

explaining skandia protect

flexible life and critical illness cover



enabling intelligent investment choice

This brochure gives details about how Skandia Protect policies work. You should also read the Key Features Document for Skandia Protect, which your financial adviser will have given you together with your personal Key Features Illustration. If you need more details about Skandia Protect, please ask your financial adviser for a copy of the policy terms.

Skandia Protect will give you insurance for a set period, or to last throughout your life. Depending on the cover you choose, we will pay out a cash sum if you get one of the critical illnesses listed, or when you die. If you choose to add total permanent disability cover (see page 12), we will pay the cash sum if ill-health or an accident stops you ever working again.

When your life changes, and you need more insurance cover, Skandia Protect is flexible enough to let you increase your cover.


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glossary

This section explains some of the words we use to describe Skandia Protect.

Critical illness cover

Insures you against suffering from, or needing to have surgery for, any of a list of conditions. 

See Q8 'what illnesses and conditions are covered?' in the Key Features Document 

Fixed term


Cover which lasts for a set number of years.

Guaranteed whole life cover


A policy which lasts throughout your life, and whose premiums never change unless you change your level of cover.


Life cover

We pay a cash sum when you die or suffer a terminal illness. 

See 'cover options we include with Skandia Protect' on page 16 

Plan

Can include an unlimited number of different policies, each of which is independent of the others. The only thing they must have in common is their owner or owners. 

See 'protecting your business' on page 9 


Policy


An independent insurance, which can be one of several in a plan. It can be cancelled or altered independently of the others.

Premiums


The regular payments you make each month or year to pay for your cover.


Review

The annual 'review date' is the anniversary of the start of your policy. It is when we offer you the chance to increase your cover. 

See 'increasing your cover' on page 18 

Rolling term

A policy with cover that can last for life, which you can renew every ten years. 

See 'rolling term' on page 7 



Ten-year review


This applies to policies with a rolling term, and is the time when we review your premiums and offer you the chance to 'roll' or renew your cover for the next ten years.


Term

The length of time your cover lasts for – this can be a fixed period, or throughout your life.


quick reference guide

Minimum regular payment (premium)	<p>£25 a month or £250 a year.</p> <p>Provided you pay all the premiums and do not change the amount of your cover:</p> <ul style="list-style-type: none"> • Fixed term or guaranteed whole life cover – your premiums are guaranteed to remain the same for as long as your cover lasts. • Rolling term cover – your premiums are guaranteed for ten-year periods.
Life assurance cover	The cash sum we will pay when you die or, if you have chosen to include total permanent disability cover, when you become disabled.
Critical illness cover	The cash sum we will pay when you have one of the critical illnesses, treatments or conditions listed in the policy terms and Key Features Document or, if you have chosen to include total disability cover, when you become disabled. We also cover you for nine additional critical illness conditions. 
Rolling term policy reviews	For rolling term cover, we will review your premiums every ten years and you may need to increase them to keep the same level of cover.
How many people can the policy cover?	<p>A policy can cover:</p> <ul style="list-style-type: none"> • one person, or • two people, to pay out: <ul style="list-style-type: none"> – when the first of them dies, has a listed critical illness or becomes disabled (if covered) or – after both have died (for guaranteed whole life cover only).
Policy owners	A policy can have one or two owners. These can be different from the people insured. Each policy in the plan must have the same owner or owners, except when you are using the plan to cover the partners or shareholders in your business. 
Reduced rates for non-smokers	If you do not smoke, your premiums will be lower than for a smoker.
Will you need to have a medical?	You will usually only need to have a medical examination before your policy starts if you ask for a high level of cover, or if you have had health problems in the past.
What claims do we exclude?	See the 'exclusion' section on page 21.
Can you cash in your policy?	No, Skandia Protect policies give insurance only, and have no surrender or cash in value.
What happens if you stop paying the premiums?	After 30 days, all your cover will end.

