# Your Policy Summary

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# Welcome

We've sent you this Policy Summary as a brief guide to our products and because the **Insurer** is required to do so by the Financial Conduct Authority.

This important information will help you to decide whether our **Life Insurance** and **Critical Illness** policy 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, or download a digital copy from your Account on our website **budgetinsurance.com** whenever you need to.

This document provides you with the basic details of your policy. Please refer to your policy wording for the full Terms and Conditions of your policy.

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## About us

Your policy is arranged by Budget Insurance Services and administered by Budget Insurance Services on behalf of Scottish Friendly Assurance Society Limited. Budget Insurance Services is a trading name of BISL Limited (Registered in England No. 3231094) BISL Limited is authorised and regulated by the Financial Conduct Authority. Registered Office: Pegasus House, Bakewell Road, Orton Southgate, Peterborough PE2 6YS.

Your policy is issued and underwritten by Scottish Friendly Assurance Society Limited and is a contract between you and 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 Prudential Regulation Authority – Registration No. 110002, with permission to effect and carry out contracts of insurance.

Words in **bold** text are defined in our glossary.

## What are the aims of this policy?

Your Budget Insurance policy aims to give you the type and amount of cover you choose for the length of time you want.

You did not receive advice or a recommendation from us.

The following cover is available and any payment referred to below is subject to the Policy Terms and Conditions, which contain policy exclusions.

### Life Insurance

Pays the **sum assured** if you die, or are diagnosed with a **terminal illness**.

### Life Insurance with Critical Illness

Pays the **sum assured** if you die or are diagnosed with either a **terminal illness** or a **critical illness**. Cover stops when a claim is paid.

### Additional Critical Illness

Pays the **sum assured** if you are diagnosed with a **critical illness** and live for 14 days. You can choose this **benefit** when you buy **Life Insurance**. **Additional Critical Illness** cover will stop if you claim and life cover will continue.

### Childhood Critical Illness

**Childhood Critical Illness** cover is not available as a standalone product but is included as part of your **Critical Illness** cover when this **benefit** is displayed in your quote summary.

If a child covered lives for 14 days after they are diagnosed with a **critical illness** this **benefit** pays out the lesser of the following: 25% of your **Critical Illness sum assured** or £25,000. We will only pay one claim per child, but will cover multiple claims within your family.

## Your commitment

- To make monthly payments by direct debit until your cover expires.
- To read your **Statement of Facts** and let us know if any of the information is incorrect, missing or unexpected.
- To fill in our online **application** form providing truthful, complete and accurate information.
- To tell us if you change your name, address or bank details.

## Risk factors

- What happens if you miss a monthly payment? Your policy will stop 29 days after your first missed premium was due. It will have no value and you will no longer be covered.
- Do you have any exclusions to your cover? You should check and be sure you know of and understand any exclusions. This is important because the **Insurer** won't pay a claim for a cause that is listed as an exclusion on your **Statement of Facts**.
- Have you selected decreasing term cover? We model our policy on an interest charge of 6%. If your mortgage is anything but 6% and you make a claim, the pay-out might not be large enough to cover any outstanding mortgage debt you may have planned to clear.
- It's important to check the information you provided in your **application** and tell us of anything that is incorrect or is missing before or immediately after your policy is issued. Failure to do so may either mean that your cover is not suitable or invalidate your policy entirely meaning the **Insurer** may not pay out when you make a claim.
- The real monetary value, or worth, of the **sum assured** is always changing. If we pay out any money as a result of a claim, that money will only go as far for you and your family as the cost of living dictates. This means that you may not be able to buy as much in the future with the proceeds of the policy as you could do now. It is therefore important that you regularly review the **sum assured** to check that it is still appropriate for your needs.
- If you need to change your policy we will let you know if this is possible. Depending on the changes you want to make, we may need to set up a new policy for you. There may be differences between the terms of your current policy and your new one. If so, we will explain these before we make any changes.
- Your policy has no cash-in value at any time.

## Choosing your cover

When you complete a **quote** or **application** you must be aged between 18 and 64 and decide:

### The Sum Assured

How much the **Insurer** will pay for a claim.

### Whether your policy should have a level or decreasing sum assured

Do you want the **sum assured** to stay the same until your policy expires or do you want the sum to reduce in line with any ongoing, but diminishing, debts or costs? These could include your mortgage repayments or childcare commitments.

