

PROTECTION
through the generations



This guide sets out the terms and conditions of your plan – how it works, what you can expect and what we expect of you.

Scottish Provident is a division of Royal London. The Royal London Group consists of The Royal London Mutual Insurance Society Limited and its subsidiaries.

These terms and conditions are part of the contract between you and Royal London, on behalf of Scottish Provident. The contract is governed by the following documents:

- this guide
- the plan schedule we give you which refers to the product guide for the Pegasus Whole of Life Plan (January 2018).

These documents are proof of the terms of the contract and are important. Please keep them in a safe place.

We give this booklet to everyone when they buy a Pegasus Whole of Life Plan. Not only will it give you all the details about the benefits you have bought, it will also give you important information about keeping your payments up to date, what to do if you want to make a change, and how to go about making a claim. It provides details of our plan, subject to additional features shown in your plan schedule. It can also be used by customers who are thinking about buying a Pegasus Whole of Life Plan and want more detailed information.

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Section A About the Pegasus Whole of Life Plan

The Pegasus Whole of Life Plan is a regular premium whole of life plan.

The plan is suitable if you want to provide protection:

- for your family;
- for your business; or
- against an inheritance tax liability by placing the plan under a suitable trust.

The benefits

The Pegasus Whole of Life Plan provides:

- death benefit; and
- premium payment benefit (sickness, accident or disability).

You can choose to have death benefit with or without premium payment benefit. As your needs change, you may be able to adapt your plan so that it provides the amount of benefit you need.

The benefits	When they pay out
Death benefit	If the life assured dies or is diagnosed with a terminal illness that meets our definition.
Premium payment benefit (sickness, accident or disability)	If the life assured, because of an illness or injury, meets our definition of disabled we will pay your plan premiums for you.

The plan has no cash in value at any time. If you stop paying premiums your plan will stop and you will not get anything back.

You can find all the details about these benefits in this product guide. Once you have chosen the benefits you want, you can apply using the Pegasus Whole of Life application form.

The options

The benefits you choose in the Pegasus Whole of Life Plan include different options to make your plan suit your particular circumstances. These are shown below.

What can vary	Options	Death benefit	Premium payment benefit	What the options mean
Which person is covered and when we pay the benefit	Single life	✓	✓	Single life means only one person is covered.
	Joint life first event	✓	✓	Joint life means two people are covered. First event means we will pay a death claim when the first of the lives assured dies.
	Joint life second event	✓	✓	Second event means we will pay a death claim when the second of the lives assured dies. For premium payment benefit we will pay a claim if the life assured meets our definition of disabled.
Maximum age when your plan/ benefits starts	84	✓		The oldest the life assured can be when the plan starts (attained age).
	64		✓	The oldest the life assured can be when the benefit starts or is added to your plan (attained age).
Maximum age when the benefit ends	N/A	N/A		For death benefit, the benefit will continue until death, provided you continue to pay the premiums for the plan.
	84		✓	The oldest the life assured can be when the benefit ends (age attained).
Payment of the benefit	Level lump sum	✓		Lump sum means the benefit is paid as a single amount.
	Increasing lump sum, increasing by retail price index (RPI)	✓		Increasing means the benefit amount will increase each year by RPI subject to a minimum of 2% and a maximum of 10%.
Basis of benefit and whether premiums change or not	Standard - guaranteed premium basis	✓	✓	Guaranteed means your premium for your plan will not change unless you change your benefits, for example, if you have an increasing lump sum benefit or you increase the benefit amount.
	Maximum - reviewable premium basis	✓	✓	Your starting reviewable premium is calculated to cover the first 10 years of the plan only. Reviewable means we review your premium after 10 years and then every 5 years. Premiums are calculated to cover the period until the next review only and are expected to increase significantly on review.
Definition of disabled (section D)	Own occupation		✓	Own occupation means the essential duties of your own occupation (see section D).
	1 year own occupation		✓	1 year own occupation means the essential duties of your own occupation paid for 1 year, or you meet one of the serious illness definitions, or you are unable to perform 3 out of 9 everyday tasks (see section D).
Deferred period	13, 26 or 52 weeks		✓	The time before we start to pay a claim if you are not working due to illness or injury.
Increase options (section C)	Mortgage	✓		If your plan is accepted on standard rates, you can increase your death benefit without any medical evidence if any of these events happen. The increase is subject to the limits set out in section C.
	Childbirth or adoption	✓		
	Marriage/civil partnership	✓		
	Salary increase	✓		
	Business loan	✓		
	Increase in shareholding	✓		
	Increase in share value	✓		
	Increase in value of an important employee	✓		
IHT increase options	✓			

Section A About the Pegasus Whole of Life Plan continued

Tell us about changes

Please remember to tell us if:

- you change your name
- you change your address
- you change your bank account
- there is any change to any of the answers to the questions within the application (including in relation to the life assured's health, occupation or leisure activities) or any other information you or the life assured provide between the date the answer or the information is provided and the date Scottish Provident starts the plan. If you do not do this, and this affects the terms that we would offer you, we may not pay the full amount of your claim, we may have to amend the terms of your cover, or at worst cancel the plan and not pay out. We will give you a copy of your application form, and any other information we have been given, if you ask us.

