bright grey®
a division of Royal London

Plan details for the Business Protection Menu (April 2010)

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

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

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

- this booklet
- each cover summary we give you which refers to the plan details for the Business Protection Menu (April 2010)
- any endorsements to these terms and conditions that Bright Grey gives you
- the key facts document we send to you when your plan starts.

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

We give this booklet to everyone when they buy a Business Protection Menu. Not only will it give you all the details about the covers you have bought, it will also give you important information about keeping your payments up to date, what to do if you want to make a change, and how to go about making a claim. It provides details of your plan, subject to any additional features shown in your cover summary.

It can also be used by customers who are thinking about buying a Business Protection Menu, and want more detailed information.

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SECTION A: About the Business Protection Menu

In this section we tell you about your plan, the options available and how to tell us about changes.

This section of the plan details gives you an overview of the different covers that make up the Business Protection Menu and what options are available for these covers. Unlike the rest of the booklet, it is not part of the plan's legally binding terms and conditions.

A1 Telling us about changes

Please remember to tell us if you:
- stop being resident in the UK
- change your name
- change your address
- change your bank account.

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

You can:
- phone us on 0845 6094 500
- email us at help@brightgrey.com
- fax us on 0845 6094 523
- write to us at Customer Care Team, Bright Grey, 2 Queen Street, Edinburgh, EH2 1BG
- visit us at www.brightgrey.com

So we have an accurate record of your instructions, if you call us, we may record or monitor your call.

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

A2 The covers

The Business Protection Menu offers a range of covers. You can choose just one cover, or a combination, to suit your own particular situation. And as your needs change, you will be able to add or remove or adapt your covers so that they provide exactly what you need.

The cover	*When it pays out*
Life Cover	if someone dies or is diagnosed with a terminal illness
Critical Illness Cover	if someone becomes critically ill
Life or Critical Illness Cover	if someone dies, is diagnosed with a terminal illness or becomes critically ill
Income Cover for Sickness	if someone cannot work because of illness or injury
Key Person Income Cover for Sickness	if someone cannot work because of illness or injury
Payment Cover for Sickness	if someone cannot work because of illness or injury, we will pay their plan payments for them. We automatically include this if you choose Income Cover for Sickness or Key Person Income Cover for Sickness

If you are deciding what cover you need, the first thing to do is choose one or more covers from the list above. You can find all the detail about these covers in this booklet. Once you have chosen your covers, you can apply using just one application form. The covers you have chosen will then be grouped into one plan. Your plan will represent the protection you have with Bright Grey.

For tax reasons, some covers cannot be combined with others in the same plan. If this happens, these will be set up separately using a different plan number to the other covers. Each one will also be detailed on a separate cover summary (this is the document we send you confirming the cover you have bought).

SECTION A: How the Business Protection Menu works

A3 The options

Many of the covers you can choose from the Business Protection Menu include different options to make your plan even more flexible. These are shown in the table below and on the next page.

What can vary	The options	Life Cover	Critical Illness Cover	Life or Critical Illness Cover	Income Cover for Sickness	Key Person Income Cover for Sickness	Payment Cover for Sickness	What the options mean
Which person is covered, and when we pay the cover	Single life	✓	✓	✓	✓	✓	✓	'Single life' means only one person is covered.
	Joint life first event	✓	✓	✓	–	–	✓	'Joint life' means 2 people are covered. 'First event' means we will only pay the first time the event happens.
Term of cover	1-40 years	✓	–	✓	–	–	✓	How long the cover lasts for.
	5-20 years	–	–	–	–	✓	–	
	5-40 years	–	✓	–	✓	–	–	
	~5 year renewable	✓	✓	✓	–	–	✓	~not available on decreasing covers.
Maximum amount of cover	£5,000,000	✓	–	–	–	–	–	You can apply for any amount up to whichever is the lower of the amounts shown.
	£1,000,000	–	✓	✓	–	–	–	
	50% of pre-tax earnings	–	–	–	✓	–	–	
	£150,000 each year	–	–	–	✓	–	–	
	75% of gross profit attributable to person covered	–	–	–	–	✓	–	Gross profit is averaged over last 3 years.
	£250,000 each year	–	–	–	–	✓	–	
Maximum age when the cover starts	54	–	–	✓	–	–	–	The oldest the person covered can be when the cover starts (attained age).
	59	–	–	–	✓	✓	–	
	64	+✓	✓	*✓	–	–	–	+If cover is renewable.
	83	✓	–	–	–	–	✓	*Only available if your payments are reviewable.
Maximum age when the cover ends	64	–	–	✓	✓	✓	–	The oldest the person covered can be when the cover ends (attained age).
	74	+✓	✓	*✓	–	–	–	+If cover is renewable
	84	✓	–	–	–	–	✓	*Only available if your payments are reviewable
Whether payments change or not	Guaranteed payments	✓	–	✓	✓	✓	✓	'Guaranteed' means your payments into the plan will not change unless your cover changes.
	Reviewable after 5 years	–	✓	✓	–	–	–	'Reviewable' means we can review the payments and may change them. Subsequent reviews will be every 5 years.

What can vary	The options	Life Cover	Critical Illness Cover	Life or Critical Illness Cover	Income Cover for Sickness	Key Person Income Cover for Sickness	Payment Cover for Sickness	What the options mean
Payment of the cover	Level lump sum	✓	✓	✓	–	–	–	'Lump sum' means the cover is paid as a single amount.
	Increasing lump sum, increasing by a selected rate (2-5%)	✓	✓	✓	-	–	–	'Increasing' means the cover will go up each year by the rate agreed.
	Increasing lump sum, increasing by retail price index (RPI) (2-10%)	✓	✓	✓	–	–	–	
	Monthly decreasing lump sum	✓	✓	✓	–	–	–	'Decreasing' means the cover will go down each month in line with a repayment mortgage that has the interest rate shown on your cover summary (0-15%).
	Yearly decreasing lump sum	✓	✓	✓	–	–	–	'Decreasing' means the cover will go down each year in line with a repayment mortgage that has the interest rate shown on your cover summary (0-15%).
	Level income	–	–	–	✓	✓	–	'Income' means the cover is paid as a regular payment each month.
	Increasing income, increasing by a selected rate (2-5%)	–	–	–	✓	✓	–	
	Increasing income, increasing by RPI (2-10%)	–	–	–	✓	✓	–	
Definition of Total Permanent Disability or incapacity (section D)	Own occupation	–	✓	✓	✓	✓	✓	'Own occupation' means the essential duties of your own occupation. (see section D)
	Working tasks	–	✓	✓	✓	✓	✓	'Working tasks' means common tasks to do with work. (see section D)
Deferred period	4, 13, 26 or 52 weeks	–	–	–	✓	✓	✓	The time before we will start paying a claim if you are not working because of illness or injury.
Cover payment period	Throughout	–	–	–	✓	–	✓	The length of time we pay the claim.
	1 year	–	–	–	✓	✓	–	
	2 years	–	–	–	✓	✓	–	
	3 years	–	–	–	–	✓	–	
	4 years	–	–	–	–	✓	–	
	5 years	–	–	–	–	✓	–	
Cover increase options	Increase in value of the key person	✓	✓	✓	–	✓	–	If the plan is accepted on standard terms, the client can increase their cover without any medical evidence if any of these events happen.
	Increasing your business mortgage or loan	✓	✓	✓	–	✓	–	
	An increase in the value of a partner's or shareholding director's interest in the business	✓	✓	✓	–	✓	–	
Children's Critical Illness Cover	Included automatically if you choose Critical Illness Cover or Life or Critical Illness Cover.	–	✓	✓	–	–	–	Pays up to £20,000 if any of your children are diagnosed with a critical illness or Total Permanent Disability.

