

Low Start Critical illness with Term Assurance

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Welcome to AIG

American International Group, Inc. (AIG) is a leading international insurance organisation serving customers in more than 100 countries and jurisdictions. AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc.

AIG Life Limited is the life insurance arm of AIG in the UK, Channel Islands or Isle of Man. We provide financial and practical support for individuals, families and businesses when illness or injury threatens their life, lifestyle or livelihood. We recognise the value in the Financial Conduct Authority initiative of Treating Customers Fairly.

We believe that if we treat you, our customer, fairly at all stages, then this will enhance our core values and lead to better service. Therefore we are committed to ensuring that we embed the principles of Treating Customers Fairly within every aspect of our business.

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This document gives you the key information you need to help you decide whether AIG Low Start Critical Illness with Term Assurance is right for you. It is available in other formats such as Braille, large print or audio. Please ask if you need one of these formats.

This document does not contain the full terms and conditions and exclusions of cover. Please also refer to your Cover Summary and Cover Details, which will be issued when your policy starts.

This document is based on our understanding of the current laws in England and Wales and tax rules in the UK (different rules may apply in the Channel Islands or Isle of Man).

If you're thinking of taking out insurance, you may wish to get expert advice from a financial adviser who can look at your personal circumstances and help you make the decision that's right for you.

What is AIG Low Start Critical Illness with Term Assurance?

AIG Low Start Critical Illness with Term Assurance is designed to pay out a lump sum when the person covered dies or is diagnosed with a terminal illness - where life expectancy is less than 12 months, or suffers or undergoes one of the specified critical illnesses or operations, during the term of the policy.

AIG Low Start Critical Illness with Term Assurance can be used to help pay off a mortgage, provide a legacy or financial protection for a family member or friend.

AIG Low Start Critical Illness with Term Assurance is designed to allow you to take out the full amount of cover you need at the outset. Premiums are based on your age and health at the beginning of the policy and increase over the term of the policy to reflect the increased risks you face as you get older.

If the sum paid out under this policy forms part of your estate, it may not be free of inheritance tax. You may wish to place your policy in trust to help mitigate the effect of inheritance tax. However, we cannot advise whether a trust is suitable in any particular circumstances or give tax advice in relation to the use of trusts. We recommend that you take professional advice before setting up a trust.

Who can buy AIG Low Start Critical Illness with Term Assurance?

AIG Low Start Critical Illness with Term Assurance is available to British citizens or those resident in the United Kingdom, Channel Islands or Isle of Man, aged 17 up to and including 59.

You can select to insure:

- you alone - we call this 'single life' cover;
- you and another person - we call this 'joint life' cover; or
- one or two people other than yourself - this can be either 'single' or 'joint life' cover.

If you select joint life cover, the policy will pay out if either person dies or is diagnosed with a terminal illness, or suffers or undergoes one of the specified critical illnesses or operations before the end of your policy. The policy will stop once we have paid the full sum assured.

How does AIG Low Start Critical Illness with Term Assurance work?

The amount of cover

When you take out AIG Low Start Critical Illness with Term Assurance, you decide how much cover you want. This amount is called the 'sum assured'. This is the amount we pay if the person covered dies or is diagnosed with a terminal illness, or suffers or undergoes one of the specified critical illnesses or operations during the term of the policy.

The term of the cover

The term of the cover is how long the insurance lasts. You choose the term of the cover. This can be any number of years between 3 and 40 although the policy must end before the person covered reaches their 70th birthday.

Types of cover

AIG Low Start Critical Illness with Term Assurance is only available as level cover - this covers you for a fixed sum assured.

Paying for your policy

Premiums increase every year over the full term of the policy. Your quote will include an illustration of how the premiums increase over the first 10 years of your policy and, if you decide to buy AIG Low Start Critical Illness with Term Assurance, we will confirm this in your policy pack. We will also show the total cost of premiums for the term of the cover chosen.

Provided you do not make any further changes to your policy, the premium increases are guaranteed not to change from that quoted.

We will write to you each year confirming the new premium. You can choose not to accept the increase, and if this is the case, your sum assured will be reduced to reflect the current level of premiums that you are paying.

We will collect monthly or annual premiums from you by direct debit to pay for your insurance until the date your insurance ends.