See 'additional critical illness benefits' on page 10 


See 'protecting your business' on page 9 

setting and reviewing your payments

Before you take out your policy, your financial adviser will tell you what your regular payments ('premiums') will be. These are based on your age, health and the amount of life assurance or critical illness cover, and any extra cover options you want. We may ask you to pay a higher than normal amount depending on your health or if we consider you are in a risky occupation or take part in potentially dangerous pastimes. 

If you choose cover with a fixed term, or guaranteed whole life cover, the premiums you pay when your policy starts will never change. If you increase your cover, we will add a further premium for the extra cover and that, too, will be guaranteed not to change as long as your cover lasts.

If your policy has a rolling term, we will review your premiums every ten years to make sure that they remain high enough to pay for the amount of cover you have chosen. We will take your age at the time of the review into consideration, so your premiums are likely to increase as you get older. If you increase your cover between the ten-year reviews, we will add a further premium for the extra cover and that will also be guaranteed not to change until the next ten-year review.

 See Q15 'what are 'standard terms'?' in the Key Features Document

how we work out the new premiums for rolling term policies

When we re-calculate your premiums, we will take into account:

- our current rates
- your age and your level of cover
- the cost of guaranteeing your premiums for the next ten years, and
- any increased or 'non-standard' premiums you are paying.

When we have worked out the premiums you need to pay to keep your current cover, we will offer you the choice of either paying the new amounts, or decreasing your cover to the level that your existing premiums will support for the next ten years.

the policies you can choose from

With Skandia Protect, you can choose from three sorts of policy, depending on how long you want your cover to last.

fixed term

This gives you cover for a set period or 'term'. You may, for example, want cover for a short period to cover a key person in your business, or for a longer period to protect your family while your children are still dependent on you. At the end of the period, your cover will end and you will not be able to extend it.

We guarantee that your premiums for the amount of cover you have when your policy starts will never change. Each time you ask us for more cover, we will work out how much the extra cover will cost, and add that amount to your original premiums. We will guarantee that the extra premium will not change for as long as your cover lasts.

If you choose critical illness cover, your policy can last for between five and 40 years. A fixed term life cover policy can last for between five and 50 years.

rolling term

If you are not sure at the start how long you will need the cover for, a rolling term policy allows you to take out insurance for just ten years. You can then renew it every ten years for as long as you still need the cover, without giving us any more information about your health, even if it has worsened since the policy started.

When your policy starts, we guarantee that your premiums for the level of cover you choose will not change for ten years. Each time you ask us for more cover, however, we will calculate a premium for the extra cover, and guarantee it will not change until the next ten-year review.

At the end of each ten-year period, we will offer you the chance to extend your cover for another ten years. We will re-calculate your premiums based on the level of cover you have, your age at that time, and whether or not our charges have increased, and guarantee them for the next ten years.

You can renew your cover on this basis as many times as you wish – there is no upper age limit. If you wish, you can keep your cover throughout your life.

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the policies you can choose from (*continued*)

guaranteed whole life cover

This sort of policy will cover you throughout your life. We will never increase your premiums unless you ask for more cover, so you have the security of knowing just what your regular premiums will be for as long as you live.

We guarantee that your premiums for the amount of cover you have when your policy starts will never change. Each time you ask us for more cover, we will work out how much the extra cover will cost, and add that amount to your original premiums. We will guarantee that each extra premium will never change.

protecting your business

Businesses need financial protection just as much as individuals, but to cover different risks. If you own a business, you can use Skandia Protect to cover you against a number of these risks.

One of the most undervalued assets of any business is its people. We can protect your business against the financial effects of losing one or more key members of your team – for example, loss of profits, or the cost of replacing that person. For an employee, cover with a short fixed term is often chosen, as the company is likely to change in the future. However, if you need to protect the business against your own absence, you might want to have cover for a longer period, say until you retire.


When you are taking out a business loan, your lender may insist that insurance is in place to repay the loan should any of the guarantors become seriously ill or die. This cover usually lasts for the duration of the loan, and we can set it up immediately, so release of the cash is not delayed. Your financial adviser can tell you more about this.