SECTION B: Payment of claims

B1 When we will pay a claim

What's shown in the cover summary	*When we will pay a claim*
If your cover summary shows you have Life Cover	We will pay a claim if the person covered, or if there are 2 people covered, either of them, dies or is diagnosed with a terminal illness during the term of the cover.
If your cover summary shows you have Critical Illness Cover	We will pay a claim if, during the term of the cover, the person covered, or if there are 2 people covered, either of them: • is diagnosed with any of the critical illnesses listed in section D; *or* if Total Permanent Disability is shown on your cover summary, is diagnosed with Total Permanent Disability; *and* that diagnosis meets our definition of the illness or Total Permanent Disability.
If your cover summary shows you have Life or Critical Illness Cover	We will pay a claim if, during the term of the cover, the person covered, or if there are 2 people covered, either of them: • dies or is diagnosed with a terminal illness; • is diagnosed with any of the critical illnesses listed in section D; *or* if Total Permanent Disability is shown on your cover summary, is diagnosed with Total Permanent Disability; *and* that diagnosis meets our definition of the illness or Total Permanent Disability.
If your cover summary shows that you have Critical Illness Cover, or Life or Critical Illness Cover (the main cover), your cover automatically includes Children's Critical Illness Cover	We will pay a claim if a child of the person covered, or if there are 2 people covered, a child of either of them: • is diagnosed with any of the critical illnesses listed in section D; *or* is diagnosed with Total Permanent Disability; *and* that diagnosis meets our definition of the illness or Total Permanent Disability. Payment of Children's Critical Illness Cover does not affect the amount of any main cover.
	After we have paid a claim for Life Cover, Critical Illness Cover, or Life or Critical Illness Cover, the cover is cancelled and we will not make any further payment.

What's shown in the cover summary	*When we will pay a claim*
If your cover summary shows you have Income Cover for Sickness	We will start paying this cover if the person covered is diagnosed as being incapacitated for a continuous period longer than the deferred period shown in your cover summary, during the term of your cover. We will continue paying this cover until the earliest of the following events happens: • the person covered is no longer incapacitated; • the person covered returns to any work; • the cover payment period ends, if one is shown in the additional features of your cover summary; • the cover ends; *or* • the person covered dies. We may ask the person covered to be examined by a doctor or relevant allied health specialist of our choice. We may ask for any other reasonable evidence we need to consider the claim, or to confirm that the person covered remains incapacitated. **Connected claims** A connected claim happens if we start to pay a claim, and the person covered then goes back to work but has to stop work again within the next 26 weeks. We will treat the further period of incapacity as a connected claim and start to pay the cover straight away provided that: • the person covered did not go back to work against the advice of their doctor; • the person covered is incapacitated from the same cause as the original claim; • the person covered is still working in the same occupation at the time the further period of incapacity starts; *and* • you tell us within 2 weeks of the date the person covered stops work again. We will only pay a connected claim for the remainder of the cover payment period if: • there is a cover payment period shown in the additional features; *and* • the person covered returns to work within this period. We will calculate the remainder as the cover payment period less the number of months for which your claim was paid before the person covered returned to work. If there is a cover payment period shown in the additional features and the person covered returns to work after the end of this period, we will not pay any further claim for any cause until the person covered has returned to work continuously for at least 26 weeks.

B1 When we will pay a claim *continued*

What's shown in the cover summary	*When we will pay a claim*
If your cover summary shows you have Key Person Income Cover for Sickness	We will start paying this cover if the person covered is diagnosed as being incapacitated for a continuous period longer than the deferred period shown in your cover summary, during the term of your cover. We will continue paying this cover until the earliest of the following events happens: • the person covered is no longer incapacitated; • the person covered returns to any work; • the employment of the person covered by the business comes to an end; • the business ceases to trade; • the cover payment period ends; • the cover ends; *or* • the person covered dies. We may ask the person covered to be examined by a doctor or relevant allied health specialist of our choice. We may ask for any other reasonable evidence we need to consider the claim, or to confirm that the person covered remains incapacitated. **Connected claims** A connected claim happens if we start to pay a claim, and the person covered then goes back to work but has to stop work again within the next 26 weeks. We will treat the further period of incapacity as a connected claim and start to pay the cover straight away provided that: • the person covered did not go back to work against the advice of their doctor; • the person covered is incapacitated from the same cause as the original claim; • the person covered is still working in the same occupation at the time the further period of incapacity starts; *and* • you tell us within 2 weeks of the date the person covered stops work again. We will only pay a connected claim for the remainder of the cover payment period if: • there is a cover payment period shown in the additional features; *and* • the person covered returns to work within this period. We will calculate the remainder as the cover payment period less the number of months for which your claim was paid before the person covered returned to work. If there is a cover payment period shown in the additional features and the person covered returns to work after the end of this period, we will not pay any further claim for any cause until the person covered has returned to work continuously for at least 26 weeks.

What's shown in the cover summary	*When we will pay a claim*
If your cover summary shows you have Payment Cover for Sickness	We will start paying this cover if the person covered, or if there are 2 people covered, either of them, is diagnosed as being incapacitated for longer than the deferred period, during the term of your cover. For the avoidance of doubt, if there is more than one person covered and both people covered are diagnosed as being incapacitated at the same time, we will only cover the payment once. We will continue paying this cover until the earliest of the following events happens: • the person covered is no longer incapacitated; • the person covered returns to any work; • the cover ends; *or* • the person covered dies. We may ask the person covered to be examined by a doctor or relevant allied health specialist of our choice. We may ask for any other reasonable evidence we need to consider the claim, or to confirm that the person covered remains incapacitated. **Connected claims** A connected claim happens if we start to pay a claim, and the person covered then goes back to work but has to stop work again within the next 26 weeks. We will treat the further period of incapacity as a connected claim and start to pay the cover straight away provided that: • the person covered did not go back to work against the advice of their doctor; • the person covered is incapacitated from the same cause as the original claim; • the person covered is still working in the same occupation at the time the further period of incapacity starts; *and* • you tell us within 2 weeks of the date the person covered stops work again.

B2 When we will not pay a claim

What's shown in the cover summary	*When we will not pay a claim*
If your cover summary shows you have Life Cover	We will not pay a claim if: • the diagnosis of terminal illness is in the 12 months immediately before the date this cover ends; *or* • it is the result of any excluded cause shown on your cover summary.
If your cover summary shows you have Critical Illness Cover	We will not pay a claim if: • the person who the claim is for dies within 14 days of the diagnosis of the critical illness or Total Permanent Disability. If this happens we will pay you a single payment of £100; • it is the result of intentional self-inflicted injury; • the person covered does not meet the definition of critical illness or Total Permanent Disability in section D; *or* • it is the result of any excluded cause shown on your cover summary.
If your cover summary shows you have Life or Critical Illness Cover	We will not pay a claim if: • the diagnosis of terminal illness is in the 12 months immediately before the date this cover ends; • it is the result of intentional self-inflicted injury, if the claim is for critical illness or Total Permanent Disability; • the person covered does not meet the definition of critical illness or Total Permanent Disability in section D; *or* • it is the result of any excluded cause shown on your cover summary.
If your cover summary shows you have Critical Illness Cover, or Life or Critical Illness Cover, your cover automatically includes Children's Critical Illness Cover	We will not pay a claim if: • it is the result of any existing condition or related condition that you knew about when the child first became covered by the plan; • it is the result of a congenital illness or condition; • the child dies within 14 days of the diagnosis of the critical illness or Total Permanent Disability; • the child is under the age of 30 days or over the age of 18 years; • the child does not meet the definition of critical illness or Total Permanent Disability in section D; *or* • it is the result of intentional self-inflicted injury. If your Critical Illness Cover or Life or Critical Illness Cover is cancelled or comes to the end of its term, Children's Critical Illness Cover no longer applies.

What's shown in the cover summary	*When we will not pay a claim*
If your cover summary shows you have Income Cover of Sickness	We will not pay a claim if: • it is the result of intentional self-inflicted injury; • it is the result of an excluded cause shown on your cover summary; • the person covered does not meet the definition of incapacitated in section D; *or* • if any medical or other evidence is not supplied when we ask for it. If the person covered is permanently resident outside of the United Kingdom, Channel Islands or Isle of Man: • we will cancel the cover and not pay any claim. You must therefore tell us if the person covered no longer lives in the United Kingdom, Channel Islands or Isle of Man. If the person covered is temporarily resident outside the United Kingdom, Channel Islands or Isle of Man, (for example, because they are travelling on business or for pleasure, or because they have taken up a temporary secondment with the same employer): • we will only pay a claim for a maximum of 12 months, unless they permanently return to the United Kingdom, Channel Islands or Isle of Man. You must therefore tell us if the person covered temporarily leaves the United Kingdom, Channel Islands or Isle of Man.
If your cover summary shows you have Key Person Income for Sickness	We will not pay a claim if: • it is the result of intentional self-inflicted injury; • it is the result of an excluded cause shown on your cover summary; • the person covered does not meet the definition of incapacitated in section D; *or* • if any medical or other evidence is not supplied when we ask for it. If the person covered is permanently resident outside of the United Kingdom, Channel Islands or Isle of Man: • we will cancel the cover and not pay any claim. You must therefore tell us if the person covered no longer lives in the United Kingdom, Channel Islands or Isle of Man. If the person covered is temporarily resident outside the United Kingdom, Channel Islands or Isle of Man, (for example, because they are travelling on business or for pleasure, or because they have taken up a temporary secondment with the same employer): • we will only pay a claim for a maximum of 12 months, unless they permanently return to the United Kingdom, Channel Islands or Isle of Man. You must therefore tell us if the person covered temporarily leaves the United Kingdom, Channel Islands or Isle of Man.