It will help if you have your plan number to hand when you contact us. You can:

- phone us on 0345 271 0900
- email us at supportline@scottishprovident.co.uk
- fax us on 0345 270 5110
- write to us at Scottish Provident, 301 St Vincent Street, Glasgow, United Kingdom G2 5PB
- visit us at www.scottishprovident.com

If you call us we may record or monitor your call so we have an accurate record of your instructions.

Please contact us as soon as possible if you are claiming on a benefit so that we can deal with your claim as quickly as possible.

Section B Payment of claims

How much we will pay

Death benefit

We will pay the benefit amount shown on your plan schedule. If you have an increasing death benefit we will pay the benefit amount we have written to tell you following an increase.

Premium payment benefit

We will pay the premium for your plan during the period the life assured is disabled.

When we will pay a claim

Death benefit

The options	When will we pay a claim
Single life	When the life assured dies or is diagnosed with a terminal illness that meets our definition listed in section D.
Joint life first event	When the first of the lives assured dies or is diagnosed with a terminal illness that meets our definition listed in section D.
Joint life second event	When the second of the lives assured dies or is diagnosed with a terminal illness that meets our definition listed in section D.

Premium payment benefit

We will start paying this benefit if the life assured (or if there are two lives assured, either of them), meets our definition of disabled for longer than the deferred period, during the term of the premium payment benefit. The definitions of disabled are listed under premium payment benefit (sickness, accident or disability) definition of disabled (also known as waiver of premium) in section D. For the avoidance of doubt, if there is more than one life assured and both lives assured meet our definition of disabled at the same time, we will pay your premium until both lives recover and no longer meet our definition of disabled.

We will continue to pay a claim until the earliest of the following events happen:

- the life assured is no longer disabled;
- the life assured returns to work;
- the benefit ends; or
- the life assured dies.

We may ask the life assured to be examined by a doctor or relevant health specialist of our choice. We may ask for any other reasonable evidence we need to consider the claim, or to confirm that the life assured remains disabled.

Section B Payment of claims continued

Connected claims

A connected claim happens if we start to pay a claim, and the life assured then goes back to work but has to stop work again within the next 52 weeks. We will treat the further period of disability as a connected claim and start to pay the benefit straight away provided that:

- the life assured did not go back to work against the advice of their doctor;
- the life assured is disabled from the same cause as the original claim;
- the life assured is still working in the same occupation at the time the further period of disability starts; and
- you tell us within 2 weeks of the date the life assured stops work again.

The definition of disability we will use to assess a connected claim is the definition that would have applied if the two periods of incapacity had been a single period. If your plan schedule shows that the own occupation definition applies, we will start to pay the benefit again straight away.

If your plan schedule shows that the 1 year own occupation definition applies and we had paid 12 monthly payments of benefit before the life assured returned to work, we will only start to pay the benefit again if the life assured meets the requirements of either the serious illness, everyday tasks or life tasks definition of disability.

If your plan schedule shows that the 1 year own occupation definition applies and we had not paid 12 monthly payments of benefit before the life assured returned to work, we will use the 1 year own occupation definition until we have made 12 monthly payments of benefit. We will then reassess the claim and will only continue to pay the benefit if the life assured meets the requirements of either the serious illness, everyday tasks or life tasks definition of disability.

When we will not pay a claim

We will not pay a claim if it is as a result of any exclusion shown on your plan schedule.

Death benefit

If the cause of the claim is the death of the life assured through intentional self inflicted injuries within one year of:

- you taking out the benefit or the benefit being reinstated, we will not pay the claim; or
- an increase in the benefit amount (other than an automatic increase by the rate of inflation) we will not pay the increase.

This does not affect the payment of the benefit to any recognised lending institution to whom the plan has been assigned for mortgage or loan purposes.

Intentional self inflicted injuries in relation to death claims means, in our reasonable opinion, the most likely cause of death is that the life assured took his or her own life, whether or not specifically shown as a verdict or cause of death in a death certificate, coroner's report or other equivalent documentation.

We will not pay your claim if the cause of the claim is terminal illness and the life assured does not meet our definition of terminal illness in section D.

Premium payment benefit

We will not pay your benefit if your claim is caused by intentional self inflicted injuries. Intentional self inflicted injuries in relation to premium payment benefit claims means any injury the life assured has suffered that is, in our reasonable opinion, as a result of his or her own deliberate act.

We will not pay your benefit if the life assured does not meet the definition of disabled in section D or any medical or other evidence is not supplied when we ask for it.

Section C Operating your plan

How to make a claim

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

1. call us on 0345 271 0007
2. fill out the claim form that we will send you and send it back to us with any other documents we request
3. continue to pay the premiums for your plan.

Depending on the nature of the claim, we may need one or more of the following:

- the birth, marriage or death certificate of the life assured;
- any other evidence of a change of name; and
- medical evidence relating to the life assured which may include full medical records.

We will tell you when we write to you enclosing the claim form which of these we need and if we need anything else.

We will pay the reasonable cost of all medical reports or evidence we ask for.

All diagnoses must:

- be made by a consultant at a hospital within the geographical limits shown below who is a specialist in an area of medicine appropriate to the cause of the claim;
- be the first and unequivocal diagnosis of a terminal illness; and
- be confirmed by our chief medical officer.