If you, as an owner of the business, became seriously ill or died, your colleagues might need cash to buy your share from your family. You can use Skandia Protect to provide the funds needed. It is important that you set up this type of cover in the correct way, so that the right people receive the cash without delay, and your family gets the value of your share of the business. If you need to cover several owners of the business, you can include all the individual policies in the same plan for easier administration. Your financial adviser will recommend the right sort of cover and how to set up the insurance in the best way for your individual needs.

For each different type of risk, you can choose either life cover alone, or a critical illness with life cover policy. When you are covering several people, the cover types, amount and benefits can be different for each person.



critical illness cover

We cover you for the 31 named critical illnesses, conditions and treatments listed in Q8 'what illnesses and conditions are covered?' of the **Key Features Document** and in the policy terms. We also include a number of additional benefits at no extra cost to you. 

additional critical illness benefits

Although the conditions listed below are not classed as 'critical' in the critical illness definitions, we know they can be life-changing. So we include these benefits for you at no extra cost, but we do not cover your children for them in our children's cover (see opposite).

We will pay the lower of £10,000 and 20% of the insured amount if you claim for any of these benefits. Any payment we make will not affect your premiums or reduce your critical illness and life cover, and your insurance will continue in full.

If your condition gets worse 30 days or more after making a claim for one of these benefits, you may be able to claim the full cover under a critical illness definition as well. The policy will then end. You can only claim each of these benefits once for each person insured.

angioplasty

Angioplasty is a treatment to unblock coronary arteries, and is normally carried out by 'keyhole' surgery. We will pay a claim if you have this treatment to two or more main coronary arteries with a blockage of at least 70%.

keyhole coronary artery bypass surgery

We cover heart bypass surgery where 'open heart' surgery is not needed, which involves less invasive surgery than in the critical illness definition for coronary artery bypass.

less extensive third degree burns

This benefit covers serious burns which cover between 5% and 19% of the body's surface, and so are less extensive than in the critical illness definition for third degree burns.

loss of or the loss of use of one eye

The critical illness definition for blindness does not cover the complete loss or permanent loss of sight in just one eye. If this should happen to you, however, you can make a claim for this benefit.

loss of either one hand or one foot

This covers you if you lose one hand or foot due to disease or accident. This is not covered by the critical illness definition for loss of hands or feet, which pays the full cover amount for the loss of two hands or feet.

low-grade cancer cover

Thanks to advances in treatment, some types of cancer may no longer be life threatening if they're caught early enough. Prostate cancer in its early stages or ductal carcinoma in situ (DCIS, a non-invasive form of breast cancer) are rarely life threatening, but they can be life changing.



You can find full definitions and plain English explanations of all these benefits in our leaflet **your guide to the illnesses covered by Skandia Protect** available from your financial adviser.

- **Low-grade prostate cancer**

Prostate cancer can now be found at an early stage, when it can usually be treated successfully. We cover this early, low-grade form of prostate cancer, which is defined as having a Gleason score between 2 and 6 inclusive or a TNM classification of T1N0M0. This is in addition to more advanced prostate cancer, which is covered by the cancer definition.

- **Mastectomy for DCIS**

DCIS is a non-invasive form of breast cancer which is not covered by the cancer definition. At this stage, it is confined to certain areas of the breast. It can, however, develop into full-blown breast cancer in a number of cases. It is treated by removing the affected area of the breast – in some cases the whole of one or both breasts (a mastectomy). We will pay out if you are diagnosed with DCIS and have a mastectomy to remove the whole of your breast.

permanent pacemaker insertion

We cover you in case you have to have a pacemaker permanently inserted to correct an abnormal heart rhythm.

significant visual impairment

This covers a lower level of loss of sight than in the critical illness definition for blindness.

