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**mortgage
life cover**
with Critical Illness

Key information

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Tesco Mortgage Life Cover with Critical Illness policy summary

This is a brief guide to Tesco Mortgage Life Cover with Critical Illness, provided by Direct Line Life Insurance Company Limited, which you should read carefully.

What is a Tesco Mortgage Life Cover with Critical Illness plan?

Tesco Mortgage Life Cover with Critical Illness plan is a long term insurance policy which pays out a lump sum if you either die or are diagnosed with a critical illness that meets our policy definition. We only cover the critical illnesses we define in our policy and no others. It is designed to run alongside and protect a standard repayment mortgage.

Its purpose

- To pay a cash sum (Sum Insured) if the person on whom the life cover has been taken out (the Life Insured) dies within a period of time determined at the outset (the policy term). The amount of the Sum Insured reduces each year.
- To pay the Sum Insured earlier if the Life Insured is diagnosed with a Terminal Illness.
- To pay the Sum Insured earlier if the Life Insured is diagnosed with one of the specified Critical Illnesses.
- The Sum Insured is payable only once on death or earlier Critical or Terminal Illness, then you stop paying your premiums and the policy ends.

The full list of Critical Illnesses we cover is shown on page 5. There are also some circumstances when the plan will not pay out, these are shown on page 8.

Your questions answered

How do you pay for the plan?

- You need to pay regular monthly premiums by direct debit for the policy term.

How does a Tesco Mortgage Life Cover with Critical Illness plan work?

- The amount of the Sum Insured, the policy term and the initial premium are all determined at the start.
- You can decide how long you want the cover for and how much cover you would like (subject to our maximum and minimum levels). The period of cover can be for any period from five years up to a maximum expiry age of your 70th birthday. You pay a premium each month to keep your cover in force.
- The premium is not guaranteed and may change during the policy term. See 'Will the premium I pay ever change?' for more details about premium reviews.
- At the start you will choose whether to have a single or joint life policy. Depending on the number of lives, the Sum Insured will be paid out if:

For a single life policy

- (a) the Life Insured dies before the end of the policy term, or
- (b) the Life Insured is diagnosed with a Terminal Illness at least 18 months before the end of the policy term, as defined in the policy conditions, or
- (c) the Life Insured is diagnosed with a Critical Illness as defined in the policy conditions before the end of the policy term.

For a joint life "first death or first diagnosis" policy

- (a) either of the Lives Insured dies before the end of the policy term, or
 - (b) either of the Lives Insured is diagnosed with a Terminal Illness at least 18 months before the end of the policy term, as defined in the policy conditions, or
 - (c) either of the Lives Insured is diagnosed with a Critical Illness as defined in the policy conditions before the end of the policy term.
- The Sum Insured reduces each year during the policy term. It is calculated to always be equal to the capital which would be outstanding under a standard repayment mortgage. This mortgage is assumed to be for a loan equal to the starting Sum Insured, policy term and the rate of interest on it is assumed to be a fixed 12% per annum.
 - As soon as the Sum Insured is paid out, which is only once, the policy ends. We will make no further payments.
 - If your policy has been assigned to a lender, the assignment conditions may not automatically allow you to benefit personally if the Sum Insured is paid out because of Critical or Terminal Illness.
 - If your policy is written under trust, the trust conditions may not automatically allow you to benefit personally if the Sum Insured is paid out because of Terminal Illness.
 - However, if your policy is written under trust, the trust conditions may allow you to benefit personally if the Sum Insured is paid out because of Critical Illness.
 - If by the end of the policy term the Sum Insured has not become payable the policy ends and nothing is paid out.

- Once the policy is set up, the level of cover or the period of cover, cannot be changed.
- If your policy is joint life "first death", a valid insurable interest must exist in the life of the other person when the plan covers two people. This means that you must have a common and valid interest in insuring each other's life up to the value of the cover that you are applying for. Such an interest is normally presumed where you are husband and wife or civil partners registered under the Civil Partnership Act 2004. When you sign the proposal form and you are not a spouse or registered civil partner, you are confirming that you believe an insurable interest exists.

What conditions does Critical Illness insurance cover?

The complete list of conditions we cover is set out below:

- Alzheimer's disease - *resulting in permanent symptoms*
- Aorta Graft Surgery - *for disease*
- Balloon Valvuloplasty
- Benign Brain Tumour - *resulting in permanent symptoms*
- Blindness - *permanent and irreversible*
- Cancer - *excluding less advanced cases*
- Coma - *resulting in permanent symptoms*
- Coronary Angioplasty - *to 2 or more coronary arteries*
- Coronary artery by-pass grafts - *with surgery to divide the breastbone*
- Deafness - *permanent and irreversible*
- Heart Attack - *of specified severity*
- Heart surgery - *with surgery to divide the breastbone*

- Heart valve replacement or repair - *with surgery to divide the breastbone*
- HIV Infection - *caught from a blood transfusion in the European Union, Isle of Man or Channel Islands, or as a result of a physical assault or at work in an eligible occupation*
- Kidney Failure - *requiring dialysis*
- Loss of hands or feet - *permanent physical severance*
- Loss of speech - *permanent and irreversible*
- Major Organ Transplant
- Motor Neurone Disease - *resulting in permanent symptoms*
- Multiple sclerosis - *with persisting symptoms*
- Paralysis of limbs - *total and irreversible*
- Parkinson's disease - *resulting in permanent symptoms*
- Pulmonary Artery Surgery
- Stroke - *resulting in permanent symptoms*
- Third degree burns - *covering 20% of the body's surface area*
- Total permanent disability
- Traumatic head injury - *resulting in permanent symptoms.*

These headings are only a guide to what is covered. The full definitions of the illnesses covered and the circumstances in which you can claim are given in the policy conditions. These typically use medical terms to describe the illnesses but in some cases the cover may be limited. For example:

- Some types of cancer are not covered
- To make a claim for some illnesses, you need to have permanent symptoms.

For the full details of the critical illness definitions please see "Critical Illness definitions" from page 16.

What counts as a Terminal Illness

- It is an advanced or rapidly progressing incurable illness where, in the opinion of an attending consultant and our Chief Medical Officer, the life expectancy is no greater than 12 months.
- We must be told about it at least 18 months before the end of the policy term.
- The Life Insured must be resident in the UK or in certain other countries.

Full details of all the definitions and other conditions regarding Terminal Illness are set out in the policy conditions.

How much does a Tesco Mortgage Life Cover with Critical Illness plan cost?

- The amount of your initial premium depends on your personal circumstances – for example, your age, sex, occupation, lifestyle, personal and family medical history and whether or not you smoke.
- The premium payable also depends on the amount of cover you choose (the Sum Insured) and how long you decide you want the cover to last.
- You pay a premium each month by direct debit to keep your cover in force.
- If you stop paying your monthly premium, your cover will end 31 days after the due date of the last premium you paid.

The plan has no cash-in value at any time.

Will the premium ever change?

In order to offer a more competitive rate than would have been possible had your premium been fully guaranteed your premiums are reviewable and may change in the future. Any change, however, will take into account and be reasonable in relation to, published data, past

mortality and /or morbidity experience and forecasts of future mortality and /or morbidity experience relevant to this class of business.

We will not change your premium before the first anniversary of the policy commencement date. We may only change the premium following the first and any subsequent anniversary of the policy commencement date.

We will calculate your premium based on assumptions that we expect to cover the whole period of the plan. If new evidence emerges, however, that our mortality and/or morbidity assumptions are no longer appropriate, or if our costs of reinsuring these risks change, your premium may change.

Under the terms we have agreed with our reinsurers, any change in our reinsurance costs will also take into account, and be reasonable in relation to, the criteria described above. This means that in practice your premium is only likely to change if our reinsurance premiums also change and the change in your premium is likely to be based on the difference in the equivalent reinsurance premium.

Your premium will not change just because of your individual circumstances for example because you are older or because your health or lifestyle has changed since the start date of the policy or the previous review.

There is no minimum or maximum amount by which your premium might change but the method we use to calculate any change in your premium will be applied in a fair and reasonable way.

We will notify you of any change three months before it is introduced and your direct debit will be amended accordingly.

You can find full details of premium reviews in the section of your policy conditions headed "Variation to premium level". You can ask for a copy of this at any time.

If you are in any doubt about reviewable premiums or whether they are suitable you should take financial advice.