For premium payment benefit, we will restrict claims to certain parts of the world. This means that if the life assured is living or working outside the United Kingdom and you need to make a claim, the life assured may have to return to one of the following countries:

Australia, Austria, Belgium, Bulgaria, Canada, the Channel Islands, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Hungary, Iceland, the Isle of Man, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Poland, Portugal, the Republic of Ireland, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

We reserve the right to stop paying a claim, or not pay it, if you do not provide any evidence we ask for or the information that is provided is inaccurate, incomplete or incorrect.

By submitting your completed application form, you are confirming to us that the information you have given us is true and complete to the best of your knowledge and belief, especially in relation to the questions we have asked about the health of the life assured. You agree to tell us if there is any change to any of the answers to the questions within the application (including in relation to the life assured's health, occupation or leisure activities) or any other information you or the life assured provide between the date the answer or the information is provided and the date Scottish Provident starts the plan. If you do not do this and this affects the terms that we would offer you, your insurance may be cancelled and may not pay out in the event of a claim.

Section C Operating your plan continued

Who we will pay the benefit to

We will pay the benefit amount to the person legally entitled to receive it. This will depend on the nature of the claim, your circumstances at the time and whether the plan has been assigned or put under trust.

Normally we will pay the benefit amount to the plan owner or their personal representatives if the plan owner has died. We may need an original Grant of Probate or Letters of Administration (or Grant of Confirmation if the deceased lived in Scotland) before we will pay any benefit amount to them. We will return this when we pay the claim.

If the plan has been assigned we will pay the benefit to the assignee. Assignees must send us the original deed of assignment before we will pay any benefit amount to them.

If the plan is under trust, we will pay the benefit amount to the trustees. The trustees must then follow the terms of the trust to distribute the money to the chosen beneficiaries. Trustees must send us the original trust deed and any deeds altering the trust before we pay any benefit amount to them. We will return these when we pay the claim.

The premium for your plan

Your first premium becomes payable on the date your plan starts. We will collect this on or shortly after the date the plan starts, by Direct Debit or by cheque (annual premium only) as agreed with you.

If you are making monthly or annual premium payments, these will be payable on the same day each month or year. They will be collected on the day you instructed in the application form or such other date as we subsequently agree with you.

What happens if you do not pay the premiums

Monthly premiums are payable as instructed in your application form. One month of grace is allowed for the payment of yearly premiums.

If a monthly premium has not been paid when due or if a yearly premium has not been paid within the period of grace, we will notify you of the premium arrears process. If any premium remains unpaid once our arrears process has been completed, we will cancel your plan (it has no cash in value) and you will no longer be covered. The arrears process will end no later than 3 months after the date of the first unpaid premium. We will write to you to confirm that your plan has been cancelled.

If we admit a claim before the completion of the arrears process, we will deduct the amount of unpaid premiums from the claim amount.

Restarting your plan

If we cancel your plan because you did not pay your premium, you may ask us to restart your plan. When you ask, we will tell you what we need to restart your plan. There may be times when we are not able to restart your plan. If this happens, we will explain our decision to you.

When and how we may change your payment to us

When you start your plan you will already have decided whether you want standard - guaranteed premium or maximum - reviewable premium basis. You will also have selected whether you need a level lump sum or increasing lump sum death benefit. We explain below how the decisions you have made will impact on the premium you will need to pay for your plan.

Standard - guaranteed premium basis

Level lump sum death benefit	We guarantee that provided you pay your premiums on time, your premium for your plan will not change unless you request a change to your benefit.
Increasing lump sum death benefit	<p>We guarantee that provided you pay your premiums on time, your premium for your plan will not change apart from the changes described below, unless you request a change to your benefit.</p> <p>On each anniversary of the date your plan started, your premium for an increasing lump sum death benefit will increase. Your premium will increase by the rate of inflation (defined in section D) multiplied by 2.</p> <p>We will tell you how much the increase will be at least 4 weeks before the increase takes place.</p>

Maximum - reviewable premium basis

Level lump sum death benefit	<p>We guarantee that provided you pay your premiums on time, your premium will not change until your plan has been in force for 10 years from the date it started. Once we have reviewed your plan after 10 years, we will carry out further reviews at 5 yearly intervals thereafter. You should expect your premium to increase significantly on review.</p> <p>If you request a change to your benefit, the premium may change as a result.</p>
Increasing lump sum death benefit	<p>We guarantee that provided you pay your premiums on time, your premium will not change until your plan has been in force for 10 years from the date it started, apart from the changes described below. Once we have reviewed your plan after 10 years, we will carry out further reviews at 5 yearly intervals thereafter. You should expect your premium to increase significantly on review.</p> <p>On each anniversary of the date your plan started, your premium for an increasing lump sum death benefit will increase. Your premium will increase by the rate of inflation (defined in section D) multiplied by 2.</p> <p>We will tell you how much the increase will be at least 4 weeks before the increase takes place.</p> <p>If you request a change to your benefit, the premium may change as a result.</p>

Section C Operating your plan continued

The cost of your death benefit increases with age. Maximum – reviewable premium basis calculates the premium to cover the period to the next review date only, at which point the premium will be calculated taking into account the fact that you will be older and the time to the next review. Premiums are therefore expected to increase significantly at each review.

This is in contrast to standard – guaranteed premium basis where the premium is calculated to provide cover over the lifetime of your plan.