serious accident cover

We will pay up to £50,000 if you are in an accident resulting in a severe physical injury and, as a result, are immediately admitted to hospital for at least 28 consecutive days. A claim for this cover does not normally reduce your critical illness and life cover. If you make a critical illness claim, whether or not it results from the same accident, more than 58 days after you are admitted to hospital, we will pay both claims in full.

children's cover

We automatically insure your children from the later of the date your cover starts and age 30 days, until they are 18 years old. We will pay up to £25,000 for a child's claim. If each parent has a separate critical illness policy, we will pay up to £50,000. We cover your children for the full list of critical illnesses and conditions shown in Q8 of the **Key Features Document** and in the policy terms but not for the additional critical illness benefits listed on page 10. There is no limit to the number of children covered, but we will only pay one claim for each child.

surgery cover

If you or your child need coronary artery by-pass grafts with surgery to divide the breastbone, aorta graft surgery, or heart valve surgery, we can arrange to pay some or all of your insurance to a hospital in advance. This means you can choose to pay for the cost of private treatment rather than waiting for the operation under the NHS. You can then claim for any remaining cover after your surgery is completed.

cover options you can add to your Skandia Protect policy

You may be able to choose from three sorts of extra cover to add to your Skandia Protect policy at an extra cost – total permanent disability cover, premium protection cover and cover reinstatement.

total permanent disability cover

If you choose this option, we will pay the full amount of your cover if you become totally, permanently and irreversibly disabled. You can add this option when you take out your policy, and there are no age limits on when you can make a claim.

You can make a claim when an accident or illness means that you can no longer do your own occupation, or you are unable to carry out three 'activities of daily work'. You can find more details about these opposite. If we accept your claim, we will pay the cover three months after the event or diagnosis which gives rise to the claim.

If your policy covers two people and will pay when the first of them claims for a critical illness or disability or dies, you can add this cover option for both people, or just one of them.

You cannot add this option to a guaranteed whole life cover policy.

Your policy will end once we have paid a claim for total permanent disability.

premium protection cover

If you add this cover to your policy, we will pay the premiums on your behalf while you cannot work due to an illness or accident. You can add this option when you take out your policy or later, and you can make a claim any time before your 65th birthday.

You will need to pay your premiums for the first six months following the event or diagnosis of the illness which has stopped you working. After that, you will not need to pay any further premiums until whichever of the following happens first:

- your 65th birthday
- you recover and return to work
- you surrender your policy
- you make a critical illness or total permanent disability claim, or
- your death.

If you have used the inflation option to increase your cover each year, we will continue to increase your cover each year while you remain unable to work.

Your cover will not end when you make a premium protection cover claim.

DEFINITIONS

We use the same definitions of disability for both total permanent disability cover and premium protection cover. There is no difference in cost between the two definitions.

- **own occupation** – this is usually available for people who have a managerial or administrative occupation.
- **activities of daily work** – these usually apply to people who have a more manual occupation or who, for example, drive long distances as part of their job. You can claim when you cannot do any three of the seven activities.

the activities of daily work are:

Bending

The ability to bend or kneel to pick up something from the floor and straighten up again.

Climbing or walking

The ability to walk up or down a flight of 12 stairs without holding on or resting, or to walk a distance of more than 200 metres on flat ground without stopping or without severe discomfort.

Communicating

The ability to answer the telephone and take a message for someone.

General health

The ability to independently arrange to see a doctor and take routine prescribed medication.

Lifting

The ability to lift, carry or otherwise move everyday objects using either hand. Everyday objects would include a kettle of water, bags of shopping, an overnight bag or briefcase.

Manual dexterity

The ability to use hands and fingers with precision, including the ability to pick up and manipulate small objects, such as pens or cutlery.

Reading

The ability to read, with spectacles or contact lenses if necessary, ordinary newsprint, or to pass the standard eye test for driving. This activity would be failed if the relevant life assured is certified as blind or partially sighted by an ophthalmologist.

