

WHOLE OF LIFE INSURANCE



Chosen partner of NFU Mutual



IMPORTANT FOR NFU MUTUAL CLIENTS – PLEASE READ

This policy is being provided to you by our chosen partner – AIG Life Limited (AIG). AIG is the life insurance arm in the UK of American International Group, Inc. (AIG, Inc.) – a leading international insurance organisation serving customers in more than 80 countries and jurisdictions.

NFU Mutual has chosen to partner with AIG to provide you with this protection policy because they:

- provide excellent service, and
- consider all claims fairly.

This document gives you the key information you need to help you decide whether AIG Whole of Life Insurance is right for you. It is available in other formats such as Braille, large print or audio. Please ask if you need one of these formats.

This document does not contain the full terms and conditions and exclusions of cover. Please also refer to your Cover Summary and Cover Details, which will be issued when your policy starts. You can ask your NFU Mutual financial adviser for a copy of the Cover Details or visit nfumutual.co.uk.

This document is based on our understanding of the current laws in England and Wales and tax rules in the UK (different rules may apply in the Channel Islands, Isle of Man or Gibraltar).

If you're thinking of taking out insurance, you may wish to get expert advice from a financial adviser who can look at your personal circumstances and help you make the decision that's right for you.

It's important that the information you provide when you take out this policy is true, accurate and complete. If you don't, your insurance may be cancelled or a future claim may be rejected or reduced.

WHAT IS AIG WHOLE OF LIFE INSURANCE?

AIG Whole of Life Insurance is designed to pay out a lump sum when the person covered dies or is diagnosed with a terminal illness - where life expectancy is less than 12 months. The policy will end when we pay a death or terminal illness claim.

There is no maximum term, the cover will last throughout the life of the person covered.

AIG Whole of Life Insurance can be used to provide a legacy for a family member or friend, offer financial protection or help fund an inheritance tax liability.

If the sum paid out under this policy forms part of your estate, it may not be free of inheritance tax. You may wish to place your policy in trust to help mitigate the effect of inheritance tax. However, we cannot advise whether a trust is suitable in any particular circumstances or give tax advice in relation to the use of trusts. We recommend that you take professional advice before setting up a trust.

WHO CAN BUY AIG WHOLE OF LIFE INSURANCE?

AIG Whole of Life Insurance is available to British citizens or those resident in the United Kingdom, Channel Islands, Isle of Man and Gibraltar. They must be aged 17 up to and including 84. In certain circumstances we may be able to offer cover where the person to be covered is a resident overseas. Please contact us for further information.

You can select to insure:

- you alone - we call this 'single life' cover;
- you and another person - we call this 'joint life' cover;
- or
- one or two people other than yourself - this can be either 'single' or 'joint life' cover.

If you chose to insure two people under one cover, we'll ask you to choose whether you want the cover to pay out:

- when one of the people insured has died, or is diagnosed with a terminal illness (we call this 'joint life first event'); or
- when both of the people insured have died, or have been diagnosed with a terminal illness (we call this 'joint life second event').

HOW DOES AIG WHOLE OF LIFE INSURANCE WORK?

THE AMOUNT OF COVER

When you take out AIG Whole of Life Insurance, you decide how much cover you want. This amount is called the 'sum assured'. This is the amount we pay if the person covered dies or is diagnosed with a terminal illness.

TYPES OF COVER

- Level - this covers you for a fixed sum assured.
- Increasing - your sum assured increases each year in line with the Retail Prices Index (RPI) up to a maximum of 10%.

Further information regarding these types of cover is available in section B1 of the Cover Details.

PAYING FOR YOUR POLICY

Your premiums will be guaranteed and will not change unless you choose increasing cover.

We will collect monthly or annual premiums from you by direct debit to pay for your insurance until the date your insurance ends.

ADDITIONAL OPTION AVAILABLE AT EXTRA COST

- Waiver of Premium - you can include Waiver of Premium in your policy, if the person covered is aged 54 and below when you buy your policy. We will waive your premiums if the person covered is incapacitated for longer than 26 weeks. Waiver of Premium will end when the person covered reaches their 70th birthday.
- Waiver of Premium may not be available to everyone or we may restrict cover. If this happens, we will explain our decision.

How we define incapacitated depends on whether the person covered is in paid work and what kind of work they do. This definition will be agreed at application and shown in the Cover Summary, based on their circumstances at the time. If their circumstances change prior to becoming incapacitated, a different definition may apply to their claim. For a full definition of incapacitated, please see section E of the Cover Details.

