



## **Key Facts and Terms & Conditions**

### **My Mutual Guaranteed Over 50s Plan**

This document includes important information that you should read before you apply for a My Mutual Guaranteed Over 50s Plan. The key facts provide a summary of the key benefits and limitations of the policy, but it does not provide the full terms of the policy. These are contained within the Terms and Conditions in this document, which you should also read.

The Terms & Conditions form the basis of the agreement with you upon which we intend to rely. If you have any questions about these, please contact us.

No advice has been given by Scottish Friendly in respect of this policy. If you are not sure if this is the right policy for you, please speak to a Financial Adviser.

## Helping you decide

### What is the purpose of this document?

This document gives you important information to help you decide whether the My Mutual Guaranteed Over 50s 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 take out My Mutual Guaranteed Over 50s Plan?

In this document, Scottish Friendly has given you the answers to some important questions you should consider before applying. You will find these on pages 4 to 7.

### What should I do now?

Please read this document fully before deciding if the My Mutual Guaranteed Over 50s Plan is right for you.

This document is split into two parts and you will need to use this information to decide if My Mutual Guaranteed Over 50s Plan is suitable for you:

- **Key Facts about My Mutual Guaranteed Over 50s Plan** - provides you with a summary of your Policy, and
- **Terms and Conditions** - contains the full details of your Policy, including what is covered and what is not covered.

The Terms and Conditions in this document form the basis of the agreement with you upon which we intend to rely. If you have any questions about these, please contact us.

### The language we use in this document

Some words or expressions used in this document have a special meaning, which is explained in the Glossary section on page 9. 'We', 'us' or 'our' means Scottish Friendly Assurance Society Limited. References to 'you' and 'your' mean the policyholder.

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## Key Facts about My Mutual Guaranteed Over 50s Plan

The Key Facts of the policy provide you with a summary of Scottish Friendly's My Mutual Guaranteed Over 50s Plan.

The full Terms and Conditions are contained later in this document.

My Mutual Guaranteed Over 50s Plan is a regular premium whole of life protection policy issued by Scottish Friendly. The policy is subject to the Terms and Conditions.

### What is a Scottish Friendly My Mutual Guaranteed Over 50s Plan?

Scottish Friendly's My Mutual Guaranteed Over 50s Plan is a regular premium whole of life protection policy. You pay a fixed Monthly Premium during the Payment Term and the policy pays out a guaranteed Cash Benefit on your death after 24 months.

This can help relieve the financial constraints on your loved ones after your death. It could ensure that there is money to help towards costs, such as funeral expenses.

### Eligibility for this policy

You are guaranteed to be accepted for this policy if at the start date, you:

1. Are aged between 50 and 74,
2. Are resident in the UK.

Other than your smoker status you will not need to tell us about your health in applying for this Policy.

### Your demands and needs

My Mutual Guaranteed Over 50s Plan meets the demands and needs of those looking for a guaranteed Cash Benefit to be paid out on their death that could help towards the costs of a funeral or to leave a gift to their family when they die.

### Your Plan's aim

- To provide a Cash Benefit when you die.

### Your commitment

- To pay specified fixed Monthly Premiums during the Payment Term.
- To provide Scottish Friendly with accurate, complete, and true information when you complete your Application.
- To check your Policy Summary which is sent to you after you take out a Policy, and immediately inform Scottish Friendly if there is anything that is incorrect.

### Benefits

- Your acceptance is guaranteed. Other than your smoker status no medical questions are asked. You will be automatically accepted for this Policy.
- Full cover is after 2 years - we will pay-out a fixed Cash Benefit if you die, provided you have kept up your Monthly Premiums during the Payment Term.

## Risks

- Depending on your lifespan, the total amount paid in premiums may be more than the Cash Benefit payable on death.
- If you miss a Monthly Premium for more than 2 months, you will no longer be allowed to pay into your Policy and your Policy will end with no value unless you have made more than 5 years' worth of Monthly Premiums. If you have made more than 5 years' worth of Monthly Premiums, your estate will receive a Reduced Cash Benefit in the event of your death.
- This is not a savings or investment product and has no cash-in value at any time.
- If you do not provide accurate, complete and true information at the time of your Application, Scottish Friendly may not pay out on your death, or may adjust the value of your Cash Benefit to reflect the value you would have received had you provided the correct information. Scottish Friendly have the right to request medical records to verify a Claim.
- Within the first 2 years you will receive your full Cash Benefit only in the event of accidental death, otherwise your next of kin will receive a return of Monthly Premiums.
- Inflation will, over time, reduce the value of the Policy's Cash Benefit.
- In the event of your death the policy will be included as part of your Estate which may be subject to Inheritance Tax.
- The Policy is not designed to meet the full costs of a funeral and does not guarantee to do so.

