

keyfacts[®]

**ASDA
Over 50s Life Cover**

Policy Summary

LIVE LIVERPOOL
VICTORIA



ASDA OVER 50S LIFE COVER

Policy Summary

In this summary, we try to help you by giving you the 'key facts' of the plan. It doesn't set out the full terms and conditions – you will find these in our Plan Conditions document. Asda Over 50s Life Cover is provided by Liverpool Victoria Friendly Society Limited, which is part of LV=. You can get this and other documents from us in Braille, large print or on audiotape by contacting us.

Answering your questions

What am I covered for?

Asda Over 50s Life Cover is a guaranteed life cover plan designed to provide a one-off cash payment when you die. This cash could be used to help pay for funeral expenses, any loans or bills you may still have to pay, or perhaps to leave a gift for your loved ones.

What you're covered for in the first 12 months

You're covered if you die as the result of an accident within 90 days of it happening. However, there are some things we don't consider as accidents, such as those caused directly or indirectly by you (for example an accident caused by you drinking alcohol). We've not listed them all here as this is a summary. However, we've explained them in full in condition A1 of the Plan Conditions.

What you're not covered for in the first 12 months

You're not covered if you die for any other reason, such as illness, disease or natural causes. You can see all of the exclusions in detail under condition A1 of the Plan Conditions.

What you're covered for after 12 months

You're covered, no matter what causes your death. This means that you're covered if you die from an illness, disease, natural causes, or anything else.

Can I apply?

You can apply if you're:

- permanently living in the UK and
- are between 50 and 80 years old.

What do I pay?

This depends on the amount of cover you choose. The minimum premium is £5 a month, and the maximum is £100. If you have more than one Asda Over 50s Life Cover plan, or any other similar guaranteed life cover plan with LV= the maximum premium is £100 a month for all these plans added together.

How much cover can I have?

The maximum cover you can apply for is £25,000. If you have more than one Asda Over 50s Life Cover plan, or any other similar guaranteed life cover plans with LV= the maximum cover is £25,000 for all these plans added together.

The amount of cover included in your plan is fixed and so is the premium.

When you are deciding how much cover you need, don't forget that, as the cost of goods and services goes up, the cover in your plan will stay the same. This means that the same amount of money will buy less in the future.

Example

The average cost of a funeral in the UK is currently £2,620. If the average cost of a funeral continues to rise at the same rate as it has over the past nine years, then by 2015 the average cost of a funeral will be £3,668. And by 2020, it could rise to as much as £4,856.

This means that if you take out cover of £2,620 now. It's unlikely that it will be enough to pay for a funeral in ten years time.

(Source: Current average cost of a funeral – LV= Cost of a Funeral Research October 2009. Average increase in funeral cost – Compound Average Growth Rate 5.77% 2000 to 2009).

The figures in this example aim to help you understand how rising prices affect your cover only. The cost of a funeral may be more or less than the amounts we have used.

If you need help to work out how much you can apply for, please call us on 0800 202 8106 (for textphone, dial 18001 first). We may record and/or monitor your calls for training and audit purposes. Or, you can get a quote online at www.ASDA.com.

Why are smoker rates more expensive?

As a smoker, you're not expected to live as long as a non-smoker. This means that your life cover costs more.

Please understand that whilst the vast majority of our customers are honest, we do have to protect ourselves (and our customers) against the effect of fraudulent claims. It is really important that you tell us if you're a smoker when you apply, and that you pay the right amount for your cover. If you don't, we may not pay out when you die. We've explained this in condition B7 of the Plan Conditions.

Will my premium change in the future?

Good news! Your premium is guaranteed when your plan starts – we promise never to increase it.

When does my plan start and end?

It starts on the date we ask for your first premium. It doesn't have a fixed date for when it ends – you're covered for the whole of your life as long as you pay all the premiums.

How long do I pay premiums for?

This depends on whether you choose to cap your premiums or not.

With capped premiums – You pay a premium every month by direct debit until the total of all the premiums you have paid is the same as your amount of cover. Where the payment of the next premium will lead to an overpayment, this premium will not be collected. After this, you won't have to pay any more premiums, but your cover will continue for the rest of your life. We've explained this in more detail in Condition B1 of the Plan Conditions.

Without capped premiums – You pay a premium every month by direct debit until you die. This option gives you more cover for your money than the capped premiums option. But, depending on how long you live the total amount you pay in premiums may actually be more than your amount of cover.

Example

Olivia takes out Asda Over 50s Life Cover which will pay a one-off cash payment of £3,769 when she dies. She chooses not to cap her premiums. Her plan starts on her 60th birthday, and she pays £15 a month for this cover. If Olivia dies just before her 85th birthday she'll have paid £4,500 in premiums, which is more than would be paid out. We've worked this out as £15 a month x 12 (months in a year) x 25 (years where premiums are due). If Olivia does cap her premiums, her monthly premium will be higher (£20.15), but she'll never pay more than £3,769 for her cover.

The premiums and amounts of cover used here are to help you understand the difference between the two premium options only. They may not be the same as our current premiums and amounts of cover.