When your premium increases on review the new premium you will have to pay may be higher than a Standard – guaranteed premium basis would have been.

The premium at review will also change based on our future outlook on:

- claims;
- investment return;
- expenses;
- the tax and regulatory environment; and
- reinsurance premiums.

Once reviewed, your premium will be guaranteed for a further 5 years until the next review date.

There is no limit to the amount your premium will increase by but the change will be fair and reasonable based on our consideration of the factors above.

We will give you 30 days' notice before we change your premium, but you can tell us to keep it at the same level and reduce the amount of your death benefit instead.

If you choose premium payment benefit, this benefit will end on attaining age 85. This means your premium will automatically reduce on attaining age 85.

Changing your plan

Increasing benefits

This only applies to any death benefit that is payable as an increasing lump sum.

On each plan anniversary of the date the plan started, the amount of your death benefit will increase by the rate of inflation (as defined in section D).

We will write to you at least 4 weeks before the increase takes place to tell you how much the increase will be and how much your new premium will be. If you do not want your benefit amount to increase, you must tell us and we will change your benefit to a level lump sum.

Increase options

This only applies to death benefit if your plan was accepted on standard rates.

The life assured must be under age 55 at the time of the increase (under age 70 for inheritance tax (IHT) increase options). If there is more than one life assured, both of them must be under age 55 (or under age 70 for IHT increase options).

You must exercise these options within 3 months of each event happening.

We do not need any further medical evidence but we will need to see evidence including financial evidence of the event.

These options do not apply to any benefit or plan which has been taken out under an increase option.

You cannot increase your death benefit using this option if we are currently paying a premium payment benefit claim or considering a claim, or the life assured has received a diagnosis or possible diagnosis from a member of the medical profession of a condition that would allow you to make a claim under this plan.

For all increase options, you can increase your benefit within the limits shown below following any of the events described.

You can increase your benefit amount on more than one occasion but the maximum aggregate increase for all events (under inheritance tax increase options and personal and business increase options) is limited to

- 50% of the original benefit amount; or
- £250,000,

whichever is lower.

Personal and business options

You can increase your benefit amount on more than one occasion but the maximum aggregated increase for all personal and business events is limited to the lower of:

- 50% of the original benefit amount; and
- £150,000.

This means if you do not use the inheritance tax increase options described on page 12, the maximum overall increase you can make is limited to 50% of the original benefit amount up to a maximum of £150,000.

The personal and business increase option events are:

- marriage/civil partnership – This option allows you to increase the benefit amount if the life assured legally gets married or enters into a civil partnership. We will need a copy of the marriage/civil partnership certificate as evidence.
- childbirth/adoption – This option allows you to increase the benefit amount if the life assured becomes a parent through the birth of a child or by legally adopting a child. We will need a copy of the birth or adoption certificate as evidence.

Section C Operating your plan continued

- mortgage increase – You can increase the benefit amount if the life assured increases his or her mortgage because of moving house or making home improvements. The increase must be for their home or principal private residence and they must not currently be in arrears on their mortgage payments. We will need a copy of the loan offer or confirmation of a mortgage advance taking place as evidence.
- salary increase – This option allows you to increase the benefit amount if the life assured has been promoted or they move to another job and as a result of this their salary increases. You can increase the benefit by the percentage difference between their new and old salary. However, the increase in their salary must be at least 10%. We will need written confirmation from their employer or HM Revenue & Customs (or equivalent body) as evidence.
You cannot make an increase using this option if the life assured is self-employed, a controlling director or if they can decide on the amount of their salary.
- business loan – If you took out your plan in connection with a business mortgage or loan you can increase your benefit amount following an increase to your business mortgage or loan (but not increasing an overdraft). We will need written confirmation from the lender or a copy of the new loan offer as evidence.
- partnership or shareholder option – If you took out your plan in connection with a partnership or directors' share purchase arrangement, you can increase your benefit amount following an increase in the value of a partner's or shareholding director's interest in the business. We will need to see evidence of the increase of the shareholding in the business you own.
- share value – If you took out your plan as part of a share-purchase arrangement, you can increase your benefit amount following an increase in value of the shares of the business. We will need to see how the value has been calculated and may need to see a copy of the business accounts. You can only use this option once every 3 years and within 3 months of the relevant plan anniversary.
- key person – This option allows you to increase the benefit amount following an increase in value of the key person based on an increase in salary or increase in gross profits attributable to that person. You can increase by a maximum of:
 - 5 times the amount of the increase in salary; or
 - twice the increase in gross profits attributable to that person,

subject to the limits above. We will need to see how this increase in value of a key person has been calculated and may need to see copies of the business accounts. You can only use this option once every 3 years and within 3 months of the relevant plan anniversary.

Inheritance tax increase options

You can increase your benefit amount on more than one occasion but the maximum aggregate increase for all inheritance tax increase events is limited to the lower of:

- 50% of the original benefit amount; and
- £250,000.

The inheritance tax increase option events are:

- inheritance tax increase due to increase in value of estate – This option allows you to increase the benefit amount by the increase in value of the life assured's estate over the previous 3 years or since the last time this increase option was used. We will need to see evidence of this increase. You must use this option every 3 years from the date your plan starts. If you do not use this option every 3 years, the option will stop being available.

