

# key features of **skandia protect**

flexible life and critical illness cover



## **keyfacts**®

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

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# please read this document carefully

The purpose of this Key Features Document is to give you a clear and balanced summary of the information you need to help you make a decision.

Reading financial literature can be daunting, so we try to make our brochures and other documents as clear as possible, with no 'small print'. Where we cannot avoid technical expressions, we have included an explanation in plain English. We test our literature regularly to make sure that it can be understood by our customers.

Please read this Key Features Document in conjunction with your personal Key Features Illustration, enclosed.

*thank you*

## about Skandia

Skandia Protect is provided by Skandia Life Assurance Company Limited, which is part of the Skandia UK group of companies, and is owned by Old Mutual plc. Old Mutual is an international financial services group with headquarters in London. As a FTSE 100® Company, it is one of the 100 largest companies listed on the London Stock Exchange.

Having launched in the UK in 1979, Skandia UK Group now manages £39.5 billion of investors' money\* in pensions, tax-efficient investments and protection products.

*\* As at 30 June 2008.*

## enabling intelligent investment choice

If the name Skandia is not familiar to you, that's because we don't sell or promote our products directly to customers. Instead, we deal only through financial advisers. We believe that decisions about your financial future are so important that you should always seek expert financial advice.


We do all we can to make sure that the people who are advising you about our products fully understand them and the risks that they need to consider with their customers. We also try to make our product information as clear as possible, in order to ensure you have all the information you need to make an intelligent choice about protection insurance.




# aims



## Skandia Protect and its benefits

Skandia Protect is a life assurance policy that can include critical illness cover and is designed to pay out a guaranteed cash sum when you, or others covered by the plan, have one of the critical illnesses listed on page 11 or die.


You can choose how long you want your cover to last – for a fixed period, for renewable ten-year periods, or throughout the life of the people insured. 

If you choose cover with a fixed term, or guaranteed whole life cover, your regular payments ('premiums') will never change unless you increase your cover. If you choose cover with a rolling term, we will review and increase your premiums every ten years, or sooner if you increase your cover. 

With Skandia Protect you can also:

- add cover that means that we will pay or waive your premiums if you are temporarily unable to work due to illness or accident, or pay a cash sum if you become totally and permanently disabled. You can also add cover that will let you apply for more insurance following a claim. 
- increase your cover to keep up with inflation. We will offer you this option every year, even if you have declined the offer previously. 
- increase your cover in the future, using our guaranteed increase options, available following certain specified events such as marriage or a birth. You can do this without giving us any more information about your health, even if it has worsened since your plan started.

You can split your cover between several policies in the same plan, each of which can be different.

Skandia Protect can be used by companies to cover key employees. The partners or shareholders of a business can also use the plan to provide a cash sum for their partners or fellow shareholders, to buy their share of the business from their family when they have a critical illness or on their death. 

See Q6 'how long will my cover last?'



See Q5 'will my regular premiums ever increase?'



See Q4 'what options can I choose at an extra cost?'



See Q2 'how flexible is the cover?'



See Q12 'can I use Skandia Protect to cover my business?'



# your commitment

## what you have to do as the policyholder

You must answer all the questions on the application form fully, accurately and comprehensively. If you do not do so, we may not be able to pay your claim.


You must pay regular monthly or yearly premiums for the period of cover you have chosen, or throughout your life.

You will need to tell us about any future changes of address or contact details so we can keep our records accurate and communicate with you.



# risks

## factors that could affect your policy

If you choose cover with a rolling term, you will need to increase your premiums after a review to ensure that your cover lasts for as long as you need it. We will review your policy every ten years, or when you increase your cover, if sooner. 


If you choose cover for a fixed period, it will end on the date you have chosen, and you will not be able to extend the period. You may be left without cover at a time when it is difficult or even impossible to get more, because of your age or your health.


There are some circumstances in which we cannot accept a claim. 


A Skandia Protect policy provides insurance only. It does not have a cash value or a surrender value at any time.


If you stop making regular payments, your insurance will end 30 days after the first unpaid premium was due.


If you increase your cover, your premiums may rise by a higher percentage than the increase in cover, particularly as you get older.


If your plan includes critical illness cover, we will only pay a claim for the listed specific illnesses, treatments and conditions. If your illness does not meet the definition in your policy terms, for example if it is still at an early stage, we will be unable to pay your claim. 

If you add the cover reinstatement option to your policy, we will not be able to tell you which critical illnesses and other benefits will be included in the new policy until you apply for it. 

See Q6 'how long will my cover last?' and Q5 'will my regular premiums ever increase?' 

See Q7 'do you guarantee to pay my claims?' 

See Q8 'what illnesses and conditions are covered?' 