## QUESTIONS & ANSWERS

### How much will my Policy cost?

The cost of your cover will depend on the level of Cash Benefit you choose, your age and whether you smoke. My Mutual Guaranteed Over 50s Plan allows you to select either the Monthly Premium you can comfortably afford or the Cash Benefit that meets your needs. These amounts are fixed and will be the Monthly Premium you will be required to pay during the Payment Term.

Premiums are from £7 per month.

### How long is the Payment Term?

Your Payment term will be from your Policy Start Date until the **earlier** of:

- your policy anniversary (the month in which you started your plan) after your 90<sup>th</sup> birthday,
- the date of your death, or  
the date in which we say that you no longer make any further Monthly Premiums (an Early Premium End Date).

### How much Cash Benefit can I have with my Policy?

The maximum Cash Benefit is £20,000. The minimum Cash Benefit is determined by our minimum premium, smoker status and your age at the Policy Start Date.

### **Can this Policy cover more than one individual?**

No, My Mutual Guaranteed Over 50s Plan is a single life policy.

### **How long does my Policy last for?**

Your policy will stay in place until you die unless it is cancelled, or you miss premium payments. To ensure you get your full Cash Benefit, you must keep up your Monthly Premiums during the Payment Term.

### **How can I get an Early Premium End Date?**

As the owner of a My Mutual Guaranteed Over 50s Plan you could also benefit from any investment growth in the Scottish Friendly With-Profits fund (hereafter called "the Fund"). You find more information about the Fund below.

As such, we'll regularly monitor the value of your Monthly Premiums together with any potential benefits you may receive from the Fund which would be paid in the event of your death.

Should this value ever reach your full Cash Benefit you will qualify for an Early Premium End Date.

This means you'll make no further Monthly Premiums and your estate will receive the full Cash Benefit on your death.

Should this happen, we will write to you confirming the date of your last premium paid.

### **What is the Scottish Friendly With-Profits Fund?**

The Fund is an investment fund spread across a number of assets such as bonds, property, cash and stocks and shares. Money from policyholders is pooled into the Fund and returns are linked to the investment performance of those assets plus a share of any of the profits (or losses) that Scottish Friendly makes as a business.

Your Monthly Premiums can benefit from any investment growth of the Fund, as long as you are paying into your Policy, and it's this benefit that could give you an Early Premium End Date.

## Can you show me examples of Early Premium End Dates?

By ways of example:

Age you might qualify for an Early Premium End Date			
Illustrative Fund growth rate(s)*	Low, zero or negative	Medium	High
Age at the start			
50	90	84	77
62	90	87	83
75	90	89	88

\*Low, zero or negative is assumed to be any growth up to 1.5% a year, no growth, or a loss on the Fund.

Medium growth is assumed to be 3.25% a year.

High growth is assumed to be 6.25% a year.

The illustrative growth rate(s) are for information only We cannot guarantee that the Payment Term of the Policy will be reduced as it depends on the amount that would be paid to your Policy from any growth in the Fund in the event of your death. The growth rate(s) shown represent investment growth of the Fund and are after the effects of the costs of running the Fund.

## How can I track any potential Early Premium End Date on my Plan?

From age 80 we will write to you every year and provide you with a statement which will show you exactly how much you have paid into your plan and your potential Early Premium End Date. This will be based on the current value of your Monthly Premiums together with any benefits from the Fund which would be paid in the event of your death.

Please note that, these potential Early Premium End Dates will not be guaranteed and are solely designed to provide you with an updated guide of what you could expect. The dates may alter from year to year as the benefits which could be paid to your Policy in the event of your death will vary with changes in the investment performance of the Fund.

## What happens if I want to stop paying Monthly Premiums?

If you stop paying your Monthly Premiums for more than 2 months you will not be able to make any further payments to your Policy and you will not receive your Cash Benefit when you die unless you have made more than 5 years' worth of premiums.

