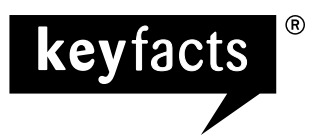
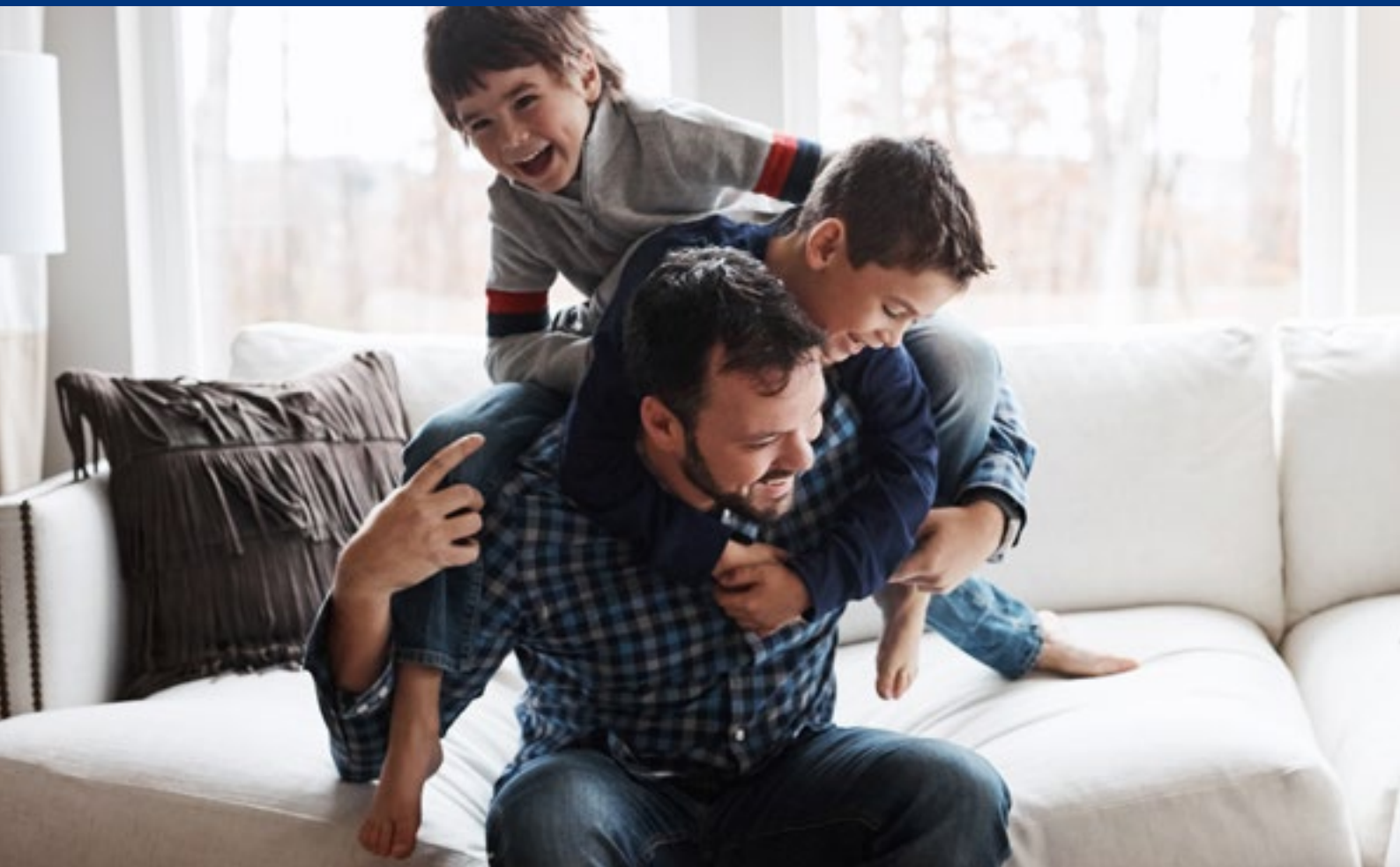




Individual Protection

Relevant Life Insurance

Key Facts



Welcome to AIG

American International Group, Inc. (AIG, Inc.) is a leading international insurance organisation serving customers in more than 80 countries and jurisdictions. AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of AIG, 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.

keyfacts[®]

This document gives you the key information you need to help you decide whether AIG Relevant 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 Relevant Life Insurance?

