

your guide
to
skandia protect



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introducing skandia

Skandia is a leading UK provider of protection, investment and pension products. We have built an excellent reputation for creating innovative products and for our technical excellence. The result has been an impressive history of continued financial growth in an increasingly changing market.

Skandia's protection products have long been widely accepted by financial advisers as amongst the leaders in the market. Our willingness to refine these products as the market changes has kept them in the forefront. Our products have won many industry awards over the last decade.

Skandia has won twenty-five Financial Adviser†/Practiv 5 Star Awards for our life, pensions and investment service, during the awards' history. No other UK life and pension group can boast such a record.

†Financial Adviser is a weekly newspaper for the financial services industry. Each year it invites financial advisers to vote for their preferred insurance companies based on their service. The awards use a star rating and a 5 Star Award is the highest award.

Skandia UK is one division of the Skandia Group, itself owned by Old Mutual plc. Old Mutual is an international savings and wealth management company based in the UK. Originating in South Africa in 1845, the group has a balanced portfolio of businesses offering asset management, life assurance, banking and general insurance services in over 40 countries, primarily South Africa, Europe and the United States. Old Mutual is the 38th largest company in the FTSE100™ and is listed on the London, Johannesburg and Stockholm stock exchanges.*

Being a part of Old Mutual makes Skandia a key division of the seventh largest life insurer in Europe,* with a strong financial base. The combined group has funds under management of £222 billion** and nearly 50,000 employees.

You can be confident that when your financial adviser recommends insurance from Skandia, you will have quality cover, at a competitive price.

**As at 31 December 2006.
Source: Bloomberg.*

***As at 30 September 2006.
Source: Old Mutual.*

tailoring skandia protect to your needs

Skandia Protect's menu of choices allows you to tailor your plan to meet your specific protection needs. Simply follow the steps below:

1. type of insurance

Choose the type and amount of insurance you need

Skandia Protect offers two different types of insurance. You can choose any combination, depending on your needs.

- **life cover** Life cover pays a cash sum if you die or, in some circumstances, if you are terminally ill.
- **critical illness cover** Critical illness cover pays a cash sum if you suffer from one of the critical illnesses or conditions shown on pages 11 and 13-14, or if you die.

2. optional extras

Include any of the options

These options extend the range of insurance and are available at an extra cost. For joint life cover, each of you can include different options.

- **total permanent disability benefit** Total permanent disability benefit is available with life cover and/or critical illness cover. You can include it with single life or joint life first event cover with a fixed or rolling term.
- **premium protection benefit** Premium protection benefit is available for all types of cover and for both joint and single lives.
- **cover reinstatement option** Cover reinstatement option is available for life cover with total permanent disability benefit and/or critical illness cover. You can include it with single life or joint life first event cover.

3. periods of insurance

Select the period of insurance you want

Skandia Protect offers periods of insurance for as long as you want, depending on your needs.

- **fixed term** For a set number of years
- **rolling term** Renewable 10-year cover that can last indefinitely
- **whole life** Cover for the rest of your life, available for life cover only.

skandia protect gives you tailored insurance and value for money

Our regular premiums for a plan start from £25 a month or £250 a year. You can pay by direct debit or, for yearly premiums, by cheque if you prefer.

You cannot change the premium frequency you choose on the application form after we have accepted your application.

It is therefore important you choose a frequency which you can maintain throughout your period of insurance.

Not only can you tailor Skandia Protect to meet your needs today, it is flexible enough to meet your needs in the future too. You can change the amount and type of insurance. For example, you may want to change your insurance if you:

- increase your mortgage
- have children
- retire
- set up a business.

Some restrictions apply to when and how you can change your insurance. Your financial adviser can give you full details.

We will tell you what information we will need for the change and what the new premium will be.

This brochure gives more details of the different types of cover and options available for Skandia Protect. We refer to 'you' as both the owner(s) of the insurance and the person(s) whose life is insured.

flexibility and choice

Skandia Protect offers you a combination of life cover and critical illness cover.

So whether you want insurance for yourself, your business or your mortgage, you can tailor the plan to meet your needs now and in the future.

why do I need cover?

- If you died, could your family afford to pay the bills?
- If you had a heart attack, would you want to be able to pay off your mortgage so you have one less thing to worry about?

This year over 500,000 people will die and a further 670,000 will suffer from a heart attack, cancer or a stroke*.

Fortunately, people are living longer than ever before.

Unfortunately, having a longer life expectancy doesn't necessarily mean that you will always stay healthy. However, Skandia Protect can give you peace of mind, whatever the future holds.