B2 When we will not pay a claim *continued*

What's shown in the cover summary	*When we will not pay a claim*
If your cover summary shows you have Payment Cover for Sickness	We will not pay a claim if: • it is the result of intentional self-inflicted injury; • it is the result of an excluded cause shown on your cover summary; • the person covered does not meet the definition of incapacitated in section D; or • if any medical or other evidence is not supplied when we ask for it.

B3 How much we will pay

B3.1 Life Cover, Critical Illness Cover and Life or Critical Illness Cover

What's shown in your cover summary	*How much we will pay*
Cover payable as a level lump sum	We will pay the amount of cover shown on your cover summary.
Cover payable as an increasing lump sum	We will pay whichever of the following amounts of cover is the greater: a) the amount shown on your cover summary; b) the amount we have written to tell you following an increase.
Cover payable as a decreasing lump sum, and the cover decreases monthly	We will pay a lump sum equal to the amount of capital that would have been outstanding on a loan or mortgage if: • the loan or mortgage was equal to the amount of cover on the date cover started; • it had a term equal to the term of the cover; • it had a yearly interest rate equal to that shown in the additional features; *and* • equal monthly repayments sufficient to repay the loan or mortgage over the term of the cover had been made between the date the cover started and the date the claim becomes payable. The amount of cover will therefore decrease each month. We will not pay any arrears or interest outstanding at the date the claim is paid. You will be liable for any arrears or interest outstanding, as they are not covered under this plan. The amount of cover may not be sufficient to pay off the loan or mortgage if the interest rate of the loan or mortgage has changed.

B3 How much we will pay *continued*

B3.1 Life Cover, Critical Illness Cover and Life or Critical Illness Cover

What's shown in your cover summary	*How much we will pay*
Cover payable as a decreasing lump sum, and the cover decreases yearly	We will pay a lump sum equal to the amount of capital that would have been outstanding on a loan or mortgage if: • the loan or mortgage was equal to the amount of cover on the date cover started; • it had a term equal to the term of the cover; • it had a yearly interest rate equal to that shown in the additional features; *and* • equal yearly repayments sufficient to repay the loan or mortgage over the term of the cover had been made between the date the cover started and the date the claim becomes payable. The amount of cover will therefore decrease each year. We will not pay any arrears or interest outstanding at the date the claim is paid. You will be liable for any arrears or interest outstanding, as they are not covered under this plan. The amount of cover may not be sufficient to pay off the loan or mortgage if the interest rate of the loan or mortgage has changed.
	We work out the amount of cover from the date the claim becomes payable. We will not take into account any change to the amount of cover after this date.

B3.2 Children's Critical Illness Cover

What's shown in your cover summary	*How much we will pay*
If your cover summary shows you have Critical Illness Cover, or Life or Critical Illness Cover, your cover automatically includes Children's Critical Illness Cover	For any Critical Illness Cover, or Life or Critical Illness Cover (the main cover) in force at the time Children's Critical Illness Cover becomes payable, we will pay whichever of the following amounts is lower: • 50% of the amount of cover shown on your cover summary; *or* • £20,000 If your plan includes more than one main cover, the limits detailed above apply to the total amount of all these covers, and we will make only one payment for any child. If you have more than one plan with us on the life of the same person, and these provide the same or similar Children's Critical Illness Cover, the above limits apply across all such plans, and we will make only one payment for any child. If you have more than one plan with us on the lives of different people and these provide the same or similar Children's Critical Illness Cover, the above limits apply across all such plans on the life of each of those people, and we will make a maximum of two payments for any child. We will work out the amount of cover as at the date the claim becomes payable. This means that if your main cover is payable as a decreasing lump sum, the amount of Children's Critical Illness Cover will be based on the amount your main cover has decreased to at that time. Any change to the amount of cover after this will not be taken into account.

B3.3 Income Cover for Sickness

What's shown in your cover summary	*How much we will pay*
Level regular payments	We will pay 1/12th of whichever of the following amounts is lower: • the amount of cover shown on your cover summary; or • the pre-incapacity earnings of the person covered multiplied by the maximum percentage of pre-incapacity earnings shown in the additional features of your cover summary.
Increasing regular payments	We will pay 1/12th of whichever of the following amounts of cover is lower: • the amount of cover shown on your cover summary or the amount we have written to tell you following an increase, whichever is greater; or • the pre-incapacity earnings of the person covered multiplied by the maximum percentage of pre-incapacity earnings shown in the additional features of your cover summary. This amount of cover will continue to increase on each anniversary of the date the plan started by the rate shown in the additional features.

If at the time of a claim the person covered is not in work, the amount we will pay is also subject to a maximum of £1,400 a month.

We will pay this monthly in arrears.

If you have any other plan with us or any other company which provides what we judge to be similar covers, we will reduce the amount we pay by the total amount of cover from all such plans.

Similar covers include, but are not limited to, any other plan that in the event of incapacity of the person covered:

- replaces all or part of the pre-incapacity earnings of the person covered;
- makes payments to any mortgage, loan, credit agreement or credit card on behalf of the person covered; or
- makes contributions to any pension arrangement on behalf of the person covered.

If the person covered continues to receive earnings from any form of employment or self-employment or payments from any pension arrangement while they are incapacitated, we will reduce the amount we pay by the total of all such earnings or pension payments.

B3 How much we will pay *continued*

B3.3 Income Cover for Sickness *continued*

How much we will pay if the person covered goes back to their own occupation on a part-time basis

If we have been paying a claim, and the person covered goes back to work in their own occupation but on a part-time basis with reduced earnings as a direct result of their illness or injury, we will pay a reduced amount of cover. We will use the following formula to work out the reduced amount of cover.

$$\frac{\text{(pre-incapacity earnings – reduced earnings) x normal cover}}{\text{pre-incapacity earnings}}$$

In this formula 'normal cover' means the amount of cover we would pay if the person covered remained incapacitated and was not working. Where the reduced earnings vary the amount paid under this cover will also vary. We will need evidence of the reduced earnings.

We will pay this reduced amount provided that the person covered:

- goes back to work for less than 30 hours each week;
- was working for more than 30 hours each week prior to their incapacity;

and has earnings from part-time work which are less than their earnings when they became incapacitated.

We will continue to pay this reduced amount of cover until the earliest of the following events happens:

- the person covered returns to work full-time;
- the earnings from part-time work of the person covered are more than their pre-incapacity earnings;
- we have paid this reduced amount of cover for a period of 12 months;
- if there is a cover payment period shown in the additional features, the cover payment period ends;
- the cover ends; *or*
- the person covered dies.

How much we will pay if the person covered goes back to work in a different occupation

If the person covered is incapacitated, but returns to work in a different occupation with lower earnings, we will pay a reduced amount of cover. We will use the following formula to work out the reduced amount of cover:

$$\frac{\text{(pre-incapacity earnings – reduced earnings) x normal cover}}{\text{pre-incapacity earnings}}$$

In this formula 'normal cover' means the amount of cover we would pay if the person covered remained incapacitated and was not working. Where the reduced earnings vary the amount paid under this cover will also vary. We will need evidence of the reduced earnings.

We will pay this benefit provided that the person covered:

- remains incapacitated; and
- has earnings from the different occupation which are less than their earnings when they became incapacitated.

We will continue to pay this reduced amount of cover until the earliest of the following events happens:

- the earnings from the different occupation of the person covered are more than their pre-incapacity earnings;
- if there is a cover payment period shown in the additional features on your cover summary, the cover payment period ends;
- the cover ends; or
- the person covered dies.

We work out the amount of cover as at the date of diagnosis of incapacity. We will not take into account any change to the amount of cover after this date, other than the one under section C3.1 increasing cover.

