

Technical Guide  
Life and Critical Illness

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# Solutions - a financial safety net in the event of death or serious illness.

Solutions from Phoenix provides a range of life and critical illness insurance policies. The policies can be taken out separately or combined with each other. It offers financial protection in the event of death, diagnosis of a defined critical illness or on confirmation that disability is total and permanent.

Solutions encompasses a number of product options and benefits which have been tailored to meet the needs of three specific markets:

- Personal Protection
- Business Protection
- Mortgage Protection

This guide aims to give details on how the concept of Solutions works in practice, the benefits and options available for each of the above markets and generic information about the policies.

# Solutions - how it works in practice

The following is a brief description of the main benefits offered under Solutions and how these benefits can be combined to enable clients to tailor cover to suit their particular needs.

## Stand alone benefits

### Life protection

This is a term assurance paying out a benefit upon death within the term of the plan. Terminal illness benefit is automatically included.

### Critical illness protection

A critical illness policy provides financial protection in case of serious illness. The policy pays out a benefit on survival for 14 days after diagnosis of one of a range of specified critical illnesses. Total and permanent disability cover is automatically included.

## Accelerated Benefits

The following policies are referred to as accelerated policies, where the benefit is paid on the first event to occur during the term.

### Life or earlier critical illness protection

The policy pays out a benefit on the first event to occur during the term of the plan: death, diagnosis of terminal illness, diagnosis of one of the specified critical illnesses or total and permanent disability.

### Life or earlier total and permanent disability protection

The policy pays out a benefit on the first event to occur during the term of the plan: death, diagnosis of terminal illness or total and permanent disability.

## Accelerated benefits - an example

Protection chosen	Life or earlier critical illness protection
Benefit amount	£50,000
Event	Either you die, suffer a critical illness, are diagnosed as being terminally ill or become totally and permanently disabled
Amount paid	£50,000
Cover left	None

**Combined Solutions**

Solutions has been designed to enable these policies to be combined to meet individual client needs. There are two ways of combining the benefits, either by joining two stand alone policies, or by combining an accelerated policy with a stand alone policy.

*Combined stand alone policies – an example:*

The planholder takes out two separate policies - one for life protection and the other for critical illness protection. During the term, the life insured suffers a critical illness and a benefit of £50,000 is paid. The life protection of £100,000 would continue in force until a further claim or the plan finishes. If the life insured had died first, a benefit of £100,000 would have been paid and all policies would have finished.

*Combined accelerated and stand alone policies – an example:*

The planholder takes out an accelerated life or earlier critical illness policy which is supplemented by additional critical illness cover. During the term, the life insured suffers a critical illness. A benefit of £150,000 is therefore payable and all policies finish. If the life insured had died first, a total of £100,000 would have been paid.

**Main benefit (stand alone)**

- Life protection
- Critical illness protection

**Can be combined with (stand alone)**

- Critical illness protection
- Life protection

Protection chosen	Life protection	Critical illness protection
Benefit amount	£100,000	£50,000
Event	The life insured suffers a critical illness	
Amount paid	None	£50,000
Cover left	£100,000	None

**Main benefit (accelerated)**

- Life or earlier critical illness protection
- Life or earlier total and permanent disability protection

**Can be combined with (stand alone)**

- Life protection or critical illness protection
- Life protection

Protection chosen	Life or earlier critical illness protection	Additional cover: critical illness protection
Benefit amount	£100,000	£50,000
Event	The life insured suffers a critical illness	
Amount paid	£150,000	
Cover left	None	

# Options available

The following options must be selected at outset and will usually have cost implications. If any of the options are subsequently lapsed, they cannot be reinstated.

## **Inflation protection**

This gives the option to increase premiums and benefits annually in line with increases in the retail prices index (RPI), up to a maximum of 10% in any one year. The advantage of this option is that benefit levels stay in line with inflation and no further underwriting is required. The plan fee will also escalate if this option is chosen.