How do I take out a Tesco Mortgage Life Cover with Critical Illness plan?

- You can only take out a Tesco Mortgage Life Cover with Critical Illness plan by contacting us on 0845 300 45 50 or by visiting the website at www.tesco.com.
- You will be asked a number of questions. You must answer these correctly to the best of your knowledge and belief. If you do not do this, your plan will not pay out.
- You must tell us if you suffer from any illness or accident, consult a doctor or change your occupation between signing the proposal form and the issue of your insurance schedule. If you do not do this your plan will not pay out.

Who can the plan cover?

You can apply for the plan to cover:

- You alone
- You and another person.

If the plan covers two people it can still only pay out once when either an insured person dies or is diagnosed with a Terminal or Critical Illness.

How much does this plan pay out?

- The plan will pay out an amount which reduces each year. Your insurance schedule includes a table showing the exact amount that would be paid out each year. You decide at the outset the initial level of cover required and the subsequent annual reduction in the level of cover will be based on this figure. The higher the amount and the longer the period of cover you choose, the higher your monthly premium will be. Your personal illustration

shows the period of cover, the type and initial amount of cover you have chosen and your initial monthly premium.

- You should remember that if this plan is being used to protect a standard repayment mortgage, then it is important that the initial Sum Insured and policy term are set at no less than the mortgage loan, otherwise there will be a shortfall.
- If the interest rate on your mortgage rises above 12% per annum or your mortgage is extended, the Sum Insured under the policy may not be enough to pay off all of the capital outstanding under your mortgage if the Life Insured dies or develops a Critical or Terminal Illness, even if the initial Sum Insured was large enough to cover the original amount of the mortgage.
- You should remember that the effects of inflation could reduce the purchasing power of the Sum Insured. You should review the cover that you have periodically to ensure it remains adequate.
- The plan only pays out once and then all cover ends.
- If it is a single life policy then the death proceeds are paid to your estate to be administered under the terms of your will if you have made one; if not then the Laws of Intestacy will apply. If it is written under trust then it will be paid to the trustees.
- If it is a joint life policy then the death proceeds are paid directly to the surviving policyholder.
- The proceeds from the Critical Illness element of the policy will be paid upon satisfactory evidence that the policyholder (or in the case of a joint life policy one of the policyholders) has been diagnosed with a critical illness that meets our policy definitions during the period of cover.

- You should be aware that any proceeds paid out from the plan do not go directly to your mortgage provider but are paid out as described above, unless the plan is formally assigned to a lender, in which case the proceeds are paid directly to that lender.

When will the plan not pay out?

We will not pay a claim for life cover or for critical illness cover and all cover under the plan may be cancelled:

- If you do not disclose relevant information we ask for when you take out your plan. You should not assume that we will write to your doctor, it is your responsibility to complete the application form properly.
- If you do not tell us about any of the following changes that happen between completing the application form and when your plan starts: Your health; Family history; Occupation; Travel or residence; Hazardous pastimes; Alcohol Consumption; Start smoking; Use of drugs (for example, cocaine or heroin).
- We will not pay out on death as a result of an insured person committing suicide in the first year of the policy.
- We will not pay out if death occurs after the policy has expired.
- We will not pay out the Terminal Illness benefit if this is not diagnosed and notified to us at least 18 months before the end of the policy term.
- We will not pay out the Terminal Illness benefit if the Life Insured is not resident in the UK or other nominated countries as specified in the policy conditions.
- We may apply specific exclusions when we accept your policy. These will be shown in your acceptance letter and insurance schedule.

- We will not pay out if you fail to divulge any material facts when applying for this policy.

We will not pay out a Critical Illness claim:

- If the cause of the claim results from flying, criminal acts, alcohol or drug abuse, unreasonable failure to follow medical advice, HIV/AIDS, self-inflicted injury, war and civil commotion.
- If your claim arises within three months of a lapsed policy being reinstated.
- If the claim is for total permanent disability and the cause arises while you are living outside of the UK, Western Europe, North America, Australia or New Zealand.
- If you are not in the UK when you make a claim you may need to return to a country within our set geographical limits so we can assess your claim.

Full details of what is covered and any limits to the cover are given in the “Exclusions” section of the policy conditions.

What other options are available?

There are none.

- Once the policy has been set up, the level of cover or the period of cover, cannot be changed.

Further information

Cancellation rights

When we accept your application we will send you a notice explaining your right to cancel. If you wish to cancel the agreement you would return the notice or write confirming your decision to Tesco Life Insurance, Direct Line Life Insurance Company Limited, 14-18 Cadogan Street, Glasgow G2 6QN.

If you cancel during the 30 days cooling off period cover will cease and we will refund any

premiums paid. If you cancel the policy after the cooling off period there is no refund of any premiums paid and any cover would cease in line with the policy conditions.

Making a claim

To make a claim you should contact our Claims Department at:

Tesco Life Insurance
Direct Line Life Insurance Company Limited
14-18 Cadogan Street, Glasgow G2 6QN.
Telephone: 0845 300 45 50.

Further information is in the policy conditions under the “Claims” section.

Complaints

If you have any complaint about this plan or about any part of our service, contact our Head of Operations at:

Tesco Life Insurance
Direct Line Life Insurance Company Limited
14-18 Cadogan Street, Glasgow G2 6QN.
Telephone: 0845 300 45 50.

In accordance with the FSA Regulations a copy of our Complaints Procedures will be made available on request. If you are not satisfied with the way we deal with your complaint, you can contact the Financial Ombudsman Service at:
South Quay Plaza, 183 Marsh Wall,
London E14 9SR.

Telephone: 020 7964 1000.

Making a complaint will not affect your right to take legal action.

Law

The law of England applies to this plan.

The Financial Services Compensation Scheme (FSCS)

The plan is covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. You can get more details from us or from the Financial Services Authority.

Tax

The proceeds from this plan are free from UK income tax and capital gains tax. However, if we pay the proceeds after the death of an insured person, inheritance tax may be due on the benefit paid. You may be able to avoid inheritance tax by using an appropriate trust. You can contact us for further general information on putting a policy in trust.

The Government may change the tax position described above.

A guide to Critical Illness cover

The ABI (Association of British Insurers) give general information about Critical Illness cover in their booklet “A Guide to Critical Illness Cover.” You can ask us for a copy or you can get a copy at www.abi.org.uk or by writing to:

The Association of British Insurers
51 Gresham Street, London EC2V 7HQ.

Please Note:

This guide to Tesco Mortgage Life Cover with Critical Illness, provided by Direct Line Life Insurance Company Limited, complies with the ABI Statement of Best Practice for Critical Illness Cover. It is only a summary and is based on Direct Line’s understanding of current laws and tax rules. Further details are given in the insurance schedule and policy conditions. Direct Line Life Insurance Company Limited does not give advice and you should get your own expert advice about the legal and tax information in this leaflet.

Further regulatory details

Business language used

The language used in this and all other documents relating to this policy is English. All future communication both verbal and written will be in English.

Details relating to Direct Line Life Insurance Company Limited

Direct Line Life Insurance Company Limited, can be contacted at:
14-18 Cadogan Street, Glasgow G2 6QN.
Telephone number: 0845 300 45 50.

Head Office 6 Atlantic Quay,
55 Robertson Street, Glasgow G2 8JB.
Registered in England no. 2199286.
Registered office 3 Edridge Road, Croydon CR9 1AG. The Company is authorised and regulated by the Financial Services Authority and is entered on their register under number 170956 which can be checked on their website (www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.

Products offered

Tesco Personal Finance plc introduces customers to Direct Line Life Insurance Company Limited. Following this introduction Direct Line only offers for sale its own Tesco branded life cover and life cover with Critical Illness products. It does not give advice about the suitability of these products to customers.

The Financial Services Compensation Scheme (FSCS) – limits

The plan is covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. Insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit.

Policy conditions

These policy conditions give details of the terms relating to Tesco Fixed Term Life Cover with Critical Illness and Tesco Mortgage Life Cover with Critical Illness, both of which are provided by Direct Line Life Insurance Company Limited. You should consult the section that is relevant to the plan you are applying for. The plan type is indicated on your illustration. Your insurance schedule will also confirm the type of cover you have chosen.

