



MORTGAGE PAYMENT PROTECTION INSURANCE

KEY FEATURES.

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POLICY SUMMARY.

This summary explains the key features of Mortgage Payment Protection Insurance (MPPI). If you want to review the full terms, conditions and exclusions then these can be found in the Policy Document, which we will send you when the cover starts. If you would like to have a copy of the Policy Document to help you to decide whether this policy is right for you, then please ask and we can send a copy to you.

MPPI provides valuable protection but the cover is optional. This means that you do not need to take this policy out to obtain a mortgage from your lender.

NAME OF INSURER

This insurance is provided by Legal & General Insurance Limited. Our registered office is One Coleman Street, London EC2R 5AA.

TYPE OF INSURANCE AND COVER

This policy provides benefits to help you pay your mortgage and mortgage related insurance premiums, council tax and utility bills for up to 12 months if you are unable to work due to accident, sickness (also referred to as disability) and/or involuntary unemployment.

The monthly benefits that apply to you depend on the type of cover you choose when you apply for this insurance. The monthly premiums that you need to pay will be based on the cover options that you choose.

You need to regularly review your cover to make sure that the policy continues to meet your needs.

Please refer to page 7 of this booklet for more information about the cover options available to you.

DURATION OF THE POLICY

This is a short-term monthly contract. We will renew your cover each month for at least the first 12 months on the terms detailed in our Policy Document and at the price shown in your insurance schedule provided you continue to pay the monthly premium. After the initial 12 months cover we may make changes to your cover and premium or we may decide not to continue to provide cover. The basis on which we may do this is detailed on page 4.

CHANGES TO YOUR PREMIUM AND POLICY TERMS

We may decide to increase or decrease your monthly premium and/or vary your policy terms. We will give you 30 days' prior notice of any changes and make no further changes to your monthly premium and/or policy terms for the following 12 months thereafter, unless we are required to do so in order to comply with an applicable law or regulation.

We will only increase or decrease your monthly premium and/or vary your policy terms for any of the following reasons:

- To comply with a change in an applicable law or regulation.
- If there is a change in an applicable tax.
- If there is a change in the cost of administering policies of this type.
- If we, acting fairly and reasonably, change our assessment of any of the following:
 - Our expectation about the number and/or cost of future claims for policies of this type.
 - Our expectation about the length of time that policies of this type will stay in force.
 - Our expectation about the level of future long-term interest rates.

CANCELLING THE POLICY

Your rights to cancel your policy

If you decide you do not want this policy, we will refund any monthly premium already paid provided that you notify us no later than 30 days after the start date or after you receive your Policy Document, whichever is later. If you decide to cancel your policy after 30 days we will not refund any of your monthly premiums, including the premium for the month in which you cancelled.

If you are making a claim you must keep paying the monthly premium in order to continue receiving monthly benefits.

Our rights to cancel your policy

We are entitled to cancel your policy at any time after a 12-month period of cover provided that we notify you at least 90 days before your policy will be cancelled. The initial 12-month period will start on the first day of your cover and, if we make any changes to your premium or policy terms, the 12-month period will start again from the date that such changes have been made.

We can cancel your policy immediately if a claim is either exaggerated, misrepresented or if documents have been altered or are fraudulent, and we will not refund any premium that you have paid.

If you give false or misleading information when you apply for or amend your insurance cover and this information affects our decision to insure you, we will end your policy immediately, without any refund of premiums already paid, and we will not pay any monthly benefit.

If your policy is cancelled and you want cover to continue, then you will need to take out a new policy with another insurer.

WHAT IF MY CIRCUMSTANCES CHANGE AFTER I TAKE OUT THE COVER?

The monthly benefit that you are entitled to under the policy does not automatically increase or decrease with changes to your mortgage payment or your gross monthly income. You must tell us if they change as it will affect the amount of monthly benefit we will pay out if you claim.