### **Points to note**

- The inflation option does not apply to mortgage decreasing plans
- If RPI decreases, premiums and benefits will stay level
- Both premiums and benefits will increase at the same rate
- Benefits in claim will increase in line with RPI up to a maximum of 10% in any one year
- If the client refuses an increase, it cannot be reinstated later. However, benefits will still increase during claim.

## **Waiver of premium (Ill health payment protection)**

Waiver of premium is designed to pay premiums if the insured becomes incapacitated and is unable to work during the plan term. This option does not apply to Business Protection plans.

The deferred period (this is the period when you are unable to work, but before benefit commences) for waiver of premium will be 26 weeks.

The definition of disability applying to waiver of premium will depend on the occupation of the life insured and could be:

- Own occupation
- Any suited occupation, or
- Activities of daily working.

Full definitions are given in the Glossary.

### **Points to note**

- Premiums will continue to be waived until the insured is fit to return to work, dies, or the plan ends, whichever is the earliest
- This benefit ends when the insured reaches 65
- The maximum age at entry is 60 next birthday.

## **Benefit payment**

Benefits at outset must be either in lump sum or income form. At claim stage the planholder has the option to either maintain the choice or choose an alternative as follows:

- Convert to a combination of a lump sum and income - a lump sum followed by a monthly income for the remainder of the term or
- Convert the income completely to lump sum or
- Convert the lump sum to an income.

Mortgage Protection plans are available in lump sum form only. Renewable cover must be in lump sum form at outset.

Where the planholder has exercised the right to change benefits from a lump sum to instalments of the capital sum or vice versa, the terms offered will be those available at the time the option is exercised.

## **Premium basis - guaranteed, reviewable or renewable**

Depending on the policy, the client can choose guaranteed, reviewable or renewable premiums.

### **Guaranteed rates**

The underlying rates are guaranteed to remain fixed throughout the length of the policy. This option is not available on stand alone critical illness policies. Guaranteed rates are available for life or earlier critical illness and life or earlier total and permanent disability policies where the term is 25 years or less. If, for example, a 30 year policy is required, reviewable rates will apply for that policy.

### **Reviewable rates**

The underlying rates are guaranteed for the first five years. After this Phoenix has the option to revise premiums. Any changes will apply at the next policy anniversary.

### **Renewable rates**

The underlying rates are guaranteed until the next renewal date. Phoenix reserves the right to review the rates at any time; any changes will be applied at the next renewal date. This option is not available for mortgage decreasing policies, or other policies effected on an income basis.

## **Renewable cover**

Policies taken out on a renewable basis give the option to effect new cover at the end of every five years. The maximum age at entry is 60 next birthday and cover is available to age 65. The insured will not need to provide further evidence of health at renewal.

The new premiums are based on the age of the insured and premium rates in force at the renewal date and the policy conditions applicable at that time. Renewable policies must be in lump sum form. This option is not available for Mortgage Protection. A one year renewable option is available on Business Solutions.

# Features of Solutions

The following is a description of a range of features included within Solutions. Please refer to the tables on pages 13, 17 and 21 to check which apply to that market.

## Terminal illness

If the policy includes life protection, terminal illness benefit is included. If the insured is diagnosed as being terminally ill with less than 12 months to live and the policy is not in its last 18 months, then the full sum assured is payable immediately. The policy would cease.

For joint life first event policies, the sum assured becomes payable if any life dies or is diagnosed as being terminally ill.

For joint life last event policies, the sum assured becomes payable when all the lives insured have either died or have been diagnosed as terminally ill.

## Free accidental death cover

Free accidental death cover is available if the policy includes life protection. Cover is provided during underwriting up to a maximum of £300,000 or the sum assured, whichever is lower. The following conditions apply:

- The application must not disclose any health, pursuit or occupational risks which may result in an extra premium, exclusion or our being unable to offer cover at all
- A completed direct debit instruction or cheque must be enclosed
- Cover will cease when an underwriting decision is reached or, if sooner, after 30 days
- Current policy conditions will apply.