If you have paid in for more than 5 years' then your estate will no longer receive your fixed Cash Benefit but will be guaranteed to receive a Reduced Cash Benefit instead.

### **What is a Reduced Cash Benefit?**

Your Reduced Cash Benefit will only be available if you have paid 5 years' worth of premiums.

Your Reduced Cash Benefit will be equal to Your Cash Benefit multiplied by your Payment Share.

Where your Payment Share is:

The number of Monthly Premiums you have paid, after it has been reduced by 24 (representing the first two years of your Monthly Premiums) divided by Your Payment Term in months also after it has been reduced by 24.

So, for example:

If you managed to pay 20 years' worth of Monthly Premiums, or 240 months and your Payment Term was 25 years, or 300 months.

Then both numbers are reduced by 24 to 216 and 276 respectively.

216 divided by 276 = 78.2%. This would be your Payment share.

If your Cash Benefit was £3000 then your Reduced Cash Benefit would be 78.2% of £3,000 or £2,348.

### **How does my next of kin make a claim?**

In the event of a Claim your next of kin or personal representative should contact Scottish Friendly at the address in the 'Contacting Scottish Friendly' section on page 8. We will issue a Claim form and pack to them.

### **Will my pay-out be taxed?**

The pay-out from this Policy will generally be free of all UK Income Tax and Capital Gains Tax but may be subject to Inheritance Tax, depending on the value of your estate when you die.

Taxation information is issued on, the basis of our understanding of current tax law and practice. Tax legislation may change in the future, which could affect the taxes paid on the pay-out. If you are unsure of your tax position you should seek professional advice.

## **IMPORTANT INFORMATION**

### **Cancellation rights**

Within your welcome pack, you will receive notice of your right to change your mind and instructions on how to cancel your Policy. You will then have 30 days to cancel your Policy. If you exercise this right, you will receive a refund of any premiums paid and your cover will be cancelled. You can cancel after 30 days has passed, but you will not get any refund.

### **Taxation**

All references to taxation are to UK taxation and are issued based on of Scottish Friendly's understanding of current tax law and practice. The tax treatment of your Policy depends on your individual circumstances and tax law may change in the future.

### **What happens if Scottish Friendly becomes insolvent?**

If you buy a Policy from Scottish Friendly and we cannot pay the full amount due, you may be entitled to compensation under the Financial Services Compensation Scheme. You can find out more by visiting [www.fscs.org.uk](http://www.fscs.org.uk)

You can get further information from the Financial Services Compensation Scheme at: 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU Tel: 0800 678 1100.\*\* [www.fscs.org.uk](http://www.fscs.org.uk)

### **Solvency II Directive information**

We are required to provide you with a Solvency and Financial Condition Report which you can access via our website [www.scottishfriendly.co.uk/customer-centre/solvency-two](http://www.scottishfriendly.co.uk/customer-centre/solvency-two)

### **Contacting Scottish Friendly**

Should you wish to contact us you can write to:

Scottish Friendly Assurance Society Limited Scottish Friendly House 16 Blythswood Square Glasgow G2 4HJ Alternatively you can contact us by telephone on: 0333 323 5433\*.

If you would like to receive this Key Facts and Terms and Conditions document in large print or braille, please contact us on the details shown above.

### **How to complain**

We hope you never have to however if you or your representative wish to complain about any aspect of the service you receive, please contact Scottish Friendly. Details can be found in the 'Contacting Scottish Friendly' section above.

If you are not satisfied with the response to your complaint, you can contact the Financial Ombudsman Service at: Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR. Tel: 0800 023 4567\*\* or 0300 123 9123\*.

Website: <http://www.financial-ombudsman.org.uk/>

Making a complaint will not affect your legal rights.

### **Language and law**

The contractual terms and conditions and all communications in relation to this policy will be supplied in English. In legal disputes, the law of Scotland will apply. This is a brief guide to the Key Facts of the product. Full details are contained in the Terms and Conditions and in the Policy Schedule, which are evidence of the legally binding contract between you and Scottish Friendly Assurance Society Limited.

\*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.

\*\*Free from a UK landline.

## Terms & Conditions

These are the Terms and Conditions under which your Policy will operate. You should read them carefully as they, together with the Policy Schedule and the Application Summary, will form the basis of a contract between you and Scottish Friendly Assurance Society Limited.