See Q4 'what options can I choose at an extra cost?' 


# questions and answers

## Q1. could Skandia Protect be right for me?

If you are looking for critical illness or life assurance cover that:

- can last for a fixed period or throughout your life
- will pay a cash sum when you die or have a critical illness, and
- has flexibility to increase your cover and add some extra cover

then this could be the right insurance for your needs.


As part of your planning for the inheritance tax that might be due after you die, you can put a Skandia Protect life cover policy into a suitable trust to ensure that the cash sum will not become part of your estate, and no inheritance tax will be due on it on your death. Your financial adviser can give you more information about how to do this. 


You must be resident in the UK to take out a Skandia Protect policy. Guaranteed whole life cover is also available if you are resident in the Isle of Man or the Channel Islands. 

You can take out Skandia Protect life cover if you are aged between 16 and 85. Life cover with a fixed term can last until you are 100.

Alternatively, you can take out Skandia Protect critical illness with life cover if you are aged between 16 and 60, and a fixed term policy must end before you are 71.

The person who owns the policy must be at least 18 years old.

 You can find more about putting your policy in trust in our brochure 'explaining Skandia Protect'

 See Q6 'how long will my cover last?'

## Q2. how flexible is the cover?


### INFLATION

Every year, we will offer you the opportunity to maintain the true value of your cover and offset the effects of inflation. You can increase your cover by up to a fixed percentage which varies with the type of cover you have chosen, or by the current rate of inflation, if that is higher. The increase in your premiums may be a higher percentage than the increase in your cover.

Even if you decide you do not want to accept the increase option in one or more years, we will continue to offer it as long as your cover lasts. When you accept an increase, we will not ask you to tell us about any changes in your health since your insurance started.

When you set up your policy, you can choose to have these increases happen automatically each year.

## SPECIAL EVENTS

Whenever any of the events listed below happen in your life, you can increase your cover within certain limits, provided we accepted your application on our standard terms. 

On such occasions, we will not ask for any more information about your health, even if it has worsened since your plan started.

The events are: 


- marriage or civil partnership\*
- divorce or dissolution of a civil partnership
- the birth or adoption of a child
- moving house or increasing your mortgage
- an increase to your salary
- when your liability to inheritance tax increases
- when the value of your business, a key person or a business loan increases (if your plan has been taken out to cover your business)
- when you retire, and life cover included with your company pension scheme ends.


*\*As detailed in the Civil Partnership Act 2004*


If you want to increase your cover by a higher amount than we can offer through the inflation and special event increases, you will need to apply for a completely new policy. If we accept your application, you can add it to your plan. We will need full details of your state of health at that time.


## Q3. who can be insured?

- You alone, or
- you and another person. If you have a guaranteed whole life cover policy, you choose whether we will pay the cash sum after the first or the second death, or
- other people, providing you have an 'insurable interest'. This means that you would suffer financially from the other person's death. For example, a husband and wife or civil partners have an insurable interest in each other's lives.

A company can take out a plan covering the death or critical illness of its key employees, and the partners or shareholders of a business can cover each other. 

See Q15 'what are 'standard terms'?' 

You can find full details of all the increases in our brochure 'explaining skandia protect' 

See Q12 'can I use Skandia Protect to cover my business?' 

*continued over page*

## Q4. what options can I choose at an extra cost?

You can choose to add to your policy for an extra cost: **i**

### TOTAL PERMANENT DISABILITY COVER

We will pay the full amount of your cover if you become permanently disabled and are unable to work again. Your policy will end if we pay a claim for this cover.

### PREMIUM PROTECTION COVER

If you are ill or have an accident and are unable to work for more than six months, we will pay your premiums until you recover, return to work, have an illness or disability claim accepted, reach age 65, or die. If you have used the inflation option to increase your cover every year, we will continue to increase your cover while we pay the premiums.

### COVER REINSTATEMENT OPTION **i**

After you make a claim for a critical illness or disability, you may find it very expensive, or even impossible, to get cover again. If you add this option to your policy, you can apply for more cover after your claim.

If you choose guaranteed whole life cover, the only extra cover you can add to your policy is premium protection cover.

**i**  
You can find full details of these covers in our brochure 'explaining skandia protect'

**i**  
See Q11 'can I get more cover following a claim?'

## Q5. will my regular premiums ever increase?

If you choose cover with a rolling term, your premiums are guaranteed not to change for the first ten years unless you change your level of cover. After that we will review your premiums and increase them to take account of your age. We will then guarantee them for a further ten years. There is no upper age limit, so you can 'roll' your term throughout your life. **i**

How much you pay will be affected by the increasing cost of life cover, critical illness cover and any ill-health cover you have included, such as disability and premium waiver cover.

