

The Financial Services Authority is the independent financial services regulator. It requires us, Friends Life, to give you important information to help you decide whether our Business Protection Plan is right for you. You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.

Helping you decide

- This document gives you a summary of information to help you decide if you want to go ahead with our Business Protection Plan.
- You should also read and keep safe your personal illustration which shows what cover may cost.

Its aims

- To pay a cash sum if a life assured covered under this plan dies or is diagnosed with a terminal illness during the plan term.
- To pay the cash sum earlier if a life assured covered under this plan is diagnosed with a critical illness that meets our policy definition and this benefit has been chosen.
- If we pay the cash sum, the plan will end.

Your commitment

- You and any life assured covered under this plan:
 - Must answer all questions truthfully, accurately and completely to the best of your knowledge when applying for the plan and when making a claim.
 - Must check information in any confirmation schedule we send you is true, accurate and complete. If it isn't, you must tell us in writing straight away as this may affect the terms of the cover. We only issue confirmation schedules if an adviser completes the application electronically.
 - Must tell us if there is a change to a life assured's health, family history, occupation, occupational duties, working or travelling abroad, country of residence, or they take up any hazardous pastime. This commitment to tell us continues until the date the cover being applied for starts.

If these commitments aren't met we may not pay a claim.

- To pay monthly or yearly premiums throughout the plan term.
- To tell us:
 - within one month of disablement of a life assured for a permanent and total disability claim or of incapacity for a waiver of premium claim.
 - within three months of a life assured being diagnosed for a critical illness and disability claim.
- The life assured must allow us access to their medical records to consider a claim.

Risks

- If you stop your premiums the plan will stop and all cover will cease. You'll get nothing back.
- We may not pay a claim in some cases. **Please see 'What will stop the plan paying out?' on page 4.**
- If your plan includes a cash sum which reduces over the term, the actual amount payable is based on the term of your plan and when the claim is made. We do not guarantee that the cash sum will cover the outstanding loan amount. **Please see section 15 of the policy conditions for more details.**
- Inflation will reduce the spending power of any money you get back in the future.
- If you don't review your cover in the future, you may not have enough to meet your needs when a claim is made. You should make sure you review your cover regularly.

Questions and answers

What is our Business Protection Plan?

- It's a plan that pays a cash sum if a life assured covered under the plan dies during the plan term or is diagnosed with a terminal illness at least 18 months before the end of the plan term. If we pay the cash sum, the plan will end.
- If you choose to include critical illness and disability benefit it will also pay a cash sum if a life assured covered under the plan is diagnosed with a critical illness that meets our policy definition. If we pay the cash sum, the plan will end.
- You choose how much cover you need, whether you want level cover or decreasing cover and how long you want it to last.
- Level life cover can be for any number of years from 3 to 40 if you pay monthly. If you pay yearly, life cover can be for any number of years from 1 to 40. We aren't able to include terminal illness benefit for plan terms under 3 years or waiver of premium benefit for plan terms under 5 years. Life cover must end before the life assured covered under the plan is 85. If you include critical illness and disability benefit the policy must end before the life assured covered under the plan is 70.
- Decreasing life cover can be for any number of years from 5 to 40. Decreasing life cover must end before the life assured covered under the plan is 85. The cover term should match the remaining term of the loan. The cash sum reduces over the cover term. If you include critical illness and disability benefit the policy must end before the life assured covered under the plan is 70.

- If the plan is written in trust, we'll pay any cash sums to the trustees.
- The plan will never have a cash-in value.

Who can take out a plan?

- Any person who is 18 or over can take out the plan. Any life assured under the plan must be aged 18 or over.
- You can set up a plan on two lives so we pay the cash sum on first death, first diagnosis of a terminal illness or, if you've chosen critical illness and disability benefit, first diagnosis of a critical illness that meets our policy definition during the cover term.

Can I use the plan for keyperson assurance?

- Yes. It is possible for a company, a limited liability partnership or a Scottish partnership to can take out a policy on the life of an individual who is key to the success and profitability of the business. The company would be the policy owner and pay the premiums. It would also receive the sum assured if the keyperson dies, or becomes eligible for terminal illness benefit or (if chosen) critical illness and disability benefit, during the cover term.