The option you choose will affect how much you pay for your cover. Please read the enclosed rates table for more details. You'll pay more for your cover if you choose to cap your premiums. We'll ask you to confirm whether you want to cap your premiums or not when you apply.

Don't forget, whether you cap your premiums or not, your plan ends when a claim is made. This means that after you die, no further premiums will need to be paid.

Can I increase my cover after my plan starts?

No, you can't increase your cover under this plan. However, you can take out more than one Asda Over 50s Life Cover plan with us if you want to, as long as your total cover and premiums aren't more than the maximum limits, and you're eligible to apply for a new plan.

Example

Mary is 75 years old. She has an Asda Over 50s Life Cover plan which will pay a one-off cash payment of £20,000 when she dies. She wants to apply for another plan for £10,000. Unfortunately, the most Mary can apply for is £5,000, as this would take her total cover to the maximum cover of £25,000.

These limits apply only to your Asda Over 50s Life Cover plan, and any other similar guarantee life cover plans you have with LV=. They apply because we have guaranteed to accept you, even though we don't know what your health is like. These limits don't affect other types of life cover you take out with us, or another provider.

What happens if I die in the first 12 months?

If you die in the first 12 months you might not be covered. If you're not covered, we think it's only fair to return the premiums you've paid.

How will I know if I have enough cover in the future?

It's a good idea to check your plan each year to make sure you have enough cover, as your financial or personal circumstances might change. Remember that your cover is fixed when your plan starts. Rising costs for things like funerals will mean that the amount of cover you choose now will buy less in the future.

Can I change my mind?

Yes. You can cancel your plan at any time. If you change your mind within 30 days of it starting, we'll refund your premiums. If you cancel at any other time, your cover will end and you won't get anything. Your plan has no cash-in value at any time.

To cancel your plan please call us on 0845 640 5892 (for textphone dial 18001 first).

We may record and/or monitor your calls for training and audit purposes.

Or you can write to us at LV=, Pynes Hill House, Rydon Lane, Exeter, EX2 5SP

What about claiming?

We understand that this will be a stressful time for your friends and family, so we've tried to make this as easy as we can.

The person claiming can do so at any time after your death. However, we do recommend that they let us know about a claim as soon as possible, so we can pay them quickly. They can make a claim by phoning 0845 640 5893 (for textphone, dial 18001 first). We may record and/or monitor your calls for training and audit purposes. Or, they can write to us at: Claims Department, LV=, Pynes Hill House, Rydon Lane, Exeter, EX2 5SP

Will I have to pay tax?

Not unless your house and everything else you own (known as your 'estate') is worth more than £325,000. Even better, if you're married or in a civil partnership you won't have to pay tax unless your joint estate is more than £650,000. These are the limits for 2009/10 and 2010/11.

If your estate is more than this, the following example may help you work out how much inheritance tax would need to be paid when you die.

Example

Brian is divorced. He owns his own home, worth £200,000. His personal belongings – including his furniture, his car and his motor home are worth £50,000 in total. Brian has £125,000 savings from his recent lottery win, and an Asda Over 50s Life Cover plan with cover of £5,000. He has credit card debts of £10,000.

When Brian dies in May 2010, he leaves everything to his son, James, in his will.

Brian's total estate is worth £370,000.

(£200,000 + £50,000 + £125,000 + £5,000 - £10,000).

As this is more than £325,000, James will have to pay inheritance tax on part of Brian's estate.

The amount inheritance tax applies to is £45,000 (£370,000 – £325,000).

Inheritance tax is currently 40%.

So James will have to pay £18,000 inheritance tax before he receives the money and property from Brian's estate (£45,000 x 40%).

Inheritance tax can be pretty complicated. If you think your estate might be affected, it's a good idea to ask your solicitor or financial adviser about it.

Income tax and capital gains tax won't apply to the cash payments we make.

How much tax you pay depends on your personal circumstances. Any references we make to taxation are based on our understanding of current legislation and HM Revenue & Customs practice, which can change.

How do I complain?

If you have a complaint about any part of the service you receive from us, it's important that we know about it, so we can help put things right. You can let us know by calling us on 01202 292333 (for textphone, dial 18001 first). Or, you can write to us at: Box 2, LV=, County Gates, Bournemouth. BH1 2NF. Your complaint will be dealt with promptly and fairly and in line with the Financial Services Authority's requirements, and if you want more information on how we handle complaints, please contact us.

We hope that we will be able to resolve any complaint that you have, but if you aren't happy with the outcome you can refer your complaint to the Financial Ombudsman Service. If you make a complaint it won't affect your right to take legal action.

What would happen if LV= got into financial trouble and was not able to pay out?

We've been in business since 1843, and take great care to manage our affairs sensibly. If we ever did get into financial trouble and couldn't honour our commitments, you would be entitled to compensation from the Financial Services Compensation Scheme.

The compensation you could get depends on the type of product you have. For this type of plan, the scheme covers the first £2,000 and at least 90% of the rest. For more information go to www.fscs.org.uk or call 020 7892 7300.

From 1 January 2010 this will change to 90% of the claim. For life assurance, the scheme's first responsibility is to seek continuity of cover rather than to pay compensation.