

# Reasons why – AIG YourLife Plan / Life Start and CIC Start (all options)

There are many different reasons why AIG's YourLife Plan / Life Start and CIC Start may or may not be suitable in particular circumstances. The following paragraphs are only intended to provide an example of what a 'reasons why' letter could contain for a particular scenario where an individual is looking for cover. It should not be used in lieu of a full and proper assessment of whether and why AIG's YourLife Plan / Life Start and CIC Start is suitable in a particular situation.

This document provides guidance for professional advisers and should not be distributed to retail customers.

## Generic 'About AIG Life' text

[AIG Life Limited is the life insurance arm of AIG in the UK, Channel Islands, Isle of Man and Gibraltar. It provides financial and practical support for individuals, families and businesses when illness or injury threatens their life, lifestyle or livelihood. It also provides financial protection for over 444,000 customers.

AIG Life is part of AIG Group, a leading international insurance organisation serving customers in more than 80 countries and jurisdictions.]

## YourLife Plan Term Assurance

Adviser Recommendation:

[I have researched the market and have recommended the following protection product provided by AIG Life for the following reasons:

- Premiums are guaranteed for the duration of the contract;
- You can be confident that the premium is likely to remain affordable for the term of the policy; and
- The cover is comprehensive and meets your protection requirements.

The information provided here is only a brief outline of the insurance. It is important that you read this in conjunction with the Key Facts document we have provided which, together with the Quote Summary, gives you further important information. Full details of the product can be found in the Cover Details – a document which, together with the Cover Summary and the Application Details, forms the basis of the legal contract with AIG Life.]

## Covering one person or covering two people

Cover for one person is called single life.

It is possible to protect two people by choosing joint life cover. While either person covered can claim under joint life cover, benefit is only payable once. After we have paid the benefit for one of the people covered, joint life cover stops.

## YourLife Plan Term Assurance

[AIG YourLife Plan Term Assurance is one of the most comprehensive insurance packages in the market and premiums are guaranteed for the entire term of the cover.

The insurance will pay the full sum assured if you die, or if you meet AIG Life's definition of having been diagnosed with a terminal illness (as listed in its Cover Details). AIG Life also accepts valid terminal illness claims until the day your insurance ends.

It also includes two additional services provided at no additional cost to you.

YourLife Plan Term Assurance comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness.

It also comes with access to Winston's Wish, the UK's leading childhood bereavement charity, which helps children get the right support when they lose a parent, carer or sibling.

Best Doctors and Winston's Wish are non-contractual benefits which can be withdrawn at any time without notice.]

## YourLife Plan Increasing Term Assurance

[AIG YourLife Plan Term Assurance is one of the most comprehensive insurance packages in the market and premiums are guaranteed for the entire term of the cover.

The insurance will pay the full sum assured if you die, or if you meet AIG Life's definition of having been diagnosed with a terminal illness (as listed in its Cover Details). AIG Life also accepts valid terminal illness claims until the day your insurance ends.

The total amount of insurance payable will increase each year by 5% to offset the effects of inflation. Premium rates are guaranteed for the entire period of insurance cover. However, as you have chosen the increasing cover option, the premium payable will increase each year.

- The increase of 5% per year will potentially offset the rate of inflation.
- Premiums will increase at a higher percentage than that of the sum assured
- If inflation increases at a higher rate than 5% then the purchasing power of the sum assured paid out may be diminished.

It also includes two additional services provided at no additional cost to you.

YourLife Plan Term Assurance comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness.

It also comes with access to Winston's Wish, the UK's leading childhood bereavement charity, which helps children get the right support when they lose a parent, carer or sibling.

Best Doctors and Winston's Wish are non-contractual benefits which can be withdrawn at any time without notice.]

## YourLife Plan Decreasing Term Assurance

[AIG YourLife Plan Term Assurance is one of the most comprehensive insurance packages in the market and premiums are guaranteed for the entire term of the cover.

The insurance will pay the sum assured if you die, or if you meet AIG Life's definition of having been diagnosed with a terminal illness (as listed in its Cover Details). AIG Life also accepts valid terminal illness claims until the day your insurance ends.

The total amount of insurance payable will reduce each month in line with the capital outstanding on a repayment mortgage with an annual interest rate of [insert interest rate here] %. If the interest rate chosen is less than the rate you are paying on your mortgage, the benefit AIG pays in relation to a successful claim may not meet the outstanding amount of your mortgage.

It also includes two additional services provided at no additional cost to you.

YourLife Plan Term Assurance comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness.

