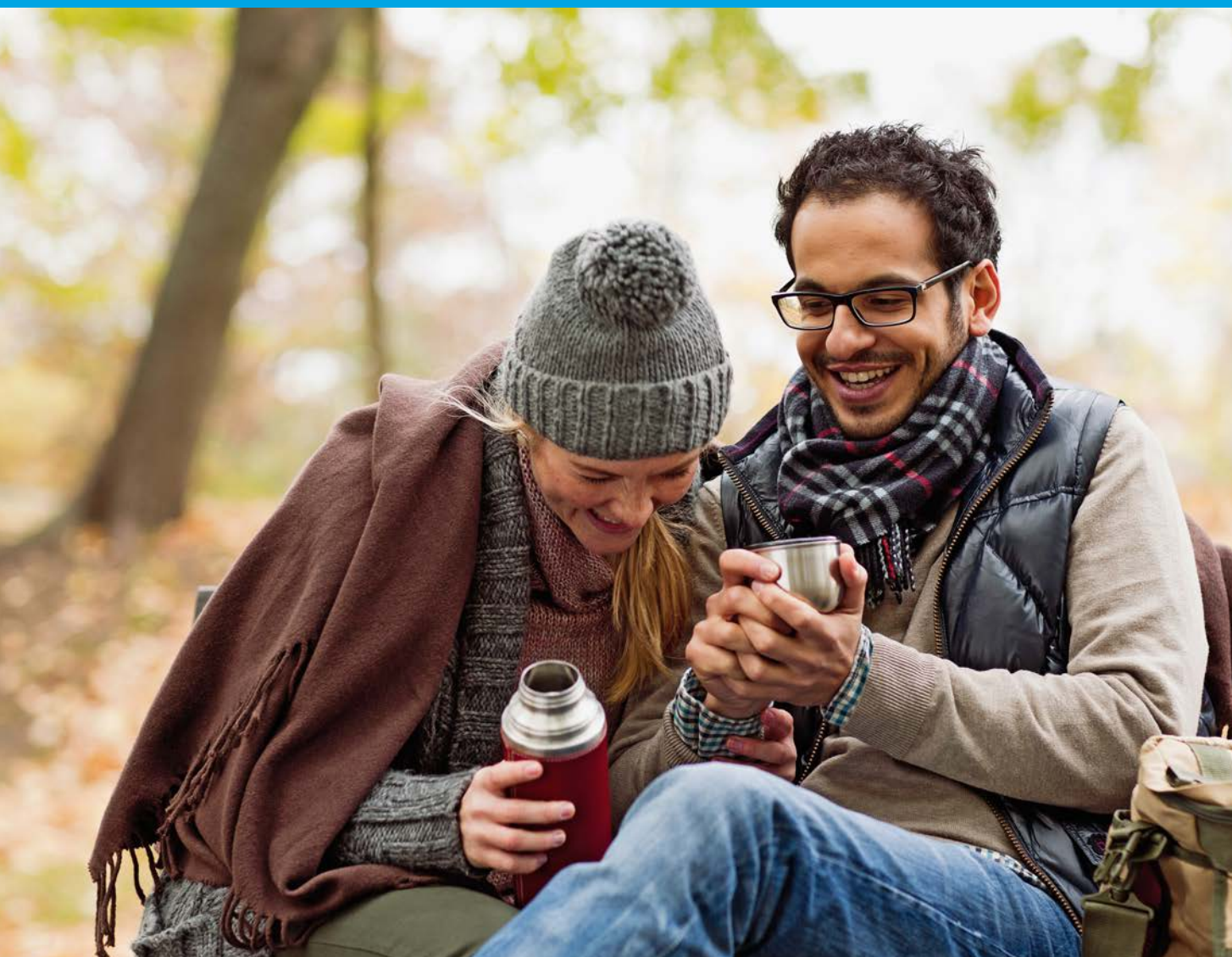


YourLife Plan Income Protection

Cover Details



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This document is available in other formats. If you would like a Braille, large print or audio version, please contact us:

Customer Services,
AIG Life Limited,
PO Box 12010,
Harlow CM20 9LG

Telephone: 0345 600 6820 (calls are charged at standard rates from a BT landline but may cost more via mobiles and other networks). If calling from outside the UK, please call +44 1737 441 820.

Email: enquiries@aiglifeco.uk

We are open Monday to Thursday, 8.30am to 8pm and Friday, 8.30am to 5.30pm, except bank holidays. Please note these opening hours are UK local time.

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.

Welcome to AIG

American International Group, Inc. (AIG) is a leading international insurance organisation serving customers in more than 100 countries and jurisdictions. AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc.

AIG Life Limited is the life insurance arm of AIG in the UK, Channel Islands, Isle of Man and Gibraltar. We provide financial and practical support for individuals, families and businesses when illness or injury threatens their life, lifestyle or livelihood. We recognise the value in the Financial Conduct Authority initiative of Treating Customers Fairly. We believe that if we treat you, our customer, fairly at all stages, then this will enhance our core values and lead to better service. Therefore we are committed to ensuring that we embed the principles of Treating Customers Fairly within every aspect of 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 (SFCR) available on our website www.aiglifeco.uk.

This booklet is the AIG Income Protection Cover Details. It explains how your cover works.

If you've just taken out AIG Income Protection, please read this booklet carefully and keep it in a safe place, along with your Cover Summary and Application Details. Together they make up your contract with us.

If you're thinking about taking out AIG Income Protection, this booklet should be able to answer any questions you might have.

If there's anything that isn't clear about the insurance you have purchased from AIG Life or if you have any questions, please speak to your financial adviser or call us on 0345 600 6820. If calling from outside the UK, please call +44 1737 441 820.

To make sure we have an accurate record of the instructions we are given, we may record or monitor phone calls.

Who provides AIG Income Protection?

AIG Income Protection is provided by AIG Life Limited. We specialise in protection insurance - such as life insurance, critical illness cover and income protection.

Who can take out AIG Income Protection?

The person covered must be resident in the **UK, Channel Islands**, Isle of Man or Gibraltar when **cover** is applied for.

You are considered resident if:

- You have indefinite leave to remain in the **UK, Channel Islands**, Isle of Man or Gibraltar; or
- You are an EU or EEA national living permanently living in the **UK, Channel Islands**, Isle of Man or Gibraltar; or
- You have resided in the **UK, Channel Islands**, Isle of Man or Gibraltar for the last 12 months, live there permanently and will continue to do so.

The language we use in the Cover Details

'We', 'us' or 'our' means AIG Life Limited. 'You' or 'your' means the person covered or, where appropriate, their legal successors - unless a different meaning is given in a particular paragraph of this document.