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cover options you can add to your Skandia Protect policy (continued)

After you are 65, we will assess a claim for total permanent disability cover on your ability to do three of six 'activities of daily living', which are more suited to older people than the activities of daily work.

the activities of daily living are:

Continence

The ability to manage bowel and bladder functions (including the use of protective undergarments and surgical appliances if appropriate) so as to maintain personal hygiene.

Dressing

The ability to put on, take off, secure and unfasten all necessary items of clothing and any braces, artificial limbs or other surgical devices.

Feeding

The ability to eat food which has been prepared and cooked (if appropriate).

Mobility

The ability to move from one room to another on level surfaces.

Transferring

The ability to get on and off the toilet, in and out of bed and move from bed to an upright chair or wheelchair and back again.

Washing

The ability to wash and bathe, getting into and out of the bath or shower.

cover reinstatement option

After we have paid a claim for a critical illness or disability, your cover will end. You may find it very expensive to take out more cover, or even impossible, because your health has worsened.

If you add our cover reinstatement option to your policy, we guarantee that you will be able to get further cover following a claim, and that we will not increase your premiums because of the illness or disability you claimed for.

You can add this cover when you take out a critical illness policy, provided you are younger than 59, and you can use it until you are 61. Before you are aged 64, you can add it to a life cover policy which contains total permanent disability cover, and use the option before you reach 66.

Once you have made a claim, you can use the cover reinstatement option to apply for a new policy, known as an 'after-claim policy', which will last for ten years. If the policy covers critical illness, it will end before your 71st birthday, if that is less than ten years away.

For most claims, you can apply for the cover between one and two years after we paid the claim. If the claim was for cancer, you can apply for the cover between one year after you are declared free of the cancer, and five years after we paid the claim. You can find full details of the conditions which apply to this option in the policy terms.

An after-claim policy does not contain any of the benefits which you may have chosen to add to your original policy at an extra cost.

For critical illness, the policy currently includes the following illnesses and benefits:

-
- Aorta graft surgery *for disease or injury*
 - Bacterial meningitis *resulting in permanent symptoms*
 - Cancer *excluding less advanced cases*
 - Cardiomyopathy *of specified severity*
 - Children's cover
 - Heart attack *of specified severity*
 - HIV infection *caught in the UK from a blood transfusion, a physical assault or at work*
 - Kidney failure *requiring dialysis*
 - Major organ transplant
 - Motor neurone disease *resulting in permanent symptoms*
 - Progressive supranuclear palsy *resulting in permanent symptoms**
 - Serious accident cover
 - Stroke *resulting in permanent symptoms*
 - Third degree burns *covering 20% of the body's surface area*
-

** If your original claim was for Parkinson's disease, and this same disease is subsequently reclassified as progressive supranuclear palsy, we will not pay a claim on this policy.*

When you apply for an after-claim policy, we will be able to tell you exactly what is covered at that time. We do not exclude the type of critical illness you originally claimed for. So, for example, if you had a second heart attack, that would be covered.



cover options we include with Skandia Protect

accidental death cover

If you die because of an accident after you apply for Skandia Protect, but before your cover takes effect, we will pay the lower of the cover amount you have asked for and £500,000.

We include this cover with all policies which include life cover, and it lasts until the earliest of:

- the date we accept your application
- the date you tell us you do not want to go ahead with your application
- the date we decline your application, and
- six weeks from the date you sign the application form.

We may accept a claim for this cover up to three months after the death, provided it happens in an EU country.

We will not pay this benefit when the death was caused or accelerated by suicide, self-harm, alcohol or drug misuse, flying other than as a fare-paying passenger, parachuting, skydiving or hang-gliding, motor sport, powerboat racing, diving, mountaineering, committing a criminal offence, an assault which is not reported to the police, or war, riot or civil commotion. We do not cover serving members of the armed forces for accidental death.

continuing cover option

When your policy covers two people, and one of you makes a claim, the policy ends and both of you are left without cover. The continuing cover option allows the person who did not claim to get more cover. We don't make any extra charge for this option. The person who did claim may be able to use the cover reinstatement option (see page 14), if they included it with their original policy.

