
Key facts of the Lifestyle Protection plan (April 2010)

This document contains important information about the Lifestyle Protection plan and you should read this along with your quote.

This document does not contain the full terms and conditions of the plan, but does form part of your contract with Royal London on behalf of Bright Grey. The terms and conditions are contained in the plan details booklet and cover summary which we will send you when your plan starts. You may want to refer to the plan details before taking out your plan and you can ask us for a copy of this at any time.

What you'll find in this document

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How to contact us

If you have any questions, you can:

Phone us

0845 6094 500

Fax us

0845 6094 523

Email us

help@brightgrey.com

Write to us

Customer Care Team
Bright Grey
2 Queen Street
Edinburgh
EH2 1BG

About the Lifestyle Protection plan

Its aims

What your protection plan is for:

To cover you and your family against the financial impact of death and/or critical illness.

Your commitment

What we ask you to do:

You agree to make regular monthly payments by direct debit throughout the term of your cover.

When you apply for your cover, you are honest with us and give us all the information we ask for. If you do not do this, it could mean that we will not pay your claim.

You agree to tell us about any changes to the information you give us, between completing your application form and the date we assume risk under your plan. If you do not do this, it could mean that we will not pay your claim. You can find more information about this on page 5.

Risk factors

Things that may affect the payment for your plan and when we may or may not pay a claim:

If the information we receive when you take out your plan is incomplete, incorrect or untrue, we may not pay your claim. This could be information you give us, or information your adviser gives us on your behalf.

As soon as we receive your application over the Internet, we will post you a copy of the information we asked for with the answers you gave us. When you get this please check the answers carefully and if any answers are incorrect, please tell us as soon as possible. If you miss any information out, or give us misleading information, this could mean that we do not pay your claim.

Your plan will not have a cash value at any time.

If you stop making payments for your plan, we will cancel it. Please contact us for help if you are having problems making payments.

If we pay a claim under your plan, this may affect your right to means-tested State benefits.

If your plan payment is reviewable this means that payments could go up or down. If the plan payment increases there is no limit to how much the increase in payment may be. If your plan payment is reviewed and no longer affordable for you, then you may not be able to take out alternative cover elsewhere, for example if your health has changed. We will let you know if your plan payments are going to change.

Types of cover

You can choose either of the following covers from within the Lifestyle Protection plan:

Life Cover

When does Life Cover pay out?

We will pay your Life Cover if you die or are diagnosed with a terminal illness during the term of the cover.

Please note we will not pay out a terminal illness claim if you are diagnosed with a terminal illness in the 12 months immediately before the date your Life Cover ends.

The term of your cover will be between 5 and 40 years and is shown on your quote. The term is the period of time between the date cover starts and the date cover ends.

Life or Critical Illness Cover

When does Life or Critical Illness Cover pay out?

We will pay your Life or Critical Illness Cover when the first of the following happens during the term of your cover:

- you die
- you are diagnosed with a terminal illness
- you are diagnosed with, and the diagnosis meets our definition of, one of the critical illnesses shown on our list.

Life or Critical Illness Cover will only pay out once.

Please note we will not pay out a terminal illness claim if you are diagnosed with a terminal illness in the 12 months immediately before the date your Life or Critical Illness Cover ends.

The term of your cover will be between 5 and 40 years and is shown on your quote. The term is the period of time between the date cover starts and the date cover ends.

What illnesses are covered?

Here is a complete list of the critical illnesses we cover:

- Alzheimer's disease – resulting in permanent symptoms
- Aorta graft surgery – for disease
- Benign brain tumour – resulting in permanent symptoms
- Blindness – permanent and irreversible
- Cancer – excluding less advanced cases
- Coma – resulting in permanent symptoms
- Coronary artery bypass grafts – with surgery to divide the breastbone
- Deafness – permanent and irreversible
- Heart attack – of specified severity
- Heart valve replacement or repair – with surgery to divide the breastbone
- HIV infection – caught from a blood transfusion, a physical assault or at work
- Kidney failure – requiring dialysis
- Loss of hands or feet – permanent physical severance
- Loss of speech – permanent and irreversible
- Major organ transplant
- Motor neurone disease – resulting in permanent symptoms
- Multiple sclerosis – with persisting symptoms
- Paralysis of limbs – total and irreversible
- Parkinson's disease – resulting in permanent symptoms
- Stroke – resulting in permanent symptoms
- Third degree burns – covering 20% of the body's surface area
- Traumatic head injury – resulting in permanent symptoms

Types of cover – continued

What do all the critical illness definitions mean?