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- inheritance tax (IHT) legislation change – If the Government announces an increase to the IHT tax rate or a reduction in the rates bands, exemptions or reliefs, you can increase your benefit amount by the lower of:
 - the percentage increase in the IHT liability (for the purposes of this calculation we will assume that the IHT liability before the changes was the same as the death benefit amount); and
 - the actual amount of the increase in the IHT liability as a result of the change in legislation.

The increase in benefit will:

- be on the terms and conditions of your original benefit; and
- include the same additional features as the original benefit.

We will base your premium for the increase in benefit on:

- our rates of premium at the time of the increase; and
- the age of the life assured at the date the increase in benefit starts.

Changing your plan in other ways

You can ask us to change your plan in other ways at any time. For example, you may want to increase your existing benefit without using the increase option above or you may want to decrease your benefit. We may need to ask the life assured for new medical evidence. We will tell you what we need when you tell us how you want to change your plan.

General terms and conditions

Source of benefit

The plan is issued out of our Ordinary Long Term Business Fund but is not eligible to participate in the profits of that fund or any other fund.

Membership of Royal London

The plan does not entitle you to membership of The Royal London Mutual Insurance Society Limited.

Cancelling your plan

When your plan starts you have the right to change your mind and cancel your plan. You have 30 days to cancel your plan from the date your plan starts or the date you receive the product guide and plan schedule if this is later than the date your plan starts. If you cancel your plan in this time we will refund any premiums you have paid to us. If you change your mind and want to cancel your plan you can do this by giving written notice to us at Scottish Provident.

You may cancel your plan at any other time by giving written notice to us at Scottish Provident. If you do this your plan will end and you will not get anything back.

You should also contact your bank to cancel your Direct Debit instruction. If your plan is jointly owned, both owners must give us written notice. If your plan is under trust, or if you have assigned your legal rights under the plan to someone else, the trustees or assignee must give us written notice to cancel the plan.

Section C Operating your plan continued

Cash value

The plan does not have any cash value at any time.

Payment of claims

We will pay all claims by direct credit to a bank account or another method we agree with you.

For the avoidance of doubt, any payment due as a result of the death of a joint owner of the plan will be made to the surviving owner (or, where applicable, to the trustee or assignee of the plan).

Interest

We may pay interest if payment of any claim is delayed by more than two calendar months after the claim event.

Termination of your plan

Your plan will stop on the earliest of:

- you stopping the premium payments for your plan (see 'The premium for your plan' in section C); or
- payment of a death benefit claim.

For premium payment benefit claims, we will pay your premium while the life assured is disabled. When the life assured recovers you must resume paying your premium or your plan will end. 'The premium for your plan' in section C describes what will happen if the premium stops and what options you have to reinstate your plan.

When we may change the terms and conditions applying to your plan or cancel your plan

We may make changes to the terms and conditions applying to your plan (including your premium payments to us) in the circumstances set out below or we may cancel your plan in the circumstances set out below. We will, where appropriate, take account of actuarial advice when we do so.

We will normally give you 90 days written notice of a change. This may not be possible for changes which are outside our control. We will give you as much notice as we can in such circumstances.

We may make changes to the terms and conditions applying to your plan including your premium payments to us or cancel your plan if:

- you do not tell us about any change to the answers to the questions within the application (including in relation to the life assured's health, occupation or leisure activities) or any other information you or the life assured provide between the date the answer or information is provided and the date Scottish Provident starts your plan;
- you do not provide your consent for us to request medical information within 6 months of the start of the plan from any doctor you have consulted about your physical or mental health to check the accuracy of any statement made in, or in connection with, your application;
- any statement made in, or in connection with, your application is inaccurate or misleading and this affects the terms we offer you;
- you make a claim and we find that you have not told us something that affects your plan;
- you do not keep your plan premium up to date.

We may make changes to the terms and conditions applying to your plan (including your premium payments to us) that we reasonably consider are proportionate in the circumstances if, because of a change in legislation, regulation or established practice in relation to such legislation or regulations or any relevant change or circumstance beyond our control:

- it becomes impractical or impossible to give full effect to the terms and conditions applying to your plan;
- failing to make the change could, in our reasonable opinion, result in our policyholders not being treated fairly; or
- the way that we are taxed or the way that your plan is taxed is changed.

We may make changes to the terms and conditions applying to your plan (including your premium payments to us) that we reasonably consider will not adversely affect you. These may include, for example, changes which are required in order to reflect new services or features that we wish to make available to you.

We may make changes to the terms and conditions applying to your plan (including your premium payments to us) if we become aware of any error or omission in this product guide. We will only make such changes to bring the product guide in line with your plan schedule or the key features document relevant to your plan.

Contract

The contract between you and Royal London consists of these terms and conditions, which we may amend as we reasonably consider is proportionate in the circumstances in accordance with 'The premium for your plan', 'Changing your plan' and 'When we may change the terms and conditions applying to your plan or cancel your plan' in the 'General terms and conditions' sections of this product guide, and any additional terms and conditions detailed in the plan schedule and key features document you will have been given by your financial adviser. Where there is a conflict between these terms and any of the terms set out in the plan schedule, those terms set out in the plan schedule will prevail.

Mis-statement of age

If when you took out your plan we were told the life assured is older than they really are, we will reduce the payments to the amount that would have been charged if we had been told their correct age and refund any overpayment that has been made.