Up to three months after we pay the claim, you can apply for a new policy for the person who did not claim. The new policy covers that person alone, and includes all the benefits and options you had in the original policy. This policy will last until the original policy was due to end. If your policy has a fixed term, you cannot use this option within the last five years of the term.

We will not ask for any more information about the health of the person who did not claim, even if it has worsened since the original policy started.

disability conversion option

Later in life, you may find that you do not need all your life cover, for example if you took it out to protect your family while your children were still dependent on you. The disability conversion option lets you convert life cover which you no longer need into cover which will pay a monthly amount if you become so ill or disabled that you need professional care. We include this option if your policy gives you life cover only.

At any time before you reach age 65, you can convert some or all of your life cover from paying a cash sum when you die to paying monthly amounts when you are no longer able to do three of the activities of daily living shown on page 14. You can convert any amount between £20,000 and £150,000, and for each £1,000 you convert, we will pay £20 a month for 50 months ($£20 \times 50 = £1,000$).

You cannot make a claim for the monthly payments for the first two years after you make the conversion. We will start making the payments three months after we accept your claim.

terminal illness cover

If your doctors tell you that you are likely to live for less than 12 more months, you can ask us to pay the cash sum. This may allow you to pay for further medical care, or enjoy the time you have left to the full. Your policy will end after we pay the cash sum.

We include this cover with critical illness and life policies which have a fixed or rolling term. It is not included with guaranteed whole life cover. If your policy has a fixed term, you can only claim for this cover if the term is due to end in more than 18 months' time.


increasing your cover


Because your Skandia Protect cover can last for many years, or even throughout your life, your needs may change as you get older and you may want more cover. In certain circumstances, you can increase the cover without having to tell us anything more about your health, even if it has worsened since your policy started.

inflation option

If your level of cover remained the same for many years, inflation would gradually reduce its relative worth. To counter this, we offer you the chance to increase your cover each year. We will continue to do this as long as you keep the cover, even if you have declined the increase in previous years.

This option allows you to increase your cover by either 5% or the current rate of inflation (measured by the Retail Prices Index) up to a maximum of 10%, whichever is greater.

We will calculate the extra premium for your increased cover on the same basis as the rest of your cover. So if we accepted your insurance on non-standard terms, we will work out how much extra you need to pay on the same basis. Your premiums may increase by a higher percentage than your cover, particularly as you get older. 

See Q15 'what are 'standard terms'?' in the Key Features Document 

guaranteed increase options

Skandia Protect also includes a number of special increase options, so you can get more cover when any of the specific events listed opposite happen. You can use these options provided we did not ask you to pay higher premiums when your policy started due to your health.

You can use each option as many times as you need to, provided the total increases are not more than the maximum allowed for each event.

The table opposite shows the events covered, the age they are available to, and by how much you can increase your cover. The maximum total increase you can make to your cover using any combination of these options is 50% of the level of cover you had when your policy started. This does not apply to the inheritance tax increases, where the maximum increase is 100% of your original level of cover.

guaranteed increase amounts


Event	Available to age	Maximum cover increase
If you get married or enter into a civil partnership (as defined by the Civil Partnership Act 2004)	55	£50,000 for each event, Total – the lower of: <ul style="list-style-type: none"> • £100,000 and • 50% of original cover level
If you give birth to or adopt a child	55	£50,000 for each child Total – the lower of: <ul style="list-style-type: none"> • £100,000 and • 50% of original cover level
If you increase your mortgage	55	The lower of the increase in the mortgage and £50,000, Total – the lower of: <ul style="list-style-type: none"> • £100,000 and • 50% of original cover level
If you have a significant salary increase	55	The lower of five times the increase, and 25% of your current cover Total – the lower of: <ul style="list-style-type: none"> • £100,000 and • 50% of original cover level
If you divorce, or dissolve a civil partnership	55	You can apply to split a policy covering both of you into two separate policies, each with the same type and amount of cover, up to £1 million.
If your policy is for personal (not business) cover and, when you retire, you lose life assurance cover that was part of your company pension scheme	65	The lower of: <ul style="list-style-type: none"> • the level of life cover no longer available from the company pension scheme, • £100,000 and • 50% of original cover level
If the value of your assets (your 'estate') increases and gives you a higher potential liability to inheritance tax after you die	Fixed and rolling term policies – no age limit. Guaranteed whole life policies – age 90.	In the year since the last anniversary of the start of your cover, the lower of: <ul style="list-style-type: none"> • the increase in potential liability, and • the greater of 10% and the increase in inflation Total – the lower of: <ul style="list-style-type: none"> • £100,000 and • 100% of original cover level