B3.4 Key Person Income Cover for Sickness

What's shown in your cover summary	*How much we will pay*
Level regular payments	We will pay 1/12th of whichever of the following amounts of cover is lower: • the amount of cover shown on your cover summary; *or* • the pre-incapacity profit attributable to the person covered multiplied by the maximum percentage of pre-incapacity profit shown in the additional features of your cover summary.
Increasing regular payments	We will pay 1/12th of whichever of the following amounts of cover is lower: • the amount of cover shown on your cover summary or the amount we have written to tell you following an increase, whichever is greater; or • the pre-incapacity profit attributable to the person covered multiplied by the maximum percentage of pre-incapacity profit shown in the additional features of your cover summary. This amount of cover will continue to increase on each anniversary of the date the plan started by the rate shown in the additional features.
	We will pay this monthly in arrears. If you have any other plan with us or with any other company which provides what we judge to be similar covers, we will reduce the amount we pay by the total amount of cover from all such plans. Similar covers include, but are not limited to, any other plan that in the event of incapacity of the person covered replaces all or part of the pre-incapacity profit attributable to the person covered.

B3 How much we will pay *continued*

B3.4 Key Person Income Cover for Sickness *continued*

How much we will pay if the person covered goes back to their own occupation on a part-time basis

If we have been paying a claim, and the person covered goes back to work in their own occupation but on a part-time basis with reduced hours as a direct result of their illness or injury, we will pay a reduced amount of cover. We will use the following formula to work out the reduced amount of cover.

$$\frac{\text{(pre-incapacity profit – reduced profit) x normal cover}}{\text{pre-incapacity profit}}$$

In this formula 'normal cover' means the amount of cover we would pay if the person covered remained incapacitated and was not working. Where the reduced profits vary the amount paid under this cover will also vary. We will need evidence of the reduced profit.

We will pay this reduced amount provided that the person covered:

- goes back to work for less than 30 hours each week;
- was working for more than 30 hours each week prior to their incapacity; and
- the profit attributable to the person covered is less than the profit attributable to them when they became incapacitated.

We will continue to pay this reduced amount of cover until the earliest of the following events happens:

- the person covered returns to work full-time;
- the profits attributable to the person covered are more than the pre-incapacity profit attributable to the person covered;
- we have paid this reduced amount of cover for a period of 12 months;
- the employment of the person covered by the business comes to an end;
- the business ceases to trade;
- the cover payment period ends;
- the cover ends; or
- the person covered dies.

B3.5 Payment Cover for Sickness

What's shown in your cover summary	*How much we will pay*
Payment Cover for Sickness	We will pay your cover payments for you.

There's more information that applies to the covers in:	
Section C1:	How to make a claim
Section C2:	Your payments for your plan
Section C3:	Changing your plan
Section C4:	General terms and conditions
Section D:	Definitions of the words we use

SECTION C: Operating your plan

C1 How to make a claim

This section of the plan details applies to all plans.

C1.1 How to make a claim

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

1 Phone us on 0845 6094 500;
2 Fill out the claim form that we will send you and send this back to us with any other documents we request;
3 Continue to make your payments.

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

- the birth, marriage or death certificate of the person covered;
- any other evidence of a change of name;
- medical evidence relating to the person covered which may include full medical records;
- evidence of the income of the person covered;
- evidence of the profit attributable to the person covered;
- evidence of the amount and status of your mortgage.

We will tell you when you phone us which of these we need, and if we need anything else.

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

All diagnoses must:

- be made by a consultant employed at a hospital within the geographical limits shown below who is a specialist in an area of medicine appropriate to the cause of the claim;
- be the first and unequivocal diagnosis of terminal illness, a critical illness or Total Permanent Disability;

and be confirmed by our chief medical officer.

For all covers except Life Cover, we will restrict claims to certain parts of the world.

This means that if the person covered is living or working outside the United Kingdom and you need to make a claim, the person covered may have to return to one of the following countries:

- The United Kingdom
- Australia
- Austria
- Belgium
- Canada
- Channel Islands
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Gibraltar
- Greece
- Hong Kong
- Hungary
- Iceland
- Ireland
- Isle of Man
- Italy
- Japan
- Latvia
- Lithuania
- Luxembourg
- Malta
- The Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- USA

C1 How to make a claim *continued*

C1.1 How to make a claim *continued*

There are further restrictions for payment of Income Cover for Sickness and Key Person Income Cover for Sickness which are set out in section B2.

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

By submitting your completed application form, you warrant that the information you have given us is complete and honest, especially in relation to our questions about the health of the person covered. You agree to tell us if there is any change to the information you have given us between the date you completed your application form and the date we assume risk on your plan. If, when you make a claim, we find out the information you gave us was inaccurate or incomplete, we reserve the right to stop paying a claim or not to pay it.

C1.2 Who we will pay the cover to

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

Normally we will pay the cover to the plan owner or their personal representatives, if the plan owner has died. Personal representatives must send us an original Grant of Representation or Confirmation before we will pay any cover to them. We will return this when we pay the claim.

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

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

C2 Your payments for your plan

C2.1 When you need to make payments for your plan

First payment	Your first payment becomes payable on the date your plan starts. We will collect this on or shortly after the date the plan starts, by direct debit or any other means that we have agreed with you.
Last payment	The date of the last payment is shown on your cover summary. Payments for any cover will also end if the cover is cancelled.
All other payments	If you are paying monthly: you must make a payment each month between the first payment and the last payment. These payments are payable on the same day each month as the day your plan starts. You can ask us and we may agree to collect your payment on any other day of the month between the 1st and the 28th day you choose. If you are paying yearly: you must make a payment each year between the first payment and the last payment. These payments are payable on the same day each year as the date the plan starts. You can ask us and we may agree to collect your payment on any other day you choose within the same month.

C2.2 What happens if you do not make your payment

If you do not make your first payment, your plan will not start and you will not be covered.

If a subsequent payment remains unpaid for more than 5 weeks from the date it is payable, we will cancel your plan and you will no longer be covered. We will write to you to confirm that your plan is cancelled.

C2.3 Restarting your plan

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

C2.4 When and how we may change your payment to us

Guaranteed payments for covers which are payable as a level lump sum	We guarantee that provided payments are paid on time, your payment for this cover will not change unless you request a change to the cover.
Guaranteed payments for covers which are payable as an increasing lump sum	We guarantee that provided payments are paid on time, your payment for this cover will not change, apart from the changes described in section C2.5, unless you request a change to the cover.

C2 Your payments for your plan *continued*

C2.4 When and how we may change your payment to us *continued*

Reviewable payments

We guarantee that your payments for this cover will not change for at least the number of years shown on your cover summary from the date the cover started. At the end of this period we will review the payment for this cover every 5 years.

In working out your payment for a cover we make assumptions about certain factors.

These factors are:

- the future level of claims we pay;
- the amounts of money we will pay to reinsurance companies with whom we share the costs of claims;
- the number of plan owners who give up their plans early;
- our expenses;
- inflation;
- investment returns;
- taxes; and
- the amount of money we need to hold as financial reserves.

When we review your payment, we will reassess these assumptions and consider whether the combined effect of changes to them has been better or worse than we had assumed. We will also assess what is likely to happen in future. We will then work out how, and if, the payment for the cover needs to be adjusted (either upwards or downwards) to take account of this.

While your revised payment will always fairly reflect the changes to the factors, it may be significantly greater than your original payment and there is no limit to how much the increase in payment may be.

Any change will take effect from the anniversary of the date the plan started and we will tell you at least one month before we make any change.

If any cover to which this applies is an increasing cover, section C2.5 will also apply to the payment for that cover.

C2.5 Increasing lump sum cover and increasing regular payments cover

On each anniversary of the date the plan started your payment for any increasing lump sum or increasing regular payments cover will increase. The amount of the increase will depend on:

- the amount of the increase in the amount of cover;
- the age of the person covered at the date of increase;
- the remaining term of the cover;
- the payment rates we charged at the date cover started;
- any additional payment you are making because your plan was not accepted on standard terms.

We will tell you how much the increase is at least one month before the increase takes place.

C3 Changing your plan

C3.1 Increasing cover

This only applies to any cover that is payable as an increasing lump sum or increasing regular payments.

On each anniversary of the date the plan started, the amount of cover will increase by the rate shown in the additional features.

If the additional features state that the amount of cover increases by the retail price index, this means the percentage increase in the United Kingdom Government's retail price index (or in the event of that index ceasing to be available, such other index as we reasonably determine to be equivalent) over the 12-month period ending 3 months before the anniversary of the date the plan started, subject to a minimum of 2% and a maximum of 10%.

If the date cover started is not the same day in the year as the date the plan started, the first increase will take place on the first anniversary of the date the plan started after this cover has been in force for 12 months.

