

# Key3 Critical Illness with Life Insurance





# 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, Isle of Man and Gibraltar. 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.

## keyfacts<sup>®</sup>

This document gives you the key information you need to help you decide whether AIG Key3 Critical Illness with Life Insurance 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, Isle of Man or Gibraltar).

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 Key3 Critical Illness with Life Insurance?

Key3 Critical Illness with Life Insurance is designed to pay a lump sum when a person covered dies, or is diagnosed with a terminal illness - where life expectancy is less than 12 months, or with one of the specified critical illness conditions covered during the term of the policy. It can be used to help pay off a mortgage, provide a legacy or financial protection for a family member or friend.

Critical illness conditions covered are:

- Cancer - excluding less advanced cases;
- Heart attack - of specified severity; and
- Stroke - of specified severity.

How we define these conditions is explained in the Cover Details.

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 Key3 Critical Illness with Life Insurance?

AIG Key3 Critical Illness with Life Insurance is available to customers resident in the United Kingdom, Channel Islands, Isle of Man and Gibraltar, aged 17 up to and including 75.

You can select to insure:

- you alone - we call this 'single life' cover;
- you and another person - we call this 'joint life' cover;
- 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 one of the specified critical illnesses, before the end of your policy. The insurance will pay out once and the policy will then stop.

# How does AIG Key3 Critical Illness with Life Insurance work?

## The amount of cover

When you take out Key3 Critical Illness with Life Insurance, 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 with one of the specified critical illnesses conditions covered 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 50, although the policy must end before the person covered reaches their 86th birthday.

## Types of cover

- Level – this covers you for a fixed sum assured.
- Decreasing – with this cover, the sum assured decreases each month to zero at the end of your policy. This works in the same way as the outstanding amount on a repayment mortgage. You can select an interest rate of either 5%, 6%, 7%, 8%, 10%, 11%, 13% or 15%.
- Increasing – with this cover your sum assured increases each year by 5%.

Further information regarding these types of cover is available in the Cover Details.

## Paying for your cover

Your premiums will be guaranteed and will not change unless you choose increasing cover.

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

## Additional option 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. The Waiver of Premium option will end when the person covered reaches their 70th birthday.

Waiver of Premium option 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 on 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 and how Waiver of Premium works, please see the Cover Details.

## Changing your cover

If you have selected increasing cover, you can stop and restart your annual increases at any time. However, if you decide to decline the increase for three consecutive years, you will no longer have the option of an increasing sum assured under the cover in future years.

In addition, you can change how your premiums are paid, for example from monthly to annual and vice versa.

## Important information

You can only insure someone else if you would suffer financially were they to die, or suffer a terminal 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.

Key3 Critical Illness with Life Insurance will only pay a benefit for a critical illness if the person covered meets our definition of a specified critical illness as defined in 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.

Key3 Critical Illness with Life Insurance 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.

Inflation will reduce the spending power of any benefit you are paid in the future. To help protect your cover against this effect, you can choose to set it up with a sum assured that increases by 5% each year. If the policy has an increasing sum assured, the premium will be reviewed annually and will increase by a higher percentage than that of the sum assured, because the amount of the increase of the premium will depend on the age of the person covered and the remaining term of the policy at that time.

If you set up a cover with an increasing sum assured, the amount you pay will increase each year to pay for the extra cover. If you then change to a level sum assured, the premium will remain at the level it was when you made the change. If you restart the annual increase, the premium will increase again.

If you have a mortgage and choose a decreasing cover and select an interest rate that does not meet or exceed the rate you are paying on your mortgage, the benefit we will pay for a successful claim may not meet the outstanding amount of your mortgage.

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.

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

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 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, Isle of Man or Gibraltar 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.

A claims assessor will explain the process and what information we will need. But if you would like to know more about claiming on your insurance, you can take a look at 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 may not 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 Key3 Critical Illness with Life Insurance;
- give us any medical or other evidence that we ask for; and
- tell us immediately if any of the information in the Cover Summary or Application Details we send you is wrong.

We also won't pay a claim if the person covered dies as a result of their own actions within one year of the cover start date or the reinstatement of the cover, whichever is later.

Further information about when we may not pay a claim can be found in the Cover Details.

### Changing your mind about AIG Key3 Critical Illness with Life Insurance

When your policy starts, we will send you information about your right to change your mind and cancel your insurance. You have 30 days from the date you receive this information to cancel your insurance. If you cancel your insurance 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 cover 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 life 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 information in accordance with data protection laws. For further information, please read our privacy policy on our website [www.aiglife.co.uk](http://www.aiglife.co.uk) or in the Cover Details. This sets out what information we can collect, how we will use it and who we will share it with.

### About our business

Information about our business, performance and financial position, and details on how we control our business and manage risks can be found in our Solvency and Financial Condition Report (SFCR) available on our website [www.aiglife.co.uk](http://www.aiglife.co.uk).

### 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](mailto:complaint.info@financialombudsman.org.uk);

call 0800 023 4567;

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](http://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

Email: [enquiries@fscs.org.uk](mailto: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 Key3 Critical Illness with Life Insurance:

- call 0345 600 6820
- email [enquiries@aiglife.co.uk](mailto: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](mailto:complaints@aiglife.co.uk)

To contact the Claims Team:

- call 0345 600 6815
- email [claims@aiglife.co.uk](mailto:claims@aiglife.co.uk)

Our Complaints and Claims Teams are open 8.30am-5.30pm 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](http://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](http://www.aiglife.co.uk)

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