If you make a claim we will check the amount of monthly benefit that you are entitled to based on your circumstances at the time the claim is made. If, for example, your mortgage payment has reduced or your income has fallen and this affects the amount of monthly benefit that you are entitled to under the policy, then the amount of monthly benefit we will pay will be based on these lower amounts, even if you are paying for a higher level of cover. In these circumstances, we will calculate the correct premium for the monthly benefit that you are entitled to and refund any over payment of premium that we have received from you.

You can request changes to your policy cover after you have taken it out although, as we regularly review the cover we offer, we may not be able to accept these changes. If we do accept them, exclusions and limitations will apply from the date that these changes are made.

While you are making a claim, you cannot change any of the cover options, which affect the amount of monthly benefit we are paying you.

CAN YOU TAKE OUT MPPI?

The monthly benefits from this policy must be used to protect the mortgage payment for a property you live in permanently in the UK, Channel Islands or Isle of Man.

You can take out an MPPI policy if:

1. you have the right to live in, and are a permanent resident in the UK, Channel Islands or Isle of Man;
2. you are aged between 18 and 64 years old;
3. you are working for at least 16 hours a week within the UK, Channel Islands or Isle of Man; on an employed or a self employed basis, or working for at least 16 hours a week outside the UK, Channel Islands or Isle of Man for either:
 - a) The Armed Forces, Civil Service; or
 - b) a company registered in the UK, Channel Islands or Isle of Man and you are assigned to work within the European Union;
4. you have been working for a minimum of 6 consecutive months immediately before the policy start date; and
5. you have not been notified by your employer that you may lose your job.

Whilst we provide cover for contract workers and subcontractors, we do apply special terms and you should check the eligibility criteria to see whether we are likely to meet a claim for you. Further information can be found on page 7 in the cover options section of this document.

For joint policies, both policyholders must meet the above requirements.

You must continue to meet the requirements numbered 1 to 3, in the section above, for this policy to remain in force.

Please see the exclusions and limitations section (page 11) for further information, which will help you decide whether you are eligible for cover and if the policy meets your needs.

COVER OPTIONS

What can I be covered for?

There are three cover options. You can choose to protect your mortgage payments in the event of:

- accident, sickness and unemployment; or
- accident and sickness only; or
- unemployment only.

Accident and sickness cover provides monthly benefit if you cannot work because of accident or sickness.

Unemployment cover provides monthly benefit if:

- your employment ends unexpectedly because of circumstances beyond your control;
- you are self employed and you have involuntarily ceased to trade on a permanent basis;
- you stop work to become a full time carer for a member of your immediate family; or
- your income is reduced due to your employer reducing your contractual working time.

If you own 25% or more of the shares in your business, we consider you to be self employed rather than employed.

Contract workers and subcontractors

We provide unemployment monthly benefit to contract workers and subcontractors on the following terms:

You will be entitled to unemployment monthly benefit:

- paid to the end of the contract term or to the date of your return to work, if sooner, if your contract is terminated early and you were either:
 - a) with the same employer for at least 6 months and your contract had been renewed at least twice, each time for a minimum of 6 months; or
 - b) you were on a yearly contract that had been renewed at least once prior to you being made unemployed.
- paid for up to 365 days' benefit or to the date of your return to work, if sooner, if you were under a contract with the same employer for a period of at least 24 consecutive months immediately prior to being made unemployed.

WHEN WILL MY COVER START?

Accident and sickness cover

Your accident and sickness cover starts as soon as you add this to your policy.

Unemployment cover

New policyholders

For new policies that include unemployment cover, when your unemployment cover will start depends on whether you are a new borrower or an existing borrower when you apply for this policy.

You are considered a new borrower when you arrange this policy to start within 14 days of completion of your new mortgage, further advance or mortgage product switch. If your policy starts before or after this date then you are considered to be an existing borrower.

Cover starts:

- a) 60 days after the start date of the policy if you are a new borrower; or
- b) 120 days after the start date of the policy if you are an existing borrower.

