



Relevant Life Insurance

Reasons why

There are many different reasons why relevant life insurance may or may not be suitable for your clients. The following paragraphs are only intended to provide an example of what a 'reasons why' letter could contain for a particular scenario where an employer wants to provide life insurance for an employee. It shouldn't be used in lieu of a full and proper assessment of whether and why AIG Relevant Life Insurance is suitable in a particular situation.

This document provides guidance for professional advisers and shouldn't be distributed to retail customers.

Generic 'About AIG' 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. And it provides financial protection for over 1.2 million customers.

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

AIG Relevant Life Insurance

[I've researched the market and have recommended the following protection product provided by AIG because:

- The current premium rates and product features offered by AIG are competitive;
- 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 employee's protection requirements.

The information provided here is only a brief outline of the insurance. It's important you read this in conjunction with the Key Facts document we've 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.]

Relevant Life Insurance - level cover

[Relevant life insurance is taken out to cover an employee within a business. You, as the business, pay the premiums but the person covered is your employee.

The cover must be placed in trust from the outset in order for the benefit to be paid to your employee's beneficiaries. The insurance will pay the full sum assured to the trustees if your employee dies or is diagnosed with a terminal illness during the term of the policy. AIG also accepts valid terminal illness claims until the day the insurance ends.

I've recommended level cover as you expressed a preference for premiums and the amount of insurance to stay the same for the entire term of the cover.

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

Smart Health is a suite of six services designed to support the health and wellbeing of your employees and their immediate family. It includes: online GP appointments, mental health support, nutrition advice, fitness plans, a health check and a second medical opinion service.

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.

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

Relevant Life Insurance - increasing cover

[Relevant life insurance is taken out to cover an employee within a business. You, as the business, pay the premiums but the person covered is your employee.

The cover must be placed in trust from the outset in order for the benefit to be paid to your employee's beneficiaries. The insurance will therefore pay the full sum assured to the trustees if your employee dies or is diagnosed with a terminal illness during the term of the policy. AIG Life also accepts valid terminal illness claims until the day the insurance ends.

You indicated that you wished to try and offset the effects of inflation on your employee's insurance, therefore I've recommended increasing cover. This means the level of insurance payable will increase each year in line with the Retail Prices Index up to a maximum of 10% and payments will also increase to reflect that.

- 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 sum assured.

If inflation increases at a higher rate than 10%, then the purchasing power of the sum assured paid out may be diminished.

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

Smart Health is a suite of six services designed to support the health and wellbeing of your employees and their immediate family. It includes: online GP appointments, mental health support, nutrition advice, fitness plans, a health check and a second medical opinion service.

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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