Please remember that the heading of each critical illness is only a guide to what is covered. For example, some types of cancer are not covered. Further details of how a claim is considered, including the full definitions used and the evidence required, are given in the Phoenix 'Guide to the illnesses covered' and in the policy document. A sample copy is available on request.

## Total and permanent disability (TPD)

TPD is automatically included within a critical illness policy and encompasses conditions not otherwise explicitly covered. The definition of disability applicable will depend on the occupation of the insured. There are three standard definitions as follows:

- Own occupation
- Any suited occupation
- Activities of daily working.

Full definitions are available in the Glossary and Phoenix's 'Guide to the illnesses covered'.

A claim for TPD will only become payable when, in the opinion of Phoenix's Chief Medical Officer, the disability is total and permanent in accordance with the definition applicable to the policy. This is likely to mean that there is no prospect of the insured being able to work ever again.

## Children's benefit

With the exception of Business Protection policies, children's benefit is automatically included and is equal to 25% of the insured's benefit, subject to a maximum of £25,000. It will become payable if any natural or legally adopted child (between the ages of 30 days and 18 years) of the insured suffers from one of the conditions listed in the Glossary, while the policy is in force. Congenital defects are excluded. Claims for a child will not affect the main policy.

# Features of Solutions

## RED ARC

To enhance our policies where critical illness cover is included, Phoenix has linked with RED ARC Assured Ltd. RED ARC provides an independent care planning and advisory service for claimants together with a 24 hour Phoenix Helpline for all planholders.

- Care planning and advisory service  
Phoenix recognises that receiving a financial payment is only one element of securing peace of mind at a difficult time. Coming to terms with the changes to lifestyle affects not only the sufferer but also their family and friends.

Once the claim has been paid, the claimant will be contacted by a case manager from RED ARC. The claimant is given access to a personal case manager who will be able to offer tailored advice and support for each individual circumstance. This service is provided free of charge to the insured. However, the cost of any services or equipment that may be recommended as a result of an assessment, or through the case manager, will be the responsibility of the insured or their family.

### **The range of services offered:**

- A specialist home assessment
- Care planning
- Advice on counselling
- Access to specialist organisations and self help groups
- Access to a network of preferred providers.

- Phoenix Helpline 0800 169 4080  
The Phoenix Helpline offers all planholders and their families free access to a special helpline run by RED ARC Assured Ltd. Available 24 hours a day, 365 days a year, it can be used as many times as needed provided a Phoenix critical illness policy is in force.

### **The helpline can offer information on:**

- Health concerns
- Entitlement to State benefits
- Other care related issues.

**The RED ARC service is not guaranteed and we have the right to amend or withdraw it at any time. This is included on any policy which includes critical illness cover.**

# Details applicable to all products

## Premium calculation

Separate premium rate tables are used for male and female lives, smokers and non-smokers. The loading for monthly premiums is 3%.

## Minimum premiums

The minimum premiums are as follows:

Contract	Monthly minimum	Annual minimum
Single plans	£5	£60
Combined Solutions (See page 5)	£7.50	£90
Increments	£2.50	£30

## Maximum term

The maximum term is 50 years.

## Basis of cover

Policies can be set up on a single life or joint life basis. Policies set up on a joint life basis are usually in conjunction with a spouse or partner with the benefit payable on the first event. 'Life of another' policies are also available where an insurable interest exists between the parties to the contract.

## Guaranteed insurability options

A range of guaranteed insurability options are available, which allow the insured to increase cover during the term of the policy without medical evidence. The option is available to standard rate policies only. Further details on the guaranteed insurability options are given in each market section.

## Cover to a fixed age

As an alternative to cover for a set whole number of years, the planholder can select cover up to a fixed age. This is not applicable to decreasing mortgage benefit

or joint life policies. The final annual or monthly premium for policies with a term to a fixed age will be calculated on a proportionate basis.