Your Policy is administered, issued, and underwritten by Scottish Friendly Assurance Society Limited.

Scottish Friendly Assurance Society Limited is a Friendly Society incorporated and registered under the Friendly Societies Act 1992, whose registered office is at Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ.

Scottish Friendly Assurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registration No. 110002, with permission to effect and carry out contracts of insurance.

Any references to legislation or regulations includes any amendments to or replacements of such legislation or regulations after the date this Policy is issued.

### Your demands and needs

Scottish Friendly can only give you facts, not personalised advice. You need to use this information to decide if this Policy is right for you. My Mutual Guaranteed Over 50s Plan meets the demands and needs of someone aged between 50 and 74 years old who is a UK resident and wants to leave a lump sum on death for their next of kin.

## SECTION A - GLOSSARY

The definitions below provide explanations of the some of the key words and expressions used throughout this Key Facts and Terms and Conditions of My Mutual Guaranteed Over 50s Plan document.

### Accidental Death

Death which occurs within 90 days of an Accident. By which we mean an event caused by violent, external bodily injury which could not be predicted and was not intentional. This excludes self-inflicted injury, such as suicide, or activities where there is an inherent risk of injury (such as war, involvement in criminal acts, extreme sports, drug use, or injury while intoxicated) and death by natural causes, an illness or disease.

### Application

The information provided by the Policyholder at the time they applied for their Policy, the details of which are repeated in the Application Summary sent to the Policyholder with their Policy Schedule.

### Application Summary

A document detailing all the information supplied by the Policyholder as part of their Application.

### Cash Benefit

The amount payable from the Policy following a successful Claim on the death of the Policyholder provided you have made all of your required Monthly Premiums.

## **Claim**

Any request to receive a Cash Benefit or Reduced Cash Benefit in accordance with the terms of the Policy.

## **Early Premium End Date**

The date upon which we declare your Policy is fully funded and that you need no longer make any Monthly Premiums.

## **Monthly Premium**

The amount of money specified in the Policy Schedule which must be paid by Direct Debit each month during the Payment Term.

## **Payment Term**

Your Payment Term will be from your Policy Start Date until the **earlier** of:

- your policy anniversary (the month in which you started your plan) after your 90<sup>th</sup> birthday,
- the date of your death, or
- an Early Premium End Date

## **Payment Share**

The number of Monthly Premiums received divided by Your Payment Term in months, after both have been reduced by 24 months (representing the first two years of your Monthly Premiums). For this calculation the Payment Term will run from the start of your Policy to the policy anniversary after your 90<sup>th</sup> birthday.

## **Policy**

The legal contract between, the Policyholder and Scottish Friendly comprising these Terms and Conditions, the Policy Schedule and the Application Summary.

## **Policyholder**

The owner of the Policy.

## **Policy Start Date**

The date at which the Policy will commence is specified in the Policy Schedule.

## **Policy Schedule**

The document issued after the acceptance of the Application which contains the Policy Start Date, terms of the Monthly Premium and the Cash Benefit payable under the Policy.

## **Reduced Cash Benefit**

The amount payable from the Policy following a successful Claim on the death of the Policyholder where you have paid at least 5 years of Monthly Premiums but have stopped paying before the end of your Payment Term.

Your Reduced Cash Benefit will be equal to Your Cash Benefit multiplied by your Payment Share. The final figure will be rounded up to the nearest pound (£).

## **Scottish Friendly**

Scottish Friendly Assurance Society Limited.

## **Terms and Conditions**

The terms and conditions as set out in this Key Facts and Terms and Conditions of My Mutual Guaranteed Over 50s Plan document.

## **We, us or our**

Scottish Friendly.

## **You or your**

The Policyholder

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

## **SECTION B – TERMS AND CONDITIONS**

### **Eligibility**

To be eligible for cover under this Policy, you must be resident in the United Kingdom and aged 50 to 74 years attained at the Policy Start Date.

### **The Cash Benefit under your Policy**

A fixed Cash Benefit may be paid on death. You can find the value of the Cash Benefit on your Policy Schedule, which is sent to you after we accept your application.