*Source: Hannover Life Re (UK) 2007.

life cover

Life cover pays a cash sum if you die during the term. You can choose whether you would like us to pay the life cover as one cash sum or in four equal yearly instalments.

If you have a terminal illness, we will pay the life cover early, if you prefer. We will do this if you have less than 12 months to live.

Terminal illness cover is not available during the last 18 months of a fixed term or for whole life cover.

If you do not wish to include the terminal illness benefit because you are going to use the policy for inheritance tax planning, we can exclude it, on request. Please ask your financial adviser for advice.

There are three different choices of life cover:

- single life - which pays when you die
- joint life first death - which pays when the first person dies
- joint life last death - which pays when the second person dies.

With Skandia Protect, you can have more than one policy, each with a different type of life cover, so you can meet all your needs within the same plan.

We call the amount of cover for which you are insured, the 'sum assured'.

accidental death cover

When you apply for life cover or combined critical illness and life cover (see page 12), we include accidental death cover at no extra cost. Accidental death cover starts when we receive your application (with a cheque for your first premium or signed direct debit instruction) and ends on the earliest of:

- the date we accept your application
- six weeks from the date you sign your application form
- the date we decline your application
- the date you tell us your application is not going ahead.

We will pay the lower of the sum assured requested on your application form and £500,000. We apply this limit to each life assured. If you would like full details of this benefit please contact your financial adviser.

continuing cover option

Normally, when you buy joint life insurance, the insurance ends when the first person claims. With Skandia Protect you will be pleased to know that if you have joint life first death cover and one of you claims, the other person need not be left without insurance.

The continuing cover option lets you apply for a new policy for the person who has not claimed (up to the amount we paid at claim) if that person is below age 66 (61 for critical illness cover, as this is the maximum age when a new policy can start).

The new policy will last for the same period as that remaining on the original policy. You need to apply for the new policy within three months of our accepting the claim. You do not need to give us details about your health when you use the option. We automatically include this option at no extra cost when you choose joint life first death cover.

If you have fixed term insurance and wish to use this option, at least five years of the original policy term must have remained when you claimed.

This option may not be available if we charged an extra premium because of your health when you chose insurance on a whole life basis. If we only charged one of you an extra premium because of health, we would still offer the continuing cover option to the other person covered by the policy.

disability conversion option

As your family responsibilities reduce you may wish to convert some of your life cover into disability care benefit, which would pay you a monthly income if you became mentally impaired or failed three Activities of Daily Living (see page 16). You can do this without giving us any health information, if you are under age 65 and your policy has a fixed or rolling term. If you have a fixed term policy, it must have ten years or more left to run.

You can convert any amount of life cover between £20,000 and £150,000.

The amount we would pay each month is 2% of your converted life cover for a maximum of 50 months. For example, if you converted £100,000 life cover and later needed care, we would pay you £2,000 a month for up to 50 months.

We have a three-month waiting period from the date you need care to the date we start to pay any benefits. We also have a two-year waiting period from the date you convert your life cover to the date we would start to pay the benefits. This means that if you are in poor health when you convert the life cover, you must be able to finance any care costs yourself for the first two years.

However, if you were to fall ill within the first two years, we would not impose the three-month waiting period as well.

case study

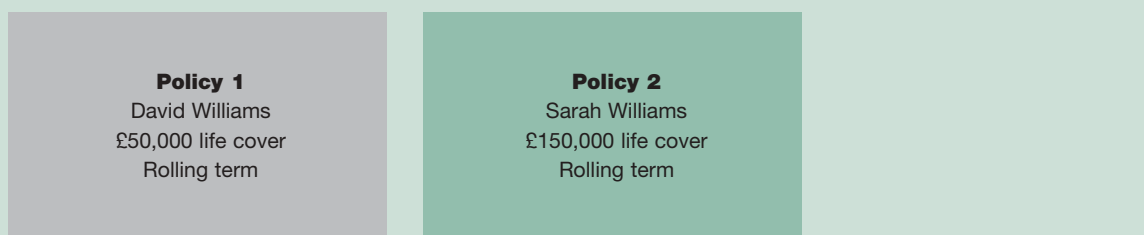
David and Sarah Williams - changing needs for life cover

David and Sarah want to provide for their two children should either parent die. They decide that £150,000 would meet their needs. David already has £100,000 life cover through his company pension but Sarah has none.

Fifteen years later, when the children leave home, family protection is less important. David and Sarah now have two different needs. First, they want to pay for any care they may need in later life. Second, they have a potential inheritance tax liability.