Existing policyholders

If unemployment cover is added to your policy after the start date, then your cover begins:

- 60 days from the date that unemployment cover is added; or
- 120 days from the date that unemployment cover is added, if this cover is added within 120 days of the policy start date.

HOW MUCH COVER SHOULD I HAVE?

As well as your monthly mortgage payment, you can also add cover for mortgage related insurance premiums, utility and council tax bills up to a limit of 40% of your mortgage payment.

For example:

Monthly mortgage payment	£500
Calculate maximum additional cover entitlement	£500 x 40%
Additional cover entitlement	£200
Maximum monthly benefit available	£700

However, the total monthly benefit you choose cannot be more than 65% of your gross monthly income.

For joint policies you can choose to split the monthly benefit to suit your circumstances within certain limits.

What will the deferred period be?

There is a period at the start of each claim when we do not pay you – we call this the deferred period. During the deferred period, you will not receive any monthly benefit from the policy and you will need to make sure that you can meet your mortgage payments and associated costs from other sources, such as benefits from your employer or any savings.

We offer the following deferred periods which apply to the cover options that you choose:

1. 30 days for disability and 30 days for unemployment;
2. 60 days for disability and 60 days for unemployment;
3. 180 days for disability and 30 days for unemployment;
4. 180 days for disability and 60 days for unemployment.

Your premium may be lower if you choose a longer deferred period. However, if you choose a longer deferred period and you make a claim, you will need to meet your mortgage payments and associated costs from other sources for a longer period of time.

You must be continuously disabled or unemployed for the whole deferred period to receive any monthly benefit.

What are the monthly benefit payment options?

We offer two ways of paying monthly benefit when you make a claim:

Standard Option – under this option we will make the first monthly benefit payment 31 days after the deferred period ends. We will then make any further payments in arrears at 30 day intervals. This option is available with all deferred periods.

For example:

If you choose the standard option and a 30 day deferred period, then your first monthly benefit payment will be made to you 61 days after the first day of your claim. Any subsequent payments will be made to you every 30 days afterwards.

Back to day one – We will make the first monthly benefit payment on the first day after the deferred period ends. We will pay monthly benefit back to the first day of your claim and any further payments will then be made at 30 day intervals. This option is only available with deferred periods numbered 1 and 2 on page 9.

For example:

If you choose the back to day one option and a 30 day deferred period then your first monthly benefit payment will be made to you 31 days after the first day of claim. Any subsequent payments will be made to you every 30 days afterwards.

IS THERE ANYTHING ELSE I NEED TO CONSIDER?

Monthly benefits paid under an MPPI policy may affect your entitlement to Department for Work and Pensions (DWP) benefits.

ARE THERE ANY EXCLUSIONS AND LIMITATIONS?

We fully explain the exclusions and limitations of the cover in the Policy Document, which we will send you when your cover starts.

We have listed some of the main limitations and exclusions below, but please see your Policy Document for the complete list.

If you would like to see the full terms and conditions to help decide whether this policy is suitable for you, or to help you choose your cover options, please contact us and we will send you a copy.

What are the exclusions and limitations for disability cover?

The significant exclusions and limitations for accident and sickness cover are:

- there is no cover in the first 18 months from your policy start date, or the date you add accident and sickness cover to your policy, for any medical condition for which you have had symptoms, treatment or medical advice during the previous 12 months;
- normal pregnancy;
- stress, anxiety, depression or any nervous disorder, unless confirmed by a consultant;
- back or back related conditions, unless confirmed by a consultant; and
- elective or cosmetic surgery which is not medically necessary.

While claiming for stress, anxiety, depression, any nervous disorder or back related conditions you must remain under the continuing care of a consultant or your treatment must be under the direction of a consultant.

We define a consultant as being a medical specialist who is a member of an appropriate Royal College that recognises the person as a specialist in the UK, Channel Islands or Isle of Man.

Please note that for these disabilities, being solely under the continuing care of your doctor or a counsellor is not sufficient for us to pay monthly benefit.

Section 4 of the Policy Document has the full exclusions and limitations for accident and sickness cover.