Can I use the plan for shareholder or partnership protection?

- Yes. If you are a shareholding company director or a business partner you can use the plan to protect your share in the business, for the benefit of your family and your co-directors or partners. The policy can provide the necessary funds to enable your fellow directors or partners to purchase your share in the business on your death or if you are diagnosed with a terminal illness. If you also include critical illness and disability benefit and are diagnosed with a critical illness that meets our policy definition, you can decide whether to retire, with the policy proceeds being used to purchase your shareholding or partnership interest, or to continue working with the proceeds being held for your benefit.

Can I use the plan to protect a business loan?

- Yes, provided the loan is from a bank or other recognised lender. You can also cover a director's share account or a liability resulting from a personal guarantee. The policy can pay a cash sum, which can repay all or part of your business loan, if the person covered under the plan dies, or becomes eligible for terminal illness benefit or, if chosen, critical illness and disability benefit, during the term of the policy. The company would own the policy and pay the premiums.

How flexible is it?

- The plan is flexible enough to meet your changing needs and allows you:
 - to increase or reduce the cover level
 - to increase or reduce the cover term.
- If you increase or reduce the cover level or cover term your premiums will change.

The increase option

- If the life assured is under age 50 and in good health when the plan starts, we'll allow you, subject to certain limits, to take out extra cover without further evidence of health, family history, occupation or pastimes, if:
 - the value of the keyperson to the business increases;
 - the value of a shareholding director's or partner's interest in the business increases; or
 - the amount of a business loan increases.
- The option can be exercised up to the life assured's 55th birthday.
- If you increase the cover level your premiums will increase.

Please see section 9 of the policy conditions for more details.

When does the plan pay out?

- If a life assured covered under this plan dies during the plan term the plan will end and we'll pay the cash sum.
- We'll pay the cash sum earlier if:
 - a life assured covered under this plan is diagnosed as having a terminal illness expected to cause death within 12 months and the diagnosis occurs at least 18 months before the end of the plan term; or
 - if you have included critical illness and disability benefit, and a life assured covered under this plan is diagnosed with a critical illness that meets our policy definition.

The plan will then end.

Can I include critical illness and disability benefit?

- Yes, for an extra charge.
- If this benefit is included and a life assured covered under this plan is diagnosed with a critical illness that meets our policy definition, we'll pay the cash sum early and the plan will end.

- For plans set up on two lives, if one of the lives assured is diagnosed with a critical illness that meets our policy definition, we'll pay out and the plan will end.
- The maximum amount of critical illness and disability benefit for any one life is £1,000,000.

Which critical illnesses are covered?

- We only cover the critical illnesses we describe below and no others. The critical illness descriptions are only a guide to what is covered and the full definitions of the illnesses covered and the circumstances in which you can claim are given in the policy. These typically use medical terms to describe the illness and in some cases the cover may be limited. For example:
 - we do not cover some types of cancer
 - for some illnesses, the life assured needs to have permanent symptoms.
- We strongly recommend that you see our Critical Illness and Disability Benefit Simplified Guide to help you understand the extent of cover provided.
- The critical illnesses we cover are:
 - Alzheimer's disease – resulting in permanent symptoms
 - Aorta graft surgery – for disease or traumatic injury
 - Aplastic anaemia - with permanent bone marrow failure
 - Bacterial meningitis – resulting in permanent symptoms
 - Benign brain tumour – resulting in permanent symptoms or surgical removal via craniotomy
 - Blindness – permanent and irreversible
 - Cancer – excluding less advanced cases
 - Cardiomyopathy - of specified severity
 - Coma – resulting in permanent symptoms
 - Coronary artery by-pass grafts
 - Creutzfeldt-Jakob disease – resulting in permanent symptoms
 - Deafness – permanent and irreversible
 - Dementia - resulting in permanent symptoms
 - Encephalitis - resulting in permanent symptoms
 - Heart attack – of specified severity
 - Heart valve replacement or repair
 - HIV infection – caught in the UK from a blood transfusion, a physical assault or at work in an eligible occupation*
 - Kidney failure – requiring dialysis
 - Liver failure - resulting from advanced liver disease
 - 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
- Open-heart surgery – with surgery to divide the breastbone
- Paralysis of limbs – total and irreversible
- Parkinson’s disease – resulting in permanent symptoms
- Permanent and total disability before age 60 – permanent and irreversible
- Primary pulmonary hypertension - of specified severity
- Progressive supra nuclear palsy – resulting in permanent symptoms
- Respiratory failure - from advanced lung disease
- Stroke – resulting in permanent symptoms
- Systemic lupus erythematosus - with severe complications
- Third degree burns – covering 20% of the body’s surface area
- Traumatic head injury – resulting in permanent symptoms