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Introduction

This document provides details for a policy providing Tesco Fixed Term Life Cover with Critical Illness or Tesco Mortgage Life Cover with Critical Illness cover, both of which are provided by Direct Line Life Insurance Company Limited. Taken together with your insurance schedule and any endorsement(s) it forms the terms of the contract between us, Direct Line Life Insurance Company Limited and you, our customer. The information contained in the proposal form and in any other supplementary proposals signed by you forms the basis of the contract.

We will provide cover as shown in the insurance schedule during the Period of Insurance on the terms set out in this document in return for the payment of the premiums as set out in the insurance schedule.

Payment of the claims made under this cover depend upon it being proved to the Company's satisfaction that:

- i) the date of birth of the Life Insured is as shown in the insurance schedule;
- ii) during the Period of Insurance, which cannot be beyond the age of 70, the Life Insured suffers an Insured Event;
- iii) the insurance schedule shows that cover has been taken out with us for that event;
- iv) the claimant is legally entitled to the policy proceeds;
- v) best endeavours have been made to ensure that statements made in support of the proposal for insurance are complete and correct and that all other factors which may be material in respect of the cover given have been disclosed; and
- vi) the policy is still in force.

The words 'he', 'him', and 'his' should read 'she', 'her', and 'hers' where appropriate. The words 'Life Insured' should read 'Lives Insured' where appropriate.

Meanings of words

Please read this document and insurance schedule carefully and keep them safe. To help you understand the cover, insurance schedule and any endorsement, some words (which are listed at the beginning of each section) have been given a particular meaning. If you wish to know what these words are and their meaning please refer to the "Meanings of words" section on page 38.

Notes to help you understand your policy

This is a legal document and although it may seem complicated we have provided explanations in these shaded areas (just like this information you are reading now). However, please note these explanatory notes are here to help you understand your cover.

They do not form part of the contract between us.

About your cover

Your insurance schedule will indicate the cover you have chosen.

You have selected one or more Tesco Life Insurance policies provided by Direct Line Life Insurance Company Limited. Information on each type of policy is given in the following pages.

Your choice of cover is shown in the insurance schedule. If this does not now meet your requirements, please phone us at once on the Helpline.

As the aim of the cover is to help to protect your family's lifestyle rather than to act as a form of investment, the policies do not have any cash-in value.

Tesco Fixed Term Life Cover

The words below, which are used in this section, have special meanings, defined at the end of this booklet:

Us/we/our	You	Insured Event	Life Insured
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Tesco Fixed Term Life Cover is designed to provide a fixed lump sum if the Life Insured should die during the Period of Insurance.

We will pay the Sum Insured on the death of the Life Insured within the Period of Insurance. (But see instead the section headed "Optional Benefit" if there are two Lives Insured.)

Tesco Fixed Term Life Cover has no cash-in value nor is there any return at the end of the Period of Insurance.

Once a policy has been set up the level of cover cannot be changed.

The policy provides cover for the period of years specified in the insurance schedule. Death of the person covered during this period gives rise to an insurance claim. It could be used to pay off a mortgage.

No payments are made nor are premiums reimbursed if you end the cover before the end of the period of years specified in the insurance schedule, nor is there any payment at the end of that period.

We will pay interest on any money payable for Tesco Fixed Term Life Cover following the death of the Life Insured if we are not able to establish to our satisfaction evidence of the Insured Event and ownership of the policy proceeds within a two month period from the date of the notification of the claim. Interest will be payable from the date of notification of the claim at a rate of 2% p.a. below the base rate as quoted by The Royal Bank of Scotland plc. Any such interest payment will be subject to income tax as appropriate.

In certain circumstances, if there is a delay of more than two months in paying a claim, we will pay interest on the claim when it is finally paid.

Tesco Mortgage Life Cover

The words below, which are used in this section, have special meanings, defined at the end of this booklet:

We/our	You/your	Insured Event	Life Insured
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Tesco Mortgage Life Cover is designed to pay, on death of the Life Insured during the Period of Insurance, the Sum Insured as defined in the insurance schedule based on the date of death. (But see instead the section headed "Optional Benefit" if there are two Lives Insured.)

This policy provides cover for the period of years specified in the insurance schedule which should coincide with the period of your mortgage. Death during this period may give rise to an insurance claim which could be used to repay, or to help repay, your mortgage. The policy can be used to protect a repayment mortgage where the amount of your mortgage decreases over the policy term.

The cover should provide a sum sufficient to pay off the outstanding balance of your mortgage if the Life Insured dies during the Period of Insurance as long as:

- the mortgage interest rate for the period covered does not exceed 12% a year; and
- the original Sum Insured and the policy term equalled the original mortgage and mortgage term, neither have subsequently been altered; and
- the mortgage payments are up-to-date at the time of death.

Tesco Mortgage Life Cover has no cash-in value nor is there any return at the end of the Period of Insurance.

Once a policy has been set up, the level of cover or the period of cover, cannot be changed.

If the amount of your mortgage has increased, for example if you have added outstanding arrears, then the amount paid if you should make a claim may not cover the full balance of your loan.

No payments are made or premiums reimbursed if you end the cover before the end of the period in years specified in the insurance schedule, nor is there any payment at the end of that period.

If in the future you require a change to your cover, it will be necessary to take out an additional or replacement policy. This will involve us asking again the questions you originally answered and we may request further medical information. We do not guarantee that we will be able to offer additional cover. Premiums will depend on your health and circumstances at the time.

We do not guarantee that you will be able to increase your cover. Premiums will increase to pay for any increased cover.

We will pay interest on any money payable for Tesco Mortgage Life Cover following the death of the Life Insured if we are not able to establish to our satisfaction evidence of the Insured Event and ownership of the policy proceeds within a two month period from the notification of the claim.

Interest will be payable from the date of notification of the claim at a rate of 2% p.a. below the base rate as quoted by The Royal Bank of Scotland plc. Any such interest payment will be subject to income tax as appropriate.

In certain circumstances, if there is any delay of more than two months in paying a claim, we will pay interest on the claim when it is finally paid.

Critical Illness benefit

The words below, which are used in this section, have special meanings, defined at the end of this booklet:

Company/us/we/our Period of Insurance	You Sum Insured	Insured Event Critical Illness	Life Insured
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On proof to the Company's satisfaction that the Life Insured is suffering from a Critical Illness, we will bring forward the payment of the Sum Insured.

For joint lives, first death policies the payment will be brought forward on proof to the Company's satisfaction that one of the lives insured has been diagnosed as suffering from a Critical Illness.

No benefit will be payable on any subsequent occurrence of a Critical Illness.

No death benefit will be payable if a claim has been paid on occurrence of a Critical Illness.

Benefits which are payable on the death of the Life Insured may be paid early if a Critical Illness, as defined in the section "Critical Illness definitions"; is diagnosed. No payment will then be made on the death of the Life Insured as the policy stops on the date on which the Sum Insured is paid.

Critical Illness definitions

This section gives full details of the illnesses covered and their formal definitions, and are the only illnesses covered by this policy.

Where the Association of British Insurers has Critical Illness definitions within their Statement of Best Practice, we have used them.

Alzheimer's Disease – resulting in permanent symptoms

A definite diagnosis of Alzheimer's disease by a Consultant Neurologist, Psychiatrist or Geriatrician. There must be permanent clinical loss of the ability to do all of the following:

- remember;
- reason; and
- perceive, understand, express and give effect to ideas.

For the above definition, the following are not covered:

- Other types of dementia.

A claim will be valid if Alzheimer's disease is diagnosed and the illness has reached the point where there are permanent clinical symptoms of dementia.

Glossary

Dementia – impairment of intellectual faculties, such as memory, concentration and judgement, resulting from disease or disorder of the brain.

Permanent – expected to last throughout the insured person's life, irrespective of when the cover ends or the insured person retires.

Aorta graft surgery - for disease

The undergoing of surgery for disease to the aorta with excision and surgical replacement of a portion of the diseased aorta with a graft.

The term aorta includes the thoracic and abdominal aorta but not its branches.

For the above definition, the following are not covered:

- Any other surgical procedure, for example the insertion of stents or endovascular repair.
- Surgery following traumatic injury to the aorta.

A claim will be valid if surgery has been carried out to repair the aorta with a graft after it has been damaged through disease. This definition does not cover surgery to repair the aorta in other circumstances, for example, to repair damage caused by a traumatic injury.

Glossary

Aorta – the main artery of the body, arising from the heart and supplying oxygenated blood to the body.

