



Key Features of the Term Assurance Plan

No advice has been provided by Scottish Friendly in relation to this plan. If you are in any doubt as to whether this plan is suitable for you, you should contact a financial adviser for advice. If you do not have a financial adviser, you can get details of local financial advisers by visiting www.unbiased.co.uk Advisers may charge for providing such advice and should confirm any cost beforehand.

Helping you decide

What is the purpose of this document?

The Financial Services Authority is the independent financial services regulator. It requires us, Scottish Friendly, to give you this important information to help you to decide whether our Term Assurance Plan is right for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference.

What questions should I ask before I invest?

- In this document we have given you the answers to some important questions. You'll find these on pages 2 and 3.

What should I do now?

Please read this Key Features document.

Please keep this document with your policy document, which we will send you.

Key Features of the Term Assurance Plan

Its aims

- To pay a fixed cash sum (sum assured) if you die during the term of the plan
- To pay a fixed cash sum (sum assured) if you are diagnosed as suffering from a terminal illness with life expectancy of less than 12 months prior to the last 18 months of the plan term.

Your commitment

- To pay regular monthly payments by direct debit for the specified number of years.

Risks

- If you stop your payments, your cover will cease and any previous payments will not be refunded.
- We will not pay out if you do not disclose any requested relevant information.
- There will be no payment from the plan other than on death within the plan term, or if a terminal illness is diagnosed prior to the last 18 months of the plan term.
- Please note this plan is for protection only. It has no savings element or cash in value.

Questions & answers

Who should consider this plan?

This plan should be considered by anyone aged 18-70 and is a UK resident who wishes to leave a cash sum in the event of their death or if they are diagnosed with a terminal illness.

What is Term Assurance?

It is a regular premium, term assurance plan that lasts for your chosen term. It is designed to pay a cash lump sum on your death or if you are diagnosed with a terminal illness with life expectancy of less than 12 months prior to the last 18 months of the plan term.

The plan only pays out once - if you die or are diagnosed terminally ill. It has no savings element or cash-in value.

How does the plan work?

You decide on the level of cover you want (up to a maximum of £200,000) and the term for which you want to be covered.

A monthly premium is worked out which you pay for your chosen term by easy Direct Debit.

Your premiums are fixed for the life of your policy, meaning that the amount you pay each month will never go up.

What happens if I die?

If you die before the end of the plan term, a cash sum will be paid and the plan will cease.

What happens if I am diagnosed as having a terminal illness?

If you are diagnosed as suffering from a terminal illness prior to the last 18 months of the plan term, Terminal Illness benefit will become payable. On payment of the sum assured, the plan will cease and no further payment will be made on death.

A terminal illness is any condition where, in the opinion of our Chief Medical Officer, the life expectancy is no greater than 12 months. Full details of all the definitions and other conditions regarding Terminal Illness benefit are contained in the Plan.

Details which are available on request.

What might I get back at the end of the plan?

No amount will be payable to you at the end of the plan term.

What are the charges?

Your premiums cover all charges associated with your plan, including the cost of life cover, expenses and other adjustments.

Can I cash in my Term Assurance?

The plan does not have a cash in value and previous payments will not be refunded.

What if I stop my premiums?

Payments are made monthly by Direct Debit. If you stop making the payments, insurance cover will cease. Any previous payments will not be refunded.

Can the plan cover someone else as well?

No. The plan doesn't provide joint life cover. If you have a partner or friend who also needs cover, ask us to send them an information pack and application form.

Can I change my mind?

Within your welcome pack, you'll receive notice of your right to change your mind and how to cancel. You'll then have 30 days to cancel your plan and we'll provide instructions letting you know how to do this. If you decide to cancel within the period, we'll give you your money back.

What happens if Scottish Friendly becomes insolvent?

If you buy a Scottish Friendly Term Assurance Plan and we cannot pay the full amount due, you may be entitled to compensation under the Financial Services Compensation Scheme. The maximum level of compensation for claims against firms declared in default is 90% of the claim with no upper limit. You can get further information from the Financial Services Compensation Scheme at: Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN. Tel 020 7892 7300. www.fscs.org.uk

What about tax?

The life cover will generally be paid out free of all UK income tax and capital gains tax, but may be subject to inheritance tax unless your plan is written in trust. Taxation information is issued on the basis of Scottish Friendly's understanding of current taxlaw and practice. Tax legislation may change in the future.

How to contact us

Here are our contact details if you need to ask us anything: Scottish Friendly Assurance Society Limited, Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ. Tel: 0333 323 5433*.

*Calls cost no more than calls to numbers starting with 01 or 02 and if you are calling from a mobile phone, calls will count towards any inclusive minutes you have rather than being charged separately.

Other information

Acceptance

Unless we have already informed you that your application has been accepted, any illustration assumes that we will accept your application at our normal rates. Scottish Friendly will not be liable to pay benefit until we have received your completed application, issued acceptance terms and collected your first payment.

Your client category

We are required to categorise our clients and this determines the level of detail and information that you will receive. We will treat you as a 'Retail Client' in respect of the services we will provide you, which means that you will benefit from the highest level of consumer protection.

How to complain

If you wish to complain about any aspect of the service you have received, please contact us. Details can be found in the 'How to contact us' section.

If you are not satisfied with our response to your complaint, you can contact the Financial Ombudsman Service at: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Tel: 0845 080 1800. Making a complaint won't affect your legal rights.

Language and law

The contractual terms and conditions and all communications in relation to this plan will be supplied in English. This contract will be governed by the laws of Scotland.

The society

Scottish Friendly was founded in 1862 (formerly The City of Glasgow Friendly Society) and is an incorporated friendly society under the Friendly Societies Act 1992, registered in the United Kingdom at the address on the back of this booklet. Scottish Friendly's total funds under management are over £800 million (as at 31/12/10)

Rules of the society

You can ask Scottish Friendly for a copy of the rules of the society.

The Direct Debit Guarantee



This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.

If there are any changes to the amount, date or frequency of your Direct Debit Scottish Friendly will notify you 5 working days in advance of your account being debited or as otherwise agreed. If you request Scottish Friendly to collect a payment, confirmation of the amount and date will be given to you at the time of the request.

If an error is made in the payment of your Direct Debit, by Scottish Friendly or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society.

If you receive a refund you are not entitled to, you must pay it back when Scottish Friendly asks you to.

You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

Scottish Friendly Assurance Society Limited,
Scottish Friendly House,
16 Blythswood Square,
Glasgow G2 4HJ.

www.scottishfriendly.co.uk

Authorised and regulated by the Financial
Services Authority. Details can be found on
the FSA register – Registration No. 110002.
Member of ABI and AFM.