AIG Relevant Life Insurance is insurance your business can take out to cover an employee against the financial impact of death or terminal illness - where life expectancy is less than 12 months, during the term of the policy.

The cover must be placed in trust to ensure any benefit from the cover may be paid to the person covered or their beneficiaries. Our relevant life insurance has been designed to comply with the conditions for relevant life plans as set out in Section 393(B) (4) of the Income Tax (Earnings and Pensions) Act 2003 and sections 481 and 482 of the Income Tax (Trading and Other Income) Act 2005 (ITTOIA 2005).

If the sum paid out under AIG Relevant Life Insurance forms part of your employee's estate, it may not be free of inheritance tax. Cover held by the trustees of a trust should not normally form part of the estate for Inheritance Tax purposes. 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 Relevant Life Insurance?

AIG Relevant Life Insurance is available to businesses registered in the United Kingdom, and can only provide cover in respect of British Citizens and those resident in the United Kingdom, aged 17 up to 71.

You take out AIG Relevant Life Insurance to cover an employee within the business - known as the person covered.

An employer can be a sole trader (as a business with employees), a partnership, a limited liability partnership, a limited company or a charity. However, a sole trader (in their capacity as business owner), an equity partner in a partnership or a member of a limited liability partnership are not employees so can't be covered under relevant life insurance. An employee can include a single director of a limited company on PAYE.

How does AIG Relevant Life Insurance work?

The amount of cover

When you take out AIG Relevant Life Insurance, you decide how much cover you want for your employee. 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 during the term of the policy. The maximum sum assured available under AIG Relevant Life Insurance is as follows:

Age of the person covered	Maximum sum assured, based on salary multiples
17-29	35 x income
30-39	30 x income
40-49	25 x income
50-59	20 x income
60-71	15 x income

Income includes salary, bonus, and dividends paid in lieu of salary plus any taxable benefit in kind.

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 75th birthday.

Types of cover

- Level - with this cover the sum assured is fixed.
- Increasing - with this cover the sum assured increases each year in line with the Retail Prices Index (RPI) up to a maximum of 10%.

Further information regarding these types of cover is available in section B1 of the Cover Details.

Paying for your policy

Your business pays the premiums for AIG Relevant Life Insurance and the cost of the premiums is usually viewed as an allowable business expense. This is as long as the local inspector of taxes is satisfied they qualify under the “wholly and exclusively” rules as governed by HMRC. For example, the expense is incurred “wholly and exclusively” for the purpose of the business’ trade and is not “excessive” in the particular circumstances.

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.

Placing your policy in trust

To ensure any benefit from the cover may be paid to the person covered or their beneficiaries, you, as owner of the policy, must place the cover in trust. You must do this at the same time as you apply for the cover. You can use a trust form which we have provided or one prepared by your own professional advisers. You must be a trustee, together with the person covered. It may also be beneficial to appoint a third trustee.

Changing your policy

There are many ways that you can change your policy to make sure that it is still meeting your employee’s 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:

- increases their income as a result of a pay rise or promotion;
- marries or enters into a civil partnership;
- has a child or legally adopts one; or
- increases the amount of their 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 original 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;
- stop and restart annual increases if you have selected increasing cover; or
- change your premiums from annual to monthly and vice versa.

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 in the Cover Details.

Continuing the cover

If your employee leaves your business, there are two potential options to continuing the cover:

- (i) Transfer of ownership to a new employer; or
- (ii) Transfer of ownership to the employee.

(i) Transfer of ownership to a new employer:

If the person covered leaves the employment of the business owning this AIG Relevant Life Insurance and goes to a new employer, the new employer can request that the insurance continues. This does not require further medical evidence or underwriting. The new employer must make this request within 90 days of the employee leaving the business owning this cover. Such requests will be considered provided premium payments are up to date. If we agree to this, the person covered or new employer must provide us with all details of the new employer and any other information we reasonably require to enable us to administer the cover and meet our regulatory and legal obligations. The previous employer should retire as a trustee (to ensure they are no longer involved with the cover) and the new employer appointed as trustee in their place. There must be at least two trustees at any given time, one of which must be a person who is not the settlor.

(ii) Transfer of ownership to the employee:

The person covered can request to continue the insurance in their sole name if they leave the employment of the business owning this AIG Relevant Life Insurance. This will not require further medical evidence or underwriting. Following notification that the business owning the cover no longer wishes to continue the insurance, the person covered will have 90 days to request to continue the cover. Any such request will only be considered provided premium payments are up to date. The employee will become responsible for the payment of premiums. The terminal illness benefit will be removed from the policy and will no longer be available. The employer should retire as a trustee (to ensure they are no longer involved with the cover) and a new trustee appointed in their place. There must be at least two trustees at any given time, one of which must be a person who is not the settlor. The policy will no longer qualify for some of the tax benefits associated with relevant life insurance.