Additional options available at extra cost

- Waiver of Premium - you can include Waiver of Premium in your policy if the person covered is aged 54 and below when you buy your policy. We will waive your premiums if the person covered is incapacitated for longer than 26 weeks. Waiver of Premium will end when the person covered reaches their 70th birthday.
- Total Disability - you can include Total Disability in your policy if the person covered is aged 59 and below when you buy your policy. Total Disability is cover for non-permanent disability. If you select this option, Total Permanent Disability is included automatically. We will pay a percentage of the sum assured as the benefit. If the person covered is then diagnosed with another specified critical illness or they meet our definition of Total Permanent Disability, we will pay the sum assured less the payments we have already made for Total Disability. Total Disability will end when the person covered reaches their 70th birthday.
- Total Permanent Disability - you can include Total Permanent Disability in your policy if the person covered is aged 59 and below when you buy your policy. The person covered will usually have to be incapacitated for at least 26 weeks before we can establish whether the incapacity is permanent. Once we have established that the incapacity is permanent, we will pay the full sum assured and the cover will end. Total Permanent Disability will end when the person covered reaches their 70th birthday.

Waiver of Premium, Total Disability and Total Permanent Disability options may not be available to everyone or we may restrict cover. If this happens, we will explain our decision.

How we define incapacitated depends on whether the person covered is in paid work and what kind of work they do. This definition will be agreed at application and shown in the Cover Summary, based on their circumstances at the time. If their circumstances change prior to becoming incapacitated, a different definition may apply to their claim. For a full definition of incapacitated, please see section E of the Cover Details.

For further information regarding Waiver of Premium, Total Disability and Total Permanent Disability, please see sections B2b and B3 of the Cover Details.

Critical illnesses covered

The critical illnesses we cover fall within three groups:

- Group I – If the person covered meets any of the conditions listed under this Group I, we will pay the full sum assured, less any payments already made for Total Disability if included. Once we have paid the full sum assured, the cover will end.
- Group II – These are additional payment conditions that pay a proportion of the sum assured. The maximum amount we will pay for a Group II condition is the lower of 25% of the sum assured or £25,000.
- Group III – These are additional payment conditions specifically covering children. The maximum amount we will pay for a Group III condition is the lower of 50% of the sum assured or £25,000.

Full definitions can be found in section B2a of the Cover Details.

Group I critical illness conditions

- Aorta graft surgery - for disease or following traumatic injury
- Aplastic anaemia - with permanent bone marrow failure
- Bacterial meningitis - resulting in permanent symptoms
- Benign brain tumour - resulting in permanent symptoms or specified treatment
- Benign spinal cord tumour - resulting in either surgical removal or permanent symptoms
- Blindness - permanent and irreversible
- Brain injury due to anoxia or hypoxia - resulting in permanent symptoms
- Cancer - excluding less advanced cases
- Cardiac arrest - requiring implantable cardiac defibrillator
- Cardiomyopathy - of specified severity
- Coma - with associated permanent symptoms
- Coronary artery bypass grafts - with surgery
- Creutzfeldt-Jakob disease - resulting in permanent symptoms
- Crohn's disease - with specified surgery
- Deafness - permanent and irreversible
- Dementia including Alzheimer's disease - resulting in permanent symptoms
- Encephalitis - resulting in permanent symptoms
- Heart attack - of specified severity
- Heart surgery
- Heart valve replacement or repair - with surgery
- HIV infection - from a blood transfusion, a physical assault or at work

- Kidney failure - requiring permanent dialysis
- Liver failure - end stage
- Loss of hands or feet - permanent physical severance
- Loss of independence - of specified severity
- Loss of speech - permanent and irreversible
- Lung disease - of specified severity
- Major organ transplant - from another donor
- Motor neurone disease - resulting in permanent symptoms
- Multiple sclerosis - of specified severity
- Paralysis of limbs - total and irreversible
- Parkinson's disease - resulting in permanent symptoms
- Parkinson plus syndromes - resulting in permanent symptoms
- Primary pulmonary arterial hypertension - of specified severity
- Pulmonary artery replacement - with surgery
- Spinal stroke - resulting in permanent symptoms
- Stroke - of specified severity
- Systemic lupus erythematosus (SLE) - of specified severity
- Third degree burns - covering 20% of the body's surface area or 20% of the face's surface area
- Traumatic brain injury - resulting in permanent symptoms
- Ulcerative colitis - treated with total colectomy