If you choose fixed term cover or guaranteed whole life cover, we guarantee that your premiums will never change unless you ask us for more cover. **i**

**i**  
You can find more details about rolling term cover in our brochure 'explaining skandia protect'

**i**  
See Q6 'how long will my cover last?'

## Q6. how long will my cover last?

You can choose from three different periods of cover:

- **Fixed term** – lasts for a set period which cannot be extended; your premiums are guaranteed not to change.
- **Rolling term** – can last throughout your life; your premiums are guaranteed for ten-year periods.
- **Guaranteed whole life cover** – lasts throughout your life; your premiums are guaranteed not to change.

For each of these periods of cover, if you change your amount of cover your premiums will increase.

For critical illness cover, you can choose between a fixed or rolling term. All three periods of cover are available for life cover policies.

## Q7. do you guarantee to pay my claims?

Yes, unless: **i**

- you do not answer all the questions in the application form completely and accurately
- you have critical illness cover, and the claim was caused or accelerated by alcohol or drug abuse, or unreasonable failure to follow medical advice
- you add total permanent disability or premium protection cover and
  - a claim was caused or accelerated by certain events, or
  - you are outside the UK for extended periods of time
- you commit suicide in the first year after you take out or increase your life cover.

**i**  
You can find more details of what we exclude in our brochure 'explaining skandia protect'


## Q8. what illnesses and conditions are covered?

If you have any of these critical illnesses or treatments which meets the definition, we will pay the cash sum. These are only brief descriptions of what is covered and we do not cover some levels of the illnesses, for example low-grade cancers. **i**

- 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*

**i**  
You can find full definitions and explanations of the critical illnesses we cover in our brochure 'your guide to illnesses covered by skandia protect' available from your financial adviser

## Q9. what additional covers are included with critical illness cover?

We cover two types of low-grade cancer which are not included in the cancer definition, plus three extra covers. 

### LOW-GRADE CANCER COVER

We will pay the lower of £10,000 and 20% of the insured amount for either of these covers.

Any payment we make for these covers will not affect your premiums or reduce your cover and your policy will continue in full.

- **Mastectomy cover for DCIS**

If you have a mastectomy as a result of ductal carcinoma in situ (DCIS), we will pay you a cash sum.

- **Low-grade prostate cancer cover**

If you are diagnosed with low-grade prostate cancer (with a Gleason score between 2 and 6 inclusive or a TNM classification of T1N0M0) we will pay you a cash sum.

### 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.

### CHILDREN'S COVER


We automatically insure your children from the later of the date your cover starts and age 30 days, until they reach 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.

### SURGERY COVER


If you or your child need coronary artery by-pass grafts, 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.

## Q10. what additional covers are included with life insurance cover?

### TERMINAL ILLNESS COVER


We include terminal illness cover with policies which have a fixed or rolling term. We will pay the cash sum if you are diagnosed as having less than 12 months to live. You cannot claim for this cover within the last 18 months of a fixed term policy. 


### DISABILITY CONVERSION OPTION


Before you are 65, you can choose to convert some or all of your life cover from a fixed or rolling term policy to make monthly care payments should you become disabled in the future. 

### ACCIDENTAL DEATH COVER

We will pay the lower of your cover amount and £500,000 if you die as a result of an accident in the time between your application for Skandia Protect and when your cover takes effect.


 You can find more about these additional covers in our brochure 'explaining skandia protect'

 See Q6 'how long will my cover last?'

 You can find more about converting life cover and accidental death cover in our brochure 'explaining skandia protect'


## Q11. can I get more cover following a claim?

### COVER REINSTATEMENT OPTION


If you have added this cover to your policy and you make a claim for a critical illness, or a disability on either critical illness or life cover, you can apply for a new policy following the claim. We will not increase your premiums because your health is worse than when you first took out your cover. 

### CONTINUING COVER OPTION

If your insurance covers two people and one of you makes a claim, the policy will end when we pay it. However, the person who does not claim can apply for further cover, no matter what their state of health. This option is automatically included at no extra cost when you choose cover for two people in the same policy.


 You can find more about cover following a claim in our brochure 'explaining skandia protect'

## Q12. can I use Skandia Protect to cover my business?

If you own a company, you may wish to insure against the financial effects of losing one of your key people through an illness or death. Such a loss can affect profits and the availability of business loans. If you need cover for an employee, insurance for a short fixed period may be suitable. However, if you want to cover an owner of the business for a longer period, you may want to choose a Skandia Protect policy that can last throughout life. 

You can also use Skandia Protect if you are a shareholder or partner in a business. If one of your fellow shareholders or partners dies, the plan can provide the cash to buy their share from their family.

Your financial adviser can give you more details of how Skandia Protect might cover you and your business.