It is very important that you understand you are only covered if you are diagnosed with an illness on the list on the previous page and that your diagnosis meets our definition of the illness, not the clinical definition. For example:

Benign brain tumour

Bright Grey's definition

(defined by the Association of British Insurers)

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

For the above definition, the following are not covered:

- Tumours in the pituitary gland
- Angiomas.

Benign brain tumour

Clinical definition

A mass of diseased cells in the brain that have divided and increased too quickly, and that are unlikely to return after treatment or removal.

As you can see, there may be a difference between this clinical definition and the definition we use to decide when to pay a claim. This will apply to most of the critical illnesses we cover.

Other options

Increasing cover

If you want to protect your cover against the effect of inflation, you can choose increasing cover.

Your cover can increase by a rate based on the change in the retail price index (between 2% and 10%).

If you choose increasing cover, we will increase your cover each year. Your payment will also increase.

The increase in your payment is based on:

- the amount of the increase in your cover,
- your age at the time of the increase, and
- the remaining term of the cover.

This means that your payment may increase by a higher rate than your amount of cover.

Decreasing cover

If you want your cover to decrease in line with a repayment mortgage, you can choose decreasing cover. If you choose this option, your cover will decrease each month in line with a repayment mortgage with a yearly interest rate of 7%. This means that if your mortgage interest rate changes, the amount we pay if you claim may not be enough to pay off your mortgage.

When we will not pay a claim

We want to be honest with our customers and have no 'small print' or unpleasant surprises. You will find that throughout your contact with us, we will be open and honest. For this reason, we have put together the following information to help you understand when we will not pay any or part of your claim.

These are the circumstances for all plan owners in which we will not pay a claim:

- If, when you make a claim, we find out the information you gave us was incorrect or you did not tell us something, we will not pay your claim. When you fill in your application form, please make sure that you answer all the questions completely and honestly, especially questions about your health. If you are not sure if something should be included, then please include it.
- Because your application has been sent to us over the Internet, we will send you a copy of the online application form to check that the answers are accurate. If you do not check your answers and tell us if they are incomplete, incorrect or untrue, we may not pay your claim.
- If you do not keep your plan payments up to date then we will not pay your claim. If you are having problems making payments, please contact us.
- If you do not tell us about any changes to the information you or your adviser gave us between the date you completed your application form and the date we assume risk on your plan, we may not pay your claim. The date we assume risk is the later of:
 - the date that you or someone acting on your behalf contacts us to ask us to start your plan; or
 - the plan start date that will be shown on your cover summary.If you are not sure if you should tell us something, then please tell us.
- When you apply for your plan we may not be able to offer you 'standard' terms. This means that there may be particular circumstances in which we will not pay a claim.

Examples of this could be:

- A claim happens because you are taking part in a 'hazardous' leisure activity
- A claim happens because of a recent medical condition.

If 'non-standard' terms apply to you, we will show them in your decision letter and cover summary.

The following shows the other circumstances in which we will not pay all or part of your claim depending on the type of cover you have.

Life Cover

- death as a result of suicide within 12 months of the date that cover started.
- the person covered being diagnosed with a terminal illness within 12 months of the date your cover ends.

Life or Critical Illness Cover

- death as a result of suicide within 12 months of the date that cover started.
- the person covered being diagnosed with a terminal illness within 12 months of the date your cover ends.
- if the claim is for critical illness and it is the result of:
 - inappropriate use of alcohol or drugs, including but not limited to the following:
 - consuming too much alcohol
 - taking an overdose of drugs, whether lawfully prescribed or otherwise
 - taking controlled drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription.
 - taking part in a criminal act.
 - war, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.
 - if it is a result of an intentional self-inflicted injury.
 - the person covered does not meet the definition of critical illness.
 - unless you are living in or return to the UK or one of these countries:
Australia, Austria, Belgium, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Hungary, Iceland, Ireland, Isle of Man, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and the USA.

Any questions?

Can I apply for a Bright Grey plan?

You can apply for a Bright Grey plan if you are:

- age 18 or over, and
- currently resident in the UK, and will still be resident in the UK when your plan starts.

You can apply for a plan for you only or with someone else, for example your spouse or partner.

How much will my plan cost?