It also comes with access to Winston's Wish, the UK's leading childhood bereavement charity, which helps children get the right support when they lose a parent, carer or sibling.

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## YourLife Plan Critical Illness with Term Assurance

Adviser Recommendation:

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- The cover is comprehensive and meets your protection requirements.

The information provided here is only a brief outline of the insurance. It is important that you read this in conjunction with the Key Facts document we have provided which, together with the Quote Summary, gives you further important information. Full details of the product can be found in the Cover Details – a document which, together with the Cover Summary and the Application Details, forms the basis of the legal contract with AIG Life.]

## YourLife Plan Level Critical Illness with Term Assurance - level

[AIG Critical Illness with Term Assurance is one of the most comprehensive insurance packages in the market and premiums are guaranteed for the entire term of the cover.

The insurance will pay the full sum assured if you die, or if you meet AIG Life's definition of having been diagnosed with a terminal illness or a Group I critical illness – as listed in its Cover Details. AIG Life also accepts valid terminal illness claims until the day the insurance ends.

Your insurance will also provide additional payments as a proportion of the sum assured (up to £35,000) if you are diagnosed with a less severe condition which, while not life-threatening, can still have a serious impact on your life. These are defined as Group II definitions in the Cover Details.

It will also make additional payments of up to £35,000 if your child is diagnosed with a critical illness, including conditions which are specific to children, or if your child is diagnosed with a terminal illness. (The child-specific conditions are detailed under its Group III definitions of the Cover Details.) It also pays child life cover of £10,000 which will be paid early if the child is diagnosed with a terminal illness..

In addition, it will pay a pregnancy cover benefit of £5,000 if the person covered suffers from a defined complication during pregnancy. It also includes two additional services provided at no additional cost to you.

YourLife Plan Critical Illness with Term Assurance comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness. As the insured person, you can continue to access Best Doctors for up to three years after the final claim payout has been accepted, to enable you to receive important support during and following treatment. This extended access to Best Doctors will only apply to the person covered by the claim, and not to family members.

It also comes with access to Winston's Wish, the UK's leading childhood bereavement charity, which helps children get the right support when they lose a parent, carer or sibling.

Best Doctors and Winston's Wish are non-contractual benefits which can be withdrawn at any time without notice.]

## YourLife Plan Increasing Critical Illness with Term Assurance

[AIG Critical Illness Cover with Term Assurance is one of the most comprehensive insurance packages in the market.

The insurance will pay the full sum assured if you die, or if you meet AIG Life's definition of having been diagnosed with a terminal illness or a Group I critical illness (as listed in its Cover Details). AIG Life also accepts valid terminal illness claims until the day your insurance ends.

Your insurance will also provide additional payments as a proportion of the sum assured (up to £35,000) if you are diagnosed with a less severe condition which, while not life-threatening, can still have a serious impact on your life. These are defined as Group II definitions in the Cover Details.

It will also make additional payments of up to £35,000 if your child is diagnosed with a critical illness, including conditions which are specific to children, or if your child is diagnosed with a terminal illness. (The child-specific conditions are detailed under its Group III definitions of the Cover Details.) It also pays child life cover of £10,000 which will be paid early if the child is diagnosed with a terminal illness.

In addition, it will pay a pregnancy cover benefit of £5,000 if the person covered suffers from a defined complication during pregnancy. The total amount of insurance payable will increase each year by 5% to offset the effects of inflation. Premium rates are guaranteed for the entire period of insurance cover. However, as you have chosen the increasing cover option, the premium payable will increase each year.

- The increase of 5% per year will potentially offset the rate of inflation.
- Premiums will increase at a higher percentage than that of the sum assured
- If inflation increases at a higher rate than 5% then the purchasing power of the sum assured paid out may be diminished.

It also includes two additional services provided at no additional cost to you.

YourLife Plan Critical Illness with Term Assurance comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness. As the insured person, you can continue to access Best Doctors for up to three years after the final claim payout has been accepted, to enable you to receive important support during and following treatment. This extended access to Best Doctors will only apply to the person covered by the claim, and not to family members.

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Best Doctors and Winston's Wish are non-contractual benefits which can be withdrawn at any time without notice.]

## YourLife Plan Decreasing Critical Illness with Term Assurance

[AIG Critical Illness Cover with Term Assurance is one of the most comprehensive insurance packages in the market and premiums are guaranteed for the entire term of the cover.

The insurance will pay the sum assured if you die, or if you meet AIG Life's definition of having been diagnosed with a terminal illness or a Group I critical illness (as listed in its Cover Details). AIG Life also accepts valid terminal illness claims until the day your insurance ends.