So they convert the 'excess' life cover from their original policies into disability care benefit. They also apply for a third policy to include life cover that pays when the second person dies. They use a trust so that, on death, the life cover would be paid free from inheritance tax.

Original insurance



15 years later

Convert to disability care benefit

New policy added for inheritance tax planning



Now Skandia Protect has insured David and Sarah for the rest of their lives.

critical illness cover

A critical illness such as cancer can strike anyone at any time. Although a critical illness can be treated, or even cured, your life may never be the same again. Whatever happens, critical illness cover can give you a cash sum to help you maintain your quality of life.

Critical illness cover pays a cash sum if you suffer one of the critical illnesses or need any of the treatments or surgeries listed opposite during the term. You can choose to have your critical illness cover either on a single life or a joint life first claim basis, which pays out when the first person insured claims.

Our critical illness cover is extensive, insuring you for all of the illnesses and conditions listed opposite.

The headings of each illness and condition are only a guide to what is covered. For example, some types of cancer are not covered. You can find full critical illness definitions in the policy terms, [details of your protect critical illness policy](#).

If you would like to have the definitions explained in plain English, you can find this in [your guide to illnesses covered by skandia protect](#). Your financial adviser can provide you with a copy of these.

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

* Terminal illness cover is not available during the last 18 months of a fixed term insurance.

Skandia Protect critical illness cover automatically includes life cover.

We will pay the benefit on the earliest of:

- you being diagnosed with one of the named critical illnesses or conditions
- you undergoing one of the named surgeries
- your death.

The death does not need to be linked to one of the critical illnesses for a claim to be made. For example, we would pay if you died as a result of an accident.

So even if you never suffer a critical illness, we will pay a cash sum when you die.

If including life cover would give you a tax or other problem, you can ask us to remove it from your cover when you apply.

We will need a covering letter with your application form explaining why the life cover should be excluded, as we will not reduce your premiums for this change in cover.

accidental death cover

When you apply for combined critical illness and life cover, we will automatically include accidental death cover at no extra cost. Please see [accidental death cover](#) on page 8 for further details.

double cover

By taking out separate life cover and critical illness cover policies, you can have double cover. This means that if you had a critical illness, we would pay the claim, the critical illness policy would end, but your life cover would not be lost.

So when you die, we will pay out again on the life cover policy - giving you double cover.

And you do not have to have the same amount of life cover and critical illness cover. When you have more than one policy in your plan, you can choose different amounts of cover.

Your financial adviser can help you decide what is right for you. So whatever you need, you can create the perfect combination using Skandia Protect.

We call the amount of critical illness cover you have, the 'sum assured'.

You can choose whether you would like us to pay the sum assured as one cash sum or in four equal yearly instalments.

case study

Chris and Juliet Hicks - more than mortgage protection

Chris and Juliet are buying a new home and have decided that they want more than just basic mortgage protection.

They take out cover so that their 25-year mortgage of £100,000 would be repaid if either of them were to die or fall critically ill.

Chris and Juliet also feel that should one of them have a critical illness, they would want more money than just enough to repay the mortgage.

For example, they might choose to use the extra money on:

- repaying their other loans
- a convalescing holiday
- specialist private treatment
- supplementing their income to allow one or both of them to take as much time off work as necessary.

They decide a further £80,000 would meet their needs. They choose insurance to last initially for 10 years, knowing that they can renew if they wish.

All this can be provided for in one Skandia Protect plan.

Mortgage protection

Joint life
Combined critical illness and life cover
£100,000
25-year fixed term

Personal protection

Joint life
Combined critical illness and life cover
£80,000
Rolling term (see page 21)

extra critical illness benefits at no additional cost

mastectomy benefit for DCIS

If you are diagnosed with ductal carcinoma in situ (DCIS), a non-invasive form of breast cancer, and you need to have either a single or double mastectomy, you can claim this benefit.

We will pay the lower of 20% of your sum assured and £10,000 when we accept a valid claim.

Any payment we make under this benefit will not affect your insurance or your premiums.

We will only pay this benefit once for each person covered. You cannot claim the full sum assured for the same condition under the cancer definition, either at the same time or within 30 days of diagnosis of DCIS. For example, if during the mastectomy, invasive breast cancer were discovered that met the cancer definition, you could claim either the full sum assured under the cancer definition or the cash sum under the mastectomy benefit for DCIS - but not both. However, if later than 30 days after the diagnosis of DCIS, the condition developed into invasive breast cancer, you could then claim the full sum assured.