For further information regarding Waiver of Premium, please see section B2 of the Cover Details.

CHANGING YOUR POLICY

There are many ways that you can change your policy to make sure that it is still meeting your needs.

You can increase the amount of your cover without providing further medical evidence if the person covered is 55 years old or less when you take out the policy and:

- gets married or becomes a civil partner;
- has a child (including adopting a child);
- increases the amount of the mortgage; or
- is promoted by their current employer, or starts a new job with a different employer, and their salary increases.

There is a limit to how much you can increase your sum assured - it can't be more than the lower of 100% of the original sum assured or £150,000.

You can also increase the amount of cover if your inheritance tax (IHT) liability increases, and you are aged 90 or under:

1. Where there is an increase in the value of your estate which causes an increase in prospective liability to IHT. The increase in sum assured allowed under this option must not exceed the increase in liability to IHT.

This option can be exercised any number of times, provided that the combined total increase is not more than:

- 100% of the original sum assured; or
- £250,000.

2. Where there is a change to IHT legislation either by:

- the UK Government announcing a legislative change in the rate, or rate bands, of IHT; or
- the UK Government announcing a legislative change in the exemptions and reliefs from IHT.

The increase in sum assured allowed under this

option is not more than the lower of:

- the increase in the proportion of the liability covered immediately before the change;
- £5million; or
- 100% of the original sum assured.

This option must be exercised within six months of the change in legislation.

In addition, you can choose to:

- reduce the sum assured;
- stop and restart annual increases if you have selected increasing cover;
- add another person to single life cover; or
- change your premiums from annual to monthly and vice versa.

We also include a continuing cover option, which allows a surviving person covered to apply for further cover up to the sum assured under their original cover, after we have paid a benefit on a joint life first event cover. This option must be exercised within 13 weeks of the claim being paid.

A further change which can be made on joint life cover is where persons covered get divorced or separated, or obtain a dissolution of a civil partnership. In this instance, each person can choose to take separate cover as long as the total cover across both new policies does not exceed 100% of the current sum assured under the joint life cover. This option must be exercised within six months of separation. Both people must agree to the change.

These options may not be available to everyone, for example if the person covered has a particular medical condition when the cover was first taken out. For more information, including further limitations, please see section C4 of the Cover Details.

IMPORTANT INFORMATION

You can only insure someone else if you would suffer financially were they to die or suffer a terminal illness. We call this 'insurable interest'. You will always have an insurable interest in your own life, or in the life of your spouse or civil partner.

AIG Whole of Life Insurance only protects you against events that happen to the person covered during the lifetime of your cover.

If you don't review your policy in line with your earnings and lifestyle, you may have more or less cover than you need.

Inflation will reduce the spending power of any benefit you are paid in the future. To help protect your cover against this effect, you can choose to set it up with a sum assured that increases in line with the RPI, up to 10% each year. If the policy has an increasing sum assured, the premium will be reviewed annually and will increase by a higher percentage than that of the sum assured, because the amount of the increase of the premium will depend on the age of the person covered. If you set up a cover with an increasing sum assured, the amount you pay will increase each year to pay for the extra cover. If you then change to a level sum assured, the premium will remain at the level it was when you made the change. If you restart the annual increase, the premium will increase again.

A claim for terminal illness can only be made where the person covered has been diagnosed with 12 months or less to live. If a medical consultant cannot determine this, or expects death to occur more than one year after diagnosis, then we will not pay a benefit.

For joint life first event policies, we will pay the sum assured when one of the people insured has died or is diagnosed with a terminal illness. The policy will then stop and the other person will no longer have insurance cover under this policy.

For joint life second event policies, we will pay the sum assured when both of the people insured have died or have been diagnosed with a terminal illness.

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

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

For Waiver of Premium claims, the person covered must be living in an eligible country when they become incapacitated. They must return to and remain in the UK, Channel Islands, Isle of Man or Gibraltar within 26 weeks of becoming incapacitated in order to receive the benefit.

A list of eligible countries is shown in section E of the Cover Details.

We will not waive premiums if the person covered is incapacitated and Waiver of Premium is not included in the cover for that person (this information will be shown in the Cover Summary).

If any premium remains unpaid for more than 30 days from the date it was due to be collected, we will cancel your policy and you will no longer be covered.

The premiums paid over the lifetime of the insurance can exceed the sum assured.

OTHER INFORMATION

MAKING A CLAIM

We want to make it easy for someone to claim. Whoever is making the claim should get in touch as soon as they can using the contact details provided.

If you would like to know more about how to claim, please see section C5 of the Cover Details.

