Widows.

“**You**” means the life assured named in the schedule.

Other terms are used throughout the provisions and their meanings or descriptions are established in the schedule or in particular provisions.

In these provisions, the masculine includes the feminine and the singular includes the plural and vice versa, unless the context requires otherwise.

Headings to the provisions (except for those headings which are the names of illnesses or options) are included for reference only and do not form part of the provisions or affect their interpretation.

1.2 Survivorship

If there is more than one **policyholder**, on the death of any one of them, the whole of their entitlement under the policy will pass to the survivor(s).

Provision 1 deals with some formalities.

The meanings of certain terms are established in the schedule or in certain of these provisions.

*You will see that we have sometimes shown words in **bold type** to help you see where a specially-defined term is being used.*

“Legal successor” means someone to whom the whole legal entitlement under the policy has been transferred, for example a trustee or a full assignee. This does not include assignees in security (usually a mortgage lender), because although they have important rights they do not have all of them.

2 Premiums

2.1 When and how

Premiums will be due on the first premium due date and thereafter monthly until and including the last premium due date. However, no premiums will be payable after the date on which any claim is accepted under provision 4 or 5.

Unless we agree otherwise, premiums will be payable on or before the due date and must be paid by a method acceptable to us.

2.2 Amount

Subject to the following paragraph, to provision 2.3 and to provision 3.2.3 (if the basis of the policy is “Increasing”), the amount of each premium will be equal to the cover premium stated in the schedule plus the policy fee stated in the schedule.

However, if premium protection applies to the policy, we will reduce the premium by an amount as we reasonably determine from the **premium reduction date**. The “**premium reduction date**” is the earlier of

- (a) if applicable, the monthly anniversary of the start date which occurs six months before the start of the **policy month** in which you reach your 66th birthday, and
- (b) the date which is seven months before the expiry date.

2.3 Premium reviews

The cover premiums for the policy are reviewable as explained below.

The first review date is shown in the schedule. This date and every fifth yearly anniversary of that date after that are “**review dates**”.

Before each **review date**, we will review the cover premiums for the policy, but not the policy fee. As a result of a review, the cover premiums that are payable on or after that **review date** may increase, stay the same or decrease. We will never alter cover premiums just because you are older at a **review date**, because your health or lifestyle has changed since the start date of the policy, or because of any premium protection claims or children’s critical illness cover claims that might have been made.

At the start date of the policy our **actuary** and our reinsurers made assumptions that were intended to last for the whole term of the policy. At each **review date**, our **actuary** and our reinsurers will decide whether the assumptions which each last used are still appropriate for the remaining term of the policy.

The following terms are detailed in the schedule:

- first premium due date;
- last premium due date;
- start date.

*Provision 4 deals with cover for death and terminal illness.
Provision 5 deals with cover for critical illness.*

Provision 7 explains what happens to your premiums if you have premium protection and we accept a claim for it.

Premiums are payable monthly by direct debit from your bank account.

If the premiums for more than one “Scottish Widows Protection for Life” policy are paid for by one direct debit then we will reduce the total amount of direct debit collected by a “Multiple Benefit Discount”. The “Plan Summary” document, which we will send out from time to time, will give details of the amount of any discount then applying.

The expiry date and whether premium protection applies or not are shown in the schedule.

The amount of the reduction will be similar to the amount included in the premiums to pay for the cost of premium protection. The meaning of “policy month” is given in provision 1.1.

The “first review date”, or “review date” if your policy term is under 10 years, is shown in the schedule. At a review date the premiums may increase, reduce or stay the same.

Premium protection is covered in provision 7. Provision 6 deals with children’s critical illness cover.

The start date of the policy is shown in the schedule. The meaning of “Actuary” is given in provision 1.1.

A “reinsurer” is a company who we pay to share part of the insurance of policies.

Our **actuary** will only look at the assumptions relating to our expectation of the future number and timing of critical illness, terminal illness and death claims for the following valid reasons:

- new information arising from the analysis of our own past claims experience for similar types of policies,
- new information arising from our reinsurers' and other insurance companies' past claims experience for similar types of policies,
- new information arising from UK population statistics for morbidity and mortality,
- the impact of medical advances and medical practices on future claims including genetic profiling, screening, detection, diagnostic techniques and treatment methods for any of the claim events covered under the policy, and
- any event outside our control which was unforeseen at the start date of the policy or since the last review date if sooner.

If either the assumptions that our **actuary** now believes are appropriate or the future cost of reinsurance are different from before, our **actuary** will use a fair and reasonable method of calculating the revised cover premium. In calculating that revised cover premium, our **actuary** will only allow for any change in the future cost of reinsurance to the extent that the change arises for the same valid reasons described above.

The revised cover premium will not allow for the previous assumptions having been inappropriate at any time before the **review date**. There is no minimum or maximum amount by which the cover premium may increase or reduce.

We will write to the **policyholder** at least six weeks before each **review date** to let them know the result of the review. If the premiums are due to increase they may write to us at least two weeks before the **review date** asking us to keep the premiums the same but instead to reduce the **claim amount** provided by us from the **review date**. Alternatively, the **policyholder** can choose to stop paying premiums altogether in which case the policy will end with no cash value.

2.4 Non-payment of premiums

If any premium is not paid within 30 days of its due date, we may cancel the policy without value.

We will look at overall claims experience rather than the claims under your particular policy.

When carrying out these reviews, we will not differentiate between lives assured on the basis of their health, nor will we increase your premium just because you are older.

Morbidity, as used here, is the probability of having a critical illness diagnosed.