If when you took out your plan we were told the life assured is younger than they really are, we will reduce the amount of benefit to the amount that would have been available if we had been told their correct age. This means that, for any claim, we will pay an amount which is lower than the amount shown on your plan schedule.

Change of occupation

You do not need to tell us if the life assured changes their occupation. We will assess any claim under premium payment benefit based on their occupation immediately before the claim event happens.

Complaints

We hope that you will never have reason to complain, but if you do, you can write or call our Customer Relations Team. Contact details are as follows:

Scottish Provident, 301 St Vincent Street, Glasgow G2 5PB

Phone: 0345 271 0900

Section C Operating your plan continued

We always hope that we are able to sort out your issue. However, if we have not been able to satisfy your complaint or have not sent you a final response after 8 weeks you can write to the Financial Ombudsman. The Financial Ombudsman would usually only investigate the complaint once our internal complaints process had been completed. Contact details are as follows:

Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR

Phone: 08000 234 567 (free from a UK landline) or 0300 1239 123

(free for mobile phone users who pay a monthly charge for calls to numbers starting 01 or 02)

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

Fax: 0207 964 1001

If you make a complaint to the Ombudsman, it will not affect your right to legal action.

We have made our complaints procedure simple to follow, so that you should not have to use a solicitor or seek professional help. If you choose to do this, you will be responsible for the costs.

A copy of our complaints procedure is available on request.

If we cannot meet our liabilities

Your plan is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation if we are unable to meet our obligations. This depends on the type of business and the circumstances of the claim. You can get more details from FSCS online at www.fscs.org.uk or by contacting them at:

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

Phone: 0800 678 1100 or 0207 741 4100

Fax: 0207 741 4101

Law

The law of England and Wales applies to this plan. If you reside in the Channel Islands or the Isle of Man your plan will be governed by the law of England and Wales and held under Seal unless otherwise agreed.

Notices of assignment

If you assign any of your legal rights under the plan to someone else, we must see notice of the assignment.

This notice must be sent to Scottish Provident at:

301 St Vincent Street, Glasgow G2 5PB

An assignment could take place when you are using the plan as security for a loan or the plan is put under trust.

Rights of third parties

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

Section D Definitions

The words defined below will help you to understand the terms and conditions explained in this product guide.

Benefits

The different types of insurance you can choose within the Pegasus Whole of Life Plan, for example, death benefit or premium payment benefit (sickness, accident or disability).

Deferred period

The period during which the life assured must be disabled before we pay any claim for benefit.

Earned income

For an employed person, earned income means gross taxable earnings for PAYE assessment purposes currently shown on the HM Revenue & Customs form P60.

This can include:

- regular commission and bonuses received;
- dividends received from a private limited company in which the life assured and not more than 3 other shareholders are employed as full time working directors. The dividend amount must:
 - represent the life assured's share in the net trading profit of that company from its normal regular business; and
 - be consistent with the trading position of the company.

For a self-employed person, earned income means the life assured's:

- share of pre-tax profit (after deduction of trading expenses and adjustment for capital allowances) from your trade, profession or vocation for the purposes of Income Tax (Trading and Other Income) Act 2005 (ITTOIA 2005), Part 2 (trading income); and/or
- earned income confirmed by HM Revenue & Customs or by the tax authorities in the relevant country for earnings outside the United Kingdom.

Income from savings and investments is not included in our definition of earned income.

Employed

The person covered working for remuneration under a contract of employment and paying class 1 National Insurance contributions.

Full time

The life assured must be in a full time (16 hours or more each week) remunerative occupation.

Life assured or lives assured

The person or persons specified as such in the plan schedule.

Occupation

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

Ordinary UK driving licence

A group 1 licence as defined in the The Motor Vehicles (Driving Licences) Regulations 1999 as amended by The Motor Vehicles (Driving Licences) (Amendment) Regulations 2012, The Motor Vehicles (Driving Licences) Regulations (Northern Ireland) 1996 and any future amendment to UK legislation which defines a group 1 licence.

Owner

The person or persons who is or are for the time being legally entitled to deal with the plan.

For company or limited liability partnership owned plans, the company or limited liability partnership must be registered in the UK.

Plan

The plan referred to in the plan schedule.

Plan anniversary

The anniversary of the plan start date.

Plan schedule

The schedule which accompanies this product guide (whether issued at the same time as, or subsequent to this product guide).

Plan start date

The date shown as such on the plan schedule.

Section D Definitions continued

Premium payment benefit (sickness, accident or disability) definition of disabled (also known as waiver of premium)

The availability of work is not a factor in assessing whether the life assured is disabled.

The plan schedule shows which definition applies to premium payment benefit.

If the life assured reaches age 65 while a premium payment benefit claim is being paid, we will reassess the claim at that time based on the life tasks definition. This could mean we stop paying the claim.

Own occupation definition

Being disabled according to all the requirements of any 1 of the following 4 definitions:

- 1) Own occupation definition – unable before age 65 to do your own occupation

If the life assured is under age 65 and in a **full time** paid occupation immediately before the start of the disability, we will consider the life assured to be disabled if they meet the following definition:

Loss of the physical or mental ability through an illness or injury before age 65 to the extent that the life assured is unable to do the material and substantial duties of their own occupation. The material and substantial duties are those that are normally required for, and/or form a significant and integral part of, the performance of the life assured's own occupation that cannot reasonably be omitted or modified.