Group II critical illness conditions

- Angioplasty - requiring treatment to multiple coronary vessels
- Carotid artery stenosis - treated by endarterectomy or angioplasty
- Central retinal artery or vein occlusion (Eye stroke) - resulting in permanent visual loss
- Cerebral or spinal aneurysm - with surgery or radiotherapy
- Cerebral or spinal arteriovenous malformation - with surgery or radiotherapy
- Diabetes mellitus Type 1 - requiring permanent insulin injections
- Less advanced cancers - of named sites and specified severity of the following:
 - Anus
 - Bile Ducts
 - Breast
 - Cervix
 - Colon and rectum

Gallbladder
 Larynx
 Lung and bronchus
 Oesophagus
 Oral cavity or oropharynx
 Ovary
 Pancreas
 Prostate tumour
 Renal pelvis (of the kidney) and ureter
 Stomach
 Testicle
 Urinary bladder
 Uterus
 Vagina
 Vulva
 Other cancer in situ - with surgery

- Pituitary gland tumours - with specified treatment
- Significant visual impairment - permanent and irreversible
- Skin cancer (not including melanoma) - advanced stage as specified.

Children's critical illness benefit

Your policy also includes cover for children of the person covered. Children are covered from birth up to age 22.

Children are covered for terminal illness and all critical illnesses specified under Group I and Group II, except Loss of Independence or any additional options such as Waiver of Premium, Total Disability or Total Permanent Disability. Children are only covered for diabetes mellitus Type 1 as defined under Group III conditions.

Group III critical illness conditions

Children are also covered for additional child specific conditions (Group III):

- Cerebral palsy
- Child's diabetes mellitus Type 1 - requiring permanent insulin injections
- Child's intensive care benefit - requiring mechanical ventilation for 7 days
- Cystic fibrosis
- Down's syndrome
- Muscular dystrophy
- Spina bifida.

There are some other restrictions attached to children's critical illness cover and these are explained further in section B 1 of the Cover Details.

Children's critical illness benefit is the lower of 50% of the sum assured or £25,000 unless the child suffers one of the additional payment conditions (Group II), then the children's critical illness benefit will be the lower of 25% of the sum assured or £25,000.

There is no limit on how many children are covered under one policy. However, children's critical illness benefit will be payable once per child. The maximum children's critical illness benefit payable for each child is the lower of 50% of the sum assured or £25,000, regardless of how many policies you hold with AIG.

We will pay double the amount of the children's critical illness benefit if in the opinion of the treating consultant and our Consultant Medical Officer:

- the child is unable to receive treatment for the children's critical illness in the UK that is effective in curing or preventing further deterioration of the condition; and
- a treatment that is effective, curative or prevents further deterioration is available overseas.

If a child dies during the term of the cover, we will pay a child life cover benefit of £5,000. This is the maximum amount we would pay regardless of how many policies you hold with AIG.

Any claim made under children's critical illness will not affect the full sum assured.

Changing your policy

There are many ways that you can change your policy to make sure that it is still meeting your needs.

You can increase the amount of your cover without providing further medical evidence if the person covered is 55 years old or less and:

- gets married or becomes a civil partner;
- has a child (including adopting a child or becoming a legal guardian); or
- increases the amount of the mortgage.

There is a limit to how much you can increase your sum assured – it can't be more than the lower of 50% of the current sum assured or £75,000.

In addition, you can choose to:

- reduce the sum assured;
- increase the term of the cover;
- reduce the term of the cover;
- change from premiums increasing each year to premiums that will remain level for the rest of the term of the cover (this will result in a reduced sum assured);
- add another person to single life cover; or
- change your premiums from annual to monthly and vice versa.

A further change which can be made on joint life cover is where the persons covered get divorced or separated, or obtain a dissolution of a civil partnership and they take out new mortgages. In this instance, each person can choose to take separate cover as long as the total cover across both new policies does not exceed 100% of the sum assured held when they originally bought the insurance. This option must be exercised within six months of separation and taking out new mortgages, however cannot be exercised within the last three years of the policy term. Both people must agree to the change.