Mortality, as used here, is the probability of dying or having a terminal illness diagnosed.

If you have premium protection then part of the cover premium allows for the cost of providing premium protection. The charge we make for premium protection is a fixed percentage of the part of the cover premium that excludes premium protection. At a premium review we will not review that percentage; so if the part of the cover premium that excludes the cost of premium protection changes then the part that allows for the cost of premium protection changes by the same proportion.

We'll not change your premium to take account of any losses or any gains made as a result of previous assumptions having been wrong before the review date.

You must pay your premiums on time to ensure your cover continues. This policy does not have a surrender value.

We must inform anyone to whom the policy is assigned in security if premiums are not paid.

3 Claim Amount(s)

If we accept a claim under provision 4 or 5 then

- (a) whether we pay a single cash sum or monthly cash sums will be determined in accordance with provision 3.1, and
- (b) the amount of a cash sum (the “**claim amount**”) will be determined in accordance with provision 3.2.

3.1 Number of cash sums

- (i) If either a “Benefit amount” or “Initial benefit amount” is shown in the schedule, the **claim amount** will be payable as a single cash sum.
- (ii) If either a “Monthly benefit amount” or “Initial monthly benefit amount” is shown in the schedule, the **claim amount** will be paid as monthly cash sums in accordance with the following paragraphs.

The number of monthly cash sums will be equal to the number of monthly anniversaries of the start date which occur after the **time of the claim** up to and including the last monthly anniversary. For this purpose, the expiry date will be assumed to be the last such anniversary (or if applicable the only such anniversary).

The first monthly cash sum will be due within one month of the **time of the claim**. Unless we reasonably decide otherwise, the other monthly cash sums (if any) will be payable at monthly intervals after the first, but should the last cash sum be due on or after the expiry date of the policy, it will instead be payable on the day before the expiry date.

3.2 Level, decreasing, and increasing basis

Subject to provision 3.2.3(c) the basis that applies to the policy is shown in the schedule.

3.2.1 Level

If the basis is “Level” then the **claim amount** at the **time of the claim** will be equal to either the “Benefit amount” or the “Monthly benefit amount” shown in the schedule.

The following terms are detailed in the policy schedule:

start date;

expiry date;

basis;

one of: benefit amount, initial benefit amount, monthly benefit amount, initial monthly benefit amount.

Before the policy started you chose whether one cash sum or monthly cash sums would be paid if a claim becomes payable.

The meaning of “time of the claim” is given in provision 4 or 5 as appropriate.

Although provision 3.1(ii) describes monthly cash sums being paid, we will consider, at the “time of the claim”, a request from the claimant for us to instead pay a single cash sum. If we agree to such a request, the amount of the single cash sum would be equivalent in value to the monthly cash sums due to be paid, as reasonably determined by us. The claimant would then have a choice of receiving that single amount or receiving the monthly cash sums as originally provided for.

Before the policy started you chose whether it would be on a “level”, “decreasing” or “increasing” basis and your choice is shown in the policy schedule.

If the policy is “level” then provision 3.2.1 will not alter the amount of the cash sum, or each monthly cash sum as appropriate, which will remain level. The cover premium (while payable) will also remain level, subject to provision 2.2, and subject to “premium reviews” mentioned in provision 2.3.

3.2.2 Decreasing

If the basis is “Decreasing” then

- (a) the **claim amount** at the start date will be equal to the “Initial benefit amount” shown in the schedule, and
- (b) the **claim amount** at the **time of the claim** will be calculated as follows.

At the end of each month the **claim amount** will reduce in line with the amount of capital that would be outstanding under a repayment mortgage which assumes:

- Initial amount of mortgage:** the initial benefit amount
- When mortgage taken out:** the start date of the policy
- Mortgage to be repaid by:** the expiry date of the policy
- Type of repayments:** capital and interest, with level monthly instalments all made when they are due
- Mortgage interest rate:** as shown in the schedule

3.2.3 Increasing

If the basis is “Increasing” then the following paragraphs apply.

- (a) The **claim amount** at the start date will be equal to either the “Initial benefit amount” or the “Initial monthly benefit amount” shown in the schedule.

On each yearly anniversary of the start date, the **claim amount** applying immediately before that anniversary will increase.

Subject to a minimum of 2% and a maximum of 10%, it will increase by the percentage increase in the **Retail Prices Index** (as defined below) over the twelve months ending five, or such other number as we may reasonably decide, months prior to that anniversary.

“**Retail Prices Index**” means the United Kingdom Retail Prices Index or such other similar index as our Actuary decides.

- (b) The increased cover premium applying on or after each yearly anniversary (if premiums are still payable under provision 2.1) will be calculated as follows:
 - (i) We will first take the cover premium applying for the **claim amount** immediately before the anniversary. However, if the anniversary is also a **review date** under provision 2.3, we will instead start with the cover premium that would have applied if the **claim amount** had remained level from that **review date**.
 - (ii) Next, we will increase the cover premium from (i) above in accordance with the appropriate paragraph below.

If the policy is “decreasing” then provision 3.2.2 will each month reduce the single cash sum we would pay. The cover premium will remain level, subject to provision 2.2, and subject to the “premium reviews” mentioned in provision 2.3.

If the policy is “increasing” then provision 3.2.3 will increase, at each policy anniversary, the cash sum(s) we would pay. The cover premium (while payable) will also increase and it may also change because of “premium reviews” mentioned in provision 2.3.