Branches – any smaller arteries that branch off from the main aorta.

Endovascular repair – a minimally invasive method of approaching and repairing the diseased portion of the aorta through the body's arteries.

Graft – any organ or tissue implanted to repair or replace a diseased or damaged organ or body tissue.

Stent – a tubular structure placed within a blood vessel or organ, used to provide support during or after surgical procedures.

Thoracic and abdominal aorta – the parts of the aorta that lie within the thorax (chest) and abdomen (stomach).

Balloon valvuloplasty

The undergoing of balloon valvuloplasty on the advice of a Consultant Cardiologist in order to treat diseased heart valves.

Where the blood flow through the heart valves is restricted due to narrowing, a balloon valvuloplasty may be carried out. This involves passing a fine tube (catheter) into the narrowed valve and inflating a tiny balloon to enlarge the opening of the affected heart valve.

Benign brain tumour - resulting in permanent symptoms

A non-malignant tumour or cyst in the brain, cranial nerves or meninges within the skull, resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- Tumours in the pituitary gland.
- Angiomas.

Benign brain tumours are covered if they cause ongoing clinical symptoms resulting from permanent brain damage. Malignant tumours are not covered under this definition as these are covered under the cancer definition where that applies.

Benign tumours or lesions in the pituitary gland are not covered.

Glossary

Angioma – a benign tumour of blood vessels

Benign – not malignant

Cranial nerves – nerves that arise from the base of the brain.

Cyst – a cavity or sac enclosed by a membrane, often containing liquid or semi-solid material.

Meninges – membranes that cover and protect the brain and spinal cord.

Permanent neurological deficit with persisting clinical symptoms – symptoms of dysfunction in the nervous system that are present on clinical examination and expected to last throughout the insured person's life.

Symptoms that are covered include numbness, hyperaesthesia (increased sensitivity), paralysis, localised weakness, dysarthria (difficulty with speech), aphasia (inability to speak), dysphagia (difficulty in swallowing), visual impairment, difficulty in walking, lack of coordination, tremor, seizures, lethargy, dementia, delirium and coma.

The following are not covered:

- An abnormality seen on brain or other scans without definite related clinical symptoms.
- Neurological signs occurring without symptomatic abnormality, e.g. brisk reflexes without other symptoms.
- Symptoms of psychological or psychiatric origin.

Pituitary gland – a small pea-sized organ connected by a stalk to the middle of the underside of the brain behind the nasal cavity.

Blindness - permanent and irreversible

Permanent and irreversible loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.

Blindness means a significant loss of sight in both eyes to the extent that the person can only see an object up to 3 feet away that a person with perfect eyesight could see if it were 60 feet away.

The condition must be incurable and therefore expected to be permanent. Please note that being registered blind may not be a valid claim.

Glossary

3/60 – 3/60 means the person whose eyesight is being assessed can see an object up to 3 feet away that a person with perfect eyesight could see if it were 60 feet away.

Irreversible – cannot be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the UK at the time of claim.

Permanent – expected to last throughout the insured person's life, irrespective of when the cover ends or the insured person retires.

Snellen eye chart – a chart showing letters in rows of decreasing size that opticians use to measure visual ability.

Visual aids – anything which helps improve vision, for example contact lenses or a pair of glasses.

Cancer - excluding less advanced cases

Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue. The term malignant tumour includes leukaemia, lymphoma and sarcoma.

For the above definition, the following are not covered:

- All cancers which are histologically classified as any of the following:
 - pre-malignant;
 - non-invasive;
 - cancer in situ;
 - having either borderline malignancy; or
 - having low malignant potential.
- All tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0.
- Chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A.
- Any skin cancer other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

Cancer is complex to define because it isn't a single illness, there are around 200 types and they affect people in different ways. A cancer is an uncontrolled growth of abnormal 'malignant' cells which, if left untreated, can invade and destroy the surrounding healthy tissue. In the later more advanced stages, it can spread from the original site to other parts of the body.

continued over

When would a critical illness policy pay out?

Generally speaking, cancer claims are valid on the diagnosis of a malignant cancer that has reached the point where it has invaded and started to destroy the adjacent surrounding tissue. However, a few types of cancer are not covered.

What types of cancer are not covered?

Very early cases that have not yet started to invade the adjacent surrounding tissue in the organ are not covered. Doctors sometimes call these cases 'pre-malignant', 'non-invasive', 'cancer in situ', 'having borderline malignancy' or 'having low malignant potential'. Early detected cancers like these are not covered. This doesn't depend on what treatment is given.

For example, if breast cancer is caught at this very early stage where the tumour had not started to invade the healthy breast tissue this would not be covered, even if treated by a mastectomy. However, these cases would become covered later if, for example, they do not respond to treatment.

Similarly, very early prostate cancers are not covered but may become covered later if they start to spread.

The only type of skin cancer that is covered is malignant melanoma where it has started to invade the healthy skin tissue – these can be very serious if left untreated. Other skin cancers normally only affect the surface layer of skin and do not typically spread to other parts of the body. This means they can usually be completely cured by simple and effective treatment. These other skin cancers are not covered.

Glossary

Binet Stage – a system of grading chronic lymphocytic leukaemia (CLL). Binet Staging classifies CLL into three stages (“A” to “C”) according to the number of areas where lymphoid tissues are involved (the four possible areas being the spleen and the lymph nodes of the neck, groin, and underarms), as well as the presence of anaemia (low red blood cell count) or thrombocytopenia (low number of blood platelets).

Borderline malignancy – pre-malignant cells that form in the tissue covering the organ and have not invaded the adjacent tissue.

Cancer in-situ – the presence of malignant/cancerous cells at a stage of development such that they have not spread into surrounding healthy cells or tissue.

In medical terminology, this means that the cancer cells are confined to the epithelium (the tissue that lines the internal and external surfaces of the body) of origin and have not yet invaded the adjacent tissue.

For malignant melanomas of the skin, this means that cancer cells are confined to the epidermis (the outermost layer of skin) and may be categorised as Clark's level 1.

Chronic lymphocytic leukaemia – chronic lymphocytic leukaemia (CLL) is the most common type of leukaemia in North America and Europe. It rarely affects people under the age of 50.

Epidermis – the outer layer of skin.

Gleason score – a system of grading prostate cancer. The Gleason grading system assigns a grade to each of the two largest areas of cancer in the tissue samples. Grades range from 1 to 5, with 1 being the least aggressive and 5 the most aggressive. The two grades are then added together to produce a Gleason score.

A score from 2 to 4 is considered low grade; 5 to 7, intermediate grade; and 8 to 10, high grade.

Histologically – the appearance of the cancer under the microscope which leads to its diagnosis and, additionally, gives information on its differentiation or grading (how aggressive it may be).

Hodgkin's disease – a type of cancer (lymphoma) affecting lymphatic tissue.

Invasion – the occurrence of malignant/cancerous cells that have spread into surrounding healthy tissue (that is, more extensive than cancer in-situ).

Invasive malignant melanoma – a malignant melanoma which has progressed beyond the point of being confined to the epidermis (the outermost layer of skin). This will be categorised as Clark's level 2 or above.

Leukaemia – a disease of the blood forming tissues characterised by increased numbers of immature or abnormal blood cells, that leads to an increased tendency to infection, anaemia and haemorrhage.

Low malignant potential – pre-malignant cells that form in the tissue covering the organ and have not invaded the adjacent tissue.

Malignant tumour – a tumour that invades the tissue in which it originates and can spread to other parts of the body.

Non-invasive – malignant/cancerous cells that have not spread into surrounding healthy cells or tissue.

Pre-malignant – cells which may develop into a malignant tumour but have not yet done so.

TNM classification – an internationally recognised standardised method of staging cancers. Broadly, the three parts of the system relate to:

T Tumour – a scale of 0 to 4 is used to record details about the primary tumour. T0 means there is no evidence of a primary tumour, T1 to T4 shows the size and extent of spread of the primary tumour. 'Tis' may be used for cancer in situ.

N Nodes – a scale of 0 to 3 is used to record the extent of spread to the regional lymph nodes. N0 means the lymph nodes are not involved, N1 – N3 shows the extent of the involvement.

M Metastases – either M0 or M1, the latter indicating metastases (more distant spread of the cancer)

Coma - resulting in permanent symptoms

A state of unconsciousness with no reaction to external stimuli or internal needs which:

- requires the use of life support systems for a continuous period of at least 96 hours; and
- results in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following is not covered:

- Coma secondary to alcohol or drug abuse.