We will write to you at least one month before the increase takes place to tell you how much the increase will be and how much your new payment will be. If you do not want your amount of cover to increase, you must tell us at least 5 days before the increase is due to take place and we will cancel the increase. If we cancel 2 consecutive increases no further increases will be offered.

If, as a result of an increase, the total amount of cover on all plans you have with us would be more than the maximum amounts shown below, your cover will not increase. We will tell you if this happens.

Maximum amounts
Life Cover - £15,000,000
Critical Illness Cover - £3,000,000
Life or Critical Illness Cover - £3,000,000

When working out your total amount of cover we include:

- all cover you have in this plan and any other plan you have with us;
- the current amount of any cover payable as a decreasing lump sum;
- the commuted value of any cover payable as regular payments. The commuted value is the amount we would pay you as a lump sum instead of regular payments, if you asked us to.

C3.2 Cover increase options

This only applies to any Life Cover, Life or Critical Illness Cover, Critical Illness Cover or Key Person Income Cover for Sickness if your plan was accepted on standard terms.

The person covered must be under 55 at the time of the increase. If there is more than one person covered, both of them must be under 55.

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

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

These options do not apply to any cover or plan which was taken out under a cover increase option.

You cannot use these options if we told you the terms of your plan were non-standard, for example we increased your payment or applied an exclusion to your cover.

C3 Changing your plan *continued*

C3.2 Cover increase options *continued*

You cannot increase your cover using this option if we are currently paying a claim, considering a claim or the person covered has received a diagnosis from a member of the medical profession of a condition that would allow you to make a claim under this plan. If the person covered suffers the onset of symptoms prior to you exercising the option and in the opinion of our chief medical officer those symptoms form part of a medically accepted sequence of symptoms that directly leads to a claim, the payment under the option will be limited to a return of premiums paid.

You cannot increase your cover using this option if you are not resident in the United Kingdom, Channel Islands or Isle of Man.

You cannot increase Key Person Income Cover for Sickness using this option within 12 months of us stopping paying a claim or if the person covered is incapacitated.

If you took out your plan to protect a business from the loss of a key person you can increase your cover following an increase in value of a key person based on an increase in salary or increase in gross profits attributable to that person. You can increase by a maximum of:

- 5 times the amount of the increase in salary,

or twice the increase in gross profits attributable to that person,

subject to the limits below.

If you took out your plan in connection with a business mortgage or loan you can increase your cover following an increase to your business mortgage or loan (but not increasing an overdraft). You can increase by the amount you increase your mortgage or loan subject to the limits below.

If you took out your plan in connection with a partnership or directors share purchase arrangement, you can increase your Life Cover, Life or Critical Illness Cover or Critical Illness Cover following an increase in the value of a partner's or shareholding director's interest in the business. You can increase by the amount of the increase subject to the limits below.

You can increase your cover on more than one occasion but the maximum increase for all events is limited to whichever of the following amounts is lower:

- half of the original amount of cover;

or £150,000 for Life Cover, Critical Illness Cover or Life or Critical Illness Cover;
or £10,000 a year for Key Person Income Cover for Sickness.

If you have more than one cover or more than one plan with us, these limits apply across all of those covers and plans and not separately to each of them.

If you increase Key Person Income Cover for Sickness using this option, it is further limited so that your total cover after the increase is not more than the lower of;

- the maximum percentage of profits attributable to the person covered shown on your cover summary

or the maximum amount of cover we allow at that time.

The increase in cover will:

- be on the terms and conditions that we offer at that time;
- have a term no longer than the remaining term of the original cover or shorter than the minimum term we offer for that cover at that time. If the remaining term of the original cover is less than the minimum, you will not be able to use this option;

and include the same additional features, as the original cover.

We will base your payment for the new cover on:

- the terms which applied at the date the original cover started or at any subsequent restart under section C2.3;
- the age of the person covered at the date the increase in cover starts;

and the payment rates and plan charge at the date the increase in cover starts.

C3.3 Renewable option

This applies to any Life Cover, Critical Illness Cover or Life or Critical Illness Cover if in the additional features section on your cover summary it shows that the term of the cover is renewable. These covers are referred to as the 'original cover' throughout the rest of this section C3.3.

At the date cover ends on the original cover you have the option to take out a new cover with a term of 5 years without giving any further information about the health of the person covered.

We will write to you at least one month before the date cover ends on the original cover to ask you whether you wish to take out the new cover. You must tell us at least 5 days before the date cover ends on the original cover that you want to use this option. If you do not tell us, the original cover will lapse on the date cover ends and we will not pay any claim for an event that happens after this date.

The amount of the new cover will be the same as the amount of the original cover unless section C3.1 increasing cover applies. If section C3.1 applies, the amount of cover will be the amount that your original cover would have increased to under section C3.1.

If the age of the person covered at the end of 5 years would be more than the maximum we allow at that time, the new cover will have a term equal to the whole number of years between the cover end date and the date the person reaches the maximum age. If this term is less than our minimum term, you cannot use this option and your cover will lapse on the date cover ends.

We will base your payment for the new cover on:

- the terms which applied at the date cover started or at any subsequent restart under section C2.3;
- the age of the person covered at the date the new cover starts;

and the payment rates we charge for renewable covers and plan charge at the date the new cover starts.

C3.4 Lifestyle review

If any cover was accepted on non-standard terms or smoker rates were charged and the person covered makes a change to their lifestyle which reduces the likelihood of a claim, you can ask us to review your payments for that cover. For example, if the person covered was a smoker when the plan started and they give up smoking, you can ask us to review your payments. The person covered must provide such evidence of the change they have made as we may reasonably ask for.

If we are able to, we will reduce your payments to reflect the new lifestyle of the person covered. However, the cover will not include the cover increase options in section C3.2 if it was originally accepted on non-standard terms.

There will be times when we are unable to reduce your payments even though the person covered has changed their lifestyle. We will explain our decision to you if this is the case.

C3.5 Changing your plan in other ways

You can ask us to change your plan in other ways at any time. For example you may want to add a new cover or reduce an existing cover. If none of the options in sections C3.1 or C3.2 apply we may need to ask the person covered for new medical evidence. We will tell you what we need when you tell us how you want to change your plan.

You cannot add a new cover or increase an existing cover if you are no longer resident in the United Kingdom, Jersey, Guernsey or Isle of Man.

C4 General terms and conditions

C4.1 Source of covers

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

C4.2 Membership of Royal London

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

C4.3 Cancelling your plan

When your plan starts you have the right to change your mind and cancel your plan. You have 30 days from the date you receive your cover summary and plan details to cancel your plan. If you cancel your plan in this time we will refund any payments you have made to us. If you change your mind and want to cancel your plan you can do this by giving written notice to us at Bright Grey.

You may cancel your plan at any other time by giving written notice to us at Bright Grey. You should also contact your bank to cancel your direct debit instruction.

If you cancel, your plan will end on the day your next payment to us would otherwise be payable, and we will not refund any payments you have made to us. You will therefore still be covered by your plan until this date. This means that although you have asked us to cancel your plan, you may need to make a final payment to us if you have asked us to collect your payments on a different day to that on which they become payable.

For example if
- your plan started on 1 February,
- you ask us to collect your payments on the 15th day of each month,

and you ask us to cancel your plan on 10 April,

then
- you must make the payment due on 1 April because this became payable before you asked us to cancel your plan,
- we will collect this on 15 April because you have asked us to collect your payments on that day, *and*

we will cancel your plan on 1 May because this is the first day on which a payment would otherwise have been payable.

If you do not make your final payment
- we will cancel your plan from the date the final payment was payable,
- you will not be covered from that date,

and we will not pay any claim under your plan.

If you cancel, we will tell you whether you need to make a final payment to us and the date on which your cover will end.

C4.4 Cash value

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

C4.5 Payment of claims

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

C4.6 Interest

We will pay interest if payment of any claim is delayed by more than 2 calendar months after the claim event. The rate of interest shall be reasonably determined by Royal London on receiving advice from an actuary responsible for advising the directors of Royal London on discretionary or technical aspects of the management of its long-term insurance business.

C4.7 Exercise of Discretion

We will act reasonably and in good faith when exercising our discretion to make decisions that relate to your plan.

C4.8 Data protection

We (The Royal London Mutual Insurance Society Limited and our businesses and divisions of which Bright Grey is one) will use your personal information for:

- providing our products and services;
- administration and customer services;
- credit scoring and fraud prevention;
- research and analysis;
- marketing our own products and services;
- legal and regulatory reasons.