This would apply even though the DCIS had been treated and we had paid an earlier claim for that benefit.

low grade prostate cancer benefit

If you are diagnosed with a low grade prostate cancer (with a Gleason score of between 2 and 6 inclusive or a TNM classification of T1N0M0), we will pay the benefit on acceptance of a valid claim.

We will pay the lower of 20% of your sum assured and £10,000.

Any payment we make under this benefit will not affect your insurance or your premiums. We will only pay this benefit once for each person insured. If you claim for this benefit, you cannot claim the full sum assured for the same condition, at the same time or within 30 days of diagnosis.

Therefore, if you could make a claim either for low grade prostate cancer benefit or the full cancer benefit, you must decide which option is more relevant for you.

If after 30 days you were diagnosed with prostate cancer with a Gleason score greater than 6 or a TNM classification of T2N0M0, we would pay the full sum assured.

We will automatically include the mastectomy benefit for DCIS and the low grade prostate cancer benefit at no extra cost. However, due to medical evidence we may sometimes exclude either of these benefits.

For a more detailed explanation of DCIS and prostate cancer please contact your financial adviser.

serious accident benefit

If you are in an accident and immediately admitted to hospital with a severe physical injury, we will pay the lower of your sum assured or £50,000. You will qualify for this benefit if you need to stay in hospital for 28 consecutive days or more, to receive medical treatment as a direct result of the accident.

However, if you were diagnosed with a critical illness or total permanent disability due to the same severe physical injury within 58 days of being admitted to hospital, we would reduce the benefit paid by the amount we had already paid under the serious accident benefit.

If you were diagnosed with a critical illness or total permanent disability after this 58-day period, your claim would not be affected by the serious accident benefit claim, and we would pay the benefit in full.

Any payment we make for serious accident benefit will not affect your insurance or your premiums.

The maximum amount of serious accident benefit applies to each insured person.

surgery benefit

If you need coronary artery by-pass surgery, aorta graft surgery or heart valve replacement or repair, we can arrange to pay some of your insurance to the hospital in advance. This means you can choose to finance the cost of private treatment rather than waiting for an operation under the NHS.

We would advance the lower of the price you agree with the hospital (shown on a fixed price quotation) or your sum assured. Following the surgery, we would pay any insurance remaining.

children's critical illness benefit

We automatically insure all your children (including legally adopted children and stepchildren from a legally recognised marriage or registered civil partnership) at no extra cost, from the later of the age of 30 days and the date your policy starts, through to their 18th birthday. If you become a parent after your Skandia Protect cover begins, we will insure your child automatically when he or she is 30 days old.

We will pay the lower of 50% of the sum assured and £25,000 for a claim under children's benefit. If two parents each have a Skandia Protect critical illness policy, they can both claim, making a maximum of £50,000.

Any payment we make for children's benefit will not affect your premiums or critical illness cover, which would continue in full.

We will insure your children for all the illnesses and conditions listed on page 11. However, we do not include death, low grade prostate cancer benefit, mastectomy benefit for DCIS and serious accident benefit. Nor do we insure any illnesses or conditions that existed before:

- your child was 30 days old
- the date of adoption, if your child was legally adopted
- for a stepchild, the date you married, or entered into a civil partnership* with the natural parent
- your policy started.

We apply a 14-day survival period to all children's claims, except those for bacterial meningitis.

We fully explain all the medical conditions we cover in [your guide to illnesses covered by Skandia Protect](#). Your financial adviser can give you a copy.

* As defined by the Civil Partnership Act 2004.

continuing cover option

We automatically include this option at no extra cost when you choose joint life critical illness cover.

Your new critical illness cover policy will be for a single life only. It will cover the full list of illnesses and conditions available at the time you take out the new policy. Please see page 9 for more details of this option.

case study

Chris and Juliet Hicks - life after a claim

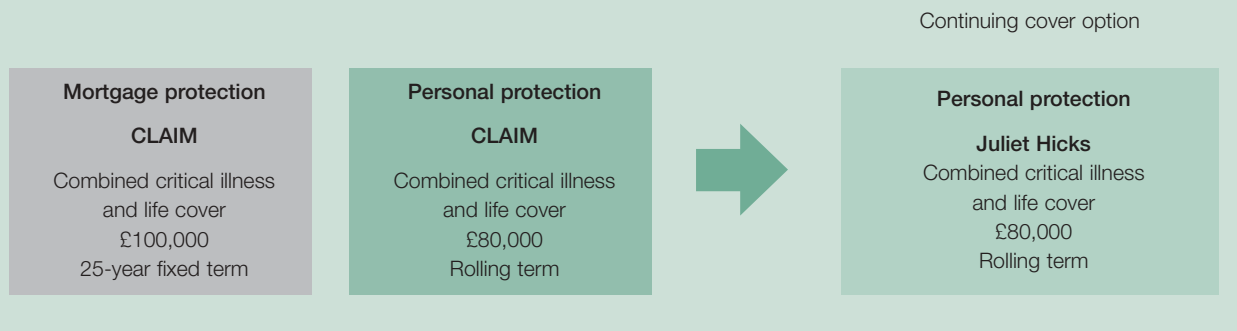
When Chris and Juliet took out their Skandia Protect policies, they chose joint insurance, so we automatically included the continuing cover option.