We will pay the benefit to the person legally entitled to receive it. Who this will be depends on the nature of the claim, the circumstances at the time and whether the policy has been assigned or put under trust.

During the course of the claim assessment, we will establish and confirm who we identify as legally entitled to receive the benefit.

WHEN WE WON'T PAY A CLAIM

We won't pay a claim if you don't:

- pay regular monthly or annual premiums throughout the term of your policy;
- give us accurate, complete and true information when you apply for AIG Whole of Life Insurance;
- give us any medical or other evidence that we ask for; or
- tell us immediately if any of the information in the Cover Summary or Application Details we send you is wrong.

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

Further information about when we won't pay a claim can be found in section B1 of the Cover Details.

CHANGING YOUR MIND ABOUT AIG WHOLE OF LIFE INSURANCE

When your policy starts, we will send you information about your right to change your mind and cancel your policy. You have 30 days from the date you receive this information to cancel your policy. If you cancel your policy in this time we will refund any premiums you've paid, unless we have paid you a benefit before you cancel.

Should you not cancel your policy within this time period, your policy will remain active as set out in your Cover Summary.

You can stop your policy at any other time. Once you tell us, your policy will end on the day before your next monthly premium to us is due. Any premiums paid to date will not be refunded. If you are paying annual premiums, your policy will end on the day before the next monthly anniversary of the policy. We will retain the cost of any full (or partial) months of cover up to the date of cancellation and will refund any balance of the annual premium.

Your policy will not have a surrender value at any time.

THE LAW

The Law of England and Wales will apply to this insurance.

LANGUAGE

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

CURRENT TAX RULES

Under current legislation and HMRC practice, benefit(s) payable under this cover are normally free from Income Tax and Capital Gains Tax for UK residents, unless you assign your policy to someone else.

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

If your policy is not placed in trust, the benefit we pay may form part of your estate for inheritance tax purposes.

PERSONAL INFORMATION WE COLLECT

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

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

We may also use your personal information to detect, investigate and prevent crime (including fraud and money laundering). Where permitted by applicable law, AIG Life Limited may share personal information with carefully selected third parties, for example, other insurers, reinsurers, and financial advisers.

Your personal information may be transferred outside the country in which you are located including to countries outside the European Economic Area.

As a data subject you have certain rights in relation to your personal information. More details about AIG Life Limited's use of personal information and your rights as a data subject can be found at www.aiglifeco.uk/privacy-policy or you may request a copy using the following contact details: Data Protection Officer, AIG Life, 58 Fenchurch Street, London, EC3M 4AB or by email at DataProtectionOfficer@aiglifeco.uk

ABOUT OUR BUSINESS

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

MAKING A COMPLAINT

If you have a complaint, you can get in touch with us using the contact details provided. We will try to resolve complaints as quickly and fairly as possible.

If we cannot deal with your complaint promptly, we'll send you a letter to acknowledge it and give you regular updates until it is resolved.

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

You can email them at:
complaint.info@financialombudsman.org.uk
call 0800 023 4567 (calls to this number are free on mobile phones and landlines) or 0300 123 9123 (calls to this number cost no more than calls to 01 and 02 numbers) or write to: The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR.

Making a complaint to the Financial Ombudsman Service does not affect your right to take legal action.

WHAT HAPPENS IF AIG GOT INTO FINANCIAL TROUBLE AND COULDN'T PAY OUT THE MONEY

The Financial Services Compensation Scheme (FSCS) is there to protect you if we cannot meet our obligations. Whilst most customers will be covered under the FSCS, whether or not you can claim and the amount you can claim depends on the specific circumstances of your claim. You can get further information from www.fscs.org.uk or by calling 020 7741 4100.

HOW TO CONTACT US

For any enquiries about AIG Whole of Life Insurance:

- call 0330 123 4467
- email nfmutual@aiglife.co.uk

To make a complaint:

- call 0345 600 6813
- email complaints@aiglife.co.uk

To contact the Claims Team:

- call 0345 600 6815
- email claimsteam@aiglife.co.uk

We are open Monday to Thursday, 8.30am to 8.00pm and Friday, 8.30am to 5.30pm, except for bank holidays.

Please note these opening hours are UK local time.

You can also write to us at: AIG Life Limited, PO Box 12010, Harlow CM20 9LG or visit www.aiglife.co.uk for more information.

Calls are charged at standard rates from a BT landline but may cost more via mobiles and other networks. We may record or monitor calls to make sure we have an accurate record of the instructions we are given, for training purposes, to improve the quality of our service and to prevent and detect fraud.



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