The cost will depend on the amount of cover you need. In general, the higher the amount of cover and the longer the term of cover, the higher your payment will be.

The cost will also depend on other factors – your age, sex, medical history, whether you smoke. Your occupation and current state of health may also be taken into account.

We will also include a charge to cover the day-to-day administration of your plan. This is called the plan charge and will be included in your payment. We will show the plan charge on your quote and cover summary.

Can my payment change?

The rates we use to calculate the payment for each of your covers will either be guaranteed or reviewable. We will show this on your quote and cover summary.

If you choose Life Cover your payments are guaranteed. If you choose Life or Critical Illness Cover you have a choice of either guaranteed or reviewable payments.

If your payment is guaranteed this means that it will not change during the term of the cover (other than for changes to your cover that you ask for).

If your payment is reviewable this means that it is likely to change (it may be adjusted either upwards or downwards). This is because when we calculate your plan payment we make assumptions about certain factors and what will happen to them in the future. Because of the uncertainty of these factors, we may need to charge you a different amount for your cover in the future. This is why we review your plan payments.

The factors that may change and lead to a change in the amount you pay, are:

- the future level of claims we pay,
- the amount of money we will pay to reinsurance companies with whom we share the costs of claims,
- the number of plan owners who give up their plans early,
- our expenses,
- inflation,
- investment returns,
- taxes, and
- the amount of money we need to hold as financial reserves.

Reviewable payments under Life or Critical Illness Cover will not change for the first five years of the plan. After this, we will review the payment every five years for the remainder of the term of cover.

If we do change your payment we will always tell you at least one month before we make any change.

There is no limit to how much we may increase your payment by and your new payment may be significantly higher than your original payment.

Once my plan starts, can I change it?

Yes. You can increase or decrease the amount of your cover, or increase or decrease the term of your cover.

There will, of course, be a few limitations and rules, and some changes will involve asking questions about your health.

But if you contact us we will tell you what these are and explain the process to you.

How much will my plan pay out?

This will depend on how much cover you have chosen. We will show this on your quote and cover summary.

If you choose a decreasing or increasing cover, we will pay the amount your cover has decreased or increased to at that time.

How do I make a claim?

If you, or those representing you, think that you have a valid claim on your plan, you or they should:

1. phone us on 0845 6094 500
2. fill out the claim form that we will send you and send this back to us with any other documents we request
3. continue to make your payments.

Please see the plan details booklet for information on how we will assess a claim.

Does tax affect my plan?

We will pay your covers to you entirely free of any income or capital gains tax. If you die, your estate may be liable for inheritance tax on money you receive from your protection plan. You may be able to reduce or avoid this if you write your plan under an appropriate trust.

If the Government makes any changes to tax, or other laws, this could affect the situations described above.

If, at the time of a claim, you live in a country other than the UK, we recommend that you seek separate advice on how tax may affect your plan as the tax situation described above may differ.

What if I change my mind and want to cancel my plan?

When your plan starts we will send you a cover summary and plan details document. You will then have 30 days to change your mind, cancel your plan and we will refund in full any money paid.

If you want to cancel your plan after this time, please write to us.

Can Bright Grey cancel my plan?

We can cancel your plan if you do not keep your plan payments up to date or if you make a claim and we find that you have deliberately not told us something that affects your cover.

How do I complain?

We hope that you will never have reason to complain, but if you do, you can contact us using any of the details shown on the front page.

If you are not happy with the outcome of your complaint you may have the right to refer it to the Financial Ombudsman Service at:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
telephone 0845 080 1800
email complaint.info@financialombudsman.org.uk

Making a complaint will not affect your right to take legal proceedings.

Other important information

The Law

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

Language

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

Financial Services Compensation Scheme

Your plan is covered by the Financial Services Compensation Scheme. You may be entitled to compensation if we are unable to pay claims due to, for example, insolvency. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme.

The ABI and critical illness

The Association of British Insurers (ABI) has produced a Guide to Critical Illness. If you would like a copy of this, please contact us at the Bright Grey address on the front page. You can also request a copy from the ABI by writing to them at 51 Gresham Street, London, EC2V 7HQ.

About this key facts document

This document is a brief guide to the covers we offer and complies with the Association of British Insurers (ABI) Statement of Best Practice for Critical Illness Cover. This statement was introduced to make it easier for customers to compare the different covers that providers offer.

This document is based on our understanding of current law and tax rules and you should obtain expert advice about your own plan and personal circumstances.

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