



## Lifelong Protection Plan Policy Provisions

### 1. Definitions

**Benefit Amount** means the amount of each given benefit type shown in the schedule.

**Company** means Windsor Life Assurance Company Limited.

**Company Actuary** means the Actuary appointed by the Company in accordance with the Insurance Companies Act (1993).

**Head Office** means Windsor House, Telford Centre TF3 4NB or such other address as shall be notified to the Policyholder.

**Life Assured** means the person or persons indicated in the schedule upon whose life or lives the benefits are payable.

**Payable Event** means the event on which the Benefit Amount is payable as shown in the schedule. For joint life cases, this refers to the first Payable Event occurring to either of the Lives Assured.

**Period of Assurance** means the period over which benefits are payable as shown in the schedule.

**Policyholder** means the Policyholder stated in the schedule or assignees entitled to receive the benefits payable under the policy.

### 2. Payment of Benefits

The benefits are payable to the Policyholder, his/her executors, administrators or assignees unless otherwise stated in the policy schedule.

### 3. Premium Payments

- (a) The premium stated in the schedule shall be payable through the direct debit system or such other method as may be acceptable to the Company.
- (b) 30 days of grace are allowed for the payment of premiums. In the event of the benefit becoming payable under the policy, any unpaid due premium(s) will be deducted from the amount payable.
- (c) If a premium due under the policy is not paid either when due or within the permitted days of grace, then the policy will be made paid up and such charges as are made by the Company will continue to be made on the policy in accordance with Provision 14. In this event:-
  - (i) the policy will remain in force for as long as the surrender value (see provision 13) exceeds any charges due;
  - (ii) where the surrender value does not exceed the amount of due charges, the policy will lapse immediately without value;

- (iii) no benefit will become payable under the waiver of premium benefit.

- (d) If the policy has been paid up, the policy may be reinstated at any time, by recommencing payment of premiums. Reinstatement of waiver of premium benefit is subject to the provision of evidence of health satisfactory to the Company.

### 4. Funds and Units

- (a) The Company shall maintain a number of investment funds, which are divided into units. The Company retains legal and beneficial ownership of the underlying assets and shall have discretion on the investment content of the funds. The Company may at its discretion add to or reduce the number and type of funds which are available for investment.
- (b) The Company may at its discretion introduce money into or withdraw money from each fund at any time subject to the respective creation or cancellation of the appropriate number of units.
- (c) The Company may at any time borrow money from any source in connection with the operation of any funds and shall have power to charge the assets of the funds as security. The liability of the Company for repayment of such borrowing and any interest due and any expenses incurred shall be deemed to be a liability of the funds.
- (d) Income from the assets of a fund shall accrue to and form part of the fund.
- (e) The Company shall be entitled to deduct from each fund:
  - (i) the costs of acquiring, disposing of and valuing the assets of the fund; and
  - (ii) appropriate amounts for any expenses, duties, levies and other charges. Details on charge deductions are set out in Key Features or can be obtained from us in writing..
- (f) The prices of a unit in each fund are calculated at such time intervals as the Company shall decide at its discretion. The Company's decision on the value of each fund shall be final.
- (g) The price of a unit shall be calculated by reference to the value of the fund reduced by all mortgages, charges, liabilities and provisions in respect of the assets. The results are divided by the number of units in issue at that time and rounded by not more than 1%.



## 5. Allocation of Units

- (a) On the due date of each premium, the premium shall be deemed to secure an allocation of units. In the event of a premium not being received by its due date, the Company reserves the right to substitute the price of a unit ruling on the actual date of receipt by the Company for the purpose of allocating units.
- (b) At each allocation of units, the number of units allocated will be rounded to the nearer one-hundredth part of a unit.
- (c) The allocation of units is notional and is relevant only to the calculation of benefits under the policy and shall not confer any legal or beneficial interest in the units or the investments of the underlying fund.

## 6. Death Benefit

The following terms and conditions will apply where this benefit is included as shown in the schedule:

- (a) If a Payable Event occurs causing the death benefit amount to become payable the amount will be the Benefit Amount or, if greater, the value of the units attaching to the policy at the date of notification.
- (b) On payment of the benefit in these circumstances, the policy will expire without further value.