Being in a coma is covered in the following circumstances:

- The coma must have lasted for a continuous period of at least 96 hours.
- During this time, the person must have been on life support.
- The incident must have caused permanent neurological deficit.

However, comas caused by any of the following are not covered:

- Consuming too much alcohol.
- Taking an overdose of drugs, prescribed or otherwise.
- Taking controlled drugs unless lawfully prescribed.

Glossary

External stimuli – outside sensory events that would normally produce a response e.g. sight, hearing, touch, taste or smell.

Internal needs – needs of the body to survive i.e. food, drink, using the toilet etc.

Life support systems – equipment used to assist breathing, feeding, drinking etc.

Alcohol or drug abuse – inappropriate use of alcohol or drugs, including but not limited to the following:

- Consuming too much alcohol.
- Taking an overdose of drugs, whether lawfully prescribed or otherwise.
- Taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription.

Permanent neurological deficit with persisting clinical symptoms

Symptoms of dysfunction in the nervous system that are present on clinical examination and expected to last throughout the insured person's life.

continued over

Symptoms that are covered include numbness, hyperaesthesia (increased sensitivity), paralysis, localised weakness, dysarthria (difficulty with speech), aphasia (inability to speak), dysphagia (difficulty in swallowing), visual impairment, difficulty in walking, lack of coordination, tremor, seizures, lethargy, dementia, delirium and coma.

The following are not covered:

- An abnormality seen on brain or other scans without definite related clinical symptoms.
- Neurological signs occurring without symptomatic abnormality, e.g. brisk reflexes without other symptoms.
- Symptoms of psychological or psychiatric origin.

Unconsciousness – the lack of normal sensory awareness caused by temporary or permanent damage to brain function.

Coronary angioplasty - to 2 or more coronary arteries

The undergoing of balloon angioplasty, atherectomy, laser treatment or stent insertion on the advice of a Consultant Cardiologist to correct at least 70% narrowing or blockage of two or more coronary arteries as a single procedure.

The following treatments are a way of solving the problems caused by a narrowing of the coronary arteries:

Balloon angioplasty – where a balloon is fed into the affected artery and inflated to widen it.

Laser treatment – where the blockage in the artery is burnt away by a laser fed into the artery.

Atherectomy – this is another technique for removing obstructions from coronary arteries and requires the insertion of a catheter into the relevant artery.

Stent insertion – where a small ring of metallic mesh is fed into the artery and expanded to widen it.

Rotoblation – a rotating device is passed through the blocked artery, effectively scraping the artery wall to remove any blockage.

As these surgical techniques are much simpler than the by-pass operation, which requires full open heart surgery, the definition requires that two as opposed to one coronary arteries are treated if the claim is to be accepted.

Coronary artery by-pass grafts - with surgery to divide the breastbone

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist to correct narrowing or blockage of one or more coronary arteries with by-pass grafts.

Coronary artery by-pass surgery involves attaching a short length of vein or by using arteries in the area of the breast, to by-pass a blockage in one or more of the coronary arteries that supply blood to the heart.

Glossary

Balloon angioplasty – a procedure to correct a narrowing of an artery and improve the blood flow. A balloon tipped catheter (fine tube) is passed along the affected artery and then inflated.

Coronary artery – an artery that supplies blood to the heart.

Median sternotomy – surgery to divide the breastbone

Deafness - permanent and irreversible

Permanent and irreversible loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.

Deafness means a profound loss of hearing in both ears where the condition cannot be cured and is expected to be permanent. Please note that being registered deaf may not always be a valid claim.

Glossary

Decibels – a measure of the level of sound

Irreversible – cannot be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the UK at the time of claim.

Permanent – expected to last throughout the insured person's life, irrespective of when the cover ends or the insured person retires.

Pure tone audiogram – a device for measuring the extent of a person's hearing ability

Heart attack - of specified severity

Death of heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:

- Typical clinical symptoms (for example, characteristic chest pain).
- New characteristic electrocardiographic changes.
- The characteristic rise of cardiac enzymes or Troponins recorded at the following levels or higher;
 - Troponin T > 1.0 ng/ml
 - AccuTnI > 0.5 ng/ml or equivalent threshold with other Troponin I methods.

The evidence must show a definite acute myocardial infarction.

For the above definition, the following are not covered:

- Other acute coronary syndromes including but not limited to angina.

If the blood supply to the heart is interrupted, this can cause a portion of the heart muscle to die. Doctors call this sudden death of heart muscle an acute myocardial infarction, but the condition is widely known as a heart attack. A heart attack causes permanent damage to the heart muscle which can be detected using an ECG machine which traces the heartbeat.

When someone has a heart attack, chemicals such as cardiac enzymes and troponins are released into the blood stream – these are usually present for several days after the event and can be detected by using a blood test. The presence of these chemicals provides important diagnostic information but they can also be present, usually at lower levels, for reasons other than a heart attack.

At the time of having a heart attack, most people experience very severe chest pain and/or other symptoms such as sweating, vomiting, fainting and nausea. These symptoms can help doctors pinpoint precisely when the incident happened.

It is important to note that the term 'heart attack' may sometimes be used loosely to describe a range of other heart conditions but none of these other conditions, for example angina, are covered under this definition. Also, the medical profession has more than one definition for a heart attack as the effects of advancing medical science are debated within the medical profession. However, only the definition used in the policy will be used to decide if a heart attack is covered.

continued over

Glossary

Acute – intense and/or sudden in onset.

Angina – the, often severe, chest pain or discomfort that is a symptom of coronary artery disease.

Cardiac enzymes or Troponins – chemicals found in the blood that when elevated above normal levels may indicate damage to the heart muscle.

Electrocardiographic (ECG) – a tracing on graph paper representing the electrical events associated with the beating of the heart. Changes to the shape of the heartbeat trace can help diagnose a number of heart abnormalities, including acute myocardial infarction.

Myocardial infarction – death of a portion of the myocardium (heart muscle) due to an abrupt obstruction of the coronary blood flow.

Other acute coronary syndromes – the collective name given to the various conditions associated with coronary artery disease e.g. stable and unstable angina.

Heart surgery - with surgery to divide the breastbone

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist within the national health service, to correct a structural abnormality of the heart.

Surgery to the heart where it is necessary to perform 'median sternotomy' (surgery to divide the breastbone).

Heart valve replacement or repair - with surgery to divide the breastbone

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist to replace or repair one or more heart valves.

Having a defective heart valve replaced or repaired is covered if the procedure is done using open heart surgery involving the surgical division of the breast bone. This reflects the serious nature of this procedure and the consequent recovery times for patients.

Glossary

Median sternotomy – a heart operation that requires surgery to divide the breastbone

HIV infection - caught from a blood transfusion in the European Union, Isle of Man or Channel Islands, or as a result of a physical assault or at work in an eligible occupation.

Infection by Human Immunodeficiency Virus resulting from:

- a blood transfusion given as part of medical treatment in the European Union, the Channel Islands or the Isle of Man;
- a physical assault; or
- an incident occurring during the course of performing normal duties of employment (from the eligible occupations listed on p25)¹;

after the start of the policy and satisfying all of the following:

- The incident must have been reported to appropriate authorities and have been investigated in accordance with the established procedures.

- Where HIV infection is caught through a physical assault or as a result of an incident occurring during the course of performing normal duties of employment, the incident must be supported by a negative HIV antibody test taken within 5 days of the incident.
- There must be a further HIV test within 12 months confirming the presence of HIV or antibodies to the virus.
- The blood transfusion incident causing infection must have occurred in the European Union, Isle of Man or Channel Islands.

For the above definition, the following is not covered:

- HIV infection resulting from any other means, including sexual activity or drug abuse.

¹Note eligible occupations: Medical practitioner, Consultant, Specialist, Other medically trained person employed in medical facility, Prison Officer, Dentist, Member of Fire, Ambulance or Police Service.

HIV is covered if it is caught from a blood transfusion in the European Union, Isle of Man or Channel Islands, or as a result of a physical assault or at work in an eligible occupation. HIV resulting from any other cause, for example sexual activity or drug abuse, is not covered.

Where the incident relates to a physical assault, the incident should be reported to the police.