If monthly cash sums are being paid and the basis of the policy was increasing at the time of the claim, the monthly cash sum will continue to increase at each yearly policy anniversary.

You will not have to provide us with any information about your state of health for these yearly automatic increases.

The Retail Prices Index is the index we will be using for the foreseeable future, but we might have to use something else if this changed or no longer existed.

If we accept a claim under provision 4 or 5 no further premiums are due.

If an “Initial monthly benefit amount” is shown in the schedule, we will increase that cover premium by the percentage increase in the **claim amount** for that anniversary calculated in (a) above.

If an “Initial benefit amount” is shown in the schedule, we will:

- (1) Calculate a “**premium increase percentage**” by multiplying the percentage increase in the **claim amount** for that anniversary calculated in (a) above by 1.35.
- (2) Finally, we will increase that cover premium by the **premium increase percentage** calculated in (1) above.

- (c) If premiums are still payable under provision 2.1, we will write to the **policyholder** at least six weeks before each yearly anniversary to let them know the results of the automatic increases under this provision. The increases for an anniversary will then take effect on the anniversary unless the **policyholder** requests us to cancel the increases. A request must be in a form acceptable to us and be received at our main administrative office at least two weeks before the relevant anniversary. If on two consecutive anniversaries the automatic increases are cancelled, all future automatic increases will immediately cease to apply.

The **policyholder** may request us at any time to cease all future automatic increases in the **claim amount** and premiums. Their request must be in a form acceptable to us. Once the automatic increases have ceased they cannot be reinstated.

If all future automatic increases cease to apply, for whatever reason, the basis of the policy will become “Level”.

If we would pay monthly cash sums for a claim, the increase in the cover premium will be at the same rate as the increase in the claim amount.

If we would pay a single cash sum for a claim, the use of the factor of 1.35 in provision 3.2.3(b)(ii)(1) means that the cover premium will increase at a greater rate than the rate of increase in the claim amount.

We will tell you about the premium increases before they happen.

The address of our main administrative office is shown at the start of this booklet.

If this happens, the claim amount and the premiums will no longer change and will remain at their then current amounts unless premium reviews under provision 2.3 cause them to change.

4 Life Cover

4.1 Payment event

Subject to any further provisions referred to in the schedule, if before the expiry date

- (a) you die, or
- (b) you contract a terminal illness as defined in provision 4.2 and the requirements of provision 4.3 are met

then on the day of receipt by us at our main administrative office of written notice of the death or of such proof as we may reasonably require of the terminal illness, whichever is appropriate, a cash sum or monthly cash sums as appropriate will become payable in accordance with provision 3. We use the term “**time of the claim**” to be the day a cash sum or monthly cash sums as appropriate become payable.

If we accept a claim under this provision, no further claim will be accepted under the policy and the policy will be cancelled once we have paid the cash sum or last monthly cash sum as appropriate.

4.2 Terminal illness

“**Terminal illness**” means an advanced or rapidly progressing incurable illness where, in the opinion of an attending consultant and our Principal Medical Officer, the life expectancy is no greater than twelve months or is less than the time remaining until the expiry date if shorter.

4.3 Terminal illness claim requirements

Unless we decide otherwise, no cash sum will be payable under provision 4.1 in respect of terminal illness unless

- (a) we receive notice of the illness at our main administrative office at least 12 months before the expiry date,
- (b) the claim form that we will issue on receipt of such notice is completed and received back by us at our main administrative office within 28 days of issue,
- (c) we receive (at the expense of the claimant, whose reasonably-incurred expenses we will reimburse if we accept the claim) such certificates and information about, and such evidence of, the illness and your medical history as we may reasonably require,
- (d) you attend (at our reasonable expense) such examinations by a medical examiner appointed by us as we may reasonably require, and
- (e) the certificates, information and evidence in (c) above and any examinations in (d) above all indicate to us (acting reasonably) that the claim is valid in accordance with these policy provisions.

In the above, (c) and (d) are subject to provision 8.5.

The expiry date is shown in the schedule.

Provision 4.3 is about our claim requirements.

The address of our main administrative office is shown at the start of this booklet.

If we accept a claim under this provision then provision 3 explains whether one cash sum or monthly cash sums would be payable, and also the amount of each cash sum.

The address of our main administrative office is shown at the start of this booklet. The expiry date is shown in the schedule.

In practice, the claimant will be whoever is for the time being legally entitled to deal with the policy, except that if the policy is assigned in security it will be the assignor for this purpose of providing evidence.

5 Critical Illness Cover

5.1 Payment event

Subject to provision 5.5 and to any specific exclusions referred to in the schedule, if, before the expiry date

- (a) you contract a critical illness as defined in provision 5.3, and
- (b) the requirements of provision 5.4 are met,

then on the day of receipt by us at our main administrative office of such proof as we may reasonably require of the critical illness a cash sum or monthly cash sums as appropriate will become payable in accordance with provision 3. We use the term “**time of the claim**” to be the day such a cash sum or monthly cash sums as appropriate become payable.

If we accept a claim under this provision, no further claim will be accepted under the policy and the policy will be cancelled once we have paid the cash sum or last monthly cash sum as appropriate.

5.2 Definitions

This provision defines some terms used only in provision 5.3.

“**Irreversible**” means cannot be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the UK at the time of the claim.

“**Permanent**” means expected to last throughout your life, irrespective of when the policy ends or you retire.

“**Permanent neurological deficit with persisting clinical symptoms**” has the meaning given in the following paragraphs:

Symptoms of dysfunction in the nervous system that are present on clinical examination and expected to last throughout the insured person's life.