Before 2 years of Monthly Premiums have been made the Policy will only pay out a full Cash Benefit in the event of Accidental Death, otherwise the Policy will return the Monthly Premiums that have been received.

After 2 years of Monthly Premiums the Policy will pay out a full Cash Benefit at the point of Claim provided the Monthly Premiums are made during the Payment Term.

If Monthly Premiums stop before 5 years' worth of Monthly Premiums have been made to the Policy, then the Policy will be cancelled, no Cash Benefit will be payable and no Monthly Premiums will be refunded.

If Monthly Premium stop after 5 years' worth of Monthly Premiums have been made to the Policy, then the Policy will continue but will pay out at the point of Claim a Reduced Cash Benefit.

Your Policy will cease after the payment of the Cash Benefit, a Reduced Cash Benefit or a return of Monthly Premiums.

### **The cover you can have with your Policy**

The maximum Cash Benefit is £20,000. The minimum cover is determined by our minimum premium, smoker status and your age at the Policy Start Date.

### **Your Monthly Premium under your Policy**

Your Policy Schedule will detail the Monthly Premium which you must pay each month during the Payment Term. Your Monthly Premiums will remain the same throughout the Payment Term. Your Monthly Premiums can only be made by Direct Debit, there is no facility to pay your Monthly Premiums by card or cheque therefore it is important that you ensure that you maintain your Direct Debit facility.

### **What would happen if you missed more than one Monthly Premium**

The Policy does not have any value except any value payable on death.

If 2 or more Monthly Premiums are not collected, your policy will come to an end and you will receive no Cash Benefit on your death, unless you have paid more than 5 years' worth of premiums in which case you will receive a Reduced Cash Benefit.

### **Making changes to your Premium Due Date**

Your Monthly Premium is fixed and cannot be changed. However, you can change the date Scottish Friendly collects your Monthly Premium.

### **Making a Claim under the Policy**

In the event of death, a claim can be made by contacting us at the address/telephone number in the 'Contacting Scottish Friendly' section on page 8.

A claim should be made within 6 months of your death or as soon as possible thereafter.

We will send a Claim form which should be completed and send back to us.

Scottish Friendly have the right to request medical records to verify a Claim if required.

We may also request documentation to allow us to verify the identity of the claimant; this may include searching for their details with a credit rating agency or requesting documentation, such as bank statements from them. No Cash Benefits will be payable under the Policy until we have been able to verify their identity.

Once the Claim has been accepted, we will pay the Cash Benefit, Reduced Cash Benefit or return of premiums to the Claimant.

### **Tax treatment of your pay-out**

The pay-out from this Policy will generally be free of all UK Income Tax and Capital Gains Tax but may be subject to Inheritance Tax, depending on the value of your estate when you die.

Taxation information is issued on, the basis of our understanding of current tax law and practice. Tax legislation may change in the future, which could affect the taxes paid on the pay-out. If you are unsure of your tax position you should seek professional advice.

## **Cancelling your Policy**

Within your welcome pack, you will receive notice of your right to change your mind and instructions on how to cancel your Policy. You will have 30 days from the receipt of your Policy Schedule in which you may cancel your Policy. If you wish to exercise your right to cancel, then you should contact us at the address/telephone number in the 'Contacting Scottish Friendly' section on page 8 and we will refund any Monthly Premiums paid and bring your Policy to an end. No Cash Benefits will be payable under the Policy once it is cancelled.

## **General Policy conditions**

The contractual terms and conditions and all communications in relation to this policy will be supplied in English.

In legal disputes, the law of Scotland will apply. Where there is a change in legislation or taxation, Scottish Friendly may review these Terms and Conditions and make changes to the Policy, provided those changes conform with the regulations and principles set out by the Financial Conduct Authority. Only changes considered appropriate to maintain the purpose or effect of the Policy including increasing the Monthly Premiums to reflect any tax or levy on or by reference to the Monthly Premiums will take place. Scottish Friendly will provide you with 3 months' written notice of any change unless regulatory, legislative or taxation changes require us to change these Terms and Conditions in a shorter period.

All Monthly Premiums must be payable from a UK bank account in the Policyholder's name and all payments will be made in UK currency and a UK bank account.

Scottish Friendly Assurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Details can be found on the Financial Services register (registration number 110002). Registered Office: Scottish Friendly House, 16 Blythswood Square, Glasgow G2 4HJ.