Own occupation means the trade, profession or type of work the life assured does for profit or pay. It is not a specific job with any particular employer and is irrespective of location and availability.

If the life assured is under age 65 and not in a **full time** paid occupation immediately before the start of the disability, we will consider the life assured to be disabled if they meet any one of the Serious Illness definitions below whilst they are unable to work in their own occupation in any capacity.

- 2) Serious Illness

If the life assured is under age 65 and is not in a **full time** paid occupation immediately before the start of the disability, we shall consider the life assured to be disabled if they meet any of the following definitions whilst they are unable to work in their own occupation in any capacity:

- (a) **Blindness** – permanent and irreversible loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.
- (b) **Cancer** – undergoing chemotherapy or radiotherapy in hospital or having received one of these treatments in hospital within the last 3 months.
- (c) **Complete dependency** – being totally incapable of caring for oneself, requiring 24 hour medical supervision in a hospital or nursing home.
- (d) **Deafness** – permanent and irreversible loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.
- (e) **Dialysis** – undergoing dialysis in hospital or having received this treatment in hospital within the last 3 months.
- (f) **Organic brain disease** – being disabled through an organic brain disease or brain injury which:
 - affects the ability to reason and understand; and
 - the condition has deteriorated to the extent that continual supervision and the assistance of another person is required.
- (g) **Terminal illness** – a definite diagnosis by the attending Consultant of an illness that 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.

If the life assured is under age 65 and is not in a **full time** paid occupation immediately before the start of the disability, and they do not meet any of the definitions

(a) to (g) above, we will consider the life assured to be disabled if they are unable to perform, on a continuous basis, 3 of the 9 everyday tasks below, whilst they are unable to work in their own occupation in any capacity.

3) Everyday tasks – unable to do at least 3 specified tasks

Being disabled according to all of the requirements of the following definition:

Loss of the physical ability through an illness or injury to do at least 3 of the 9 everyday tasks listed below whilst they are unable to work in their own occupation in any capacity.

The life assured must need the help or supervision of another person and be unable to perform the task on their own, even with the use of special equipment routinely available to help and having taken any appropriate prescribed medication.

The everyday tasks are:

- **Sitting** – sit in a chair for at least 30 minutes without unreasonable discomfort.
- **Standing** – stand and perform light tasks such as making a cup of tea, using one hand for support, for a period of at least 5 minutes.
- **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.
- **Maintaining an ordinary UK driving licence** – reasonable medical opinion prevents the life assured obtaining an **ordinary UK driving licence**.
- **Writing** – the manual dexterity to write legibly using a pen or pencil, or type using a desk top personal computer keyboard.

If the life assured is aged 65 or more immediately before the start of the disability or reaches the age of 65 during a period of disability, we will consider the life assured to be disabled if they meet the life tasks definition below.

4) Life tasks – unable to look after yourself on or after age 65

Loss of the physical ability through an illness or injury on or after age 65 to do at least 3 of the 6 life tasks listed below.

The life assured must need the help or supervision of another person and be unable to perform the task on their own, even with the use of special equipment routinely available to help and having taken any appropriate prescribed medication.

The life tasks are:

- **Washing** – the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means.
- **Getting dressed and undressed** – the ability to put on, take off, secure and unfasten all garments and, if needed, any braces, artificial limbs or other surgical appliances.
- **Feeding yourself** – the ability to feed yourself when food has been prepared and made available.
- **Maintaining personal hygiene** – the ability to maintain a satisfactory level of personal hygiene by using the toilet or otherwise managing bowel and bladder function.
- **Getting between rooms** – the ability to get from room to room on a level floor.
- **Getting in and out of bed** – the ability to get out of bed into an upright chair or wheelchair and back again.

Section D Definitions continued

1 year own occupation definition

Being disabled according to all the requirements of any 1 of the following 4 definitions:

- 1) 1 year own occupation definition – unable to do your own occupation

If the life assured is under age 65 and in a **full time** paid occupation immediately before the start of the disability we will consider the life assured to be disabled if they meet the following definition:

Loss of the physical or mental ability through an illness or injury to the extent that the life assured is unable to do the material and substantial duties of their own occupation. The material and substantial duties are those that are normally required for, and/or form a significant and integral part of, the performance of the life assured's own occupation that cannot reasonably be omitted or modified.

Own occupation means the trade, profession or type of work the life assured does for profit or pay. It is not a specific job with any particular employer and is irrespective of location and availability.

If:

- we have credited the payments to the policy for one year; or
- the life assured is not in a **full time** paid occupation immediately before the start of the disability,

we shall consider the life assured to be disabled if they meet any one of the serious illness definitions below whilst they are unable to work in their own occupation in any capacity.

- 2) Serious illness

If the life assured is under age 65 and is not in a full time paid occupation immediately before the start of the disability, we shall consider the life assured to be disabled if they meet any of the following definitions whilst they are unable to work in their own occupation in any capacity:

- (a) **Blindness** – permanent and irreversible loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.

- (b) **Cancer** – undergoing chemotherapy or radiotherapy in hospital or having received one of the treatments in hospital within the last 3 months.