Symptoms that are covered include numbness, hyperaesthesia (increased sensitivity), paralysis, localised weakness, dysarthria (difficulty with speech), aphasia (inability to speak), dysphagia (difficulty in swallowing), visual impairment, difficulty in walking, lack of co-ordination, tremor, seizures, lethargy, dementia, delirium and coma.

The following are not covered:

- An abnormality seen on brain or other scans without definite related clinical symptoms
- Neurological signs occurring without symptomatic abnormality, e.g. brisk reflexes without other symptoms
- Symptoms of psychological or psychiatric origin.

The expiry date is shown in the schedule.

The address of our main administrative office is shown at the start of this booklet.

If we accept a claim under this provision then provision 3 explains whether one cash sum or monthly cash sums would be payable, and also the amount of each cash sum.

5.3 Critical illness

For the purposes of provision 5.1, a **critical illness** is one of the following, provided that it does not result directly or indirectly from any of the causes listed in provision 5.5:

(a) Alzheimer's Disease

A definite diagnosis of Alzheimer's disease by a Consultant Neurologist, Psychiatrist or Geriatrician. There must be **permanent** clinical loss of the ability to do all of the following:

- (i) remember;
- (ii) reason; and
- (iii) perceive, understand, express and give effect to ideas.

For the above definition, the following are not covered:

- (i) Other types of dementia.

(b) Aorta Graft Surgery

The undergoing of surgery for disease to the aorta with excision and surgical replacement of a portion of the diseased aorta with a graft.

The term aorta includes the thoracic and abdominal aorta but not its branches.

For the above definition, the following are not covered:

- (i) Any other surgical procedure, for example the insertion of stents or endovascular repair.
- (ii) Surgery following traumatic injury to the aorta.

(c) Bacterial Meningitis

A definite diagnosis of Bacterial Meningitis by a Consultant Neurologist where there is **permanent neurological deficit with persisting clinical symptoms**.

For the above definition, the following are not covered:

- (i) Other forms of meningitis, including viral meningitis.

(d) Benign Brain Tumour

A non-malignant tumour or cyst in the brain, cranial nerves or meninges within the skull, resulting in **permanent neurological deficit with persisting clinical symptoms**.

For the above definition, the following are not covered:

- (i) Tumours in the pituitary gland.
- (ii) Angiomas.

(e) Blindness

Permanent and **irreversible** loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.

(f) Bone Marrow Failure

Permanent and **irreversible** bone marrow failure with anaemia, neutropenia and thrombocytopenia as a result of which either regular blood transfusions, bone marrow stimulation, immunosuppression or bone marrow transplant is required.

(g) Cancer

Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue.

The term malignant tumour includes leukaemia, lymphoma and sarcoma.

For the above definition, the following are not covered:

- (i) All cancers which are histologically classified as any of the following:
 - pre-malignant;
 - non-invasive;
 - cancer in situ;
 - having either borderline malignancy; or
 - having low malignant potential.
- (ii) All tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0.
- (iii) Chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A.
- (iv) Any skin cancer other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

(h) Coma

A state of unconsciousness with no reaction to external stimuli or internal needs which:

- (i) requires the use of life support systems for a continuous period of at least 96 hours; and
- (ii) results in **permanent neurological deficit with persisting clinical symptoms.**

For the above definition, the following is not covered:

- (i) Coma secondary to alcohol or drug abuse.

(i) Coronary Artery By-Pass Grafts

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist to correct narrowing or blockage of one or more coronary arteries with by-pass grafts.

(j) Creutzfeldt-Jakob Disease

A definite diagnosis of Creutzfeldt-Jakob Disease by a Consultant Neurologist which satisfies all of the following:

- (i) there must be current clinical impairment of motor function,
- (ii) there must be loss of ability to remember, reason and perceive, understand, express and give effect to ideas, and
- (iii) the diagnosis must be confirmed by diagnostic techniques current at the time of claim.

(k) Deafness

Permanent and **irreversible** loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.

(l) Heart Attack

Death of heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:

- (i) Typical clinical symptoms (for example, characteristic chest pain).
- (ii) New characteristic electrocardiographic changes.
- (iii) The characteristic rise of cardiac enzymes or Troponins recorded at the following levels or higher;
 - Troponin T > 1.0 ng/ml
 - AccuTnl > 0.5 ng/ml or equivalent threshold with other Troponin I methods.

The evidence must show a definite acute myocardial infarction.

For the above definition, the following are not covered:

- (i) Other acute coronary syndromes, including but not limited to angina.

(m) Heart Valve Replacement or Repair

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist to replace or repair one or more heart valves.

(n) HIV Infection

Infection by Human Immunodeficiency Virus resulting from:

- (i) a blood transfusion given as part of medical treatment;
- (ii) a physical assault; or
- (iii) an incident occurring during the course of performing normal duties of employment from the eligible occupations listed below;
 - the emergency services – police, fire, ambulance,
 - the medical profession – including administrators, cleaners, dentists, doctors, nurses and porters,
 - the armed forces.

after the start of the policy and satisfying all of the following:

- (i) The incident must have been reported to appropriate authorities and have been investigated in accordance with the established procedures.
- (ii) Where HIV infection is caught through a physical assault or as a result of an incident occurring during the course of performing normal duties of employment, the incident must be supported by a negative HIV antibody test taken within 5 days of the incident.
- (iii) There must be a further HIV test within 12 months confirming the presence of HIV or antibodies to the virus.
- (iv) The incident causing infection must have occurred in the UK

For the above definition, the following is not covered:

- (i) HIV infection resulting from any other means, including sexual activity or drug misuse.