Similarly, if the incident occurred at work, the incident should be reported in line with the employer's procedures. Many employers, including people who work in the health or emergency services, have set procedures for dealing with incidents that may potentially result in the person becoming infected by HIV.

In all cases, a test for HIV should be taken within 5 days of the incident - a negative test result will show that the person did not have HIV before the incident. A further test within a year where the test result is positive will confirm that the infection resulted from the reported incident.

Kidney failure - requiring dialysis

Chronic and end stage failure of both kidneys to function, as a result of which regular dialysis is necessary.

Kidneys clean the blood of waste products produced by the body. A claim for kidney failure will be valid if both kidneys have irreversibly stopped functioning and the person is having regular dialysis (a process using a machine to perform the function of the kidneys)

Glossary

Chronic – of long duration.

End stage – the final phase of a disease process.

Dialysis – the artificial means of removing toxic substances (impurities and wastes) from the blood when the kidneys are unable to do so.

Loss of hands or feet - permanent physical severance

Permanent physical severance of any combination of 2 or more hands or feet at or above the wrist or ankle joints.

Losing two or more limbs is covered where the limbs are both permanently severed at or above the wrist in the case of a hand, or the ankle in the case of a foot.

The limbs might have been lost as a result of some physical injury or perhaps as a result of medical necessity to remove them using surgery.

Loss of speech - permanent and irreversible

Total permanent and irreversible loss of the ability to speak as a result of physical injury or disease.

Loss of speech means completely losing the ability to speak as a result of physical injury or disease where the condition cannot be cured and is expected to be permanent. Cases arising as a consequence of surgery or medical treatment for an illness are also covered.

Glossary

Irreversible – cannot be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the UK at the time of claim.

Permanent – expected to last throughout the insured person's life, irrespective of when the cover ends or the insured person retires.

Major organ transplant

The undergoing as a recipient of a transplant of bone marrow or of a complete heart, kidney, liver, lung, or pancreas, or inclusion on an official UK waiting list for such a procedure.

For the above definition, the following is not covered:

- Transplant of any other organs, parts of organs, tissues or cells.

A claim for major organ transplant will be valid if any of the following organs need to be replaced by undergoing a transplant:

- bone marrow
- a whole heart
- a whole liver
- a whole lung
- a whole pancreas
- a whole kidney

A claim will be valid from the point at which either:

- the person is added to a UK waiting list for a suitable replacement organ to become available, or
- the organ transplant takes place.

Motor neurone disease - resulting in permanent symptoms

A definite diagnosis of motor neurone disease by a Consultant Neurologist. There must be permanent clinical impairment of motor function.

Motor neurone disease is a degenerative condition that results in weakness and the wasting of muscles. The condition is covered if there is a definite diagnosis made by a Consultant Neurologist and the disease has reached the point where it has caused permanent impairment of the ability to move.

Glossary

Motor – relating to movement

Multiple sclerosis - with persisting symptoms

A definite diagnosis of Multiple Sclerosis by a Consultant Neurologist. There must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least 6 months.

Multiple Sclerosis (MS) is a disease which attacks the central nervous system. The definition requires that there are continuous symptoms for a period of at least 6 months that include deterioration of the senses and /or the ability to control movement.

Glossary

Clinical impairment – the clinical symptoms associated with the condition and that are detectable upon examination.

Motor – relating to movement

Sensory – relating to the senses (sight, hearing, touch, taste or smell).

Paralysis of limbs - total and irreversible

Total and irreversible loss of muscle function to the whole of any 2 limbs.

Paralysis and paraplegia are covered if the insured person totally and irreversibly loses the ability to move, or use, any two or more limbs. The disability must be considered permanent.

Paralysis of the right or left half of the body is called hemiplegia. If all four limbs are paralysed this is called quadriplegia.

Glossary

Irreversible – cannot be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the UK at the time of claim.

Paralysis – paralysis is the loss of power of movement of a part of the body.

Parkinson's Disease - resulting in permanent symptoms

A definite diagnosis of Parkinson's disease by a Consultant Neurologist. There must be permanent clinical impairment of motor function with associated tremor, rigidity of movement and postural instability.

For the above definition, the following is not covered:

- Parkinson's disease secondary to drug abuse.

Parkinson's disease is a degenerative brain disease that causes involuntary tremor of the hands, muscle rigidity and the slowing of body movements. The condition is covered if there is a definite diagnosis made by a Consultant Neurologist and the disease has reached the point where there is permanent clinical impairment of motor function with associated tremor, rigidity of movement and postural instability.

However, Parkinson's disease caused by any of the following is not covered:

- Taking an overdose of drugs, prescribed or otherwise.
- Taking controlled drugs unless lawfully prescribed.

Glossary

Drug misuse – inappropriate use of drugs, including but not limited to the following:

- Taking an overdose of drugs, whether lawfully prescribed or otherwise.
- Taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription.

Clinical impairment – the clinical symptoms associated with the condition and that are detectable upon examination.

Postural instability – loss of the ability to prevent falling over by maintaining balance.

Tremor – involuntary, rhythmic movement of part of the body, most commonly the hands and arms, often the head and voice, and rarely the legs.

Pulmonary artery surgery

The undergoing of surgery for disease to the pulmonary artery with excision and surgical replacement of a portion of the diseased pulmonary artery with a graft.

For the above definition, the following are not covered:

- Any other surgical procedure for example the insertion of stents or endovascular repairs.

The pulmonary artery is the artery that carries the blood from the heart to the lungs. If the pulmonary artery becomes diseased an operation may be carried out to replace the weakened tissue with a man-made graft. In adult life this is a very rare condition, usually arising from congenital abnormalities and involving the pulmonary valve as well.

Stroke - resulting in permanent symptoms

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- Transient ischaemic attack.
- Traumatic injury to brain tissue or blood vessels.

A stroke (doctors call these cerebrovascular accidents, CVA's) is caused by an interruption to the flow of blood to the brain. This can be due to either a blocked artery which prevents blood reaching the brain or a burst blood vessel in the brain. In either case, a claim will be valid if it causes ongoing clinical symptoms of a stroke which are expected to be permanent.

Transient ischaemic attacks are not covered. These are attacks that produce temporary symptoms similar to a mild stroke but typically patients recover completely in less than 24 hours.

Glossary

Haemorrhage – bleeding from a ruptured blood vessel.

Permanent neurological deficit with persisting clinical symptoms – symptoms of dysfunction in the nervous system that are present on clinical examination and expected to last throughout the insured person's life.

Symptoms that are covered include numbness, hyperaesthesia (increased sensitivity), paralysis, localised weakness, dysarthria (difficulty with speech), aphasia (inability to speak), dysphagia (difficulty in swallowing), visual impairment, difficulty in walking, lack of coordination, tremor, seizures, lethargy, dementia, delirium and coma.

The following are not covered:

- An abnormality seen on brain or other scans without definite related clinical symptoms.
- Neurological signs occurring without symptomatic abnormality, e.g. brisk reflexes without other symptoms.

Symptoms of psychological or psychiatric origin.

Transient ischaemic attack – temporary disruption of the blood circulation to part of the brain. The symptoms may initially be similar to those of a stroke but patients recover within 24 hours.

Third degree burns - covering 20% of the body's surface area

Burns that involve damage or destruction of the skin to its full depth through to the underlying tissue and covering at least 20% of the body's surface area.

Third degree burns damage or destroy the skin to its full depth and cause damage to the tissue underneath. These are covered if at least 20% of the body surface area has been affected.

Total Permanent Disability (TPD)

A permanent inability to perform independently, three or more of the activities of daily work as detailed below, with or without the use of mechanical equipment, special devices or other aids. Confirmation must be received by a consultant physician and be supported by the Company's Chief Medical Officer.

Bending – You are unable to bend or kneel as if to pick up a weight of 1kg from the floor, and straighten up again without the assistance from another person.

Walking – You cannot walk a distance of more than 200 metres on flat ground without stopping.

Climbing – You cannot walk up and down a flight of 12 stairs with the use of the handrail within 90 seconds.

Rising from sitting – You are unable to rise from sitting in a dining table chair (with arms) to standing, using the arms of the chair if necessary, without assistance from another person.

Standing – You are unable to stand, with the aid of a walking stick if necessary, for more than 10 minutes before needing to sit.

Manual dexterity – Lack of physical ability to use a pen, pencil or keyboard with either hand, i.e. either left or right or any artificial aid.