These options may not be available to everyone, for example if the person covered has a particular medical condition when the cover is first taken out. For more information, including further limitations, please see section C4 of the Cover Details.

Important information

You can only insure someone else if you would suffer financially were they to die or suffer a terminal illness or critical illness. We call this 'insurable interest'. You will always have an insurable interest in your own life, or in the life of your spouse or civil partner.

AIG Low Start Critical Illness with Term Assurance will only pay a benefit for a critical illness if the person covered meets our definition of that critical illness or operation as defined in section B2a of the Cover Details.

For some people, we may not include every critical illness. This could be because, for example, they have a particular medical condition when they apply for cover. The Cover Summary will show if we have excluded any of these critical illnesses from the cover we are offering.

AIG Low Start Critical Illness with Term Assurance only protects you against events that happen to the person covered during the term of your policy. If something happens outside that term, you won't be covered. Your Cover Summary shows what is covered and for how long.

If you don't review your policy in line with your earnings and lifestyle, you may have more or less cover than you need.

AIG Low Start Critical Illness with Term Assurance premiums start low but increase annually throughout the term of the cover. Therefore if you maintain the policy to the end of its term, you may pay a higher total premium amount than you would have done for a level premium policy.

If the person covered by AIG Low Start Critical Illness with Term Assurance meets our definition of Total Disability, if this option is selected when the cover starts, we will pay a percentage of the sum assured as the benefit. If the person covered is then diagnosed with another critical illness that we cover, we will pay the sum assured less the payments we have already made for Total Disability. This means that if you have chosen a sum assured for AIG Low Start Critical Illness with Term Assurance that covers a mortgage, and you receive these benefits, the remaining sum assured may not be enough to cover the cost of your mortgage unless you use these benefit payments to reduce your outstanding

mortgage amount.

A claim for terminal illness can only be made where the person covered has been diagnosed with 12 months or less to live. If a medical consultant cannot determine this, or expects death to occur more than one year after diagnosis, we will not pay a benefit.

If a child is diagnosed before birth with a children's critical illness and dies within 10 days of being born, we will not pay a children's critical illness benefit.

If a child of the person covered dies within 10 days of being diagnosed with a critical illness, we will not pay a children's critical illness benefit.

In addition, we will not pay a child life cover benefit in the following circumstances:

- if the cause of death first arose before the cover started; or
- if the cause of death is miscarriage or still birth.

For further information on when we may not pay a benefit, please see section B1 of the Cover Details.

For joint life policies, the policy will stop if one person covered dies or is diagnosed with a terminal illness, or suffers or undergoes one of the specified Group I critical illnesses or operations. The other person will therefore no longer be insured under this policy.

For a death claim, the person covered can be anywhere in the world.

For critical illness and terminal illness claims, the person covered can be residing anywhere in the world, however the consultant must be in an eligible country.

For Waiver of Premium, Total Disability and Total Permanent Disability claims, the person covered must be living in an eligible country when they become incapacitated. They must return to and remain in the UK, Channel Islands or Isle of Man within 26 weeks of becoming incapacitated in order to receive the benefit.

A list of eligible countries is shown in section E of the Cover Details.

We will not waive premiums if the person covered is incapacitated and Waiver of Premium is not included in the cover for that person (this information will be shown in the Cover Summary).

If you don't pay your first premium, your policy won't start and you won't be covered. If you miss a subsequent premium and it remains unpaid for more than 30 days from the date it was due to be collected, we will cancel your policy and you will no longer be covered.

Other information

Making a claim

We want to make it easy for someone to claim. Whoever is making the claim should get in touch as soon as they can using the contact details provided.

If you would like to know more about how to claim please see section C5 of the Cover Details.

We will pay the benefit to the person legally entitled to receive it. Who this will be depends on the nature of the claim, the circumstances at the time and whether the policy has been assigned or put under trust.

During the course of the claim assessment, we will establish and confirm who we identify as legally entitled to receive the benefit.

When we won't pay a claim

We won't pay a claim if you don't:

- pay regular monthly or annual premiums throughout the term of your policy;
- give us accurate, complete and true information when you apply for **AIG Low Start Critical Illness with Term Assurance**;
- give us any medical or other evidence that we ask for; or
- tell us immediately if any of the information in the Cover Summary or Application Details we send you is wrong.