(o) Kidney Failure

Chronic and end stage failure of both kidneys to function, as a result of which regular dialysis is necessary.

(p) Loss of Hands or Feet

Permanent physical severance of any combination of two or more hands or feet at or above the wrist or ankle joints.

(q) Loss of Speech

Total **permanent** and **irreversible** loss of the ability to speak as a result of physical injury or disease.

(r) Major Organ Transplant

The undergoing as a recipient of a transplant of bone marrow or of a complete heart, kidney, liver, lung or pancreas, or inclusion on an official UK waiting list for such a procedure.

For the above definition, the following is not covered:

- (i) Transplant of any other organs, parts of organs, tissues or cells.

(s) Motor Neurone Disease

A definite diagnosis of motor neurone disease by a Consultant Neurologist. There must be **permanent** clinical impairment of motor function.

(t) Multiple Sclerosis

A definite diagnosis of Multiple Sclerosis by a Consultant Neurologist. There must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least six months.

(u) Paralysis of limbs

Total and **irreversible** loss of muscle function to the whole of any two limbs.

(v) Parkinson’s Disease

A definite diagnosis of Parkinson’s disease by a Consultant Neurologist. There must be **permanent** clinical impairment of motor function with associated tremor, rigidity of movement and postural instability.

For the above definition, the following is not covered:

- (i) Parkinson’s Disease secondary to drug misuse.

(w) Progressive Supranuclear Palsy

A definite diagnosis of Progressive Supranuclear Palsy by a Consultant Neurologist which satisfies all of the following criteria:

- (i) there must be current clinical impairment of motor function,
- (ii) there must be current clinical impairment of eye movements, and
- (iii) the diagnosis must be confirmed by diagnostic techniques current at the time of claim.

(x) Stroke

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in **permanent neurological deficit with persisting clinical symptoms.**

For the above definition, the following are not covered:

- (i) Transient ischaemic attack.
- (ii) Traumatic injury to brain tissue or blood vessels.

(y) Third Degree Burns

Burns that involve damage or destruction of the skin to its full depth through to the underlying tissue and covering at least 20% of the body’s surface area.

(z) Traumatic Head Injury

Death of brain tissue due to traumatic injury resulting in **permanent neurological deficit with persisting clinical symptoms.**

(aa) Total Permanent Disability

Subject to any special provisions referred to in the schedule, and to the following paragraph, the definition of **Total Permanent Disability** that applies to the policy is stated in the schedule.

If

- (a)** “Definition 1 – Own Occupation”, or “Definition 2 – Suited Occupation” is stated in the schedule to apply to the policy and
- (b)** you were not in gainful employment immediately before the start of the disability

then “Definition 3 – Work Tasks” will apply instead.

The following terms are used in Definitions 1 and 2:

There are three different definitions of Total Permanent Disability. One of those definitions will apply to the policy. The meaning of each definition is given below.

“**Your occupation**”, has a meaning which depends on which definition applies to the policy:

- (i) If “Definition 1 – Own Occupation” applies, “**your occupation**” means the **occupation** as stated on the application and accepted by us.
- (ii) If “Definition 2 – Suited Occupation” applies, “**your occupation**” means the **occupation** from which you last derived any earnings before the start of disability. If there was more than one such **occupation**, it will mean the one from which the largest part of those earnings was derived.

In both (i) and (ii) above “**occupation**” means a trade, profession or type of work undertaken for profit or pay. It is not a specific job with any particular employer and is independent of location.

“**Material and substantial duties**” means duties that are normally required for the performance of **your occupation**, and which cannot be reasonably omitted or modified by you or your employer.

This means, for example, if your occupation is a bank cashier in a particular branch of a bank, you could work as a cashier in another branch of that bank or for a different bank, in the same or a similar role.

Definition 1 – Own Occupation

Under this definition, “**Total Permanent Disability**” means a disability resulting from sickness or accident:

- (a) as a result of which you have been unable, for a period of six consecutive months, to perform the **material and substantial duties** of **your occupation**,
- and
- (b) which, in the reasonable opinion of our Principal Medical Officer, is **permanent** and **irreversible**, so there is no reasonable prospect of you ever being able to perform the **material and substantial duties** of **your occupation**.

The meaning of the following terms is given in provision 5.2:

“permanent”

“irreversible”.

Definition 2 – Suited Occupation

Under this definition, “**Total Permanent Disability**” means a disability resulting from sickness or accident:

- (a) as a result of which you have been unable, for a period of six consecutive months, to perform the **material and substantial duties** of **your occupation** and unable to follow any other occupation for which we reasonably consider you suited taking into account your education, training and experience,
- and
- (b) which, in the reasonable opinion of our Principal Medical Officer, is **permanent** and **irreversible** so there is no reasonable prospect of you ever being able to perform either the **material and substantial duties** of **your occupation**, or to follow any other occupation for which we reasonably consider you suited taking into account your education, training and experience.

The meaning of the following terms is given before Definition 1:

“material and substantial duties”

“your occupation”.