We may obtain this information either from you directly, from your approved intermediary or from other sources such as your doctor or credit reference agencies. We will retain your information for a reasonable period for these purposes and you consent to the overseas transfer of your information for these purposes.

We may share information about you for the purposes listed above with our service providers and agents and to third parties such as auditors, underwriters, reinsurers, medical agencies, credit reference agencies, other financial institutions and legal and regulatory bodies.

We may share information about you with your approved intermediary for research and analysis to enable us to better target our products and services. We will not share this information if you ask us not to on the application form for your plan.

We may contact you by mail, telephone, fax, email or other electronic messaging either directly or through your approved intermediary with further offers, promotions and information about our products and services that may be relevant to you. We will not do this where you have indicated on your application form for your plan that you do not wish to receive these communications.

To help us to make credit decisions about you, to prevent fraud, to check your identity and to prevent money laundering, we may search the files of credit reference agencies who will record any credit searches on your file. We may also disclose details of how you conduct your account to such agencies. The information will be used by other credit grantors for making credit decisions about you and the people with whom you are financially associated, for fraud prevention, money laundering prevention and occasionally for tracing debtors.

We may monitor and record telephone calls and retain these for the purposes of training and quality assurance and to ensure that we have an accurate record of your instructions.

If you provide us with information about another person, you confirm that they have appointed you to act for them to consent to the processing of their personal data and that you have informed them of our identity and the purposes (as set out above) for which their personal data will be processed.

You have the right to ask for a copy of the information that we hold on you, for which we are entitled to charge a small administrative fee.

If you have any queries as to how we will use your personal information or if you would like to receive our marketing communications by some but not all of the above methods, please:

phone us on 0845 6094 500
email us on help@brightgrey.com
or **write to us** at:
Customer Care Team
Bright Grey
2 Queen Street
Edinburgh
EH2 1BG

C4 General terms and conditions *continued*

C4.9 When we may change the terms and conditions applying to your plan

C4.9.1 We may make changes to the terms and conditions applying to your plan in the circumstances set out in sections C4.9.2 to C4.9.5 below. We will, where appropriate, take account of actuarial advice when we do so.

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

C4.9.2 We may make changes to the terms and conditions applying to your plan that we reasonably consider are proportionate in the circumstances if, because of a change in legislation, regulation or established practice in relation to such legislation or regulations:

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

C4.9.3 We may make changes to the terms and conditions applying to your plan that we reasonably consider are proportionate in the circumstances if because of any relevant change or circumstance beyond our control:

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

C4.9.4 We may make changes to the terms and conditions applying to your plan that we reasonably consider won't adversely affect you. These may include, for example, changes which are required in order to reflect new services or features that we wish to make available to you.

C4.9.5 We may make changes to the terms and conditions applying to your plan if we become aware of any error or omission in this plan details booklet. We will only make such changes to bring the plan details booklet into line with your cover summary or the key facts document relevant to your plan.

C4.10 Contract

The contract between you and Royal London consists of these terms and conditions, which we may amend as we reasonably consider is proportionate in the circumstances in accordance with sections C2 and C3 and clause C4.9, any additional terms and conditions detailed in the cover summary, the key facts document we send to you when your plan starts and any endorsement. Where there is a conflict between these terms and any of the terms set out in the cover summary, those terms set out in the cover summary will prevail.

C4.11 Mis-statement of age

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

If when you took out your plan we were told the person covered is younger than they really are, we will reduce the amount of cover to the amount that would have been available if we had been told their correct age. This means that, on a claim, we will pay an amount which is lower than the amount shown on your cover summary.

C4.12 Change of occupation

You do not need to tell us if the person covered changes their occupation. We will assess any claim based on their occupation immediately before the claim event happens.

C4.13 Complaints

We hope that you will never have reason to complain, but if you do, you can write to our Customer Care Team at:

Bright Grey
2 Queen Street
Edinburgh
EH2 1BG
Phone us on 0845 6094 500
Email us at help@brightgrey.com

We will always try to resolve complaints as quickly as possible. If we are unable to deal with a complaint within 5 working days of your complaint being received by us, we will send you a letter to acknowledge your complaint and provide you with regular updates until your complaint is resolved.

We can provide you with more information about our complaint-handling procedures on request.

We are committed to resolving complaints whenever possible through our complaints procedures. If a matter cannot be resolved satisfactorily you may be able to refer your complaint to the Financial Ombudsman Service.

We will send you a leaflet explaining the Financial Ombudsman Service if you make a complaint and the leaflet is also available on request. Alternatively the Ombudsman can be contacted direct at the following address:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Telephone: 0845 080 1800
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

The Financial Ombudsman Service has been set up by law to help settle individual disputes between consumers and financial firms. They can decide if we have acted wrongly and if you have lost out as a result. If this is the case they will tell us how to put things right and whether this involves compensation.

Their service is independent, free of charge and we will always abide by their decision.

If you make a complaint, it will not affect your right to take legal proceedings.

C4.14 If we cannot meet our liabilities

Your plan is covered by the Financial Services Compensation Scheme. You may be entitled to compensation if we are unable to pay claims due to, for example, insolvency. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme.

C4 General terms and conditions *continued*

C4.15 Law

The Law of England and Wales applies to this plan.

C4.16 Notices of assignment

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

Customer Care Team
Bright Grey
2 Queen Street
Edinburgh
EH2 1BG

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

C4.17 Rights of third parties

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

SECTION D: Definitions of the words we use

AIDS
For the purposes of this plan the definition of Acquired Immune Deficiency Syndrome shall be that used by the World Health Organisation at the time a claim is made.

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

Child
a) a natural child of a person covered, between the ages of 30 days and 18 years;
b) any child who is legally adopted by a person covered, between the ages of 30 days and 18 years;
c) any child who resides with and is financially dependent on the person covered, between the ages of 30 days and 18 years.

Covers
The different types of insurance you can choose within the Business Protection Menu, for example, Life Cover, Critical Illness Cover or Key Person Income Cover for Sickness.

Critical Illness
We will pay if the person covered is diagnosed with one of the following critical illnesses.
All diagnoses must:

- be made by a consultant employed at a hospital within the geographical limits shown in section C1 who is a specialist in an area of medicine appropriate to the cause of the claim;
- be the first and unequivocal diagnosis of the critical illness;

and be confirmed by our chief medical officer.

Alzheimer's disease – resulting in permanent symptoms
A definite diagnosis of Alzheimer's disease by a consultant neurologist, psychiatrist or geriatrician. There must be permanent clinical loss of the ability to do all of the following:

- remember;
- reason; and
- perceive, understand, express and give effect to ideas.

For the above definition, the following are not covered:

- other types of dementia.

Aorta graft surgery – for disease or traumatic injury
The undergoing of surgery for disease or trauma to the aorta with excision and surgical replacement of a portion of the diseased or damaged aorta with a graft. The term aorta includes the thoracic and abdominal aorta but not its branches.

For the above definition, the following is not covered:

- any other surgical procedure, for example the insertion of stents or endovascular repair.

Aplastic anaemia – requiring regular blood transfusions
Definite diagnosis of complete bone marrow failure necessitating regular blood transfusions.
The bone marrow failure must result in anaemia, neutropenia and thrombocytopenia.

Bacterial meningitis – resulting in permanent symptoms
Definite diagnosis of bacterial meningitis resulting in permanent neurological deficit with persisting clinical symptoms. Other forms of meningitis, including viral meningitis, are specifically excluded.

Benign brain tumour – resulting in permanent symptoms
A non-malignant tumour or cyst in the brain, cranial nerves or meninges within the skull, resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- tumours in the pituitary gland;
- angiomas.

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

Cancer – excluding less advanced cases
Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue.

The term malignant tumour includes leukaemia, lymphoma and sarcoma.

For the above definition, the following are not covered:

- all cancers which are histologically classified as any of the following:
  – pre-malignant;
  – non-invasive;
  – cancer in situ;
  – having either borderline malignancy; or
  – having low malignant potential;
- all tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0;
- chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A;
- any skin cancer other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

Cardiomyopathy – of specified severity
A definite diagnosis of cardiomyopathy causing permanent impaired ventricular function such that the ejection fraction is 40% or less for at least 6 months when stabilised on therapy advised by the consultant. The diagnosis must also be evidenced by:

- electrocardiographic changes;
- echocardiographic abnormalities;

both of which must be consistent with the diagnosis of cardiomyopathy. All other forms of heart disease, heart enlargement and myocarditis are specifically excluded. Cardiomyopathy related to alcohol or drug misuse is excluded.