## 7. Terminal Illness Benefit

The following terms and conditions will apply where this benefit is included as shown in the schedule:

- (a) **Diagnosis of terminal illness** is that the Life Assured is suffering from a disease, the prognosis of which is that the Life Assured will not survive 12 months from the date of first notification to the Company. The prognosis must be made by a consultant physician holding an appointment in a UK hospital; and accepted as such by a registered medical practitioner nominated by the Company.
- (b) If a Payable Event occurs causing the terminal illness benefit amount to become payable, the amount will be the Benefit Amount or, if greater, the value of the units attaching to the policy at the date of notification. On payment of the benefit in these circumstances, the policy will expire without further value.
- (c) In any event this benefit will not become payable under any circumstances in the final twelve months of the Period of Assurance.

## 8. Critical Illness Benefit

The following terms and conditions will apply where this benefit is included as shown in the schedule:

(a) **Diagnosis of a critical illness** is that the Life Assured contracts one of the following specified serious illnesses. All diagnoses and medical opinion must be given by a medical specialist who:

- is a Consultant at a hospital in the UK,
- is acceptable to our Chief Medical Officer, and
- is a specialist in an area of medicine appropriate to the cause of the claim. The definition of each critical illness covered is given below.

### Core Conditions:

- (i) **Cancer:** Any malignant tumour characterised by the uncontrolled growth and spread of malignant cells and invasion of tissue. The term cancer includes Leukaemia and Hodgkin's Disease but the following are excluded:-
  - All tumours, which are histologically described as pre-malignant, as non-invasive or as cancer in situ.
  - All tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least TNM classification T2N0M0.
  - All forms of lymphoma in the presence of any Human Immunodeficiency Virus (HIV).
  - Kaposi's sarcoma in the presence of any Human Immunodeficiency Virus (HIV).
  - Any skin cancer other than invasive malignant melanoma.
- (ii) **Coronary Artery Bypass Surgery:** The undergoing of open heart surgery on the advice of a Consultant Cardiologist to correct narrowing or blockage of one or more coronary arteries with bypass grafts but excluding balloon angioplasty, laser relief or any other procedures.
- (iii) **Heart Attack:** The death of a portion of the heart muscle due to inadequate blood supply that has resulted in all of the following evidence of acute myocardial infarction:
  - typical chest pain,
  - new characteristic electrocardiographic changes, and
  - the characteristic rise of cardiac enzymes, troponins or other biochemical markers.where all of the above shows a definite acute myocardial infarction. Other acute coronary syndromes, including but not limited to angina,



- are not covered under this definition.
- (iv) **Kidney Failure:** End stage renal failure presenting as chronic irreversible failure of both kidneys to function, as a result of which either regular renal dialysis or renal transplant is initiated.
  - (v) **Major Organ Transplant:** The actual undergoing as a recipient of, or inclusion on an official UK waiting list for a transplant of a Heart, Liver, Lung, Pancreas, or Bone Marrow.
  - (vi) **Multiple Sclerosis:** A definite diagnosis by a Consultant Neurologist of Multiple Sclerosis which satisfies all of the following criteria:
    - There must be current impairment of motor or sensory function, which must have persisted for a continuous period of at least 6 months.
    - The diagnosis must be confirmed by diagnostic techniques current at the time of the claim.
  - (vii) **Stroke:** A cerebrovascular incident resulting in permanent neurological damage. Transient Ischaemic Attacks are specifically excluded.
- The Additional Conditions:**
- (viii) **Blindness:** Total permanent and irreversible loss of all sight in both eyes.
  - (ix) **Coma:** A state of unconsciousness, with no reaction to external stimuli or internal needs, persisting continuously with the use of life support systems for a period of at least 96 hours and resulting in permanent neurological deficit. Coma secondary to alcohol or drug misuse is not covered.
  - (x) **Deafness:** The total permanent and irreversible loss of all hearing in both ears.
  - (xi) **Loss of limbs:** The permanent physical severance of two or more limbs from above the wrist or ankle joint.
  - (xii) **Loss of Speech:** The total permanent and irreversible loss of the ability to speak as a result of physical injury or disease.
  - (xiii) **Paraplegia:** Total irreversible loss of muscle function or sensation below the waist as a result of injury or disease. The disability must be permanent and supported by appropriate neurological evidence.
- (xiv) **Third degree Burns:** Third degree burns covering at least 20% of the body surface area.
- (b) If a Payable Event occurs causing the critical illness benefit amount to become payable, the amount will be the Benefit Amount or, if greater, the value of the units attaching to the policy at the date of notification. On payment of the benefit in these circumstances, the policy will expire without further value.
  - (c) A critical illness must occur before the Life Assured attains the age of 75 (unless a different age is specified for a particular critical illness).
  - (d) No claim may be made under this benefit within 3 months of the commencement of the policy.
  - (e) The Life Assured must survive for 28 days following diagnosis of a critical illness before payment of benefit.