Definition 3 – Work Tasks

Under this definition, “**Total Permanent Disability**” means a disability resulting from sickness or accident:

- (a) as a result of which you have been unable, for a period of six consecutive months, to perform even with the use of special equipment at least three of the following work tasks, so you always need the help of another person:
 - (i) **Bending**
The ability
 - (A) to get into and out of a typical saloon car, and
 - (B) to bend or kneel to pick up an object from the floor and to stand up again.
 - (ii) **Climbing**
The ability to walk up or down a flight of 12 stairs, with or without having to hold onto a rail, without having to rest.
 - (iii) **Communicating**
The ability to answer a telephone, take a simple message and to recall and report the message from memory.
 - (iv) **Dexterity**
The physical ability to use hands and fingers, including being able to write legibly using a pen or a pencil.
 - (v) **Eyesight**
The ability, after correction by spectacles or contact lenses if necessary, sufficient to read a typical daily newspaper or to pass the standard eyesight test for driving.
 - (vi) **Financial independence**
The ability to recognise the transactional value of money and handle routine financial transactions.
 - (vii) **Healthcare**
The ability to independently make arrangements to see a qualified medical practitioner and take medication as prescribed by them.
 - (viii) **Walking**
The ability to walk 200 metres on a level surface with a stick or other aid if required without stopping or severe discomfort.

and

- (b) which, in the reasonable opinion of our Principal Medical Officer, is **permanent** and **irreversible** so there is no reasonable prospect of you ever being able to perform six or more of the work tasks as in part (a).

The meaning of the following terms is given in provision 5.2:

“permanent”

“irreversible”.

5.4 Critical illness claim requirements

Unless we decide otherwise, no claim will be payable under provision 5.1 in respect of critical illness unless

- (a) we receive at our main administrative office notice of the illness within six months of its initial diagnosis, or within six months of the start of any Total Permanent Disability,
- (b) the claim form that we will issue on receipt of such notice is completed and received back by us at our main administrative office within 28 days of issue,
- (c) we receive (at the expense of the claimant, whose reasonably-incurred expenses we will reimburse if we accept the claim) such certificates and information about, and such evidence of, the illness and your medical history as we may reasonably require,
- (d) you attend (at our reasonable expense) such examinations by a medical examiner appointed by us as we may reasonably require, and
- (e) the certificates, information and evidence in (c) above and any examinations in (d) above all indicate to us (acting reasonably) that the claim is valid in accordance with these policy provisions.

The address of our main administrative office is shown at the start of this booklet.

In practice, the claimant will be whoever is for the time being legally entitled to deal with the policy, except that if the policy is assigned in security it will be the assignor for this purpose of providing evidence.

In the above, (c) and (d) are subject to provision 8.5.

5.5 Exclusions

The causes referred to in provision 5.3 are:

- (a) **Alcohol or drug abuse**
Inappropriate use of alcohol or drugs, including but not limited to the following:
 - Consuming too much alcohol.
 - Taking an overdose of drugs, whether lawfully prescribed or otherwise.
 - Taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription.
- (b) **Criminal acts**
Taking part in a criminal act.
- (c) **Self-inflicted injury**
Intentional self-inflicted injury.
- (d) **Unreasonable failure to follow medical advice**
Unreasonable failure to seek or follow medical advice.
- (e) **War and civil commotion**
War, invasion, hostilities (even if war has not been declared), civil war, rebellion, revolution or taking part in a riot or civil commotion or terrorist activities.

6 Children's Critical Illness Cover

References in this provision to “**child**” are to any natural or legally adopted child of yours or any stepchild of yours (as a result of your marriage or registered civil partnership) who is financially dependent on you.

6.1 Payment event

Subject to provision 6.5, if, before the expiry date

The expiry date is shown in the schedule.

- (a) a child contracts a **critical illness** as defined in provision 6.3 after age six months and before age 21 years,
- (b) the relevant child survives for at least 14 days after diagnosis of the **critical illness** by a consultant specialising in the appropriate area of medicine,
- (c) the requirements of provision 6.4 are met, and
- (d) we have not accepted a claim under provision 4 or 5

then on the day of receipt by us at our main administrative office of such proof as we may reasonably require of the **critical illness**, a cash sum of the amount specified in provision 6.2 will become payable. We use the term “**time of the claim**” to be the day such a cash sum becomes payable.

The address of our main administrative office is shown at the start of this booklet.

No more than one cash sum will be payable under this policy in respect of the same child.

When a cash sum becomes payable because of a child's critical illness, that child is no longer covered. But otherwise the policy continues as before and there is no impact on your premiums or the amount of your cover.

6.2 Amount

If either a “Benefit amount” or “Initial benefit amount” is shown in the schedule, the cash sum payable under provision 6.1 will be the lesser of:

- (a) 50% of the **claim amount** (calculated in accordance with provision 3.2) at the **time of the claim**, and
- (b) £25,000, less the total value of any benefits payable in respect of a critical illness or other illness of the child under any other policies issued by us.

If either a “Monthly benefit amount” or “Initial monthly benefit amount” is shown in the schedule, the cash sum payable under provision 6.1 will be the lesser of (c) and (d) below:

- (c) The result of:
 - (i) 50% of the **claim amount** (calculated in accordance with provision 3.2) at the **time of the claim**
 - (ii) multiplied by the number of monthly cash sums that would have been payable if this was instead a claim under provision 5 (calculated in accordance with provision 3.1(ii)),
- (d) £25,000, less the total value of any benefits payable in respect of a critical illness or other illness of the child under any other policies issued by us.

If we accept a claim for children's critical illness we will only ever pay one cash sum for a particular child, even if monthly cash sums would be payable in the event of a claim under provision 5. In the calculation of the single cash sum in (c) and (d) of provision 6.2 we will not allow for any future automatic yearly increases.