Please see section 6.5 of the policy conditions for more details.

*The eligible occupations for HIV caught at work are:

- member of the emergency services, medical or dental professions
- laboratory assistant, or employee, in a medical facility
- pharmacist or prison officer.

Mastectomy cover

- If you choose critical illness and disability benefit, we automatically include this cover, at no extra cost to you. If you are diagnosed with a carcinoma in situ of the breast and this is treated by a total mastectomy, we’ll pay a cash sum equal to 20% of your cover. A maximum payment of £15,000 applies.
- This cover is payable only once under the plan, including where it is set up on two lives.

What other benefits can I choose?

Waiver of premium benefit

- If a life assured is aged under 55, in good health and not in a high risk occupation, waiver of premium benefit can be included at an extra charge.
- If this benefit is included, we’ll keep premiums going for you if illness or injury, other than a deliberately self-inflicted injury, stops a life assured from working for more than six months. If a life assured is not in full-time employment, we’ll look at their ability to do certain basic tasks instead. We’ll carry on your premiums for you until the life assured recovers, if necessary to the end of the plan term. For plan terms beyond age 65, we’ll only keep premiums going beyond this age if a life assured can’t do certain very basic tasks. **Please see section 8 of the policy conditions for more details.**

- For plans set up on two lives this benefit can be included on either life or both lives.

What will stop the plan paying out?

- We may not pay a claim if you or any life assured covered under this plan do not:
 - answer all questions truthfully, accurately and completely to the best of your or the life assured’s knowledge when applying for the plan or when making a claim
 - tell us in writing straight away if information in any confirmation schedule we may send is not true, accurate and complete
 - tell us of a change to the life assured’s:
 - health or family history
 - occupation, occupational duties or working abroad
 - travelling abroad or country of residence, or
 - taking part in any hazardous pastime
- before the date on which the cover you are applying for starts.

- We won’t pay a claim unless you and any life assured tell us:
 - within one month of disablement of a life assured for a permanent and total disability claim or of incapacity for a waiver of premium claim
 - within three months of a life assured being diagnosed for a critical illness and disability benefit claim.
- We won’t pay a critical illness and disability claim if the critical illness isn’t one we cover. **Please see section 6.5 of the policy conditions for more details.**
- We won’t pay a critical illness and disability benefit claim if it is due in any way to:
 - alcohol abuse (applies to cardiomyopathy, coma, liver failure and permanent and total disability claims only)
 - drug abuse (applies to cardiomyopathy, coma, liver failure, Parkinson’s disease and permanent and total disability claims only)
 - HIV/AIDS (applies to permanent and total disability claims only)
 - war.

Please see sections 6 and 10 of the policy conditions for more details.

- We won't pay out if the cause of a claim is one we exclude by applying special terms to your plan when we accept your application. We will show any special terms in the schedule we issue with your plan documents.
- We won't pay a waiver of premium claim if it is due in any way to HIV/AIDS or war. **Please see section 8 of the policy conditions for more details.**

'HIV' is the common abbreviation for 'Human Immunodeficiency Virus' and 'AIDS' is the common abbreviation for 'Acquired Immune Deficiency Syndrome'.

What will my premiums be?