### 9. Total & Permanent Disability Benefit

The following terms and conditions will apply where this benefit is included as shown in the schedule.

- (a) **Disabled** means total, permanent and irreversible disability by reason of accident or illness, such that the Life Assured is unable to and will never again be able to perform any occupation whatsoever. This must occur before the Life Assured attains the age of 60.
- (b) If the Life Assured should become Disabled, as defined in section 9(a) above, and thereby cease to be employed in, or receive income from any occupation, a payment will become due under this policy. The amount will be the disability benefit amount, or if greater, the value at the prevailing unit price of units attaching to the policy. On payment of the benefit in these circumstances, the policy will expire without further value
- (c) Benefits will become payable only in accordance with Provision 12.
- (d) Countries in which the policyholder may be living, where we will accept a total permanent disability claim are;
  - (i) European Union
  - (ii) Channel Islands
  - (iii) Isle of Man
  - (iv) Gibraltar

### 10. Income Protection

The following terms and conditions will apply where this benefit is included as shown in the schedule.

- (a) **Incapacity** means continuously and totally disabled, by reason of sickness or accident, from performing any part whatever of the Life Assured's occupation, or any other occupation for which he or she is fitted by reason of his or her



training, education or experience. Incapacity must be proven to the satisfaction of the Company and occurs before the Life Assured attains the age of 60.

- (b) The current maximum limits allowed as a proportion of gross earnings are as follows:

- (i) 60% up to £30,000
- (ii) 30% up to a further £30,000
- (iii) 15% up to a maximum of a further £50,000

subject to condition 10(d).

- (c) Earnings shall mean for:

- (i) Employed persons: your gross earned income as declared for tax purposes for the period of one year up to the commencement of your incapacity. We will require a copy of your P60 as evidence.
- (ii) Self-employed persons: your average net profits before tax for the three years immediately before the commencement of your incapacity. We will require a copy of your Certified Accounts and your Agreed Notice of Assessment from the Inland Revenue as evidence.

- (d) The amount of benefit payable on a claim will be the Income Protection benefit as increased by the selected indexation rate. The benefit may be subject to a reduction should the benefit exceed previous income or if the claimant has multiple insurance policies providing this type of benefit. We will reduce the benefit we pay if any of the following take you over the maximum allowable:

- i) Continuing payments from your employment, such as sick pay,
- ii) Pension payments, unless you would have received them if you were still working,
- iii) Other insurance benefits, if they arise because of your incapacity and either result in regular payments to you or make regular payments on your behalf, such as mortgage payments,
- iv) Less the single person's State Incapacity Benefit, whether claimed or not.

If your benefit is reduced, we will not refund any of your premium payments and your cover remains unchanged unless you choose to reduce it.

- (e) If the Life Assured should suffer an incapacity lasting at least as long as the selected deferred period then Income

Protection provides for a monthly benefit. This benefit becomes payable on proof satisfactory to the Company, provided at the claimant's expense, allowing for regular premiums to be waived.

- (f) The benefit payment does not commence until the end of the deferred period (13 weeks, 26 weeks or 52 weeks) selected by the Life Assured at the start of the policy.
- (g) If the Life Assured returns to work after a period of receiving income benefits, only to be incapacitated again by the same cause within twenty six weeks, then income payments will recommence immediately, subject to proof satisfactory to the Company.
- (h) During rehabilitation from incapacity:
  - (i) in the case of a partial return to work, or return to a job with lower income, a proportional benefit will continue to be payable,
  - (ii) the benefit will index/escalate in payment at the same rate as it does in the period from the beginning of the policy to the start of the claim ,
  - (iii) the plan continues during payment of a claim and charges continue to be taken. The benefit may be claimed more than once.
- (i) During payment of the benefit: it will cease on one or more of the following:
  - i) death,
  - ii) recovery,
  - iii) attaining of the expiry age (60),
  - iv) or commencement of any occupation for remuneration or profit.
- (j) Benefits will become payable only in accordance with Provision 12.