Lifting and carrying – You cannot pick up from table height and carry for five metres a 2kg weight with either hand. Either hand means both hands have to fail the test separately in order to satisfy this activity.

This benefit is designed as a general disability benefit. Whilst some of the disabling diseases of older age, such as Alzheimer's Disease and motor neurone disease, are covered separately, there are other conditions which can prove to be just as debilitating.

These could include conditions such as severe rheumatoid arthritis, which can prevent the sufferer from living without constant help and care.

Traumatic head injury - resulting in permanent symptoms

Death of brain tissue due to traumatic injury resulting in permanent neurological deficit with persisting clinical symptoms.

Traumatic head injury is covered if it results in ongoing clinical symptoms resulting from permanent brain damage.

Glossary

Permanent neurological deficit with persisting clinical symptoms – symptoms of dysfunction in the nervous system that are present on clinical examination and expected to last throughout the insured person's life.

Symptoms that are covered include numbness, hyperaesthesia (increased sensitivity), paralysis, localised weakness, dysarthria (difficulty with speech), aphasia (inability to speak), dysphagia (difficulty in swallowing), visual impairment, difficulty in walking, lack of coordination, tremor, seizures, lethargy, dementia, delirium and coma.

The following are not covered:

- An abnormality seen on brain or other scans without definite related clinical symptoms.
- Neurological signs occurring without symptomatic abnormality, e.g. brisk reflexes without other symptoms.
- Symptoms of psychological or psychiatric origin.

Exclusions

The words below, which are used in this section, have special meanings, defined at the end of this booklet:

Company/we Life Insured

These policies do not cover:

Suicide

If the Life Insured commits suicide within 12 months of the date of commencement of the cover shown in the insurance schedule, we will not be able to make any payment under the policy except for the interest of any third party that has been notified to the Company before the date of the suicide and proved to the satisfaction of the Company to have been acquired for value.

This gives examples of situations where the policy will not pay out.

We will not pay any claim under any of the covers where death is due to suicide within the first year of the policy.

Specific exclusion relating to Critical Illness benefit

We will not pay a Critical Illness claim if it is caused directly or indirectly from any of the following:

Flying – Taking part in any flying activity, other than as a passenger in a commercially licensed aircraft.

Criminal acts – Taking part in a criminal act.

Alcohol or drug abuse – Inappropriate use of alcohol or drugs, including but not limited to the following:

- Consuming too much alcohol.
- Taking an overdose of drugs, whether lawfully prescribed or otherwise.
- Taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription.

Unreasonable failure to follow medical advice – Unreasonable failure to seek or follow medical advice.

HIV/AIDS – Infection with Human Immunodeficiency Virus (HIV) or conditions due to any Acquired Immune Deficiency Syndrome (AIDS) - except where caught from a blood transfusion in the European Union, Isle of Man or Channel Islands, or as a result of a physical assault or at work in an eligible occupation.

Self-inflicted injury – Intentional self-inflicted injury.

War and civil commotion – War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

This gives examples of situations where the policy will not pay out.

The policy will not pay out:

- If the cause of the claim is specifically excluded by any specific terms we apply to your policy when we accept your application. If applicable we will show these in your acceptance letter and insurance schedule.
- If the claim is for total permanent disability and the cause arises while you are living outside of the UK, Western Europe, North America, Australia or New Zealand.
- If you are not in the UK when you make a claim, you will have to return to the UK or to a country within the geographical limits set out below, so we can assess your claim, unless we say that it is not necessary: UK, Western Europe, North America, Australia or New Zealand.
- If your claim arises within three months of a lapsed policy being reinstated.

Terminal Illness benefit

The words below, which are used in this section, have special meanings, defined at the end of this booklet:

Company/us/we/our Sum Insured	You/your Terminal Illness	Life Insured
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On proof to the Company's satisfaction that the Life Insured is diagnosed as suffering from a Terminal Illness we will bring forward the payment of the Sum Insured.

The definition of Terminal Illness is set out in the "Meaning of words" section at the end of this document.

For joint lives "first death" policies the payment will be brought forward on proof to the Company's satisfaction that one of the Lives Insured is suffering from a Terminal Illness.

No benefit will be payable on any subsequent occurrence.

No death benefit will be payable if a claim has been paid upon diagnosis of a Terminal Illness.

Benefits which are payable on the death of the Life Insured may be paid early if they are diagnosed as having a Terminal Illness. No payment will then be made on the death of the Life Insured as the policy stops on the date on which the Sum Insured is paid.

Specific exclusion relating to Terminal Illness benefit

No benefit will be payable in respect of a claim if the Life Insured is not resident in:

- UK, Western Europe, North America, Australia or New Zealand
- any other countries we may decide.

Optional benefit

The words below, which are used in this section, have special meanings, defined at the end of this booklet:

Company/we/our Sum Insured	You/your Critical Illness	Life Insured Terminal Illness	Period of Insurance
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Where it is indicated in the insurance schedule that you have chosen the optional benefit described below, the following will apply, as appropriate. This option may be selected only at the time of taking out the policy.

Joint lives – first death or first diagnosis

We will pay the Sum Insured on the first death or first diagnosis of a Critical or Terminal Illness to occur on either of the two Lives Insured named in the insurance schedule.

If there is more than one named Life Insured in the insurance schedule, we will pay out when the first one dies or suffers a Critical or Terminal Illness.

Conditions

The words below, which are used in this section, have special meanings, defined at the end of this booklet:

Company/us/we/our Life Insured	You/your Sum Insured	Endorsement	Insured Event
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Truthful disclosure and compliance with conditions

We will provide cover as described in this document and the insurance schedule provided that:

- a) the statements made and the information given to us by phone and in the proposal form, supplementary proposals and declarations which form part of the contract, are complete and correct to the best of your knowledge and belief; and
- b) the statements made and the information given to us by phone or otherwise in connection with any claim are complete and correct to the best of your knowledge and belief; and
- c) you have not withheld any information that may materially affect our providing cover; and
- d) all conditions, limits and endorsements applying to the cover have been complied with.

Failure to comply with any of these conditions means we will not pay claims and you will not be entitled to any refund of premium and no payment will be due to you.

This part describes your responsibilities and certain procedures.

You must observe the terms of the cover set out in this document and in any endorsement.

The contract between us is based on the information you have given to the company. If you have given incorrect information your cover may be affected.

Random sampling

As part of our random sampling policy, the Life Insured may be required during the first six months of inception of the policy, to have a medical examination and/or to authorise us to apply to your doctor to have access to your medical records for confirmation of the information you have supplied. If you are selected we will contact you and inform you of the necessary arrangements.

Payment of premiums

We will allow 31 days of grace for the payment of premiums. If the Life Insured suffers an Insured Event during the days of grace any outstanding premiums will be deducted from any benefit payment.

If you fail to make payment of premiums due, we will allow time for you to bring your payments up-to-date.

If an outstanding premium is not paid before the expiry of the 31 days grace the policy will be cancelled and the cover will cease on the date 31 days after the date on which the premium was due as specified in the insurance schedule.

However, after 31 days your cover will be cancelled.

Monthly premiums must be paid to us by direct debit through a bank or building society.

Reinstatement of lapsed policy

If cover ceases for whatever reason during the term of the policy, it may be reinstated subject to such conditions as the Company may in its absolute discretion decide.

If cover ceases, for example if you cease to pay the premiums, to reinstate the cover we may require further information, including medical information, and we may decline to reinstate your cover.

Claims

A maximum of one claim under each policy will be paid. You or your legal representative will be required to confirm the details of any claim by completing a claim form. The Company may request such information, including evidence of death, evidence of Terminal Illness, evidence of Critical Illness, evidence of age and all documents establishing ownership of the policy proceeds, as we deem necessary.

Claims may be notified by phone but the claimant will be required to complete a form confirming that details of the claim are true and accurate.

This explains that we may require information to verify the claim.

If we do not receive the information which we require, we will be unable to pay your claim.

If a Critical or Terminal Illness claim is not accepted because the definition is not satisfied, this would not prejudice any subsequent death claim. However no benefit will be paid where as a

result of the Company not receiving the information requested, the Company is unable to establish satisfactory evidence of death, Critical Illness, Terminal Illness, age of Life Insured or ownership of claim proceeds. In addition no benefits will be paid if the Company establishes satisfactory evidence that statements made in support of the proposal for insurance were not complete and correct to the best of your and the Life Insured's knowledge and belief, or that any material information was withheld.