Seven years later, Chris had a heart attack and claimed under Skandia Protect.

With the payment of £100,000 from the first policy, Chris and Juliet paid off their mortgage. They also got £80,000 personal insurance from policy 2. They used some of it to take an extended break from work and go on holiday. They invested the rest for the future.

Two months after the heart attack, Chris and Juliet decide to use the continuing cover option on Juliet's life. They chose to apply for a new policy for £80,000 critical illness cover with a rolling term, as they no longer need mortgage protection.

Skandia Protect



optional total permanent disability benefit

You may also want to protect yourself against the financial effects of serious disability.

Total permanent disability benefit would pay your sum assured if you became totally and permanently disabled and unable to work again.

As long as you are in good health and under age 66 (61 for critical illness cover), you can include total permanent disability benefit with:

- life cover
- critical illness cover.

You can only include this benefit when you apply for cover, and it is available at an extra cost.

Total permanent disability benefit is available for both single and joint life first death/event policies with a fixed or rolling term. It is not available with life cover on a whole life basis.

We offer two versions of total permanent disability benefit:

- 'Own occupation' is based on your ability to perform your own occupation. It is available for those working in mainly administrative or managerial occupations. For some other occupations, it is available at an increased cost.
- 'Activities of Daily Work' is based on your ability to perform three of the daily tasks listed on page 17. It is available for most other occupations and for people who do not work.

Your financial adviser can let you know which version would apply to you. They are explained in more detail on the next page.

If you claimed after you were 65, we would pay the benefit if you failed three of the six Activities of Daily Living shown below.

Activities of Daily Living

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.

own occupation

We will pay the benefit if you, because of your disability, are permanently and irreversibly unable to follow your occupation for the rest of your life. For example, if we insured your occupation as an accountant, we would pay a claim if you were permanently unable to work in that occupation.

However, if you had not been in any paid work for the six months before you made a claim, we would assess your claim based on failure of three of the Activities of Daily Work.

activities of daily work

We will pay the total permanent disability benefit if you are permanently and irreversibly unable to perform three or more of the following activities:

Activities of Daily Work

Bending

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

Climbing

the ability to walk up or down a flight of 12 stairs without holding on or resting.

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.

Walking

the ability to walk a distance of more than 200 metres on flat ground without stopping or without severe discomfort.

optional premium protection benefit

Sometimes life does not go the way you expect. You may be unable to work because you are temporarily ill or disabled, for example due to a bad back.

We understand that while you cannot work it is important you continue your insurance but keep your outgoings to a minimum.

If you choose premium protection benefit, you will not have to pay premiums after you have been unable to work for six months because of disability, due to an accident or illness. Premium protection benefit is available on all types of cover at an extra cost and will insure you until age 65. For joint life policies, you can insure either or both of the people insured.

You will not have to start paying premiums again until you recover or you return to any paid work.

The premium waiver will end when:

- you reach your 65th birthday
- you die
- we pay you your full sum assured
- your policy ends if it has a fixed term

whichever is the earlier.

We have two versions of premium protection benefit and your financial adviser can let you know which version would apply to you.

own occupation

You will not need to pay your premiums after six months if your disability still prevents you from following your 'insured occupation' and you have not returned to any paid work. This version applies if you work in a mainly administrative or managerial occupation.

If you were not in any paid work for the six months before you made a claim, we would assess your claim based on failure of three Activities of Daily Work, described on page 17.

activities of daily work

You will not need to pay your premiums after six months, if your disability still prevents you from performing three or more of the daily tasks shown on page 17, and you are not doing any paid work. This version applies for most other occupations and people who do not work.

inflation-proofing during a claim

If you have used the inflation option at every available opportunity for the three years immediately before your claim, we will continue to increase your insurance, including any disability care benefit, and your premiums during the claim. You can find details about the inflation option on page 23.

In all other circumstances, your premiums and cover will stay at the same level as those immediately before we start to pay the benefit.