Look out for words in **bold**. These are all explained in section D.

Section A:

The cover



A1 AIG Income Protection

When we will pay the **benefit**

When we will pay the **benefit** depends on the **cover** shown in the **Cover Summary** and the circumstances of the person covered:

1. If the person covered is **incapacitated**

We will pay a **benefit** if the person covered is **incapacitated** and meets the definition of **incapacitated** that applies to them. This definition will be one of:

- **own occupation**;
- **suited occupation**; and
- **work tasks** (also known as **daily activities**).

The **Cover Summary** shows which definition applied to them when they took out their **cover**. If their circumstances change, a different definition may apply when they claim. For more information, see our definition of **incapacitated** in section D.

To confirm that the person covered is **incapacitated**, we may ask them to be examined by a doctor or health specialist of our choice. We may also ask for any other reasonable evidence we need to consider the claim.

The person covered needs to be **incapacitated** for a continuous period that is longer than the **deferred period**.

When they take out AIG Income Protection, the person covered chooses a **deferred period** of 4, 8, 13, 26 or 52 weeks.

If they return to **work** after we have been paying a **monthly benefit**, and they then need to make another claim within 26 weeks, there is no **deferred period** if:

- the claim has the same cause as the original claim; and
- the person covered contacts us within two weeks of stopping **work** again.

2. If the person covered is **incapacitated** and needs services or advice that could help improve or maintain their health and help them return to **work**

If we agree that the person covered may have a valid claim because they are **incapacitated**, we may also help them pay for services that could improve or maintain their health and help them return to **work**. What services might help them will depend on their situation. The services could range from physiotherapy or counselling, to help travelling to **work** because they can no longer drive.

We need to approve the services they want to spend the money on and agree the costs before they are incurred. Whether we approve the service depends on the situation of the person covered and the advice of their doctor.

There is no **deferred period** for this **benefit**. This means we will refund the cost as soon as we have received the receipts for the services that we agreed.

For each potentially valid claim, we will pay up to three times the value of a **monthly benefit** payment to help the person covered improve or maintain their health and return to **work**. Please remember that if we pay this **benefit**, it does not necessarily mean we will approve a claim for **monthly benefit** payments under AIG Income Protection.

3. If the person covered meets the definition of **incapacitated** and is diagnosed with an illness that meets our definition of a **terminal illness** - where life expectancy is less than 12 months

We will pay the **monthly benefit** if the person covered meets the definition of **incapacitated** and is diagnosed with an illness that meets our definition of a **terminal illness**. There is no **deferred period** for this **benefit**.

4. If the person covered has to leave **full-time employment** to provide **full-time care** for their **child** who is **incapacitated**

We will pay the **monthly benefit** if the person covered leaves **full-time employment** to provide **full-time care** for their **child**, and they are receiving **State Carer's Allowance** to care for their **child**. Their **child** must meet the definition of **incapacitated** explained in section D. To confirm that they need care, we may ask for any reasonable evidence of their condition, and any other reasonable evidence to consider the claim. We will pay the **benefit** once the person covered stops **full-time employment** and starts receiving **State Carer's Allowance**.

What we will base **benefit** payments on

We will base **benefit** payments on the **monthly benefit**. The amount of the **monthly benefit** can change during the **term of the cover**. How the **monthly benefit** changes is shown in the **Cover Summary**.

If you have chosen a level **monthly benefit**, we will base **benefit** payments on the **monthly benefit** shown in the **Cover Summary**.

If you have chosen an annually increasing **monthly benefit**, we will base **benefit** payments on the **monthly benefit** shown in the **Cover Summary**. Each year, on the anniversary of when the **cover** started, the amount of the **monthly benefit** will increase in line with the **Retail Prices Index**, up to a maximum annual increase of 10%.

We will write to you each year to tell you the new **monthly benefit** and the new **premium** that you will be paying.

How much we will pay

How much we will pay depends on:

- the nature of the claim;
- whether the person covered is in **work** when they make a claim and, if so, what their **income** is; and
- how **incapacitated** they are.

The maximum **monthly benefit** cannot exceed £12,500.

If the person covered is in paid **work** when they become **incapacitated** and they meet the definition of **incapacitated** that applies to them, but do not meet our **work tasks** definition of **incapacitated**

We will pay the lower of:

- the current **monthly benefit**; or
- 60% of the first £25,000 of their pre-tax annual **income** plus 50% of any pre-tax annual **income** exceeding £25,000 before they became **incapacitated**, divided by 12, less any **income** they are still receiving from their employer, from self-employment, from other insurance benefits or from pension arrangements other than State Pensions.

Any **income** received from **State Benefits** will not affect what we pay.

If the person covered is in paid **work** when they become **incapacitated** and they meet our **work tasks** definition of **incapacitated**

The maximum we will pay is the current **monthly benefit**.

Within this limit, we will pay the higher of:

- £1,667 a month; or
- 60% of the first £25,000 of their pre-tax annual **income** plus 50% of any pre-tax annual **income** exceeding £25,000 before they became **incapacitated**, divided by 12, less any **income** they are still receiving from their employer, from self-employment, from other insurance benefits or from pension arrangements other than State Pensions.

Any **income** received from **State Benefits** will not affect what we pay.

If the person covered is not in paid **work** when they become **incapacitated** and they meet the definition of **incapacitated** that applies to them, but do not meet our **work tasks** definition of **incapacitated** We will pay nothing.

If the person covered is not in paid **work** when they become **incapacitated** and they meet our **work tasks** definition of **incapacitated**

We will pay the lower of:

- the current **monthly benefit**; or
- £1,667 a month.

If the person covered still meets our definition of **incapacitated** but returns to a different **occupation** for less money or their **own occupation** for less money (because of restricted duties or reduced hours) and the definition of **incapacitated** that applied when the claim was made was **own occupation**

We will pay a reduced **benefit** until their **income** is equal to or greater than it was when they stopped **work**.

If the person covered still meets our definition of **incapacitated** but returns to a different **occupation** for less money or their **own occupation** for less money (because of restricted duties or reduced hours) and the definition of **incapacitated** that applied when the claim was made was **suited occupation**

We will pay a reduced **benefit** until the earliest of the following happens:

- we have paid 12 months of **benefit**; or
- their **income** is equal to or greater than it was when they stopped **work**.

If the definition of **incapacitated** that applied to them when they made their claim was **own occupation** or **suited occupation**, we will pay a reduced **benefit** provided:

- we have been paying AIG Income Protection **benefit**;
- they were working for more than 30 hours per week before they stopped **work**;
- their **income** is less than it was when they stopped **work**; and
- they still meet the definition of **incapacitated** which applied when they first made the claim.