## Medical underwriting

Full details of the medical and financial underwriting limits for Solutions are given in the guide to medical and financial underwriting.

## Plan alterations

All plan alterations must occur on a plan anniversary date.

## Claims

Notification of a claim

Claims should be notified to Phoenix within six calendar months of an insured event.

An appropriate claim form should be completed and returned to the Phoenix Client Service Centre as soon as possible. Our IFA Helpline on 0800 376 5005 will arrange for the correct form to be sent.

Evidence required

For death claims, the death certificate will be required together with a claim form and any relevant supporting documentation.

For critical illness or total and permanent disability claims, Phoenix will require evidence of the critical illness or disability including medical information and certificates from the planholder's doctor or specialist. We reserve the right to require the claimant to undergo such examinations and tests as our claims assessors may need. We will pay the cost of all examinations and tests, but the planholder will have to pay travel and all other attendance costs.

## Exclusions

Benefit will not be paid for certain critical illness conditions or TPD if the insured unreasonably fails to seek or follow medical advice or if the insured is infected by HIV or AIDS, except in certain circumstances. More details are contained in the Glossary. Full details are in the policy document which is available on request.

## Residence

For all policies except life protection, the lives insured must be resident in the United Kingdom at the commencement of the policy.

The policy provides full cover for those travelling and working abroad. In the event of a critical illness or total and permanent disability claim, the life insured is required to return to one of the countries listed in the territorial limits in the Glossary.

## Commission

The initial commission payable to independent financial advisers is based upon a percentage of the old LAUTRO scale. Initial commission can be paid as a discounted lump sum, that is, on indemnity terms, for regulated advisers.

For independent financial advisers who do not require commission, Phoenix will use special discounted rates that pass on the commission to the client in the form of cheaper premiums.

On escalating policies, initial commission is paid at a higher rate based on the initial premium. No further initial commission will be paid on subsequent premium increases. For more information, please request a copy of the Phoenix 'Rates of commission guide'.

# Personal Protection

It is a well acknowledged fact that financial planning has become far more sophisticated. Increasingly, clients are looking for flexible solutions to their personal protection needs.

In addition to the policies listed below, Phoenix also offers Personal Pension Life protection, FSAVC Life protection and Inheritance Tax protection. Full details of these policies are provided on separate technical sheets available on request. Together these policies give a comprehensive range of coverage in the personal protection market.

Product	Maximum age next birthday at entry	Maximum age next birthday at expiry	Minimum age next birthday at entry	Minimum Term (years)	
				Lump sum	Income
Life protection	80	85	19	5	10
Critical illness protection	65	85	19	5	10
Life or earlier critical illness protection	65	85	19	5	10
Life or earlier total and permanent disability protection	65	85	19	5	10

## Life protection

The following options apply to life protection policies only:

### Joint life second death

Life protection can be set up on a joint life basis with a benefit payable on first or second death.

For a claim under terminal illness, the benefit is payable either after one life has died and the other life is diagnosed as terminally ill, or after both lives have been diagnosed as terminally ill.

### US dollar (\$) policies

Life protection may be taken out with premiums and benefits payable in US\$. US\$ policies are issued and are payable in the United Kingdom and, as with sterling policies, are governed by the law of England and Wales.

US\$ policies cannot be combined with sterling policies in the same plan.

Premiums for US\$ policies may be paid annually only by cheque or alternatively by banker's order. No monthly premium facilities are available. The minimum premiums and minimum sums assured are as follows:

### US\$ policies

Minimum premium	\$200 per annum
Minimum sum assured	\$200,000
Plan fee	\$60

### Buyback

This option applies to those policies where the critical illness or total and permanent disability benefits are paid as an acceleration of the life benefit. If the insured survives 12 months from the payment of a critical illness or TPD benefit, the life cover can be reinstated for a benefit up to the current sum assured on payment of the appropriate premiums.