Coma – resulting in permanent symptoms
A state of unconsciousness with no reaction to external stimuli or internal needs which:

- requires the use of life support systems; and
- results in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following is not covered:

- coma secondary to alcohol or drug abuse.

Coronary artery bypass grafts – with surgery to divide the breastbone
The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a consultant cardiologist to correct narrowing or blockage of one or more coronary arteries with bypass grafts.

Creutzfeldt-Jakob disease (CJD) - resulting in permanent symptoms
Definite diagnosis of Creutzfeldt-Jakob disease supported by evidence of progressive loss of ability to:

- remember;
- reason;
- perceive, understand, express and give effect to ideas;

which causes a significant reduction in mental and social functioning, requiring the continuous supervision of the person covered.

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

Heart attack – of specified severity
Death of heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:

- new characteristic electrocardiographic changes;
- the characteristic rise of cardiac enzymes or troponins recorded at the following levels or higher:
  – Troponin T > 1.0 ng/ml
  – AccuTnI > 0.5 ng/ml or equivalent threshold with other Troponin I methods.

The evidence must show a definite acute myocardial infarction.

For the above definition, the following are not covered:

- Other acute coronary syndromes including but not limited to angina.

Heart valve replacement or repair – with surgery to divide the breastbone
The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a consultant cardiologist to replace or repair one or more heart valves.

HIV infection – caught from a blood transfusion, a physical assault or at work
Infection by Human Immunodeficiency Virus resulting from:

- a blood transfusion given as part of medical treatment;
- a physical assault; or
- an incident occurring during the course of performing normal duties of employment;

after the start of the plan and satisfying all of the following:

- the incident must have been reported to appropriate authorities and have been investigated in accordance with the established procedures;
- where HIV infection is caught through a physical assault or as a result of an incident occurring during the course of performing normal duties of employment, the incident must be supported by a negative HIV antibody test taken within 5 days of the incident;
- there must be a further HIV test within 12 months confirming the presence of HIV or antibodies to the virus;
- the incident causing infection must have occurred in one of the countries listed in section C.1.

For the above definition, the following is not covered:

- HIV infection resulting from any other means, including sexual activity or drug abuse.

Kidney failure – requiring dialysis
Chronic and end stage failure of both kidneys to function, as a result of which regular dialysis is necessary.

SECTION D: Definitions of the words we use *continued*

Liver failure – end stage
End stage liver failure due to cirrhosis and resulting in all of the following:

- permanent jaundice;
- ascites;
- encephalopathy.

Liver disease secondary to alcohol or drug misuse is excluded.

Loss of hands or feet – permanent physical severance
Permanent physical severance of any combination of 2 or more hands or feet at or above the wrist or ankle joints.

Loss of independent existence – resulting in permanent symptoms
Any condition that:

a) permanently prevents the person covered from doing at least 3 out of the 6 living tasks either with or without the use of mechanical equipment, special devices or other aids and adaptations in use for disabled persons; or
b) causes mental failure.

Loss of speech – permanent and irreversible
Total permanent and irreversible loss of the ability to speak as a result of physical injury or disease.

Major organ transplant
The undergoing as a recipient of a transplant of bone marrow or of a complete heart, kidney, liver, lung, or pancreas, or inclusion on an official UK waiting list for such a procedure.

For the above definition, the following is not covered:

- transplant of any other organs, parts of organs, tissues or cells.

Motor neurone disease – resulting in permanent symptoms
A definite diagnosis of motor neurone disease by a consultant neurologist. There must be permanent clinical impairment of motor function.

Multiple sclerosis – with persisting symptoms
A definite diagnosis of multiple sclerosis by a consultant neurologist. There must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least 6 months.

Open heart surgery – with surgery to divide the breastbone
The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a consultant cardiologist to correct any structural abnormality of the heart.

Paralysis of limbs – total and irreversible
Total and irreversible loss of muscle function to the whole of any 2 limbs.

Parkinson's disease – resulting in permanent symptoms
A definite diagnosis of Parkinson's disease by a consultant neurologist. There must be permanent clinical impairment of motor function with associated tremor, rigidity of movement and postural instability.

For the above definition, the following is not covered:

- Parkinson's disease secondary to drug abuse.

Pre-senile dementia – resulting in permanent symptoms
Definite diagnosis of pre-senile dementia supported by evidence of progressive loss of ability to:

- remember;
- reason;
- perceive, understand, express and give effect to ideas;

which causes a significant reduction in mental and social functioning, requiring the continuous supervision of the person covered.

Primary pulmonary hypertension – of specified severity
A definite diagnosis of primary pulmonary hypertension by a consultant cardiologist or specialist in respiratory medicine. There must be clinical impairment of heart function resulting in the permanent loss of ability to perform physical activities to at least Class 3 of the New York Heart Association classification of functional capacity.

For the above definition, the following is not covered:

- pulmonary hypertension secondary to any other cause i.e not primary.

Progressive supranuclear palsy – resulting in permanent symptoms
A definite diagnosis by a consultant neurologist of progressive supranuclear palsy. There must be permanent clinical impairment of motor function.

Severe lung disease – resulting in permanent symptoms
A definite diagnosis by a consultant physician of end stage emphysema or other chronic lung disease, which requires regular oxygen treatment on a permanent basis.

Stroke – resulting in permanent symptoms
Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- transient ischaemic attack;
- traumatic injury to brain tissue or blood vessels.

Systemic lupus erythematosus – with severe complications
A definite diagnosis of systemic lupus erythematosus by a consultant rheumatologist where either of the following are present:

Severe kidney involvement with systemic lupus erythematosus as evidenced by:

- permanent impaired renal function with a glomerular filtration rate below 30 ml/min/1.73m^2

and abnormal urinalysis showing proteinuria or haematuria

In addition to the above criteria, the disease must have been unresponsive to disease modifying drugs for a continuous period of at least 12 months.

or

Severe central nervous system involvement with systemic lupus erythematosus as evidenced by:

permanent deficit of the neurological system as evidenced by at least any one of the following symptoms, which must be present on clinical examination and expected to last for the remainder of the life of the person covered:

- paralysis
- dysarthria (difficulty with speech)
- aphasia (inability to speak)
- dysphagia (difficulty in swallowing)
- difficulty in walking
- lack of coordination
- severe dementia where the insured needs constant supervision

or permanent coma

For the purposes of this definition seizures, headaches, fatigue, lethargy or any symptoms of psychological or psychiatric origin will not be accepted as evidence of permanent deficit of the neurological system.

Third degree burns – covering 20% of the body's surface area or 50% loss of surface area of the face
Burns that involve damage or destruction of the skin to its full depth through to the underlying tissue and covering at least 20% of the body's surface area or 50% loss of surface area of the face which for the purpose of this definition includes the forehead and ears.

Traumatic head injury – resulting in permanent symptoms
Death of brain tissue due to traumatic injury resulting in permanent neurological deficit with persisting clinical symptoms.

Date we assume risk
The date we assume risk is the later of:
- the date you or anyone acting on your behalf contacts us to ask us to start your plan;

or the date cover starts shown on your cover summary.

Deferred period
The deferred period shown in the additional features section of your cover summary. We will not pay a claim under any cover until the end of its deferred period.

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

Endorsements
Documents used to add additional information to an insurance plan to amend existing wording.

Incapacitated for Income Cover for Sickness, Key Person Income Cover for Sickness and Payment Cover for Sickness
We will pay if the person covered is diagnosed as being incapacitated. All diagnoses must:

- be made by a consultant at a hospital within the geographical limits shown in section C1 who is a specialist in an area of medicine appropriate to the cause of claim or allied health specialist relevant to the person covered's condition in order to assess function and restrictions and limitations;

and be confirmed by our chief medical officer.

The availability of work is not a factor in assessing whether the person covered is incapacitated.

The additional features section of your cover summary shows which definition applies to each of your covers.

Own occupation definition of 'incapacitated'
Any illness or injury arising before age 65 which:

a) prevents the person covered from doing the essential duties of their own occupation; or
b) causes mental failure.The essential duties of an occupation are those duties which cannot reasonably be omitted without affecting the ability to carry out that occupation.

If the person covered is under age 65 but is not in a paid occupation at the start of a period of incapacity	the working tasks definition will apply.
If the person covered is over age 65 at the start of a period of incapacity	the living tasks definition will apply.
If the person covered reaches age 65 while a cover is being paid	we will reassess the claim at that time based on the living tasks definition. This might mean we stop paying the cover.