If you have used the inflation option every year for at least three years on a rolling term policy and claim for premium protection benefit, we will increase your cover and premiums, in line with the inflation option, up to the end of the ten-year period in which we accept your claim.

example

Tom Barnes took out a life cover policy with a rolling term on 1 August 2002. In November 2008, he claims for the premium protection benefit. Although he has not inflation-proofed his cover every year since his plan started, he has done so for three consecutive years before he makes his claim. As the expiry date of his plan at the time of the claim is 1 August 2018, we will inflation-proof his cover while we are paying the premiums, up to that expiry date.

If Tom's condition does not improve and we are still paying his premiums just before 1 August 2018, he will have the choice to extend the cover for a further ten-year period. If he decides to roll the term, we will recalculate his sum assured and continue to pay his premiums for a further ten years. However, we will not inflation-proof his cover any more.

At the end of this period, you could choose to extend the cover for a further ten-year period, and we would continue to waive your commitment to pay your premiums. However, we would not inflation-proof the cover beyond the end of the ten-year period that applied when your premium protection benefit claim started.

In all other cases, if we inflation-proof the cover, we will continue to do so while we pay your premiums.

Can I still choose to roll the term at the end of the ten-year term?

If you are claiming for premium protection benefit on a rolling term policy, you can choose to roll the term at the end of the ten-year term. However, we will recalculate your sum assured. The new amount will be that which your premium at the time can support.

For example, if your original sum assured was £155,000 and your monthly premium £45.25, we may calculate that your new sum assured is £82,500. This would be the amount that your £45.25 monthly premium could support for the next ten years.

cover reinstatement option

Usually after you make a claim, it is almost impossible to renew insurance or, if you can, it is expensive.

If you choose the cover reinstatement option and later make a claim under critical illness cover or total permanent disability benefit, you can apply for a new policy following your claim. The option is available only when you take out your insurance, at an extra charge.

This option is available for:

- critical illness cover*
- life cover with total permanent disability benefit.

If you have a joint life first death/event policy you can choose the option for one or both lives insured.

*With or without any optional benefits.

life cover

For life cover, after a claim for total permanent disability benefit, you can apply for 'after-claim cover'.

The new after-claim cover policy will not include terminal illness benefit, or any of the other options that previously applied.

critical illness cover

The after-claim cover for critical illness will cover the critical illnesses available for an after-claim policy at the time you buy the policy.

For example, the following illnesses and benefits are included in our current after-claim cover:

- Aorta graft surgery *for disease or injury*
- Bacterial meningitis *resulting in permanent symptoms*
- Cancer *excluding less advanced cases*
- Cardiomyopathy *of specified severity*
- Children's benefit
- 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 benefit
- Stroke *resulting in permanent symptoms*
- Third degree burns *covering 20% of the body's surface area*

The after-claim critical illness cover does not include terminal illness benefit or any of the options that previously applied to your policy.

You can claim for a different illness or the same illness if it happens again, provided it is not directly related to your original claim.

If your original policy included both critical illness and life cover, the new policy will also include life cover.

after-claim cover

After a claim, you can apply for a new policy on a single life basis for a ten-year fixed term.

If you apply for an after-claim critical illness policy, it will have a ten-year fixed term or end on the anniversary of your policy's start date before your 71st birthday, if sooner. The maximum cover is the lower of the amount we paid at claim and £100,000. When we accept your application and calculate your new premium, we will not take your recent claim into account.

You can apply for after-claim cover if you are below age 66 (61 for critical illness cover, as this is the maximum age for a new policy). If your original policy has a fixed term, it must have had at least five more years to run when you claimed.

If you claimed for cancer, you can apply for a new policy within five years after the date we agreed to pay the claim. You will need to prove that you have been free of all detectable cancer for at least a year.

For all other claims, you can apply for a new policy without giving us any health information. You must ask to use this option between one and two years after we agreed to pay your claim.

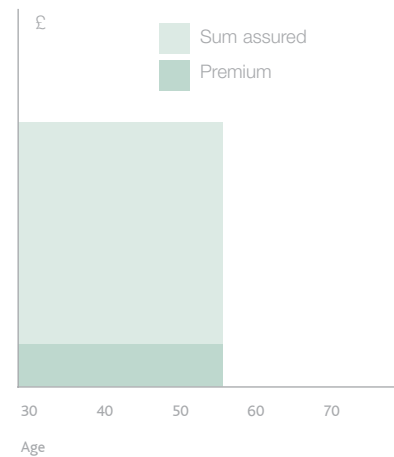
Where you have successfully claimed for children's benefit for one of your children under the original policy, that child will not be covered under the after-claim policy. However, any other children will still be covered.

the periods of insurance

We designed Skandia Protect to meet your insurance needs for as long as you wish. We have three different periods of insurance, so you can choose what is right for you.

fixed term

You can choose any fixed term, from five to 35 years for life cover and from five to 25 years for critical illness cover, with a maximum age at the end of the term of 100 for life cover and 70 for critical illness cover.