6.3 Critical illness

For the purposes of provision 6.1, a **critical illness** is one of the **critical illnesses** defined in provision 5.3, other than **Total Permanent Disability**, provided that it does not result directly or indirectly from any of the causes stated in provision 6.5.

6.4 Children's Critical Illness Cover claim requirements

Unless we decide otherwise, no cash sum will be payable under provision 6.1 in respect of critical illness unless:

- (a) we receive at our main administrative office notice of the illness within six months of its initial diagnosis,
- (b) the claim form that we will issue on receipt of such notice is completed and received back by us at our main administrative office within 28 days of issue,
- (c) we receive (at the expense of the claimant, whose reasonably-incurred expenses we will reimburse if we accept the claim) such certificates and information about, and such evidence of, the illness and the child's medical history as we may reasonably require,
- (d) the relevant child attends (at our reasonable expense) such examinations by a medical examiner appointed by us as we may reasonably require, and
- (e) the certificates, information and evidence in (c) and any examinations in (d) above all indicate to us (acting reasonably) that the claim is valid in accordance with these policy provisions.

The address of our main administrative office is shown at the start of this booklet.

In practice, the claimant will be whoever is for the time being legally entitled to deal with the policy, except that if the policy is assigned in security it will be the assignor for this purpose of providing evidence.

In the above, (c) and (d) are subject to provision 8.5.

6.5 Exclusions

The causes referred to in provision 6.3 are:

- (a) the causes listed in provision 5.5,
- (b) any critical illness, congenital defect, disability, or related condition which was suffered by the child or which was present (as the case may be):
 - (i) before the child reached the age of six months, or
 - (ii) before the date of legal adoption of the child by you,
 - (iii) before your date of marriage or registered civil partnership in the case of a stepchild, or
 - (iv) before the start date of the policy.

Critical illnesses caused before the child becomes covered by the policy are not included.

7 Premium Protection Cover

This provision applies only if the schedule states that premium protection applies to the policy.

7.1 Meaning of terms

The following terms are used in provision 7.

7.1.1 Meaning of disability

Subject to the following paragraph and provision 7.5, the definition of **disability** that applies to the policy for premium protection is stated in the schedule.

If

- (a) either “Definition 1 – Own Occupation”, or “Definition 2 – Suited Occupation” is stated in the schedule to apply to the policy and
- (b) you are working less than 16 hours a week before the start of the disability and you are not self-employed

then “Definition 3 – Activities of Daily Work” will apply instead.

In both “Definition 1” and “Definition 2” below, “**occupation**” means a trade, profession or type of work undertaken for profit or pay.

If “Definition 1 – Own Occupation” applies, “**disability**” means you are totally unable due to sickness or accident to follow the **occupation** from which you last derived any earnings before the start of disability (if there was more than one it will be that from which the largest part of those earnings was derived), and are not doing any other **occupation** for payment or profit.

If “Definition 2 – Suited Occupation” applies, “**disability**” means due to sickness or accident you are totally unable to follow:

- the **occupation** from which you last derived any earnings before the start of disability (if there was more than one it will be that from which the largest part of those earnings was derived), and
- any other **occupation** for which we reasonably consider you suited taking into account your education, training and experience,

and you are not doing any other occupation for payment or profit.

If “Definition 3 – Activities of Daily Work” applies, “**disability**” means any sickness or accident which

- (a) prevents you from doing, even with the use of appropriate assistive devices, at least two out of six activities of daily work (“**ADWs**”) without the assistance of another person or
- (b) causes **mental failure**.

The six **ADWs** are:

(i) **Hearing**

The ability to hear, with a hearing aid if required, well enough to hear someone speaking in a normal voice in a quiet room.

(ii) **Lifting**

The ability to pick up 1kg from waist height and carry it for 5 metres.

Remember it is important to keep paying your premiums on time for the first six months of disability to ensure the cover still applies.

It may help “prove your case” if you tell us about the disability after (say) three months.

Provision 7.5 states the circumstances in which disability is not covered.

(iii) Speech

The ability to be understood in a common language in a quiet room.

(iv) Using a pen, pencil or keyboard

The ability to use a pen, pencil or keyboard with either hand.

(v) Vision

The ability to see well enough to read 16 point print using spectacles or other aids if required.

(vi) Walking

The ability to walk 200 metres on a level surface with a stick or other aid if required, without stopping or severe discomfort.

“**Mental failure**” has the meaning given in the following paragraphs:

You will be treated as suffering from mental failure if, due to an organic brain disease (such as Alzheimer’s Disease or senile dementia) or brain injury, your ability to reason, remember and understand things deteriorates to such an extent that you can no longer look after yourself without the continual supervision and assistance of another person.

You may not claim benefits because of a mental or nervous disorder which cannot be shown to be due to an organic brain disease or brain injury.

Mental failure will be determined using clinical evidence and recognised tests of mental capacity.

7.1.2 Meaning of other terms

“**Period of disability**” means any period throughout which you suffer disability arising after the start date.

“**Deferred period**” means the first 26 weeks of a **period of disability**.

“**Claim period**” means that part of a **period of disability** commencing immediately after the later of:

- (a) the day on which we receive at our main administrative office notice of the disability, and
- (b) the end of the **deferred period**

and ending immediately before the earliest of

- (i) your 66th birthday,
- (ii) the expiry date, and
- (iii) the day any amount becomes payable under provision 4 or 5.

The address of our main administrative office is shown at the start of this booklet.

Note that a claim period may end before the end of a period of disability.

The expiry date is shown in the schedule.

Provisions 4 and 5 are those for life cover and for critical illness cover.