SECTION D: Definitions of the words we use *continued*

Working tasks definition of 'incapacitated'
Any illness or injury arising before age 65 which:

a) prevents the person covered from doing at least 2 out of the 6 working tasks without the assistance of another person, but with the use of appropriate assistive devices; or
b) causes mental failure.

If the person covered is over age 65 at the start of a period of incapacity	the living tasks definition will apply.
If the person covered reaches age 65 while a cover is being paid	we will reassess the claim at that time based on the living tasks definition. This might mean we stop paying the cover.

Living tasks definition of 'incapacitated'
Any illness or injury arising after age 65 which:

a) prevents the person covered from doing at least 3 out of the 6 living tasks either with or without the use of mechanical equipment, special devices or other aids and adaptations in use for disabled persons; or
b) causes mental failure.

Irreversible
Cannot be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the UK at the time of the claim.

Living tasks
The 6 living tasks are as follows:

Washing	the ability to wash in a bath or shower (including getting into and out of the bath or shower) such that an adequate level of personal hygiene can be maintained.
Dressing	the ability to put on, take off, secure and unfasten all necessary garments and any medically necessary braces, artificial limbs or other surgical appliances.
Transferring	the ability to move from a bed to an upright chair or wheelchair and vice versa, and to get on and off a toilet or commode.
Mobility	the ability to move from one room to another on a level surface.
Continence	the ability to manage bowel and bladder functions such that an adequate level of personal hygiene can be maintained.
Feeding	the ability to feed oneself once food and drink has been prepared and made available.

Mental failure

Mental failure for Income Cover for Sickness, Key Person Income Cover for Sickness and Payment Cover for Sickness

Mental incapacity which:

- has failed to respond to optimal treatment and requires the need for continuous psychotropic medication;

or is due to an organic brain disease or brain injury supported by evidence of progressive loss of ability to:

- remember;
- reason;
- perceive, understand, express and give effect to ideas;

and causes a significant reduction in mental and social functioning, requiring the continuous supervision of the person covered.

Mental failure for Total Permanent Disability and Loss of Independent Existence

Irreversible mental incapacity due to an organic brain disease or brain injury supported by evidence of progressive loss of ability to:

- remember;
- reason;
- perceive, understand, express and give effect to ideas;

and which causes a significant reduction in mental and social functioning, requiring the continuous supervision of the person covered.

Occupation

The person covered's trade, profession or type of work undertaken for profit or pay. It is not a specific job with any particular employer and is independent of location.

Permanent

Expected to last throughout life without prospect of improvement, irrespective of when the cover ends or the person covered retires.

Permanent neurological deficit with persisting clinical symptoms

Symptoms of dysfunction in the nervous system that are present on clinical examination and expected to last throughout the insured person's life.

Symptoms that are covered include:

- numbness,
- hyperaesthesia (increased sensitivity),
- paralysis,
- localised weakness,
- dysarthria (difficulty with speech),
- aphasia (inability to speak),
- dysphagia (difficulty in swallowing),
- visual impairment,
- difficulty in walking,
- lack of coordination,
- tremor,
- seizures,
- lethargy,
- dementia,
- delirium, and
- coma.

The following are not covered:

- an abnormality seen on brain or other scans without definite related clinical symptoms;
- neurological signs occurring without symptomatic abnormality, e.g. brisk reflexes without other symptoms;
- symptoms of psychological or psychiatric origin.

SECTION D: Definitions of the words we use *continued*

Pre-incapacity earnings
If the person covered is employed, this means their total pre-tax earnings for PAYE assessment purposes in the 12 months before they became incapacitated. This may include:

- the taxable value of any of the following benefits shown on form P11D that is lost as a result of the incapacity of the person covered:
  - living accommodation where you live and pay council tax;
  - company car when used for private use;
  - car fuel which is provided for use with your company car;
  - beneficial loans, excluding loans for travel tickets;
  - insurance such as critical illness insurance, private medical insurance and accident and travel insurance;
- regular bonuses and commission received by the person covered;
- dividends received by the person covered from a private limited company in which they and no more than 3 other shareholders are employed as full-time working directors.

The dividend amount must:

- represent their share in the net trading profit of that company from its normal regular business;
- be consistent with the trading position of the company; and
- stop being paid as a result of their incapacity.

If the person covered is self-employed, this means their total share of pre-tax profit from their trade profession or vocation for the purposes of Part 2 of the Income Tax (Trading and Other Income) Act 2005 for the 12 months before they became incapacitated.

If the earnings of the person covered vary significantly from one year to another, for example because they are made up mainly of commission or bonuses, we will use their average earnings over the last 3 years before the claim.

Income received from savings and investments will not be included.

Pre-incapacity profit
Means the average annual gross profit of the business over the 3 financial years immediately before the person covered became incapacitated.

Royal London
Means The Royal London Mutual Insurance Society Limited.

Self-employed
The person covered actively working:

- alone;
- or with others in partnership;
- or as a member of a limited liability partnership;

and paying Class 2 National Insurance contributions and being assessable to Income Tax under Part 2 of the Income Tax (Trading and Other Income) Act 2005.

Term of the cover
The period between the date cover starts and the date cover ends.

Terminal illness
An advanced or rapidly progressing incurable illness where, in the opinion of an attending consultant and our chief medical officer, the life expectancy of the person covered is no greater than 12 months.

The business
The company, partnership, limited liability partnership or sole trader by whom the person covered is employed at the cover start date or any successor company, partnership, limited liability partnership or sole trader to whom the employment of the person covered is transferred and would be regarded as continuous under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

Total Permanent Disability for Critical Illness Cover and Life or Critical Illness Cover

We will pay if the person covered is diagnosed as suffering Total Permanent Disability.
All diagnoses must:

- be made by a consultant employed at a hospital within the geographical limits shown in section C1 who is a specialist in an area of medicine appropriate to the cause of the claim;
- be the first and unequivocal diagnosis of the disability; and
- be confirmed by our chief medical officer.

The additional features section of your cover summary shows which definition applies to each of your covers.

Own occupation definition of Total Permanent Disability
Any illness or injury arising before age 65 which permanently:

a) prevents the person covered from doing the essential duties of their own occupation; or
b) causes mental failure.

The essential duties of an occupation are those duties which cannot reasonably be omitted without affecting the ability to carry out that occupation.

If the person covered is under age 65 but is not in a full-time paid occupation at the time of the claim	the working tasks definition will apply.
If the person covered is over age 65 at the time of the claim	the living tasks definition will apply.

Working tasks definition of Total Permanent Disability
Any illness or injury arising before age 65 which permanently:

a) prevents the person covered from doing at least 2 out of the 6 working tasks without the assistance of another person, but with the use of appropriate assistive devices; or
b) causes mental failure.

If the person covered is over age 65 at the time of the claim	the living tasks definition will apply.

Living tasks definition of Total Permanent Disability
Any illness or injury arising after age 65 which permanently:
a) prevents the person covered from doing at least 3 out of the 6 living tasks either with or without the use of mechanical equipment, special devices or other aids and adaptations in use for disabled persons; or
b) causes mental failure.

SECTION D: Definitions of the words we use *continued*

Total Permanent Disability for Children's Critical Illness Cover
We will pay if the child is diagnosed as suffering Total Permanent Disability. All diagnoses must:

- be made by a consultant employed at a hospital within the geographical limits shown in section C1 who is a specialist in an area of medicine appropriate to the cause of the claim;
- be the first and unequivocal diagnosis of Total Permanent Disability; and
- be confirmed by our chief medical officer.

Total Permanent Disability means the child becoming permanently disabled through illness or injury to the extent that for a period of 12 consecutive months the child has been confined to their home, a hospital or similar institution and has required medically supervised constant care and attention.

The disability must be expected to last throughout the child's life without prospect of improvement.

We or **us** or **our**
Means Bright Grey

Work
Being employed or self-employed.

Working tasks
The 6 working tasks are as follows:

Walking	the ability to walk 200 metres on a level surface with a stick or other aid if required, without stopping or severe discomfort.
Lifting	the ability to pick up 1kg from table height and carry it for 5 metres.
Using a pen, pencil or keyboard	the ability to use a pen, pencil or keyboard with either hand or using any aids.
Hearing	the ability to hear, with a hearing aid if required, well enough to understand someone speaking a common language in a normal voice in a quiet room.
Speech	the ability to be understood in a common language in a quiet room.
Vision	the ability to see well enough to read 16 point print using spectacles or other aids if required.

You or **your**
Means the plan owner or their legal successors except where a different meaning is given in a clause.

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