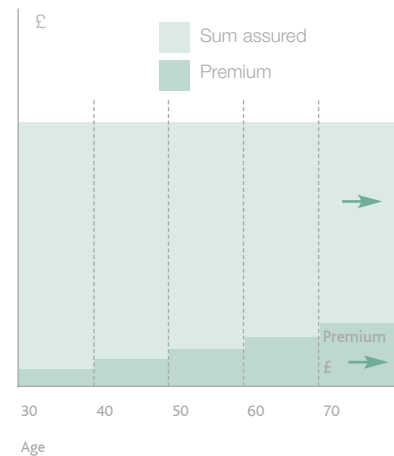
rolling term

This gives insurance and premiums for ten-year periods. You can choose to continue your insurance every ten years by 'rolling the term', without giving us any further details of your health.

This means you can keep your insurance for as long as you like. We will contact you shortly before each ten-year period ends to ask what you would like to do next.

If you do not renew your insurance, your policy will end.

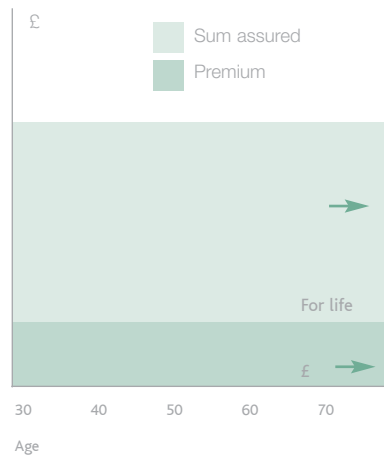
If you use one of the guaranteed increase options or the inflation option to increase your cover, your term will roll. As a result, ten years' cover will remain.



You can find more information about our rolling term in our brochure [guaranteeing your cover for life with rolling term](#). Your financial adviser can give you a copy.

whole life

This period of insurance gives you cover for the rest of your life.



premium guarantees

For a fixed term we guarantee your premiums throughout the term. If you increase your cover or change your benefits, we will calculate a new premium for the increase amount only, based on our premium rates at that time. The premium will be based on, but not identical to, the rate we would charge for a new policy being taken out at that time by someone of the same age as you.

It will be based on whether you smoke and the health details you gave us when you originally took out your policy. Again, we guarantee this premium for the rest of your term.

For a rolling term, we guarantee your premiums until the next tenth anniversary or until you change your insurance, if earlier. Each time your term rolls, we will tell you what your new premium will be for the next ten years based on your age at that time, our premium rates at that time, your cover and any options included.

If you choose life cover to last throughout your life, we guarantee your premiums for life. If you increase your cover or change your benefits, we will calculate a new premium for the increase amount only, based on our premium rates at that time. The premium will be based on whether you smoke and the health details you gave us when you originally took out your policy. We guarantee this additional premium for life.

increasing your insurance

Skandia Protect offers you several opportunities to increase your insurance without giving us any further information about your health. You may want to do this because your circumstances have changed or simply so your insurance keeps pace with inflation.

automatic inflation option

If you select this option, the amount you can increase the insurance by will depend on the period of your insurance.

If you have a fixed or rolling term, you can choose at outset to increase your insurance automatically each year by:

- the greater of 5% and the increase in the Retail Prices Index (RPI); or
- the greater of 10% and the increase in the RPI.

If you have a whole life policy, you can choose at outset to increase your insurance automatically each year by the greater of 5% and the increase in the RPI. If the RPI increases by more than 10%, your increase will be limited to 10%.

We will let you know what the new premium will be before we increase your cover. You also have the right to cancel the increase by writing to us within 30 days of the increase.

If you decline your increase in one year, we will still automatically increase your insurance in every subsequent year, unless you ask us not to.

inflation option

If you do not select the automatic inflation option, you can still increase your insurance. Every year, we will write to ask if you would like to increase your insurance by the greater of:

- 10% and the increase in the RPI (fixed and rolling term policies)
- 5% and the increase in the RPI (whole life policies). The maximum RPI increase we will allow is 10%.

You can decide then if you would like to do so. Even if you do not increase the insurance, we will continue to offer you the opportunity each year.