Your insurance will also provide additional payments as a proportion of the sum assured (up to £35,000) if you are diagnosed with a less severe condition which, while not life-threatening, can still have a serious impact on your life. These are defined as Group II definitions in the Cover Details.

It will also make additional payments of up to £35,000 if your child is diagnosed with a critical illness, including conditions which are specific to children, or if your child is diagnosed with a terminal illness. (The child-specific conditions are detailed under its Group III definitions of the Cover Details.) It also pays child life cover of £10,000 which will be paid early if the child is diagnosed with a terminal illness.

In addition, it will pay a pregnancy cover benefit of £5,000 if the person covered suffers from a defined complication during pregnancy. The total amount of insurance payable will reduce each month in line with the capital outstanding on a repayment mortgage with an annual interest rate of [insert interest rate here] %. If the interest rate chosen is less than the rate you are paying on your mortgage, the benefit AIG pays in relation to a successful claim may not meet the outstanding amount of your mortgage.

It also includes two additional services provided at no additional cost to you.

YourLife Plan Critical Illness with Term Assurance comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness. As the insured person, you can continue to access Best Doctors for up to three years after the final claim payout has been accepted, to enable you to receive important support during and following treatment. This extended access to Best Doctors will only apply to the person covered by the claim, and not to family members.

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## YourLife Plan Income Protection

Adviser Recommendation:

[I have researched the market and have recommended the following protection product provided by AIG Life for the following reasons:

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- You can be confident that the premium is likely to remain affordable for the term of the policy; and
- The cover is comprehensive and meets your protection requirements.

The information provided here is only a brief outline of the insurance. It is important that you read this in conjunction with the Key Facts document we have provided which, together with the Quote Summary, gives you further important information. Full details of the product can be found in the Cover Details – a document which, together with the Cover Summary and the Application Details, forms the basis of the legal contract with AIG Life.]

## YourLife Plan – Income Protection - level

[AIG YourLife Plan – Income Protection is one of the most comprehensive insurance packages in the market.

Having discussed your personal and financial circumstances with you, I am recommending you choose a deferred period of [4, 8, 13, 26, 52] weeks (delete as appropriate). There's also a choice of claims payment period of either 2 years or full policy term.

Based on your circumstances, I have recommend the [2 years / full policy term] (delete where appropriate) claims payment period.

The insurance will provide you with a regular monthly benefit if you are unable to work because of illness or injury, or if you are not in paid work and are unable to carry out certain activities of daily living due to illness or injury. Payments would be paid after your chosen deferred period has elapsed.

If AIG Life agrees that you may have a valid Income Protection claim because you are incapacitated, AIG Life may also help pay for services that could improve or maintain your health and help you return to work. What these services are will depend on your situation.

If you have been diagnosed with a terminal illness and are unable to work because of illness or injury, AIG Life will provide 12 times the monthly benefit as a lump sum instead of a monthly benefit and there will be no deferred period for this benefit.

The insurance will also pay a benefit, subject to certain limits, if:

- your spouse, civil partner or child suffer from an illness or injury that impacts their everyday life for more than three months;
- you spend more than six consecutive nights in hospital;
- you suffer from a traumatic illness or injury; or
- you die.

It also includes two additional services provided at no additional cost to you.

YourLife Plan Income Protection comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness.

It also comes with access to Winston's Wish, the UK's leading childhood bereavement charity, which helps children get the right support when they lose a parent, carer or sibling.

Best Doctors and Winston's Wish are non-contractual benefits which can be withdrawn at any time without notice.]

## YourLife Plan – Income Protection - increasing

[AIG YourLife Plan – Income Protection is one of the most comprehensive insurance packages in the market

Having discussed your personal and financial circumstances with you, I am recommending you choose a deferred period of [4, 8, 13, 26, 52] weeks (delete as appropriate).

There's also a choice of claims payment period of either 2 years or full policy term. Based on your circumstances, I have recommend the [2 years / full policy term] (delete where appropriate) claims payment period.

The insurance will provide you with a regular monthly benefit if you are unable to work because of illness or injury, or if you are not in paid work and are unable to carry out certain activities of daily living due to illness or injury. Payments would be paid after your chosen deferred period has elapsed.

If AIG Life agrees that you may have a valid Income Protection claim because you are incapacitated, AIG Life may also help pay for services that could improve or maintain your health and help you return to work. What these services are will depend on your situation.