If the person covered still meets our definition of **incapacitated** but returns to a different **occupation**

for less money or their **own occupation** for less money (because of restricted duties or reduced hours) and the definition of **incapacitated** that applied when the claim was made was **work tasks**

We will stop **benefit** payments.

We use the following formula to work out the reduced amount of **benefit** that we will pay the person covered:

(their **income** when they stopped working minus their new **income**)

multiplied by

(the original **benefit** we paid them divided by their **income** when they stopped working)

for example, if the person covered:

- earned £1,000 a month before they had to give up **work**;
- went back to **work** for £600 a month; and
- received £500 a month from income protection, we would pay:
$$\frac{(\pounds 1,000 - \pounds 600) \times \pounds 500}{\pounds 1,000} = \pounds 200 \text{ a month}$$

We will need evidence of the person covered's new **income**. If their new **income** varies, the amount of **benefit** we pay will also vary in line with the above formula.

If the nature of the claim is that the person covered has to leave **full-time employment** to provide **full-time care** for their **child**

We will pay the lower of:

- the current **monthly benefit**; or
- 60% of the first £25,000 of their pre-tax annual **income** plus 50% of any pre-tax annual **income** exceeding £25,000 before their **child** became **incapacitated**, divided by 12, less any **income** they are still receiving from their employer, from self-employment, from other insurance benefits or from pension arrangements other than State pensions.

Any **income** received from **State Benefits** will not affect what we pay.

The person covered can claim more than once but we will only pay a maximum of six **monthly benefit** payments under the **cover**.

If the person covered is no longer **incapacitated** and their **income** meant that we could not pay the current **monthly benefit** and as a result we have been paying an amount which is less than the current **monthly benefit**, we will:

- reduce the current **monthly benefit** for the person covered to 60% of the first £25,000 of their pre-tax annual **income** plus 50% of any pre-tax annual **income** exceeding £25,000, divided by 12; and
- reduce their **premium** to reflect the new **monthly benefit** level; and then
- pay future AIG Income Protection **premiums** using the difference between the **monthly benefit** that would have been paid and the **monthly benefit** that was paid during the claim. We will continue to pay the AIG Income Protection **premiums** until we have used up the difference, at which point the person covered will need to start paying the **premiums** in order to maintain the **cover**.

When we will stop **benefit** payments

If the person covered is **incapacitated**, we will continue to pay a **benefit** until the earliest of the following happens to them:

- they no longer meet the definition of **incapacitated** that applied when they first claimed; or
- they return to **work** - although they may be able to continue to make a claim if they are still **incapacitated** (this is explained on page 6); or
- their **cover** ends; or
- they die.

For claims to continue beyond 26 weeks of the person covered becoming **incapacitated**, they need to be living in the **UK, Channel Islands, Isle of Man or Gibraltar**.

If the person covered has to leave **full-time employment** to provide **full-time care** for their **child**, we will continue to pay a **benefit** until the earliest of the following happens:

- they return to **work**; or
- their **child** no longer needs **full-time care**; or
- they stop receiving **State Carer's Allowance**; or
- they die; or
- we have made six **monthly benefit** payments.

If they stop claiming part of the way through a month, we'll pay the person covered for the days that they were eligible for **benefit** payments. This final payment will be a proportion of the full **monthly benefit**.

While we are paying the person covered a **benefit** under AIG Income Protection, we can ask them to see a doctor or health specialist of our choice, to help us confirm whether they still meet the definition of **incapacitated** that applies to them.

When we will not pay the **benefit**

We will not pay a **benefit** if any of the following apply:

- the person covered or their legal representatives do not give us medical or other evidence that we ask for; or
- the diagnosis does not meet our definition of **incapacitated**; or
- the diagnosis meets our definition of **terminal illness** however does not also meet our definition of **incapacitated**; or
- the claim is caused by something that we have specifically excluded from this **cover** - this will be shown in the **Cover Summary**; or
- they are no longer living in an **eligible country**; or
- we find they have given us inaccurate, incomplete or untrue information on the application which would have affected our decision to offer them this **cover**, or would have led us to offer it with different conditions; or
- the **cover** is no longer **active**.

We will not pay a **benefit** to help someone return to **work** if any of the following apply:

- our Consultant Medical Officer does not agree that the services or advice the person covered wants to spend the money on will help them return to **work**; or
- they do not submit receipts for the services or advice for the approved amount.

We will not pay a **benefit** for an **incapacitated child** if any of the following apply:

- the person covered is not in **full-time employment** when their **child** becomes **incapacitated**; or
- the person covered leaves **full-time employment** to provide **full-time care** for their **child** but they are not receiving **State Carer's Allowance**; or

- the person covered is receiving **State Carer's Allowance** but they do not leave **full-time employment** to provide **full-time care** for their **child**; or
- the person covered leaves **full-time employment** to provide **full-time care** for someone other than their **child**; or
- the **child's** condition was present at birth unless:
 - the **child** was born after the **cover** started; and
 - the condition is not known to be hereditary; and
 - neither parent received counselling or medical advice in relation to this condition before the birth;
- the symptoms first arose before the **child** was covered unless:
 - treatment for the condition has been completed; and
 - the **child** has been discharged from follow-up for the condition; and
 - they have not consulted any medical practitioner or received further treatment or advice for the condition within the last five years.

A2 Waiver of Premium

Waiver of Premium is automatically included in AIG Income Protection.

When we will waive premiums

We will always waive AIG Income Protection **premiums** while we are paying a **monthly benefit** for AIG Income Protection.

How much we will waive

If the person covered has more than one **cover** with us, and they become **incapacitated** or receive AIG Income Protection **benefit**, we will only waive the cost of those **covers** that include Waiver of Premium. This could mean that the total of all **premiums** is reduced rather than stopped.

When we will stop waiving premiums

We will stop waiving **premiums** when we stop paying a **monthly benefit** for AIG Income Protection.

We will only continue to pay the **benefit** beyond 26 weeks of the person covered becoming **incapacitated** if they are resident in the **UK, Channel Islands**, Isle of Man or Gibraltar.

While we are waiving a **premium**, we can ask the person covered to see a doctor or health specialist of our choice, to help us confirm whether they still meet the definition of **incapacitated** that applies to them.

When we will not waive premiums

We will not waive **premiums** if any of the following apply:

- the person covered or their legal representatives do not give us medical or other evidence that we ask for; or
- the diagnosis does not meet our definition of **incapacitated**; or
- the claim is caused by something that we have specifically excluded from this **cover** - this will be shown in the **Cover Summary**; or
- they are no longer living in an **eligible country**; or
- we find the person covered has given us inaccurate, incomplete or untrue information on the application which would have affected our decision to offer this **cover**, or would have led us to offer it with different conditions; or
- the **cover** is no longer **active**.