- Your illustration will show the premiums you need to pay for your chosen amount of cover.
- Your premiums will depend on:
 - how much cover you need
 - how long you want it to last
 - the age, sex of the life assured and whether they smoke or use nicotine products
 - any extra benefits you choose.
- You can pay monthly by direct debit (minimum £7.50) or yearly by direct debit or cheque (minimum £75).

What are the charges?

- We allow for all charges, including the cost of providing the cover, and all expenses, such as commission, within the premiums you pay.

What if I stop paying?

- If you miss a premium we'll stop the plan and all cover will cease straight away.
- You won't get back any money.

What about tax?

- The taxation treatment of your premiums and any cash sum that we pay will vary depending on who owns the plan and the reason for the cover. Your financial adviser can tell you how your plan is likely to be taxed.
- Tax rules may change.


Can I change my mind?

- You have a right to change your mind. If you decide you don't want the plan, let us know in writing within 30 days and we'll give you your money back.
- The easiest way to cancel is to complete the 'Cancellation Form' we send you and return it to us. Or you can write to us at Friends Life, PO Box 1550, Salisbury SP1 2TW but please remember to include your full name and address and state that you wish to cancel your Business Protection Plan.
- If you don't cancel within 30 days, your plan will continue as set out in these key facts and the terms and conditions.

Other information

How to contact us

- Remember your financial adviser will normally be your first point of contact.
- If you have any questions, you can:

 Call us on **0845 602 9199** at the following times:
Lines are open weekdays from 8.30am to 6.00pm.

We may record and monitor calls. Calls may be charged and these charges will vary, please speak to your network provider.

 Fax us on **0845 600 0624**

 e-mail us at **customer.services@friendslife.co.uk**

 Write to us at **Friends Life, PO Box 1550, Salisbury SP1 2TW.**

- To make changes to your cover, please write to us at the above address.

How to make a claim

- To make a claim, please call **0845 602 9199** and ask to speak to our Claims Department. Or write to: **The Claims Department, Friends Life, PO Box 1550, Salisbury SP1 2TW.** We'll send a claim form for completion and return. This will detail our requirements. For a life cover claim we'll always need the death certificate.

How to complain

- Please contact our **Customer Relations Manager using details in the 'How to contact us' section on the previous page.**
- To see our procedures for dealing with complaints, please ask for our 'We Listen' leaflet.
- If you are not satisfied with our response you can contact:

**Financial Ombudsman Service,
South Quay Plaza, 183 Marsh Wall,
London E14 9SR
Telephone: 0800 023 4567 or 0300 123 9123
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk**

- Making a complaint won't affect your legal rights.

Terms and conditions

- This leaflet sets out the main points about our Business Protection Plan. It doesn't include all the definitions, exclusions, terms and conditions.
- If you would like a copy of the full terms and conditions, please ask your financial adviser or contact us direct.
- We have the right to change some of the terms and conditions. We'll write and explain if this happens.
- This leaflet complies with the ABI (Association of British Insurers) statement of best practice for critical illness cover. The ABI Guide to Critical Illness gives general information about critical illness cover. If you would like a copy, please let us know or write to:

ABI, 51 Gresham Street, London EC2V 7HQ

Law

- The law of England and Wales will apply unless your plan documents show otherwise.

Language

- Our plan documents and terms and conditions are in English and all our other communications with you will be in English.

Compensation

- If a financial adviser recommends this plan, you have a legal right to compensation if the Financial Ombudsman Service decides it wasn't suitable for your needs at the time.
- We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations you may be entitled to compensation under the scheme. For this type of plan, the scheme covers 90% of the claim. Please note that FSCS's first responsibility is to seek continuity of cover rather than to pay compensation. For further information see www.fscs.org.uk or **telephone 020 7741 4100.**

About Friends Life

- Friends Life Limited's main business is providing life assurance and protection products. It's entered on the FSA Register, number 196142.

Friends Life Limited

Registered Office: Pixham End, Dorking, Surrey RH4 1QA
Incorporated company limited by shares and registered in England and Wales number 4096141
Authorised and regulated by the Financial Services Authority

www.friendslife.com Telephone 0845 602 9189

Friends Life is a registered trade mark of the Friends Life group