#### Points to note

- The option must be selected at outset
- The original policy must have been accepted on standard terms
- The premium charged after the end of the 12 months will be Phoenix's current premium rates for an identical policy for someone in good health
- The term cannot be extended
- The sum assured cannot be increased (other than escalation)
- No premiums are payable in the 12 month period unless the insured has other policies in force
- No further medical evidence is required.

### Family income benefit - FIB

If benefits are to be paid as an income in the event of a claim, a monthly benefit will be paid for the remainder of the term.

For example:

The planholder selects an income of £12,000 per annum and a ten year term. The insured suffers a critical illness after five years. An income of £1,000 per month would therefore be paid for the remaining five years.

### Guaranteed insurability options

Event	Frequency
Marriage	Once
Birth or adoption of child	Twice
Increase in mortgage	No limit
Promotion	Once

Up to the age of 55, the client can effect a new policy of the same type as their existing cover on the occurrence of certain events.

No further evidence of health will be required. These options apply to all policies.

#### Maximum increase

The total amount of benefit the planholder can add by exercising a single guaranteed insurability option is limited to the lowest of:

- £25,000\* or
- 25% of the initial sum insured at outset or
- the amount of any new mortgage or increase in an existing mortgage.

The total amount of increases under a policy is limited to the lower of £100,000\* or the level of cover insured at outset.

\* If any policies escalate, these figures will increase accordingly.

#### Special notes

Legal adoption must take place within 12 months of birth

Maximum of four times the salary increase and must be significant

#### Points to note

- No further evidence of health will be required
- The original policy must have been accepted on standard terms
- Only one increase is allowed each year
- Financial evidence will be required
- Premiums for any new policy will be based on the age of the insured at the time an option is exercised
- Current terms and conditions at the date the option is exercised apply
- Written notice is required, with appropriate documentary evidence, within 30 days of the event.

# Table of options

## Options included

Product	Special event options	Children's cover	Terminal illness cover	RED ARC
Life protection	✓	X	✓	X
Critical illness protection	✓	✓	X	✓
Life or earlier critical illness protection	✓	✓	✓	✓
Life or earlier total and permanent disability protection	✓	X	✓	X

## Options with cost implications selected at outset

Product	Inflation protection	Guaranteed rates	Five year renewable option	Ill health payment protection	Buyback option
Life protection	✓	✓	✓	✓	X
Critical illness protection	✓	X	✓	✓	X
Life or earlier critical illness protection	✓	✓ For up to 25 years	✓	✓	✓
Life or earlier total and permanent disability protection	✓	✓ For up to 25 years	✓	✓	✓

# Business Protection

In a business context, insurance can play a significant role in protecting the firm's future against the possible loss of key personnel through a critical illness, total and permanent disability or death. This is especially valuable where a business relies heavily on the skills and expertise of key individuals, or where there is a need to protect the ownership of a business.

Solutions Business Protection offers straightforward and cost effective protection to help ensure the future and continuity of a business.

## Eligibility and terms

Product	Maximum age next birthday at entry	Maximum age next birthday at expiry	Minimum age next birthday at entry	Minimum <sup>†</sup> Term (years)
Life protection <sup>††</sup>	70	75	19	5
Critical illness protection	65	75	19	5
Life or earlier critical illness protection	65	75	19	5
Life or earlier total and permanent disability protection	65	75	19	5

<sup>†</sup> one year renewable cover is also available

<sup>††</sup> US\$ available

### Renewable cover – one or five years

In addition to the five year renewable policy outlined on page 6, Solutions also provides a one year renewable option for Business Protection. This gives the option to effect a new policy each year without further medical evidence. The option to renew cover can be exercised each year up to age 65.

The new premium payable will be based on the age of the insured, the policy conditions applicable and the rates in force at the renewal date.

### Financial evidence

The type of evidence required will depend on the circumstances of the business. For example, a new company will not have turnover or profit figures, in which case the business plan may be called upon to provide projected levels of business or trade.

Further details of Phoenix's approach to financial underwriting are given in a separate guide.