Section B:

Managing the cover

B1 Paying for the cover

When the **premium** is paid

First **premium**

We will collect this by Direct Debit (via the **BACS** system) on, or shortly after, the date the **cover** starts. The Direct Debit must be from a **UK, Channel Islands, Isle of Man or Gibraltar** bank account. **Premiums** must be paid in sterling.

Regular **premium**

If the person covered is paying monthly, we will collect their regular **premium** between the 1st and the 28th of the month. We will collect their **premium** on the same date each month. The person covered can choose a date between the 1st and the 28th of the month that suits them.

If the person covered is paying annually, we will collect their **premium** on the same date each year. This date will be in the same month as the one in which the **covers** started.

When the **premium** collection falls on a weekend or bank holiday, we will collect it on the next working day.

What happens if the **premium** is not paid?

The **cover** will not start if we do not receive a valid Direct Debit instruction or if the first **premium** is not paid.

If a subsequent **premium** remains unpaid for more than 30 days from the date it was due to be collected,

we will cancel the **cover**. We will write to the person covered to tell them that the **cover** has been cancelled.

Restarting a **cover**

If we cancel a **cover** because a **premium** is not paid, the person covered can ask us to restart it. They can do this at any time up to six months after the date of the first missed **premium**. We will have no obligation to restart a **cover** and if the person covered asks us to do this, we will decide at our discretion if we are willing to restart the **cover**. If we are, we will tell them what we need in order to restart the **cover** and they must clear any **premium** arrears. There may be circumstances when we reserve the right not to restart a **cover**. If this happens, we will explain our decision.

When the **premium** could change

The **premium** will change if:

- the person covered makes a change to their **cover**; or
- we accept an **AIG Income Protection** claim and therefore waive **premiums** for the period of payment; or
- when the person covered makes a claim, we realise that their **monthly benefit** is more than 60% of the first £25,000 of their pre-tax annual **income** plus 50% of any pre-tax annual **income** exceeding £25,000, divided by 12 - in which case we will reduce their **benefit** along with their **premium**; or
- it becomes subject to tax; or
- any of the information provided as part of the application process is incorrect - further details can be found in sections C8 and C13.

If the person covered has chosen **cover** with an increasing **monthly benefit**, their **premium** will be reviewed annually and will increase by a higher

percentage than that of the **benefit**, because the amount of the increase of the **premium** will depend on the age of the person covered and the remaining **term of the cover** at that time.

We will write to the person covered each year to tell them the new **monthly benefit** and the new **premium** that they will be paying. They do not need to accept the increase, but must advise us if they don't. If they do not accept the increase, we will not increase the **monthly benefit**. However, if the person covered decides to decline the increase for three consecutive years, they will no longer have the option of an increasing **monthly benefit** under the **cover** in future years.

B2 Telling us about changes to personal details

The person covered needs to tell us if they change:

- their name; or
- their contact details (postal address, telephone number, email address); or
- their bank account.

When the person covered calls, we will ask them for their **cover** number. We will also ask them some questions to confirm their identity.

The person covered can:

- phone us on 0345 600 6820. If calling from outside the **UK**, please call +44 1737 441 820.
- email us at enquiries@aiglifeco.uk
- write to us at AIG Life Limited, PO Box 12010, Harlow CM20 9LG

We are open Monday to Thursday, 8.30am to 8.00pm, and Friday 8.30am - 5.30pm, except bank holidays. Please note these opening hours are **UK** local time.

To make sure we have an accurate record of the instructions we are given, we may record or monitor phone calls.

We do not need to be told if the person covered changes their **occupation**. We will assess any claim based on their **occupation** immediately before the claim event happened.

B3 Changing a cover

There are many ways that a **cover** can be changed to make sure that it is still meeting the needs of the person covered. All of the changes that can be made are explained in this section.

The options that increase the **monthly benefit** or the **term of the cover** aren't available to everyone. This could be because, for example, the person covered has a particular medical condition when the **cover** is first taken out.

Those options that are not automatically available to everyone have 'limited' after the heading. The **Cover Summary** will show whether these options are available to the person covered. Before you consider taking up any of these options, you should speak to your financial adviser.

B4 Changing your cover

The following sections explain how the person covered can change their AIG Income Protection **cover**.

Whenever a change is requested, we will send written confirmation once this has been processed.

1. Increasing the **monthly benefit** - limited

If this option is shown in the **Cover Summary**, the person covered has the right to take out additional AIG Income Protection **cover** with the same end date as the original **cover**. They can do this up to 13 weeks after the person covered:

- marries or enters into a civil partnership; or
- has a **child** or legally adopts one; or
- is promoted by their current employer, or starts a new job with a different employer, and their salary increases.

We will ask to see evidence of the event. Without this, we reserve the right to refuse to allow the increase.

The increase in **cover** cannot be more than 50% of the current **monthly benefit** of the original **cover** or £835, whichever is lower.

If the increase follows an increase in the **income** of the person covered, the extra **monthly benefit** cannot be more than the increase in **income**.

More than one increase can be requested but the total of all increases must not exceed the current **monthly benefit** of the original **cover** or £1,670, whichever is lower.

If the person covered is thinking of increasing their **monthly benefit**, they should remember that:

If the person covered is in paid **work**, the most we will pay them each month if they make a claim is 60% of the first £25,000 of their pre-tax annual **income** plus 50% of any pre-tax annual **income** exceeding £25,000, divided by 12, limited to a maximum **monthly benefit** of £12,500.

If the person covered is not in paid **work**, and meets our **work tasks** definition of **incapacitated**, the most we will pay them is £1,667 a month.

There are more details about these limits in section A1. If they have more than one **cover** with us, these limits apply across all **covers** that pay a **monthly benefit** (excluding Family Income Benefit) and not separately to each of them.

This option cannot be taken up:

- after the 55th birthday of the person covered; or
- in the last five years of the **term of the cover**; or
- while we are paying a **benefit** under any **cover**; or
- while the person covered is in a position to make a claim under the **cover**; or
- if the person covered has received **benefit** payments under the **cover** in the last two years.

2. Increasing the **term of the cover** - limited

If this option is shown in the **Cover Summary** the person covered has the right to increase the **term of the cover** they have. They can do this up to 13 weeks after the person covered increases the term of their mortgage.

More than one increase can be requested but the total of all increases must not make the new term:

- More than 150% of the original term; or
- Extend beyond the end of the term of the new mortgage; or
- Extend past the 65th birthday of the person covered.

We will ask to see evidence of the event. Without this, we reserve the right to refuse to allow the increase.