 You can find more about protecting your business in our brochure 'explaining skandia protect'


## Q13. how do I pay my premiums?

You can choose to pay your premiums either monthly or yearly. The minimum payments are £25 a month or £250 a year.

If you choose the monthly option, you must pay by direct debit. You can, however, pay the first premium by cheque if you wish. We normally collect the premiums on the first day of the month.


If you choose yearly payments, you can make them either by direct debit or by cheque.

## Q14. can I cancel my cover?

You can cancel your application for Skandia Protect within 30 days after you receive your policy documents. If you wish to do so, please write to us at our Southampton office. We will refund any money you have paid. 

If you want to cancel your cover after this period, please send us your policy documents. We will not refund any of the premiums you have paid.

If you stop paying premiums, your cover will end after 30 days.

See 'contact details' on page 16 

## Q15. what are 'standard terms'?

They are the range of covers and the premium levels that we offer to most people who are in good health, who we do not consider to have a hazardous occupation and who do not take part in any potentially dangerous leisure activities.

If you do not meet our criteria for these, we may offer you 'non-standard terms', which means that we ask you to pay an increased premium. Alternatively, we may remove some benefits or options from your policy, or be unable to offer you total permanent disability or premium protection cover.


If you accept any non-standard terms we offer, any increases to your cover will also be more expensive. You will not be able to use the increase options on special events if we increase your premiums because of your health. We will, however, still offer you inflation increases each year.

## Q16. can I have critical illness cover without life cover?

Our critical illness policies include life cover. However, if you do not want the life cover, we can remove it from your policy, but we will not reduce your premiums. If you want us to remove the life cover, you must give us your reasons in writing when you apply for your policy.


If you choose to have a critical illness policy without life cover, we will only accept a claim if you survive for 14 days after the diagnosis of your illness, or following surgery.

## Q17. will tax be payable on the money from a claim?

The amount paid on a claim is normally free from UK income tax and capital gains tax. On death, inheritance tax may be due on these payments. You may be able to reduce the effects of inheritance tax by using an appropriate trust. We strongly recommend that you speak to your financial adviser before making any decisions regarding trusts. 

You can choose to have the cash sum paid in four equal instalments. This may have tax advantages for companies.

The Government might change the tax position during the life of your plan.

 You can find more information about putting a policy in trust in our brochure 'explaining skandia protect'

## Q18. what will happen if I stop paying premiums?

If you miss paying a premium, you will have 30 days to make the payment. If you have not paid it by then, all your cover will end immediately.

You may be able to reinstate your cover up to three months after the date your missed payment was due. We will need full information about your state of health at that time.



## other information

### contact details

If you need any further information about Skandia Protect, please contact your financial adviser.

If you wish to contact us directly, you can do so by:

Phone: 023 8033 4411  
Fax: 023 8022 0464  
E-mail: [info@skandia.co.uk](mailto:info@skandia.co.uk)  
Mail address: Skandia Life Assurance Company Limited  
PO Box 37  
Skandia House  
Portland Terrace  
Southampton SO14 7AY

### complaint procedures

Customer satisfaction is very important to us at Skandia, but if you do have any cause to complain about the services provided, either by your financial adviser or by us, clear procedures are laid down by the Financial Services Authority to ensure that your complaint is dealt with fairly.

You should write in the first instance either to your financial adviser – if your complaint relates to the advice you have been given – or, if it concerns the service you have received from us, to our Compliance Officer at the address above, and we will do everything we can to resolve the problem.

If you are not satisfied with the response you receive, you can complain to:

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

Complaining to the Ombudsman will not affect your legal rights.

### about the terms and conditions

This Key Feature Document gives a summary of Skandia Protect. It does not include all the definitions, exclusions or policy Terms and Conditions.

For a copy of [explaining skandia protect](#) or the policy terms, please ask your financial adviser or contact us direct.

Skandia Protect is governed by the law of England and Wales. Your policy terms will confirm this.

All our literature, and any other communications with you, will be in English.

## policyholder protection

The Financial Services Compensation Scheme acts as a safety net for customers of financial services providers such as Skandia. If we cannot meet our liabilities, the FSCS may arrange to transfer your plan to another insurer, provide a new plan or, if these actions are not possible, provide compensation.

For long-term insurance (such as pension plans and life assurance), the level of compensation you can receive from the scheme is as follows:

- the first £2,000 of a claim is protected in full
- above this amount, the scheme covers payment to 90% of the value of a plan in liquidation.

Full details are available on request.

## classifying our customers

Under Financial Services Authority (FSA) rules, we classify all our investors as 'retail clients' which means you benefit from the highest level of regulatory protection.

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](http://www.skandia.co.uk)

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

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