### Claim benefits

Depending upon the circumstances of the business at the time of claim, benefits can be paid in either lump sum form or in instalments over one, two, three, four or five years. If the instalments option is chosen, benefits will be paid annually in advance. The instalments option gives the business financial flexibility and control.

### Termination of the policy

A Business Protection policy will terminate on the earliest of the following:

- The insured leaving the planholder's employment, or
- A claim, or
- The date on which the policy expires, or
- The financial insurable interest ceasing.

### Guaranteed insurability options

Event	Amount of increase	Special notes
Increase in the value of a keyperson	As can be justified	Measured by an increase in salary in salary and limited to five times the increase in salary of a key person
An increase in a partner's/ shareholder's/director's interest in the business	As can be justified	

Up to the age of 55, the client can effect a new policy of the same type as their existing cover on the occurrence of certain events. No further evidence of health will be required. These options are automatically included and apply to all policies.

#### Maximum and minimum increases

The minimum increase is £10,000\* subject to a maximum of £50,000\* for any one event. The overall maximum amount of cover that the planholder can add by exercising one or more of the guaranteed insurability options is £100,000\*, or the original sum assured at outset, whichever is the lesser amount.

*\* For escalating policies, these figures will increase accordingly.*

### Points to note

- No further evidence of health will be required
- The original policy must have been accepted on standard terms
- Only one increase is allowed each policy year
- Financial evidence will be required
- Premiums for any new policy will be based on the age of the insured at the time an option is exercised
- Current terms and conditions at the date the option is exercised apply
- Written notice is required, with appropriate documentary evidence, within 30 days of the event.

# Table of options

## Options included

Product	Special event options	Children's cover	Terminal illness cover	RED ARC
Life protection	✓	X	✓	X
Critical illness protection	✓	X	X	✓
Life or earlier critical illness protection	✓	X	✓	✓
Life or earlier total and permanent disability protection	✓	X	✓	X

## Options with cost implications selected at outset

Product	Inflation protection	Guaranteed rates	One year renewable option	Five year renewable option	Ill health payment protection
Life protection	✓	✓	✓	✓	X
Critical illness protection	✓	X	✓	✓	X
Life or earlier critical illness protection	✓	✓ For up to 25 years	✓	✓	X
Life or earlier total and permanent disability protection	✓	✓ For up to 25 years	✓	✓	X

# Mortgage Protection

Solutions has also been designed to provide protection for modern mortgages. All product variations are available on a lump sum basis only.

## Level mortgage protection

A level mortgage protection policy will provide an amount of cover which remains constant throughout the term and is particularly suitable for interest only mortgages.

## Decreasing mortgage protection

Decreasing mortgage protection is designed to protect repayment style mortgages, where the amount of capital outstanding gradually reduces over the term of the loan until it is paid off. As the outstanding loan decreases, the amount of cover required to pay off the mortgage also goes down.

## Interest rates - decreasing cover

If the planholder has selected decreasing mortgage protection, they will need to select an appropriate interest rate at outset – either 9%, 12%, 15% or 18%. Independent financial advice is therefore important in helping the planholder to select the most appropriate interest rate.

## Eligibility and terms

Product	Maximum age next birthday at entry	Maximum age next birthday at expiry	Minimum age next birthday at entry	Minimum Term (years)	
				Level	Decreasing
Life protection	80	85	19	5	10
Critical illness protection	65	85	19	5	10
Life or earlier critical illness protection	65	85	19	5	10
Life or earlier total and permanent disability protection	65	85	19	5	10

In the event of a claim the policy will pay out a benefit in accordance with the policy schedule. This should be sufficient to repay the outstanding balance providing the interest rate selected at outset is not exceeded.

## Guaranteed insurability options

Event	Frequency
Marriage	Once
Birth or adoption of child	Twice
Increase in mortgage	No limit
Promotion	Once

Up to the age of 55, the client can effect a new policy of the same type as their existing cover on the occurrence of certain events. No further evidence of health will be required. These options apply to all policies.