Whichever inflation option you choose, we will never stop offering it due to your age, even on whole life policies.

special events

You can increase your life cover or critical illness cover, before age 56, following a special event such as:

- marriage or civil partnership*
- birth or adoption of a child
- an increase in your existing mortgage or a remortgage
- an increase in your earnings.

These special event increases are available if we do not charge you a higher premium because of your health.

For more details on the special events and when you can increase your cover, please ask your financial adviser.

In some circumstances we may exclude some or all of the increases on this page from your policy, for example if you have asked us for a high level of cover and for some whole life policies where we charge an extra premium because of your health.

We also apply an overall maximum limit to increases under your policy. If you would like more details of this please ask your financial adviser.

* As defined by the Civil Partnership Act 2004.

premium increases

If you increase your cover, your premiums will increase as well. If you have insurance with a fixed term or whole life cover, the increase in premium will be based on the cost of the increase in cover only. This means that the premium for your original insurance will remain unchanged, but the total premium you pay for your policy will take into account the additional premium for your new level of cover. The new premium will be guaranteed for the rest of the term or until you change your insurance again.

If you have insurance with a rolling term, we will recalculate the premium for the whole insurance when you increase your cover. We are unable to promise that your increased cover will cost less than we would charge for a new policy at that time. This is because the premium for a new policy may not offer the same quality of cover as the policy you have got, so it could cost less to take out a new policy (for which we would need further details of your health).

However, if there are no changes in the cost of cover between the time you take out your policy and increase your cover, then the new premium will normally be less than the premium we would charge for a new policy. The new premium will be guaranteed for ten years or until you change your cover again, if sooner.

When you use any of the increase options for insurance with a rolling term (see page 21), we will extend the term so it has another ten years to run. For example, if you increased your cover after the first year, your term would last for a further ten years, rather than nine.

case study

Cathy Smith - increasing insurance without fuss

At the age of 25, Cathy Smith took out her Skandia Protect policy. She chose combined critical illness and life cover of £50,000. She also decided to protect her insurance against inflation using the automatic 5% option.

Two years later she married James Hart. Thanks to the inflation option, her insurance had already increased to just over £55,000 but she wanted to increase it further. She could do so by using one of the Skandia Protect special event options, the marriage option. This allowed her to increase her insurance by £50,000, making a new total of just over £105,000.

As a result of continued inflation-proofing and the marriage option, four years after she took out her Skandia Protect, her cover was more than £115,000. Later that year she gave birth to her first child, Louise. Cathy used the special event option for childbirth to increase her insurance by a further £25,000.

So, since she took out her insurance, Cathy has married and had a baby. The flexibility of Skandia Protect has allowed her insurance to keep pace with her increased responsibilities. It has increased from £50,000 to more than £140,000 - and all without Cathy needing to give us any more information about her state of health.

future flexibility

If you need to reduce your cover in the future, you can do so at any time.

If you decide that you need a different type of cover in the future, you can apply for a new policy and add it to your original plan.

We will ask for further information about your health when you take out a new policy.

help at hand

Skandia Protect offers more than just peace of mind and a cash sum in the event of a claim.

Our customer services team is happy to help answer any queries you may have if you need to make a claim. You can also find more information about how we administer claims in our brochure, [your guide to making a claim](#), which you can get from your financial adviser.

If you would like information on our track record for claims payment, you can find this in our booklet, [supporting you through critical times](#).

how do I apply?

Now you have read this brochure, we recommend that you discuss your requirements with your financial adviser. Then please complete an application form so you too can benefit from the cover that Skandia Protect offers.

Any medical evidence we will need depends on the amount and type of cover you have chosen and any health information you have given us.

In many cases, you will not need a medical examination. We will be able to assess your application using the information on the application form, or with a report from your doctor.

further information

You can find more information about our life cover and critical illness cover in the following brochures:

- **guaranteeing your life cover at a fixed cost**
- **guaranteeing your cover for life with rolling term**
- **your guide to skandia protect critical illness cover**

The benefits under Skandia Protect strictly follow the Policy Terms. If you would like a copy, please ask your financial adviser.

This brochure is based on Skandia's interpretation of the law and HM Revenue & Customs practice as at May 2007.

While we believe this interpretation to be correct, we cannot guarantee it. Tax reliefs may change in the future.

All names used in the case studies are fictitious and based on typical circumstances only.

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Calls may be monitored and recorded for training purposes and to avoid misunderstandings.
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Authorised and regulated by the Financial Services Authority FSA Register number 110462

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