This option cannot be taken up:

- after the 55th birthday of the person covered; or
- in the last five years of the **term of the cover**; or
- while we are paying a **benefit** under any **cover**; or
- while the person covered is in a position to make a claim under the **cover**; or
- if the person covered has received **benefit** payments under the **cover** in the last two years.

3. Reducing the **monthly benefit**

The person covered can reduce the **monthly benefit** at any time, as long as the **premium** doesn't fall below the minimum allowed. If they later want to increase the **monthly benefit**, the amount by which they'll be able to do so will be based on the new, lower **monthly benefit**, not the initial one.

4. Stopping and restarting the annual increase - limited

If the person covered has an increasing **monthly benefit**, we will write to them each year to tell them the new **monthly benefit** and the new **premium** that they will pay. They can ask for the increases to stop at any time. If they do, the **monthly benefit** will be frozen at the level it has reached when they ask us to stop the increase. They can ask us to start increasing it again, but we can't do this if:

- the **monthly benefit** has been frozen for three consecutive years; or
- we are paying a **benefit** under the **cover**; or
- the person covered is in a position to make a claim under the **cover**;
- the person covered has received **benefit** payments under the **cover** in the last two years.

If the person covered stops the annual increase and makes a claim within three years of the last increase that took place, the **monthly benefit** will increase during a claim.

If the person covered stops the annual increase and restarts it again within three years, the **monthly benefit** will begin increasing again every year and will continue to increase during a claim.

If the person covered stops the annual increase for three consecutive years, they cannot restart the annual increase. If they make a claim, the **monthly benefit** will not increase during the claim.

5. Reducing the **term of the cover**

The person covered can reduce the **term of the cover** at any time. They can reduce it by as much as they want, as long as the reduction doesn't mean:

- the new term is lower than our minimum term; or
- the **premium** would fall below our minimum level.

If they later want to take up the option to increase the term, the amount by which they will be able to do it will be based on the new, lower term, not the original one.

6. Changing the **deferred period**

The person covered can increase the **deferred period** at any time. If they increase the **deferred period**, we may reduce their **premium**.

We may agree to a reduction in the **deferred period**. If we agree to it, it may increase the cost of the **cover**.

7. Changing how often a **premium** is paid

The person covered can change from monthly **premiums** to annual **premiums** and vice versa. If they make this change, it will start from the date that their next **premium** is due to be collected.

How these changes affect the cost of the **cover**

If you change your **cover**, the **premium** may change.

Please contact us for details about how your **premium** may change.

Asking us to change the **cover**

To ask us to change their **cover**, the person covered can:

- phone us on 0345 600 6820. If calling from outside the **UK**, please call +44 1737 441 820.
- email us at enquiries@aiglife.co.uk
- write to us at AIG Life Limited, PO Box 12010, Harlow CM20 9LG

We are open Monday to Thursday, 8.30am to 8.00pm, and Friday 8.30am - 5.30pm, except bank holidays. Please note these opening hours are **UK** local time.

To make sure we have an accurate record of their instructions, we may record or monitor phone calls.

B5 Claiming a benefit

When to claim

For AIG Income Protection claims, we ask the person covered to contact us:

- within 2 weeks of becoming **incapacitated**, for a **deferred period** of 4 weeks;
- within 4 weeks of becoming **incapacitated**, for a **deferred period** of 8 weeks; or
- within 8 weeks of becoming **incapacitated**, for a **deferred period** of 13, 26 or 52 weeks.

Where the person covered returns to **work** and then claims again, they should let us know within 2 weeks of stopping **work** for the second time.

How to make a claim

The person claiming can:

- phone us on 0345 600 6815. If calling from outside the **UK**, please call +44 1737 441 815.
- email us at claims@aiglife.co.uk
- write to us at Claims Team, AIG Life Limited, PO Box 12010, Harlow CM20 9LG

We are open Monday to Friday, 9.00am to 5.00pm, except bank holidays. Please note these opening hours are **UK** local time.

To make sure we have an accurate record of the instructions we are given, we may record or monitor phone calls.

We will continue to collect **premiums** while we are assessing a claim. If the claim is paid, we will advise you if we can refund any of the **premium** paid while we assessed the claim.

If the person claiming does not give us the evidence we ask for, or the information they do give us is inaccurate or incomplete, we reserve the right to decline a claim or stop paying one. We will pay the reasonable cost of all medical reports or evidence we ask for.

Geographical restrictions

Some types of **cover** require the person covered, or the doctor that diagnoses them, to be in a particular part of the world when a claim is made or when we are paying a **benefit**.

The person covered must be resident in an **eligible country** when they become **incapacitated**. If they are travelling outside an **eligible country** when they become **incapacitated**, they must return to an **eligible country** before the end of the **deferred period**. They must also return to the **UK, Channel Islands, Isle of Man or Gibraltar** within 26 weeks from the date they became **incapacitated** and remain in the **UK, Channel Islands, Isle of Man or Gibraltar** to continue receiving the **benefit**.

We may consider claims that fall outside our geographical restrictions if we are satisfied that we are able to obtain sufficient and reliable information to allow us to fully assess the claim.

Who we will pay the benefit to

We will pay the **benefit** to the person legally entitled to receive it. Who this will be depends on the nature of the claim and the circumstances at the time.

How we will pay the benefit

We will pay any **benefit(s)** due under the **cover** in pounds sterling by direct credit (via the **BACS** system) into a **UK, Channel Islands, Isle of Man or Gibraltar** bank account nominated by the person covered or their legal representative.

We will make **benefit** payments to cover the cost of approved services that help the person covered return to **work** directly into a **UK, Channel Islands, Isle of Man or Gibraltar** bank account that the person covered has nominated, once we have received receipts.

If the **claimant** wishes to receive the **benefit(s)** outside of the **UK, Channel Islands, Isle of Man or Gibraltar**, then arrangements for such transfer from the **claimant's UK** bank account must be made at the **claimant's** own expense.

Section C:

General terms and conditions

C1 Cancelling a cover

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

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

You can stop your **cover** at any other time. Once you tell us, your **cover** will end on the day before your next monthly **premium** is due to be collected. Any **premiums** paid to date will not be refunded. If you are paying annual **premiums**, your **cover** will end on the day before the next monthly anniversary of the **cover**. 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**.

C2 Surrender value

The **cover** does not have any surrender value at any time.

C3 Inflation

The purchasing power of the **benefit(s)** paid out may be reduced in real terms, due to the effects of **inflation**. If the **cover** has an increasing **monthly benefit**, this may provide some protection against the effects of **inflation**, however this is not guaranteed. For further information on the effects of **inflation**, please speak to your financial adviser.

C4 Interest

If we start paying the person covered's **benefit** any later than eight weeks after we receive all the information we need, we will pay them interest on the overdue amount from the date payment should have started. This will be at the Bank of England base rate at the time.