#### 11. Waiver of Premium

The following terms and conditions will apply where this benefit is included as shown in the schedule.

- (a) **Incapacity** means continuously and totally disabled, by reason of sickness or accident, from performing any part whatever of the Life Assured's occupation, or any other occupation for which he or she is fitted by reason of his or her skills or knowledge. Incapacity must be proven to the satisfaction of the Company and occurs before the Life Assured attains the age of 60.
- (b) The benefit will be applied if the Life Assured should suffers an incapacity. This is defined in provision 11(a) above.
- (c) The incapacity must continue for a continuous waiting period, as selected at the start of the policy, before a claim is payable.
- (d) The Life Assured must be able to provide evidence that he or she has been working with remuneration for an average of at least



30 hours per week during the 12 months immediately prior to incapacity.

- (e) The Company will waive the payment of premiums falling due after the waiting period and while the incapacity continues until the Life Assured attains the age of 60 or until the policy ceases through maturity, death or disability, whichever is the earliest.
- (f) Benefits will become payable only in accordance with Provision 12.

### **12. General Conditions of Waiver, Disability Benefit and Income Protection**

- (a) Written notice of the event giving rise to the incapacity or disability together with a description of the occupation at the time of onset of incapacity or disability must be sent to and received by the Company at its Head Office. This must not be later than 4 weeks before the expiry of the selected waiting period. If this notice is not given by such time, the onset of incapacity shall be deemed to have commenced 4 weeks prior to the actual receipt of the notice by the Company at its Head Office. On receipt of the notice, the Company will issue a claim form which must be returned, duly completed, and received by the Company at its Head Office.
- (b) The Life Assured must be under the care of a registered medical practitioner. Certificates issued by the Company, completed and signed by the Life Assured and a registered medical practitioner, at the expense of the Life Assured, must be sent to the Company as required. The Company may at any time require, at its expense, the Life Assured to be examined by a registered medical practitioner nominated by the Company.
- (c) The occupation of the Life Assured will be deemed to be that notified to the Company at the commencement of the policy. Any change of occupation must be notified without delay to the Company at its Head Office. If, in the Company's opinion, the new occupation is of a more hazardous nature, the Company may amend the benefit under this provision, or alternatively may increase the premium stated in the schedule as necessary.

### **13. Surrender Value and Policy Loans**

The provision of a surrender value and policy loan depends on the type of benefits shown in the schedule. The surrender value is taken from the units attaching to the part of the policy, which provides the relevant benefit.

- (a) Life Cover – if this benefit is included as part of the policy:
  - (i) The full surrender value will be an amount equal to the value of units attaching to the policy determined at the price of the unit ruling at that time.

- (ii) The partial surrender value will be an amount equal to the value of the surrendered units at the price of the unit ruling at that time. This will trigger a review in accordance with Provision 17.
  - (iii) Loans may be granted by the Company on the sole security of the policy, subject to a maximum of 75% of the surrender value.
- (b) Total and Permanent Disability and Critical Illness – if either of these benefits only are provided by the policy:
  - (i) The surrender value will be an amount equal to the lower of:
    - the value of the units attaching to the policy determined at the price of a unit ruling at that time or the total of the premiums paid.
  - (ii) Partial surrender is not available.
  - (iii) Policy Loans are not available
- (c) Income Protection – if this benefit only is provided by the policy:
  - (i) The surrender value will be an amount equal to the lower of:
    - the value of the units attaching to the policy determined at the price of a unit ruling at that time or the total of the premiums paid.
  - (ii) Partial surrender is not available.
  - (iii) Loans are not available

### **14. Cost of Benefits**

The cost of providing the benefits is made by monthly charges. If a Life Assured has not been accepted on the Company's standard terms, the charging rates will be adjusted accordingly to reflect the additional costs of providing cover. The charges are made by a reduction to the number of units attached to the policy, equal in value to the charges.

### **15. Fund Switching**

- (a) The Policyholder may elect to have units switched between funds whenever he or she chooses. This means that units allocated to the policy will be cancelled, and the value of the units will be applied to the allocation of units in any other investment fund available for policies of this type. The number of units to be allocated will be calculated using the price on the valuation date on or following receipt of written instruction at Head Office.
- (b) Charges, as set out in Key Features or otherwise notified to you in writing, will be deducted before any such switch takes place. Following a switch, future premiums will be allocated to the policy in the specified fund(s) in such proportion as the policyholder may specify.
- (c) The Company reserves the right to defer switching of units in exceptional



circumstances as set out in Provision 18 paragraph (f) below.