Maximum increase

The total amount of benefit the planholder can add by exercising a single guaranteed insurability option is limited to the lowest of:

- £25,000\* or
- 25% of the initial sum insured at outset or
- the amount of any new mortgage or increase in an existing mortgage.

## Special notes

Legal adoption must take place within 12 months of birth

Maximum of four times the salary increase and must be significant

The total amount of increases under a policy is limited to the lower of £100,000\* or the level of cover insured at outset.

*\* If any policies escalate, these figures will increase accordingly.*

## Points to note

- No further evidence of health will be required
- The original policy must have been accepted on standard terms
- Only one increase is allowed each year
- Financial evidence will be required
- Premiums for any new policy will be based on the age of the insured at the time an option is exercised
- Current terms and conditions at the date the option is exercised apply
- Written notice is required, with appropriate documentary evidence, within 30 days of the event.

# Table of options

## Options included

Product	Special event options	Children's cover	Terminal illness cover	RED ARC
Life protection	✓	X	✓	X
Critical illness protection	✓	✓	X	✓
Life or earlier critical illness protection	✓	✓	✓	✓
Life or earlier total and permanent disability protection	✓	X	✓	X

## Options with cost implications selected at outset

Product	Inflation protection	Guaranteed rates	Five year renewable option	Ill health payment protection
Life protection	X	✓	X	✓
Critical illness protection	X	X	X	✓
Life or earlier critical illness protection	X	✓ For up to 25 years	X	✓
Life or earlier total and permanent disability protection	X	✓ For up to 25 years	X	✓

# Important notes

## Money laundering requirements

Phoenix will require identification of the planholder and the premium payer (if different) together with appropriate addresses, prior to assuming risk. Where this is not possible, Phoenix may be able to provide the cover requested. However, appropriate evidence of identification must be provided as soon as possible after the plan has started. Without it, Phoenix will be unable to pay any claim(s) that may arise.

You are required to submit certified copies of evidence of your client's identity unless the premium is below a certain limit. The 'minimum premium exemption' is updated from time to time.

## The right to cancel

After Phoenix accepts your client's application we will send your client a Cancellation Notice. They are then entitled to cancel the plan within 30 days. If they do cancel they will be entitled to a refund of any premiums paid. Your client's intention to cancel must be notified in writing and sent within 30 days to our Client Service Centre. Cancelling the plan after 30 days will not entitle them to a refund of premiums.

## Taxation

The benefit payable on death, on diagnosis of a terminal or critical illness or on confirmation of total and permanent disability is currently free of all United Kingdom personal income and capital gains taxes.

Where a policy is providing protection for partners or shareholders in a private limited company, the benefit will normally be paid free of all personal taxes, but no tax relief on the premiums will be available.

Where the policy provides key person protection, any payment will normally be taxed as a trading receipt, although the company may be able to claim corporation tax relief on premiums paid.

This information reflects Phoenix's understanding of current legislation and Inland Revenue practice, which may change in the future.

## Law

The law of England and Wales governs all Phoenix plans. Phoenix Life Limited is an incorporated company limited by shares. The EU location of both its Head Office and Client Service Centre is the United Kingdom, at the addresses on the back of this brochure.

## Premium payment

Premiums may be paid monthly or annually by direct debit, or annually by cheque. Premiums for US\$ policies may be paid annually only by cheque or alternatively by banker's order.

If any premium is not paid within 28 days of its due date, the plan will cease unless waiver of premium is in payment. At no time will the plan acquire a paid-up, maturity, or cash-in value.

## Termination

Each policy will terminate on payment of a claim. The plan will terminate on the date specified on the plan document or when all policies terminate.

The plan may only be cancelled by Phoenix for non-payment of premiums.