- (c) **Complete dependency** – being totally incapable of caring for oneself, requiring 24 hour medical supervision in a hospital or nursing home.

- (d) **Deafness** – permanent and irreversible loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.

- (e) **Dialysis** – undergoing dialysis in hospital or having received this treatment in hospital within the last 3 months.

- (f) **Organic brain disease** – being disabled through an organic brain disease or brain injury which:

- affects the ability to reason and understand; and
- the condition has deteriorated to the extent that continual supervision and the assistance of another person is required.

- (g) **Terminal illness** – a definite diagnosis by the attending Consultant of an illness that 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.

If:

- we have credited the payments to the policy for one year; or
- the life assured is not in a **full time** paid occupation immediately before the start of the disability,

and the life assured is under age 65 and does not meet any of the definitions (a) to (g) above, we will consider the life assured to be disabled if they are unable to perform, on a continuous basis, at least 3 of the 9 everyday tasks listed below, whilst they are unable to work in their own occupation in any capacity.

3) Everyday tasks – unable to do at least 3 specified tasks
Being disabled according to all of the requirements of the following definition.

Loss of the physical ability through an illness or injury to do at least 3 of the 9 everyday tasks listed below whilst they are unable to work in their own occupation in any capacity.

The life assured must need the help or supervision of another person and be unable to perform the task on their own, even with the use of special equipment routinely available to help and having taken any appropriate prescribed medication.

The everyday tasks are:

- **Sitting** – sit in a chair for at least 30 minutes without unreasonable discomfort.
- **Standing** – stand and perform light tasks such as making a cup of tea, using one hand for support, for a period of at least 5 minutes.
- **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.
- **Maintaining an ordinary UK driving licence** – reasonable medical opinion prevents the life assured from obtaining an **ordinary UK driving licence**.
- **Writing** – the manual dexterity to write legibly using a pen or pencil, or type using a desk top personal computer keyboard.

If the life assured is aged 65 or more immediately before the start of the disability or reaches the age of 65 during a period of disability, we will consider the life assured to be disabled if they meet the life tasks definition below.

4) Life tasks – unable to look after yourself on or after age 65

Loss of the physical ability through an illness or injury on or after age 65 to do at least 3 of the 6 life tasks listed below.

The life assured must need the help or supervision of another person and be unable to perform the task on their own, even with the use of special equipment routinely available to help and having taken any appropriate prescribed medication.

The life tasks are:

- **Washing** – the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means.
- **Getting dressed and undressed** – the ability to put on, take off, secure and unfasten all garments and, if needed, any braces, artificial limbs or other surgical appliances.
- **Feeding yourself** – the ability to feed yourself when food has been prepared and made available.
- **Maintaining personal hygiene** – the ability to maintain a satisfactory level of personal hygiene by using the toilet or otherwise managing bowel and bladder function.
- **Getting between rooms** – the ability to get from room to room on a level floor.
- **Getting in and out of bed** – the ability to get out of bed into an upright chair or wheelchair and back again.

Section D Definitions continued

Rate of inflation

The percentage increase calculated by us in the United Kingdom Government's Retail Prices Index (RPI) (or in the event RPI is unavailable, another index as we shall reasonably determine) over the 12 month period ending 3 months prior to the plan anniversary subject to a minimum of 2% and a maximum of 10%.

Royal London

The Royal London Mutual Insurance Society Limited.

Self-employed

The life assured actively working:

- alone;
- with others in partnership;
- or as a member of a limited liability partnership; and
- paying class 2 National Insurance contributions and being assessable to income tax under Part 2 of the Income Tax (Trading and Other Income) Act 2005.

Scottish Provident

Scottish Provident is a division of Royal London.

The Royal London Group consists of The Royal London Mutual Insurance Society Limited and its subsidiaries.

Terminal illness

A definite diagnosis by the attending consultant of an illness that 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.

We or us

Scottish Provident as defined in the plan schedule. Our and ourselves have corresponding meanings.

You or your

The plan owner or their legal successors except where a different meaning is given in this product guide.

Additional help and support

Lifeline

It is not just the big events in life that can be challenging. Small, everyday problems can raise our stress levels, but sometimes a bit of help can set us back on the right track.

With this in mind, we have set up Lifeline, a totally confidential, free* service, available 24 hours a day, 365 days a year.**

One call will put you in touch with a team of trained experts who are there to help.

What kind of advice can I get from Lifeline?

Legal enquiries team

Support and information on personal and commercial legal matters; from resolving property problems with neighbours to employment rights or compensation issues. Our experts can either guide you on getting the best from your existing legal representatives, or can help you directly themselves.

Medical information and lifestyle issues

A team of experienced, registered nurses and medical experts are on hand to answer your medical queries. They can give you help and emotional support with general healthcare issues, answer specific questions or give you more information on drugs or other physical conditions.

Free and confidential

Lifeline is a confidential helpline offering legal and medical advice. We are sorry but Lifeline is not able to give financial advice. Your financial adviser is there to help with that.

Please note that Lifeline is provided by a separate company from Scottish Provident. All advice is therefore independent from Scottish Provident. We can withdraw the Lifeline service or change the company providing it at any time.

Keep your Lifeline card
in a safe place –
you never know when
you might need it.

* Free, except the cost of a local rate phone call.

** The tax and legal helplines are only available 9am to 5pm, Monday to Friday.



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