Important information

AIG Relevant Life Insurance only protects against events that happen to the person covered during the term of the policy. If something happens outside that term, they won't be covered. The Cover Summary shows what is covered and for how long.

Inflation will reduce the spending power of any benefit paid in the future. To help protect the cover against this effect, you can choose to set it up with a sum assured that increases each year in line with the Retail Prices Index (RPI) up to a maximum of 10%. 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 the cover is not written in trust, the policy may not meet HMRC's definition of relevant life insurance for taxation purposes and your employee or their dependants' entitlement to the benefits may be affected.

There is no guarantee that the current tax position will apply in all cases or continue for the term of the cover. Tax legislation may also change in the future.

You must tell us if the person covered leaves your employment and notify us of any changes of trustees.

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 a terminal illness claim, the person covered can be residing anywhere in the world, however the consultant must be in an eligible country.

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

If any premium remains unpaid for more than 30 days from the date it was due to be collected, we will cancel the cover and the person covered will no longer be insured.

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.

AIG Relevant Life Insurance must be placed in trust to comply with legislation. The sum assured will be paid to the trustees who must then follow the terms of the trust to distribute the monies to the chosen beneficiaries.

The trustees need to send us the original trust document (if a paper trust was completed) and any deeds altering the trust before we can pay the sum assured to them. We will return these when we pay the claim.

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 Relevant Life Insurance;
- 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.

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 latest restart date. Once the cover has been active for more than 12 months, if the person covered has asked us to increase the sum assured in the 12 months prior to them dying as a result of their own actions, no benefit will be payable in respect of this increase.

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 Relevant Life Insurance

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

AIG Relevant Life Insurance has been designed to comply with the conditions for relevant life insurance contained in Section 393(B)(4) of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA 2003) and sections 481 and 482 of the Income Tax (Trading and Other Income) Act 2005 (ITTOIA 2005).

To ensure the insurance meets the conditions outlined by the above legislature, it must be placed in trust with either an individual or charity as a named beneficiary.

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.

HMRC usually views the premiums as an allowable business expense for the employer. Additionally, as this is not treated as a benefit-in-kind for the employee, the employee does not have to pay Income Tax or National Insurance on the premiums.

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

Personal information we collect

Personal information we collect about you includes sensitive information such as your health and medical history. Where we collect this information, we will rely either on your consent, or on a combination of the following justifications: performing a contract with you or preparing to enter into a contract with you; complying with regulatory requirements; or having a legitimate interest to request your personal information.

To give you a quicker decision about your insurance, we may make decisions about your application using an 'automated decision-making tool'. An 'automated decision-making tool' doesn't involve human input and we sometimes use it to determine whether we are able to provide you with insurance and on what terms based on the answers you give us.

We may also use your personal information to detect, investigate and prevent crime (including fraud and money laundering).

Where permitted by applicable law, AIG may share personal information with carefully selected third parties, for example, other insurers, reinsurers, and financial advisers.

Your personal information may be transferred outside the country in which you are located including to countries outside the European Economic Area.

As a data subject you have certain rights in relation to your personal information. More details about AIG's use of personal information and your rights as a data subject can be found at www.aiglife.co.uk/privacy-policy or you may request a copy using the following contact details: Data Protection Officer, AIG Life, 58 Fenchurch Street, London, EC3M 4AB or by email at DataProtectionOfficer@aiglife.co.uk

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 available on our website 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

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 there to protect you if we cannot meet our obligations. Whilst most customers will be covered under the FSCS, whether or not you can claim and the amount you can claim depends on the specific circumstances of your claim. You can get further information from www.fscs.org.uk or by calling 020 7741 4100.

How to contact us

For any enquiries about Relevant Life Insurance:

call 0345 600 6820

email enquiries@aiglife.co.uk

To make a complaint:

call 0345 600 6813

email complaints@aiglife.co.uk

To contact the Claims Team:

call 0345 600 6815

email claimsteam@aiglife.co.uk

We are open Monday to Thursday, 8.30am to 8.00pm and Friday, 8.30am to 5.30pm, except for bank holidays. Please note that these opening hours are UK local time.

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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