C5 Data protection

Personal information we collect

Personal information we may collect about the person covered and their dependants includes:

- General identification and contact information;
- Family details;
- Sensitive information such as health and lifestyle details;

- Other sensitive information such as racial/ethnic origin, religious or other beliefs, sexual life, criminal proceedings – outcomes and sentences, offences/ alleged offences; and
- Financial details: bank account details and other financial information.

How we use your personal information

We may use the personal information provided to us to:

- Make decisions about whether to provide insurance and assistance services (such as claim assessment, claim processing and claim settlement);
- Administer the policy, assess and pay claims, and general customer service activities (including complaint resolution and claims disputes);
- Detect, prevent and investigate financial crime activities;
- Carry out market research and analysis;
- Comply with applicable laws and regulatory obligations (including those outside your country of residence); and
- Market products and services of the **AIG Group**, unless you have specifically asked us not to in the application.

We will retain this personal information for the period necessary to fulfil the purposes outlined above unless a longer retention period is required and permitted by law.

Where we may get personal information from

We may get personal information about the person covered from them, their financial adviser, or from other sources - for instance their doctor.

We may ask their doctor for information before we offer **cover**. We may also get a report from their doctor or telephone them for more information after the **cover** has started. If we find that we have been given incomplete, inaccurate or false information, we do not receive the report from their doctor or they are unavailable for interview, we reserve the right to cancel the **cover** within 13 weeks.

Who we will share personal information with

We may share personal information about the person covered solely for the purposes listed above in 'How we use your personal information' with certain named third parties. These third parties are:

- **AIG Group** companies: AIG Life Limited is a

member company of American International Group, Inc. As such, we have group companies throughout the world, both inside and outside Europe (for example, in the USA);

- Our reinsurers (a list of these reinsurers can be provided on request);
- Our external third party service providers;
- Their financial adviser;
- Their own doctor and other medical consultants;
- Legal and regulatory bodies;
- Law enforcement and fraud prevention agencies; and
- Other insurance companies or organisations.

International Transfer of Personal Information

Due to the global nature of our business, we may transfer personal information to parties located in other countries.

All countries in the European Economic Area (EEA), which includes the **UK**, have similar standards of legal protection for personal information. If personal information is transferred to a country that does not have a similar standard of data protection laws to countries in the EEA, we will require that this is protected to at least EEA standards by the receiving party.

Giving us information about another person

If you give us information about another person, you confirm that the other person has given the authority to consent to the processing of their personal information. You also confirm that you have informed the other person of our identity and the purposes for which we will use their personal information, and drawn their attention to our privacy notice (see below).

Privacy notice

For full details on how we use personal information, how we maintain the security of personal information, who we share personal information with, your rights under the Data Protection Act, and who to contact in the event of any queries, please refer to our full privacy notice which can be found on our website (www.aiglife.co.uk/privacy-policy).

By applying for insurance with AIG Life Limited, the person covered gives permission to use their personal information (including sensitive personal information) in the manner set out in our privacy notice.

C6 Taxation, laws and regulations

By taking out this contract, the person covered agrees to submit to the exclusive jurisdiction of the courts of England and Wales if there is ever a dispute between them and AIG Life Limited. **UK** laws may change in future and AIG Life Limited cannot be held responsible for any information given or any changes in tax provisions or legislation.

Benefit(s) payable under this **cover** are normally free from Income Tax and Capital Gains Tax for **UK** residents. This may change if the law changes.

If there is any change to tax laws, other laws, or **State Benefits**, AIG Life Limited may change the terms and conditions set out in the **cover** documents in order to comply with such laws.

C7 Contract

The contract between the person covered and AIG Life Limited consists of:

- any information provided by the person covered in their application and any subsequent information they have provided;
- these terms and conditions, which we may amend from time to time;
- any additional terms and conditions detailed in the **Cover Summary** that we send when their **cover** starts; and
- any additional terms and conditions detailed in any subsequent **Cover Summary**.

The contract between the person covered and AIG Life Limited as described above constitutes the entire agreement and understanding between the parties and supersedes and extinguishes all previous drafts, agreements, arrangements and understandings between them, whether written or oral, relating to its subject matter.

If there is a conflict between these terms and any of the

terms set out in the **Cover Summary**, the terms set out in the **Cover Summary** will take precedence.

If any court finds that any provision of the **Cover Summary** or any other document embodying the contract between the person covered and AIG Life Limited (or part thereof) is invalid, illegal or unenforceable that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the **Cover Summary** or any other document embodying the contract between the person covered and AIG Life Limited shall not be affected.

The contract between the person covered and AIG Life Limited and any dispute or claim arising out of it shall be governed by and construed in accordance with the law of England and Wales and the parties agree to submit to the exclusive jurisdiction of the English courts.

C8 Misstatement of age

If, after the **cover** is taken out, we learn that the person covered has a different date of birth than the one originally provided, this will impact on the **premium** and/or **monthly benefit** of their **cover**.

In some cases, this may affect their right to the **cover**. It may also affect how we have interpreted medical evidence, which may result in a claim not being paid.

C9 Complaints

If the person covered has a complaint, they can contact our customer care team as detailed on page two of this document.

We will try to resolve complaints as quickly as possible. If we can't deal with a complaint promptly, we will send a letter to acknowledge it and then give regular updates until it is resolved.

We are committed to resolving complaints through our own complaints procedures. However, if a matter cannot be resolved satisfactorily, the person with the complaint may be able to refer it to the Financial Ombudsman Service.

The Financial Ombudsman Service helps settle disputes between consumers and financial firms. Their service is independent and does not cost anything. They can decide if we have acted wrongly and if the person with the complaint has lost out as a result. If this is the case they will tell us how to put things right and whether we have to pay compensation.

If a complaint is made, we will send a leaflet explaining more about the Financial Ombudsman Service. The leaflet is also available at any time on request. Alternatively, the Ombudsman can be contacted at the following address:

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

Telephone 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). If calling from outside the **UK**, please call +44 20 7964 0500.

Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

If a complaint is made, it will not affect their right to take legal proceedings.

C10 If we cannot meet our liabilities

The Financial Services Compensation Scheme (FSCS) is designed to pay compensation if a firm is unable to pay claims, because it has stopped trading or been declared in default.

Before looking to pay compensation, the FSCS will first see if they can arrange for your current policy to be maintained. They may arrange for your policy to be transferred to another insurer or provide a new policy. If this is not possible, the FSCS aims to provide compensation.

Most of our customers, including most individuals and small businesses, are covered by the FSCS.