## 16. Exclusions

We will not pay a Waiver, Disability, Income Protection or Critical Illness claim if it is caused directly or indirectly from any of the following:

- (i) **Aviation:** Taking part in any flying activity, other than as a fare-paying passenger in a commercially licensed aircraft..
- (ii) **Criminal Acts:** Taking part in a criminal act.
- (iii) **Drug abuse:** Alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner.
- (iv) **Failure to follow medical advice:** Unreasonable failure to seek or follow medical advice.
- (v) **Hazardous sports and pastimes:** Taking part in (or practicing for) boxing, caving, climbing, horse racing, jet skiing, martial arts, mountaineering, off-piste skiing, potholing, power boat racing, under water diving, yacht racing or any race, trial or timed motor sport.
- (vi) **HIV/AIDS:** Infection with any Human Immunodeficiency Virus (HIV) (which includes sero-positive to) or conditions due to any Acquired Immune Deficiency Syndrome (AIDS).
- (vii) **Living abroad:** Living outside of the European Union, Channel Islands, Isle of Man or Gibraltar for more than 13 consecutive weeks in any 12 months.
- (viii) **Self-Inflicted injury:** Intentional self-inflicted injury.
- (ix) **War and civil commotion:** War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

## 17. Policy Review

- (a) Reviews will be conducted at intervals of not greater than once every five years, on a basis determined by the Company Actuary. If at any review, it appears, based on factors set out in (b) below, the policy is unlikely to sustain the selected benefits, then the Company may recommend an increase in premiums.
- (b) For the purpose of reviews in (a) above the Company shall have regard to the value of units attaching, future premiums, future anticipated rates of unit growth, and future

charges. An increase in premium recommendation may only arise if:

i The original assumption for any of these factors has not been borne out in practice (eg unit growth has been lower than expected)

ii The future assumption for one of these factors changes.

- (c) If at any review the premium cannot be increased sufficiently then other options may be offered including reducing certain Benefit Amounts, effecting new policies or extending the term.
- (d) Should a recommended policy review action not be taken up by the policyholder, then the Company reserves the right to reduce any of the Benefit Amounts to a level it deems supportable by the future premiums.

## 18. General

- (a) The policy is free from all restrictions on occupation, residence or travel other than as described in paragraph (c) of Provision 12 paragraph 9(d) of Provision 9 and paragraph (vii) of Provision 16.
- (b) All notices of assignment affecting title to this policy must be delivered to the Company at its Head Office. No agent of the Company is authorised to receive, acknowledge or transmit notices of assignment.
- (c) Any request to pay benefits under the policy or any options selected by the Policyholder under these provisions must be notified in writing to the Company at its Head Office.
- (d) All benefits and premiums under the policy are payable in sterling at the Head Office of the Company.
- (e) The Company reserves the right to require that the age of the Life Assured be proved before any benefits are paid under the policy. If the date of birth of the Life Assured has been mis-stated, the terms of the policy shall be adjusted having regard to the actual age of the Life Assured.
- (f) We may give you notice that we will defer cancellation of units from the date we receive your instruction to cancel. We will only do this in exceptional circumstances, where we feel such action is required to protect your interests and those of other policyholder's. Such a deferment would apply where markets for the sale of the Fund's assets are subject to conditions such that the assets can not be readily traded at prices which allow us to ensure that policyholder reasonable interests are protected (as may be the case for example, where the fund holds assets in the form of buildings or land). The period of deferment will not be longer than 6 months. In any event, we will act in a reasonable manner, with the protection of policyholder interests in mind. This provision does not apply to the payment of Death Benefits.



(g) If at any time during the currency of the policy there is a change in taxation affecting the policy or, as a result of legislation or otherwise, investment in shares or property is disallowed or restricted or it becomes impracticable or inequitable as between policyholders to carry out the procedures laid

down in this policy, the Company reserves the right to make any related and reasonable changes to the terms of the policy as it considers appropriate to the circumstances.

(i) The Policy shall be governed by the Law of England.

**This version 0.5 of TP400 policy provisions is correct as at July 2009.**