If your claim is for Terminal Illness, medical certificates will be necessary to confirm that the illness is terminal. You will have to pay the costs for this, but if we accept your claim, we will refund these costs.

We may ask the Life Insured to visit our own appointed doctor for an examination and if asked the Life Insured must attend or the claim will not be paid.

Special provisions for Critical Illness claims

Failure to comply with this requirement means we will not pay claims.

The Company will seek medical or other information to confirm the diagnosis before a claim is paid. This may involve a medical examination at the Company's expense.

All diagnoses and medical opinions must be given by a medical specialist who:

- Is a Consultant at a hospital in the UK;
- Is acceptable to our Chief Medical Officer; and
- Is a specialist in an area of medicine appropriate to the cause of the claim.

This explains that we will require information to verify the claim.

A medical specialist is defined as someone who holds an appointment as a consultant at a hospital in the UK, is accepted by our Chief Medical Officer, and whose specialism is appropriate to the cause of the claim.

Special provisions for Terminal Illness claims

Terminal Illness claims should be notified to the Company within three months of the occurrence of the Insured Event and at least 18 months before the policy expires. When making a claim for Terminal Illness benefit, you must provide us with certificates from one or more medical practitioners, one of which must be the Life Insured's hospital consultant, confirming the Terminal Illness.

This explains that we will require information to verify the claim.

Failure to comply with this requirement means we will not pay claims.

Any costs incurred in providing the certificates or any other medical evidence which we request will be met by you. However, if your claim is accepted, we will refund these costs to you.

The Company will seek medical or other information to confirm the diagnosis before a claim is paid.

If we require, the Life Insured must undergo a medical examination which will be carried out by an appointed medical practitioner. We will meet the costs of any such examination.

All diagnoses and medical opinions must be given by a medical specialist who:

- Is a Consultant at a hospital in the UK;
- Is acceptable to our Chief Medical Officer; and
- Is a specialist in an area of medicine appropriate to the cause of the claim.

A medical specialist is defined as someone who holds an appointment as a consultant at a hospital in the UK, is accepted by our Chief Medical Officer, and whose specialism is appropriate to the cause of the claim.

Surrender

If the policy is cancelled by you, no payment will be made by the Company and the policy will cease.

Alterations

The Company reserves the right to alter the policy as the Company reasonably considers appropriate if the policy or the Company are affected by a change in legislation or taxation or any judicial decision. The Company will give you written notice of any such alteration.

Policy alterations

Once your policy is in force the amount of cover and policy term cannot be changed.

Once your policy has been set up it cannot be changed.

Variation to premium level

Your premiums are reviewable. This means that the assumptions we have used to calculate your premium have been adopted to cover the whole period of the policy but will be reviewed as set out below. We will not change your premium before the first anniversary of the policy commencement date. We will review your premium and it may change following the first and then any subsequent anniversary of the policy commencement date.

Your premium will not change just because of your individual circumstances for example because you are older or because your health or lifestyle has changed since the start date of the policy or the previous review but it may change in the circumstances described below.

At the commencement date of the policy we made assumptions that were expected to last for the whole term of the policy. At each review we will decide whether the assumptions last used for the costs of reinsurance and the future number, type and timing of claims are still appropriate for the remaining term of the policy.

Your premium may change following each review if our view of these assumptions are no longer appropriate for any of the valid reasons listed below:

- New information arising from our own experience or from external sources, suggesting that our future claims experience is likely to be worse than we had assumed;
- New information arising from UK population statistics for mortality and morbidity experience which may be relevant to our own experience suggesting that our future claims experience is likely to be worse than we had assumed; and
- New and relevant forecasts of future mortality and/or morbidity experience, including forecasts of the impact of medical advances and medical practices on future claims suggesting that our future claims experience is likely to be worse than we had assumed.

Our reinsurance premiums are also reviewable but only for the reasons listed above. Consequently, any change in our reinsurance costs for this class of business is also a valid reason to change your premium and, in practice, your premium is only likely to change if our reinsurance premiums also change.

In such an eventuality, we will compare our costs of reinsurance and the underlying mortality and morbidity assumptions that are applicable at the time of the review with the same assumptions when the policy started or the previous review and, by reference to that comparison, use a fair and reasonable method of calculating any change in premium. There is no minimum or maximum amount by which your premium might change but the method we use to calculate any change in your premium will be applied in a fair and reasonable way and any change is likely to closely reflect the change in the equivalent reinsurance premium.

Any change in your premium will take effect from the relevant policy anniversary commencement date and you will be notified in writing 3 months before any change is introduced and your direct debit will be amended accordingly.

If you do not wish to pay any increase in premium you can stop paying your premiums altogether in which case your policy will end with no cash value and your cover will stop.

Other misrepresentations

Any other misrepresentation of, or failure to disclose, material facts in any document signed by you or the Life Insured will entitle the Company to alter, amend or cancel the policy having regard to the true facts. A material fact is any information which could influence the Company in the assessment of any proposal. If we cancel the policy you will not be entitled to any refund of premium and no payment will be due to you.

Notice of assignment or assignation

Any notice of assignment, or assignation in Scotland, should be sent directly to the Company's Administration Department at:

Tesco Life Insurance
Direct Line Life Insurance Company Limited.
14-18 Cadogan Street
Glasgow, G2 6QN.

Only at this address will notices of assignment or assignation be received and recorded.

If you transfer the ownership of the policy proceeds, you must write to us at the address given.

Currency of payments

All premiums and all payments by the Company are payable in sterling or any currency applicable at that time, at the Company's head office.

Applicable law

The policies covered in this document are governed by and subject to English Law.

Maximum age limit on cover

The policy has a maximum expiry age limit of 70 next birthday.

General

For the purposes of the Contracts (Rights of Third Parties) Act 1999, the customer and the Company agree that there is no intention to confer contractual rights on any third party who may benefit under the terms of the policy.

Where appropriate, words in the masculine include the feminine and words in the singular include the plural and vice versa.

Meanings of words

Company, us, we, our

Direct Line Life Insurance Company Limited.

Customer, you, your

The person who takes out the policy. The customer need not necessarily be the same person as the Life Insured but will need to have financial dependency on the Life Insured at the time of taking out the policy and any subsequent increases in cover.

Critical Illness

Is a medical condition which is diagnosed as one of the conditions covered by the policy, as set out in the section "Critical Illness definitions"

Endorsement

A change agreed in writing by us in the terms of the policy.

Insured Event

One of the following:

- i) Death of the life insured; or
- ii) Confirmation that the Life Insured has been diagnosed as suffering from a Terminal Illness; or
- iii) Confirmation that the Life Insured has been diagnosed as suffering from a Critical Illness.

Life Insured

The person(s) named as such in the insurance schedule.

Period of Insurance

The period shown in the insurance schedule for which we have agreed to provide cover, providing the premium is paid within the days of grace.

Sum Insured

The amount shown in the insurance schedule which is the cover we have agreed to give.

Terminal Illness

Advanced or rapidly progressing incurable illness where, in the opinion of an attending consultant and our Chief Medical Officer, the life expectancy is no greater than 12 months.

Information about Tesco Personal Finance

Tesco Personal Finance plc are contractually obliged to only provide information about Direct Line Life Insurance Company Limited life insurance policies. Tesco Personal Finance plc and Direct Line Life Insurance Company Limited are both authorised and regulated by the Financial Services Authority (FSA). These details can be checked on the FSA Register by visiting www.fsa.gov/register or by calling the FSA on 0845 606 1234.

Tesco Personal Finance plc. Registered in Scotland no. 173199. FSA no. 186022. Registered Office: Interpoint Building, 22 Haymarket Yards, Edinburgh, EH12 5BH.

If you have a complaint about Tesco Personal Finance plc you may send your complaint to the above address. If you are not satisfied with how your complaint is being dealt with you can contact the Financial Ombudsman at:

South Quay Plaza,
183 Marsh Wall,
London E14 9SR.
Telephone 020 7964 1000.

Should Tesco Personal Finance plc be unable to meet its liabilities you may be entitled to compensation from the Financial Services Compensation Scheme. This depends on the type of business and the circumstances of the claim. Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim without any upper limit. You can get more details from Tesco Personal Finance plc or from the FSA.