If you have been diagnosed with a terminal illness and are unable to work because of illness or injury, AIG Life will provide 12 times the monthly benefit as a lump sum instead of a monthly benefit and there will be no deferred period for this benefit.

The insurance will also pay a benefit, subject to certain limits, if:

- your spouse, civil partner or child suffer from an illness or injury that impacts their everyday life for more than three months;
- you spend more than six consecutive nights in hospital;
- you suffer from a traumatic illness or injury; or
- you die.

The total amount of insurance payable will increase each year in line with any increase in the Retail Prices Index (up to a maximum annual increase of 10%) to help offset the effects of inflation. Premium rates are guaranteed for the entire period of insurance cover. However, as you have chosen the increasing cover option, the premium payable will increase each year.

- The increase in line with the Retail Prices Index will potentially offset the rate of inflation.
- Premiums will increase at a higher percentage than that of the monthly benefit
- If inflation increases at a higher rate than 10% then the purchasing power of the monthly benefit out may be diminished.

It also includes two additional services provided at no additional cost to you.

YourLife Plan Income Protection comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness.

It also comes with access to Winston's Wish, the UK's leading childhood bereavement charity, which helps children get the right support when they lose a parent, carer or sibling.

Best Doctors and Winston's Wish are non-contractual benefits which can be withdrawn at any time without notice.]

## YourLife Plan – Family Income Benefit

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- You can be confident that the premium is likely to remain affordable for the term of the policy; and
- The cover is comprehensive and meets your protection requirements.

The information provided here is only a brief outline of the insurance. It is important that you read this in conjunction with the Key Facts document we have provided which, together with the Quote Summary, gives you further important information. Full details of the product can be found in the Cover Details – a document which, together with the Cover Summary and the Application Details, forms the basis of the legal contract with AIG Life.]

## YourLife Plan – Family Income Benefit - level

[AIG YourLife Plan – Family Income Benefit is one of the most comprehensive insurance packages in the market and premiums are guaranteed for the entire term of the cover.

The insurance will provide a monthly benefit if you die, or if you meet AIG Life's definition of having been diagnosed with a terminal illness (as listed in its Cover Details). AIG Life also accepts valid terminal illness claims until the day your insurance ends.

At the point of claim or while AIG Life are paying a monthly benefit, it may be possible to receive a one off lump sum instead. The amount of this lump sum will not be as much as the remaining monthly benefit payments added together.

It also includes two additional services provided at no additional cost to you.

YourLife Plan Family Income Benefit comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness.

It also comes with access to Winston's Wish, the UK's leading childhood bereavement charity, which helps children get the right support when they lose a parent, carer or sibling.

Best Doctors and Winston's Wish are non-contractual benefits which can be withdrawn at any time without notice.]

## YourLife Plan – Family Income Benefit - increasing

[AIG YourLife Plan – Family Income Benefit is one of the most comprehensive insurance packages in the market and premiums are guaranteed for the entire term of the cover.

The insurance will provide a monthly benefit if you die, or if you meet AIG Life's definition of having been diagnosed with a terminal illness (as listed in its Cover Details). AIG Life also accepts valid terminal illness claims until the day your insurance ends.

At the point of claim or while AIG Life are paying a monthly benefit, it may be possible to receive a one off lump sum instead. The amount of this lump sum will not be as much as the remaining monthly benefit payments added together.

The total amount of insurance payable will increase each year by 5% to offset the effects of inflation. Premium rates are guaranteed for the entire period of insurance cover. However, as you have chosen the increasing cover option, the premium payable will increase each year.

- The increase of 5% per year will potentially offset the rate of inflation.
- Premiums will increase at a higher percentage than that of the monthly benefit
- If inflation increases at a higher rate than 5% then the purchasing power of the monthly benefit paid out may be diminished.

It also includes two additional services provided at no additional cost to you.

YourLife Plan Family Income Benefit comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness.

It also comes with access to Winston's Wish, the UK's leading childhood bereavement charity, which helps children get the right support when they lose a parent, carer or sibling.

Best Doctors and Winston's Wish are non-contractual benefits which can be withdrawn at any time without notice.]

## Life Start Term Assurance

[AIG Life Start Term Assurance is one of the most comprehensive insurance packages in the market and premiums are guaranteed for the entire term of the cover.

The insurance will pay the full sum assured if you die, or if you meet AIG Life's definition of having been diagnosed with a terminal illness (as listed in its Cover Details). AIG Life also accepts valid terminal illness claims until the day your insurance ends.