7.2 Protection of premiums

Subject to provision 7.4 and to any further provisions referred to in the schedule, we will waive any premium due during a claim period and will treat it as having been paid.

7.3 Linked claims

We will treat successive periods of disability as a single **period of disability** if the successive periods

- (a) arise from the same cause, and are separated only by less than six months of active full-time work, or
- (b) arise from different causes and are separated only by less than one month of active full-time work

except that we will not treat such intervening periods of active full-time work as part of the **period of disability**.

7.4 Evidence of disability

We will not waive any premium unless

- (a) such certificates, information and evidence as we reasonably require as proof of the start and continuation of the **period of disability** are provided to us at your expense (we will reimburse your reasonably incurred expenses), and
- (b) you are examined at our expense by an examiner appointed by us as often as we reasonably require.

Both (a) and (b) above are subject to provision 8.5.

7.5 Exclusions

The disability must not result directly or indirectly from:

- (a) **Alcohol or drug abuse**
Inappropriate use of alcohol or drugs, including but not limited to the following:
 - Consuming too much alcohol.
 - Taking an overdose of drugs, whether lawfully prescribed or otherwise.
 - Taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription.
- (b) **Criminal acts**
Taking part in a criminal act.
- (c) **Self-inflicted injury**
Intentional self-inflicted injury.
- (d) **Unreasonable failure to follow medical advice**
Unreasonable failure to seek or follow medical advice.
- (e) **War and civil commotion**
War, invasion, hostilities (even if war has not been declared), civil war, rebellion, revolution or taking part in a riot or civil commotion or terrorist activities.

Provision 7.4 covers evidence that we will need.

If the basis of the policy is "increasing", the premiums we protect during a claim period will allow for the increases under provision 3.2.3(b).

The premiums we protect during a claim period will allow for any premium review under 2.3.

The "deferred period" (wait of 26 weeks before premiums are waived) would not apply more than once to successive periods of disability linked by provision 7.3, but in the intervening periods premiums are payable.

8 General

8.1 Nil surrender value

This policy will not have a surrender value.

8.2 Changes to policy terms

If while the policy is in force

- (a) there is any change in law or taxation affecting us or the policy,
- (b) there is any change in circumstances which in our opinion makes it impossible or impracticable to carry out any one or more of these provisions, or
- (c) we become aware of any error or omission in the policy documents,

then we may with immediate effect make such reasonable alterations to the policy documents as we may in good faith consider appropriate in the circumstances. We will inform you in writing of any such alterations.

8.3 Payment of benefits

“**Material facts**” are those things that affect our decision to accept the application (and any amendment to it) and/or the premiums payable.

We reserve the right to not pay benefits, to pay only some of the benefits, or make any other change to the policy as we may reasonably decide if, at any time, any of:

- (a) you,
- (b) the person making the claim, or
- (c) anyone else connected with the policy or claim,

have given us incorrect information, or you didn't give us all **material facts** before the start date of the policy.

We will pay benefits only if we receive such proof as we may reasonably require of the happening of the event on which, or the continuation of the circumstances under which, the benefits are payable, the legal entitlement of the claimant, and your date of birth.

We reserve the right to not pay benefits if we have not received such authorisation as we may require to obtain medical information about any person on whose life the benefits depend.

Payment of any money by us in accordance with the policy will be a full and sufficient discharge to us in respect of that money, and we will not in any way be responsible to enquire into or see to the application of any such money.

8.4 Production of policy

We reserve the right to require the policy for cancellation or endorsement when any benefit is payable or any option is exercised or any alteration is made.

This provision sets out powers that we have to alter the terms of your policy.

We will need to write to your doctor to assess any claim and we will need authorisation to obtain medical information about you. We will require you or a personal representative to provide this authorisation when making a claim. If you or the personal representative do not provide the authorisation and we can't obtain the information we need, we might not pay the claim, and the policy could be made void with no payments to us being refunded.

By policy we mean here the schedule and any related endorsements. We may ask you to send these to us.

8.5 Residence

Unless otherwise stated in the schedule, you may, without restriction or payment of additional premium, reside or travel in any part of the world or engage in any occupation.

If at any stage in connection with a claim you are resident outside the United Kingdom and we reimburse the cost of any evidence obtained from outside the United Kingdom or pay for any examination held outside the United Kingdom then we will do so only to the extent that it does not exceed the amount we would reasonably expect the cost within the United Kingdom to have been.

8.6 Law of the contract

The law of the contract between the **policyholder** and us is that of England and Wales, unless one of the following applies:

- the **policyholder** resided in Scotland at the start date of the policy in which case the contract is subject to the law of Scotland, or
- the **policyholder** resided in Northern Ireland at the start date of the policy in which case the contract is subject to the law of Northern Ireland.

By taking out this policy, the policyholder agrees to submit to the exclusive jurisdiction of the courts relevant to the law of the contract if there is ever a dispute between us and the policyholder.

8.7 References to Acts of Parliament

Reference in this policy to any Act of Parliament or any part or section of an Act includes any statutory modification or re-enactment of it and any regulations made thereunder for the time being in force.

8.8 Notice of assignment

Notice of assignment must be given to us in writing at our main administrative office as soon as practicable after the assignment takes place.

This is important to protect the legal rights of any person to whom the policy is assigned.

The address of our main administrative office is shown at the start of this booklet.

8.9 Third Party

The terms of the Contracts (Rights of Third Parties) Act 1999 and any other legal third party rights are specifically excluded.

This means that only you (or your legal successor(s)) can enforce the contract against us.

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