Whether or not you can claim, and the amount you could claim, will depend on the specific circumstances of your claim. The FSCS will pay 100% of the value of the claim. There is no upper financial limit on the amount of the payment.

You can find out more about the FSCS, including eligibility to claim, by visiting its website www.fscs.org.uk. Alternatively, you can contact the Financial Services Compensation Scheme at the following address:

Financial Services Compensation Scheme, 10th Floor,
Beaufort House, 15 St Botolph Street, London EC3A 7QU.

Telephone: 0800 678 1100 or 020 7741 4100. If calling from outside the **UK**, please call +44 20 7741 4100.

Email: enquiries@fscs.org.uk

Please be aware that the rules of the FSCS may change in the future, or FSCS may take a different approach on their application of the above, depending on the circumstances.

C11 Assignment

If the person covered assigns any of their legal rights under the **cover** to someone else, we must see notice of the assignment when a claim is made. This notice must be sent to: AIG Life Limited, PO Box 12010, Harlow CM20 9LG

An assignment could take place when they are using the **cover** as security for a loan.

C12 Rights of third parties

No term of this contract is enforceable under the Contracts (Right of Third Parties) Act 1999 by a person who is not party to this contract. This does not affect any right or remedy of a third party which may exist or be available otherwise than under that Act.

The person covered and AIG Life Limited are the parties to the contract.

C13 Disclosure verification

The person covered will be asked to provide details of their health and personal circumstances. The person covered must provide full, honest and accurate answers to all questions asked. Furthermore, subject to what we say in section 'Telling us about changes to personal details', we must be told immediately if the information in the **Application Details** is not correct as this may affect the **cover**.

The information provided to us by the person covered is confidential and we will not disclose it without their permission. We will send the person covered details of their answers and a copy of their **Application Details**, and ask them to advise us of any corrections or additions they wish to make. If they do not answer our questions fully and honestly, this may result in us refusing any future claim.

We will provide the person covered with a **Cover Summary** which will include information on any exclusions made as a result of the health information provided by the person covered.

We may select the application of the person covered for a random disclosure check. To complete the check, we will either obtain a report from the person covered's doctor, call them for further information, or perform data checks. If we have selected it for a check, the person covered must give permission for us to contact their doctor if required, and use all reasonable

endeavours to ensure we are able to complete the check. If we have requested any additional information from the person covered they must provide it within 30 days.

If they do not respond to a request from us within 13 weeks for medical evidence, or 30 days for other information, we will cancel the **cover**.

C14 Economic sanctions

We will not be responsible or liable to provide **cover** (including payment of a claim or provision of any other **benefit**) under this policy if we are prevented from doing so by any economic sanction which prohibits us or our **Parent Company** (or our **Parent Company's** ultimate controlling entity) from providing **cover** or dealing with you under this policy.

Economic sanctions change from time to time and can include prohibiting the transfer of funds to a sanctioned country, freezing the assets of a government, the corporate entities and residents of a sanctioned country, or freezing the assets of specific individuals or corporate entities. This means that if you, or any third party who has suffered a loss which would otherwise be covered under the **cover**, are the subject of an economic sanction, we may not be able to provide **cover** under the policy.

C15 Restricted persons

This **cover** will not cover any injury, loss or expense sustained directly or indirectly by any person covered who is a terrorist organisation, narcotics trafficker, or seller of nuclear, chemical or biological weapons.

Section D:

Definitions



An explanation of the terms we use across AIG Income Protection (please note these definitions are not case sensitive).

Active

The **cover** has started, is within its term, **premiums** are up-to-date and we have not written to the person covered to tell them that they are no longer covered.

AIG Group

Any wholly or partly owned, direct or indirect subsidiary of American International Group, Inc.

Application Details

A copy of all the information provided by you in your application.

We must be told immediately if the information in the Application Details is not correct as this may affect the **cover**.

BACS

A scheme for the electronic processing of direct debits and direct credits.

Benefit

Any payments the **claimant** receives from AIG Life Limited.

Channel Islands

The Island of Jersey and the Island of Guernsey.

Child

Anybody between 30 days and 18 years old who is:

- a natural child of the person covered or their **partner**; or
- legally adopted by the person covered or their **partner**; or

- a legal stepchild of the person covered following their marriage or civil partnership.

Claimant

The person legally entitled to claim the **benefit(s)** under the **cover(s)**.

Consultant

A consultant doctor who:

- specialises in an area of medicine appropriate to the cause of the claim;
- is employed at a hospital in an **eligible country**; and
- is treating the person covered for their condition.

All diagnoses made by a consultant must be confirmed by our Consultant Medical Officer.

Cover/covers

Any policy provided by AIG Life Limited.

Cover Summary

This is a document we send the person covered once we have agreed to offer them a **cover**. It explains any special conditions which apply to the **cover**, for example if there are any illnesses which are usually part of the **cover** but which we can't cover them for, and whether or not they have the automatic right to ask for an increase in the **monthly benefit** should their circumstances change.

Daily activities

These are the things people need to do in everyday life. We refer to these as **work tasks**. See **work tasks** for further information.

Deferred period

The period during which the person covered must be **incapacitated** before we will pay any **benefit**.

If the **cover** starts on a date after the person covered becomes **incapacitated**, the start date of the **cover** is the start of the deferred period. The deferred periods for each type of **cover** are shown in the **Cover Summary**.

Eligible country

An eligible country is one of the following:
Australia; Austria; Belgium; Canada; **Channel Islands**; Cyprus; Czech Republic; Denmark; Finland; France; Germany; Gibraltar; Greece; Hong Kong; Hungary; Iceland; Ireland; Isle of Man; Italy; Japan; Luxembourg; Malta; The Netherlands; New Zealand; Norway; Poland; Portugal; Slovakia; Slovenia; Spain; Sweden; Switzerland; **UK**; USA.

Employed

Paid **work** under a contract of employment.
Paying Class 1 National Insurance contributions.

Full-time employment

Working for one employer for more than 30 hours a week.

Full-time care

Caring for one person for more than 35 hours a week.

Incapacitated

How we define incapacitated depends on whether it refers to:

- the person covered; or
- their **child**.

For the person covered, these are based on their ability to do:

1. their **own occupation** - the kind of job they did before they had to stop **work**;
2. their **suited occupation** - the kind of job they could do; or
3. their **work tasks** (also known as **daily activities**)- the things people need to do in everyday life.

Which of these three definitions applies to the person covered depends on:

- whether they are in paid **work** when they become incapacitated; and
- what kind of **work** they do.

The **Cover Summary** shows which definition applied to the person covered when the **cover** was taken out. If their circumstances change, a different definition

may apply. For instance, if the person covered is under 70 and not in paid **work** when they become incapacitated, a **work tasks** definition will apply.