Life Start is designed to allow you to take out the amount of cover you need at the outset. Premiums are set on the basis of your age and health at the outset and increase over the term of the policy to reflect the increased risks you face as you get older. Provided you do not ask AIG Life to make any changes to your policy, your premium rates are guaranteed from the day the cover starts until the end of the term. Your premiums increase annually by a compound 3.5% year on year through the life of the policy. While the total cost of Life Start may be higher than a standard level plan, I have recommended it to you to ensure you get the level of cover you need at outset at an affordable initial cost.

It also includes two additional services provided at no additional cost to you.

Life Start Term Assurance comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness.

It also comes with access to Winston's Wish, the UK's leading childhood bereavement charity, which helps children get the right support when they lose a parent, carer or sibling.

Best Doctors and Winston's Wish are non-contractual benefits which can be withdrawn at any time without notice.]

## CIC Start Critical Illness with Term Assurance

[AIG Critical Illness Cover with Term Assurance is one of the most comprehensive insurance packages in the market.

The insurance will pay the full sum assured if you die, or if you meet AIG Life's definition of having been diagnosed with a terminal illness or a Group I critical illness (as listed in its Cover Details). AIG Life also accepts valid terminal illness claims until the day your insurance ends.

Your insurance will also provide additional payments as a proportion of the sum assured (up to £35,000) if you are diagnosed with a less severe condition which, while not life-threatening, can still have a serious impact on your life. These are defined as Group II definitions in the Cover Details.



It will also make additional payments of up to £35,000 if your child is diagnosed with a critical illness, including conditions which are specific to children, or if your child is diagnosed with a terminal illness. (The child-specific conditions are detailed under its Group III definitions of the Cover Details.) It also pays child life cover of £10,000 which will be paid early if the child is diagnosed with a terminal illness.

In addition, it will pay a pregnancy cover benefit of £5,000 if the person covered suffers from a defined complication during pregnancy.

CIC Start is designed to allow you to take out the amount of cover you need at the outset. Premiums are set on the basis of your age and health at the outset and increase over the term of the policy to reflect the increased risks you face as you get older. Provided you do not ask AIG Life to make any changes to your policy, your premium rates are guaranteed from the day the cover starts until the end of the term. Your premiums increase annually by a compound 3.5% year on year through the life of the policy. While the total cost of CIC Start may be higher than a standard level plan, I have recommended it to you to ensure you get the level of cover you need at outset at an affordable initial cost.

It also includes two additional services provided at no additional cost to you.

CIC Start Critical Illness with Term Assurance comes with access to Best Doctors - a second opinion medical service which can provide guidance on the most appropriate treatment should you or your immediate family be diagnosed with a serious illness. As the insured person, you can continue to access Best Doctors for up to three years after the final claim payout has been accepted, to enable you to receive important support during and following treatment. This extended access to Best Doctors will only apply to the person covered by the claim, and not to family members.

It also comes with access to Winston's Wish, the UK's leading childhood bereavement charity, which helps children get the right support when they lose a parent, carer or sibling.

Best Doctors and Winston's Wish are non-contractual benefits which can be withdrawn at any time without notice.]

## Total Permanent Disability (Critical Illness policies only)

[I have recommended that the Total Permanent Disability option is added to your cover. Total Permanent Disability will pay a tax-free single lump sum if you are incapacitated and meet the definition of incapacitated that applies to you, even if your condition doesn't meet the criteria of any of AIG's specified critical illnesses. The definition of incapacitated that applies to you will be shown in the Cover Summary and is explained in full in the Cover Details.

## Total Disability (Critical Illness policies only)

[I have recommended that the Total Disability option is added to your cover. Total Disability will pay a tax-free monthly income of 1% of the sum assured (however note that limits do apply – refer to the Cover Details for further information) for up to 100 months if you are incapacitated for more than 26 weeks and meet the definition of incapacitated that applies to you. This will be paid, even if your condition doesn't meet the criteria of any of AIG's specified critical illnesses or Total Permanent Disability. The monthly payments are paid from the sum assured. The definition of incapacitated that applies to you will be shown in the Cover Summary and is explained in full in the Cover Details.

Total Disability is unique to AIG Life Critical Illness with Term Assurance. For full details please refer to the Cover Details.

## Waiver of Premium

[I have recommended you include the waiver of premium option as part of your insurance. If you are unable to work as a result of incapacity for more than 26 weeks, AIG Life will pay your premiums for the remainder of your period of incapacity. AIG Life will pay your premiums until you are either able to return to work, no longer meet the definition of incapacity or until the end of the term of your policy.]

[www.aiglife.co.uk](http://www.aiglife.co.uk)

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