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guaranteed increase amounts (continued)

Event	Available to age	Maximum cover increase
Increase in inheritance tax liability – if the Government changes rates or rate bands	Fixed and rolling term policies – no age limit. Guaranteed whole life policies – age 90.	The increased liability due to the change in legislation Fixed and rolling term policies – 100% of original cover level Guaranteed whole life policies – the lower of 100% of the original cover level and £5 million
If you are using your policy to cover a key person in your business, and their value to the business increases	60	The lowest of five times their increase in salary, 25% of your current cover, and £50,000 Total – the lower of £250,000 and 50% of original cover level *
If you are using your policy to cover a business loan, which increases	60	The lower of the increase and £250,000 Total – the lower of £250,000 and 50% of original cover level *
If you are using your policy for partner or shareholder protection and the value of your share in the business rises	60	The lower of: <ul style="list-style-type: none"> the increase in the value of the share of the business, and the greater of 10% and the increase in inflation Total – the lower of £250,000 and 50% of original cover level *

* If you use more than one of the business cover options, the maximum overall increase you can make using them is £250,000.

If you have cover in other Skandia policies, the maximum overall increase to your insurance from any of these options may not be more than the highest available in any one plan. 

 You can find further details of these increase options in the policy terms, which are available on request

putting your policy in trust

Without a trust, when we pay the cash sum after you die, it will become part of your 'estate'. That is the total value of all your assets, for example your house, car, and personal possessions. If your estate is large enough, inheritance tax may be due on it. The value of your life cover payment may mean that additional tax is payable when it would not have been without the cash sum, and that tax of up to 40% will be due on the payment.

Putting your policy in trust means that you give control of it to the people you choose to look after it (the trustees) and, after you die, they pass on the money to the people you want it to go to (the beneficiaries). Using a suitable trust can mean that the money does not become part of your estate, so no inheritance tax will be due on it. Putting the policy in trust can also mean that your family receives it sooner as, generally, they do not have to wait until all the legal formalities are completed on your estate.

Your financial adviser can give you more information about putting your policy in trust – whether it is the right thing for you to do, and the best type of trust for you to use.





exclusion

No general exclusions apply to Skandia Protect life cover. We will continue to make exclusions on an individual basis for health or occupation.

The only exclusion we apply to critical illness cover, total permanent disability benefit, premium protection benefit (waiver), serious accident benefit, children's cover, surgery cover and children's surgery cover is:

living abroad

In order to claim:

- You must provide medical evidence to support your claim and diagnosis.
- The claim must have occurred in one of these countries:

Andorra, Australia, Austria, Belgium, Canada, Channel Islands, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Isle of Man, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, Portugal, San Marino, South Africa, Spain, Sweden, Switzerland, UK, USA and Vatican City.

If the claim occurs outside these countries, we may still be able to consider it. You may need to provide supporting evidence from a medical practitioner or consultant registered in the UK, and we may ask you to have an examination by a specialist in the UK.

If you have any queries, or would like more information about any aspect of Skandia Protect, please ask your financial adviser.



Skandia Life Assurance Company Limited, which provides Skandia Protect, is authorised and regulated by the Financial Services Authority.

Skandia's products are available only through professional financial advisers.

www.skandia.co.uk

Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

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