In all cases, their incapacity must be confirmed by appropriate medical evidence and agreed by our Consultant Medical Officer.

Incapacitated - child

The **child** must need **full-time care** and supervision by another person because of an illness or injury that is expected to continue beyond 12 months. This must be confirmed by a **consultant** who is treating the **child** and agreed by our Consultant Medical Officer.

Income

Income before the person covered had to stop **work**.

If the person covered is **employed**, this means their total pre-tax earnings as applicable for PAYE, ITIS, ETI or ITIP assessment purposes (including the taxable value of benefits in kind that would cease in the event of incapacity) in the 12 months before the claim.

This may include:

- regular bonuses;
- commission;
- overtime; and
- shift allowances.

We will also take into account any dividends from a private limited company in which they and no more than 3 other shareholders are **employed** as full-time working directors.

The dividend amount must:

- represent their share in the net trading profit of that company from its normal regular business;
- be consistent with the trading position of the company; and
- stop being paid as a result of their incapacity.

If the person covered is **self-employed**, this means their total share of pre-tax profit from their trade profession or vocation for the 12 months before they became **incapacitated**. If they are resident in the **UK** this will be the pre-tax profit used for the purposes of Schedule D Case I and II of the Income and Corporation Taxes Act 1988.

If their earnings vary from one year to another, for example because they are made up mainly of commission or bonuses, we will use their average earnings over the last 3 years before the claim.

We will not include any income from savings and investments.

Income while we are paying a **benefit**

While we are paying a **benefit**, we work out the **benefit** of the person covered by taking into account:

- **benefit** payments from any **covers**;
- payments from other insurance **benefits**, including other income protection policies as well as accident and sickness cover;
- any income they are still receiving from their employer;
- income they are still receiving from their business; and
- pension payments.

We don't take into account any **State Benefits**, including Statutory Sick Pay, State Pensions and Incapacity Benefit.

Inflation

Inflation is the rise in the general level of prices in goods and services over a period of time. As inflation rises, the real value of your money, and the **benefit(s)** provided by your **cover**, may fall because you may be able to afford less with the same amount.

Monthly benefit

Any monthly payments the person covered receives from AIG Life Limited under AIG Income Protection.

Occupation

A trade, profession or the type of **work** undertaken for profit or pay. It is not a specific job with any particular employer and is independent of location and availability.

Own occupation

The person covered is not doing any paid **work** and has been diagnosed with an illness, injury or disability which prevents them from doing the essential duties of their own occupation. The essential duties are those that are normally required for, and/or form a significant and integral part of, the performance of the person's own occupation that cannot reasonably be omitted or modified.

Own occupation means your trade, profession or type of **work** you do for profit or pay. It is not a specific job with any particular employer and is irrespective of location and availability.

Parent Company

The legal entity that owns or controls AIG Life Limited as defined by the laws applicable to the jurisdiction within which the legal entity resides.

Partner

Someone the person covered is married to or in a civil partnership with, or someone they have been living with for a minimum of two years as if they were married or in a civil partnership.

Premium/premiums

The monthly or annual payment to AIG Life Limited for AIG Income Protection.

Retail Prices Index

The Retail Prices Index (RPI) is the general purpose domestic measure of inflation in the **UK**. It is published by the Office for National Statistics.

Self-employed

- Actively working alone or with others in a partnership; and
- Paying Class 2 National Insurance contributions; and
- If resident in the **UK** being assessed for Income Tax under Schedule D Case I or II of the Income and Corporation Taxes Act 1988.

State Benefits

A payment made by the government of the state where the **claimant** resides.

State Carer's Allowance

Carer's allowance provided by the **UK Government**, States of Jersey, or States of Guernsey or the Isle of Man Government as applicable, or whatever **State Benefits** replace them.

Suited occupation

The person covered is not doing any paid **work** and has been diagnosed with an illness, injury or disability that:

- in the first 12 months following the date they stopped **work**, totally prevents them from doing the essential duties of their **own occupation**. The essential

duties are those that are normally required for, and/or form a significant and integral part of, the performance of the person's **own occupation** that cannot reasonably be omitted or modified;

- after they have been off **work** for more than 12 months, totally prevents them from doing the essential duties of a suited occupation.

A suited occupation means one they could do for profit or pay taking into account their employment history, knowledge, transferable skills, training, education and experience, and is irrespective of location and availability.

Term of the cover

How long the **cover** lasts. In other words, the period between the date the **cover** starts and the date it ends as shown in the **Cover Summary**.

Terminal illness

A definite diagnosis by the attending **consultant** of an illness which satisfies both of the following:

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

A claim will be considered where terminal illness is diagnosed and this definition is met at any time up to the day **cover** ends.

UK

The United Kingdom consisting of England, Wales, Scotland, and Northern Ireland.

UK Government

The government of the **UK** or, upon the secession of Wales, Scotland and/or Northern Ireland from the **UK**, the government of the nation in which England remains.

Work

Paid employment or self-employment.

Work tasks

The person covered has been diagnosed with an illness, injury or disability which prevents them from doing at least three out of the six work tasks, also known as **daily activities**.

The person covered must need the help or supervision of another person and be unable to perform the work tasks on their own, even with the use of special equipment routinely available to help and taking any appropriate prescribed medication.

The work tasks are:

Walking

The ability to walk more than 200 metres on a level surface.

Climbing

The ability to climb up a flight of 12 stairs and down again, using the handrail if needed.

Lifting

The ability to pick up an object weighing 2kg at table height and hold for 60 seconds before replacing the object on the table.

Bending

The ability to bend or kneel to touch the floor and straighten up again.

Getting in and out of a car

The ability to get into a standard saloon car, and out again.

Writing

The manual dexterity to write legibly using a pen or pencil, or type using a desktop personal computer keyboard.

In addition to the above, we will pay the **benefit** where the person covered meets the following definition:

Mental failure

A current mental impairment due to an organic brain disease or brain injury supported by evidence of the loss of ability to:

- remember;
- reason; and
- perceive, understand and give effect to ideas, which causes a significant reduction in mental and social functioning, requiring continuous supervision. A **consultant** Neurologist or Psychiatrist needs to make the diagnosis.

Or

Where the person covered is unable to meet both of the following definitions, or one of the following definitions and one work task:

Seeing

The ability to see well enough to read 16-point print using glasses or other reasonable aids.

Communicating

The ability to:

- a) Clearly hear conversational speech in a quiet room in their first language; or
- b) Understand simple messages in your first language; or
- c) Speak with sufficient clarity to be clearly understood in your first language.

For the above definitions, disabilities for which the relevant specialists cannot give a clear prognosis are not covered.



www.aiglife.co.uk

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