What are the exclusions and limitations for unemployment cover?

We will not pay monthly benefits due to unemployment for:

- any unemployment that you were notified of by your employer before the date you applied for this cover;
- any unemployment that occurs within 60 days of this cover starting if you are a new borrower;
- any unemployment that occurs within 120 days of this cover starting if you are an existing borrower;
- any unemployment that occurs within 60 days from the date unemployment cover is added to you policy provided that this cover is added after you have had your policy for 120 days;
- any unemployment that occurs within 120 days from the date unemployment cover is added to your policy, if you add this cover within 120 days of your policy starting;
- unemployment that is voluntary, including resignation, or unemployment due to misconduct;
- unemployment after temporary, casual or seasonal work, or if unemployment is a regular feature of your work;
- unemployment resulting from your failure to meet performance standards or targets, set by your employer, in the first 6 months after starting work with a new employer;
- unemployment caused by the loss of your driving licence from a motoring offence or combination of offences;
- any temporary periods you are without work if you are self-employed.

Section 5 of the Policy Document has the full exclusions and limitations for unemployment cover.

▶ IMPORTANT INFORMATION.

WHEN WILL THE POLICY END?

Your cover finishes when any of these things happen:

- you stop paying the monthly premium;
- you or we cancel the policy;
- your mortgage is repaid;
- you stop working, permanently retire or reach the age of 65, whichever is earlier;
- you die; or;
- you are no longer eligible for cover under this policy.

HOW DO I MAKE A CLAIM?

For unemployment claims, call freephone 0800 072 8316 between 9.00am and 5.00pm, Monday–Friday (excluding bank holidays).

For accident and sickness claims, call freephone 0800 072 8315 between 9.00am and 5.00pm, Monday–Friday (excluding bank holidays).

We may record and monitor calls.

In the event that you make a claim you must continue to pay your monthly premium.

We explain how to make a claim and we detail your responsibilities when making a claim in section 6 of the policy document.

HOW DO I MAKE A COMPLAINT?

We are committed to giving you the best service possible. We will always treat you with respect and keep you fully informed at all times. If you think that we have not done this, please let us know:

Your first point of contact is:

Legal & General Insurance Limited
The Podium
Centre City House
5 Hill Street
Birmingham
B5 4US

If you remain dissatisfied, you can refer your complaint to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Tel: 0845 080 1800

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Making a complaint will not affect your legal rights.

You can contact us for a copy of our complaint handling procedures.

LAW AND LANGUAGE

This contract is governed by the law of England and Wales, so we will communicate in English throughout.

FINANCIAL SERVICES COMPENSATION SCHEME

The Financial Services Compensation Scheme (FSCS) is designed to pay compensation to customers if they lose money because a firm cannot meet its financial obligations.

Whether or not you are able to claim and how much you may be entitled to will depend on the specific circumstances at the time. Most customers, including most individuals and small businesses, are covered by the scheme.

The FSCS may arrange to transfer your policy to another insurer, provide a new policy or if these are not possible, provide compensation. FSCS compensation covers payment up to 90% of the value of the claim per firm, per customer. There is no upper financial limit on the claim.

ABOUT OUR REGULATOR

We are authorised and regulated by the Financial Services Authority for insurance business.

We are entered on the FSA's register under number 202050. You can check this at www.fsa.gov.uk/register/, or call the FSA on 0300 500 5000.

Legal & General Insurance Limited
Registered in England No. 00423930
Registered office: One Coleman Street,
London EC2R 5AA

Authorised and regulated by the
Financial Services Authority.
A member of the Association of British
Insurers.

www.legalandgeneral.com

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For further information about the scheme (including the amounts covered and eligibility to claim) please contact the FSCS at:

Financial Services
Compensation Scheme
7th Floor, Lloyds Chambers
1 Portsoken Street
London
E1 8BN

Or call: 0800 678 1100

Email: enquiries@fscs.org.uk

Website: www.fscs.org.uk



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