Further information about when we won't pay a claim can be found in section B1 of the Cover Details.

Changing your mind about **AIG Low Start Critical Illness with Term Assurance**

When your policy starts, we will send you information about your right to change your mind and cancel your policy. You have 30 days from the date you receive this information to cancel your policy. If you cancel your policy in this time we will refund any premiums you've paid, unless we have paid you a benefit before you cancel.

Should you not cancel your policy within this time period, your policy will remain active as set out in your Cover Summary.

You can stop your policy at any other time. Once you tell us, your policy will end on the day before your next monthly premium to us is due. Any premiums paid to date will not be refunded. If you are paying annual premiums, your policy will end on the day before the

next monthly anniversary of the policy. We will retain the cost of any full (or partial) months of cover up to the date of cancellation and will refund any balance of the annual premium.

Your policy will not have a surrender value at any time.

The Law

The Law of England and Wales will apply to this insurance.

Language

All our communications with you now, and throughout the term of your insurance, will be in English.

Current tax rules

Under current legislation and HMRC practice, benefit(s) payable under this cover are normally free from Income Tax and Capital Gains Tax for UK residents, unless you assign your policy to someone else.

Professional guidance should be sought before any type of assignment or changed ownership is undertaken.

If your policy is not placed in trust, the benefit we pay may form part of your estate for inheritance tax purposes.

Personal information we collect

AIG will process your personal information in accordance with data protection laws. For further information, please read our privacy policy on our website www.aiglife.co.uk or in section D5 of the Cover Details. This sets out what information we will collect, how we will use it and who we will share it with.

Making a complaint

If you have a complaint, you can get in touch with us using the contact details provided.

We will try to resolve complaints as quickly and fairly as possible. If we cannot deal with your complaint promptly, we'll send you a letter to acknowledge it and give you regular updates until it is resolved.

If you are not happy with how we deal with your complaint, you can refer it to the Financial Ombudsman Service.

You can email them at complaint.info@financialombudsman.org.uk
Call 0800 023 4567 (calls to this number are free on mobile phones and landlines) or 0300 123 9123 (calls to this number cost no more than calls to 01 and 02 numbers) or write to:
The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR.

Making a complaint to the Financial Ombudsman Service does not affect your right to take legal action.

What happens if AIG got into financial trouble and couldn't pay out the money?

The Financial Services Compensation Scheme (FSCS) is designed to pay compensation if a firm is unable to pay claims, because it has stopped trading or been declared in default.

Most of our customers, including most individuals and small businesses, are covered by the FSCS.

Whether or not you can claim, and the amount you could claim, will depend on the specific circumstances of your claim. The FSCS will pay 100% of the value of the claim. There is no upper financial limit on the amount of the payment.

You can find out more about the FSCS, including eligibility to claim, by visiting its website www.fscs.org.uk. Alternatively, you can contact the Financial Services Compensation Scheme at the following address:

Financial Services Compensation Scheme,
10th Floor, Beaufort House, 15 St Botolph Street,
London EC3A 7QU
Telephone: 0800 678 1100 or 020 7741 4100.
If calling from outside the UK, please call
+44 20 7741 4100.

Email: enquiries@fscs.org.uk

Please be aware that the rules of the FSCS may change in the future, or FSCS may take a different approach on their application of the above, depending on the circumstances.

How to contact us

For any enquiries about AIG Low Start Critical Illness with Term Assurance:

- call 0345 600 6820
- email enquiries@aiglife.co.uk

We are open Monday to Thursday, 8.30am to 8pm and Friday, 8.30am to 5.30pm, except bank holidays. Please note these opening hours are UK local time.

To make a complaint:

- call 0345 600 6813
- email complaints@aiglife.co.uk

To contact the Claims Team:

- call 0345 600 6815
- email claims@aiglife.co.uk

Our Complaints and Claims Teams are open 9.00am-5.00pm Monday to Friday, except on bank holidays.

You can also write to us at: AIG Life Limited, PO Box 12010 Harlow, CM20 9LG or visit www.aiglife.co.uk for more information.

Calls are charged at standard rates from a BT landline but may cost more via mobiles and other networks. We may record or monitor calls to make sure we have an accurate record of the instructions we are given, for training purposes, to improve the quality of our service and to prevent and detect fraud.



www.aiglife.co.uk

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