## Complaints

All complaints should be made in writing, in person or by telephone to our Client Service Centre. All complaints are acknowledged in writing immediately. Phoenix will carry out an internal investigation and advise in writing of our findings. If your client is not satisfied with the outcome, we will pass the complaint to a senior manager for his objective adjudication. If our senior manager's decision is not accepted, your client may have the right to refer the matter to the Financial Ombudsman Service (FOS), South Quay Plaza, 183 Marsh Wall, London E14 9SR, telephone 0845 080 1800, for their independent adjudication.

Their service is free and the decision is binding on Phoenix. The existence of these complaints procedures does not affect the right to take legal action.

## Compensation

The Financial Services Compensation Scheme may cover your client's plan. Further specific information is available from Phoenix Life Limited, the Financial Services Authority, or the Financial Services Compensation Scheme.

# Glossary

## Critical illness conditions covered

The following conditions are covered:

- AIDS for occupational duties
- AIDS/HIV by blood transfusion
- AIDS through assault
- Alzheimer's disease
- Angioplasty
- Aorta graft surgery
- Aplastic anaemia
- Bacterial meningitis
- Benign brain tumour
- Blindness
- Cancer
- Cardiomyopathy
- Coma
- Coronary artery bypass surgery
- Deafness
- Heart attack
- Heart valve surgery (replacement or repair)
- Kidney failure
- Liver failure
- Loss of limbs
- Loss of independent existence
- Loss of speech
- Major organ transplant
- Motor neurone disease
- Multiple sclerosis
- Paralysis/Paraplegia
- Parkinson's disease
- Pre-senile dementia
- Progressive supranuclear palsy
- Rheumatoid arthritis
- Severe lung disease
- Stroke
- Third degree burns.

Full definitions of all of the above are given in Phoenix's 'Guide to the illnesses covered' and the policy conditions.

## Children's benefit : Critical illness conditions covered

The following conditions are covered under children's benefit within Personal protection:

- Aorta graft surgery
- Bacterial meningitis
- Benign brain tumour
- Cancer
- Coronary artery bypass surgery
- Heart attack
- Heart valve surgery (replacement or repair)
- Kidney failure
- Major organ transplant
- Motor neurone disease
- Multiple sclerosis
- Paralysis/Paraplegia
- Stroke.

Full definitions of all of the above are given in Phoenix's 'Guide to the illnesses covered' and the policy conditions.

## Exclusions

Benefit will not be paid in certain circumstances.

If a claim arises due to unreasonable failure to seek or follow medical advice, premiums will not be waived under waiver of premium and benefit will not be paid in respect of total and permanent disability and the following critical illness conditions: paralysis/paraplegia, loss of limbs, loss of hearing, loss of speech, loss of independent existence, severe burns or blindness.

If the insured is infected by HIV or AIDS, premiums will not be waived under waiver of premium and benefit will not be paid in respect of total and permanent disability and cancer (as a critical illness condition). This exclusion will not apply if:

- The insured acquires the infection accidentally whilst carrying out their normal duties as a police officer, a prison officer, a doctor, a dentist, a nurse or a member of the ambulance service
- infection is due to a blood transfusion in the UK
- infection is due to physical or sexual assault.

Congenital defects are excluded under children's benefit.

Full details are in the policy document. A sample copy is available on request.

## Territorial limits

Phoenix's current territorial limits are:

- |                   |                             |
|-------------------|-----------------------------|
| • Andorra         | • Liechtenstein             |
| • Australia       | • Luxembourg                |
| • Austria         | • Monaco                    |
| • Belgium         | • Netherlands               |
| • Canada          | • New Zealand               |
| • Channel Islands | • Norway                    |
| • Denmark         | • Portugal                  |
| • Finland         | • San Marino                |
| • France          | • South Africa              |
| • Germany         | • Spain                     |
| • Gibraltar       | • Sweden                    |
| • Greece          | • Switzerland               |
| • Iceland         | • United Kingdom            |
| • Ireland         | • United States of America. |
| • Isle of Man     |                             |
| • Italy           |                             |

Other territories or countries can be added by Phoenix.

## **PHOENIX LIFE LIMITED**

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Phoenix & London Assurance Limited 894616

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