If you select Life with **Critical Illness** the **sum assured** will be the same for both **benefits**.

If you select **Additional Critical Illness** the **sum assured** can be between £5,000 and £400,000 depending on your age.

### Whether the policy should be Single or Joint Life

You can buy cover for yourself (**Single Life**), or for you and another person under the same policy (**Joint Life**). If you have a **Joint Life** policy the **Insurer** will only pay out one claim. This means that two people are covered until the first dies, or is diagnosed with a **terminal illness** or a **critical illness** and a claim is made (any policy exclusions which may apply are detailed within).

### The length of time your policy will run

You will decide on the **Policy Term**. This can be between 5 and 40 years, but cover must stop before your 80th birthday. All **benefits** must have the same **Policy Term**.

## How much does the policy cost?

How much you pay depends on:

- Your personal circumstances – for example, your age, health, job and if you smoke
- The **sum assured** and type of cover you choose
- How long you decide you want the cover to last.

## When will the Insurer pay the benefits?

Any payment referred to below is subject to Policy Terms and Conditions, which contain policy exclusions.

### Life Insurance

The **Insurer** will pay the **sum assured** if, during the term of the cover, the **life assured** dies or is diagnosed with a **terminal illness**.

### Life Insurance with Critical Illness

The **Insurer** will pay the **sum assured** if, during the term of the cover, the **life assured**:

- Dies
- Is diagnosed with a **terminal illness**

or

- Is diagnosed with a **critical illness**.

### Additional Critical Illness

The **Insurer** will pay the **sum assured** if, during the term of the cover, the **life assured** is diagnosed with a **critical illness** and survives for 14 days after the date of diagnosis.

### Child Critical Illness

The **Insurer** will pay the **sum assured** if, during the term of cover, a child of the **life assured** is diagnosed with a **critical illness** and survives for 14 days after the date of diagnosis.

## Policy Exclusions

The **Insurer** might not pay a claim for **Life Insurance** or **Critical Illness** cover, if at the time you completed your **application** for the policy, or when making the claim, you do not answer all our questions truthfully, accurately and completely to the best of your knowledge and/or you do not provide all the information we ask for. It is your responsibility to fill in the **application** form truthfully, fully and accurately as stated on page 5 as we do not write to your doctor.

The **Insurer** won't pay a **Life Insurance** claim on the **Life Assured** within the first 12 months of the policy start date if the cause of death is suicide or as a result of intentional self-inflicted injury.

Your policy will not pay out if you do not have a valid claim before the end of your **policy term**.

The **Insurer** won't pay a **Critical Illness** claim if:

- The illness is not one of the **critical illnesses** covered
- The claim criteria defined in our **Policy Terms and Conditions** are not met
- The **critical illness** you are claiming for is caused directly or indirectly by a condition listed in the policy exclusions section of your Statement of Facts
- The **life assured** does not survive the **critical illness** for more than 14 days where a claim is being made under an **Additional Critical Illness benefit**.

The **Insurer** won't pay under **Child Critical Illness** if:

- The illness is not one of the **critical illnesses** covered
- The claim criteria defined in our **Policy Terms and Conditions** are not met
- The **critical illness** was known to be present at birth
- The symptoms first arose before the child was covered
- The child does not survive the **critical illness** for more than 14 days
- The child is younger than 30 days old or older than 18 years old.

## What might stop your policy paying out?

The **Insurer** may not pay a claim for **Life Insurance** or **Critical Illness** cover and we have the right to cancel the policy, if at the time you filled in your **application** for the policy, or when making the claim, you fail to answer all our questions truthfully, accurately and completely to the best of your knowledge and/or you do not provide all the information we ask for.

Your policy will not pay out if you do not keep up your payments and miss a payment for more than 29 days.

## 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. Such payout may not be subject to inheritance tax if your plan is written in Trust. Taxation information is issued on the basis of our understanding of current tax law and practice. Tax legislation may change in the future.

## Your cancellation rights

We want you to know that you can cancel your cover but that you will not be able to make a claim once your policy has been cancelled. You have up to 30 days

following the date you receive your policy to cancel. Then we will refund any premiums paid. If you do not cancel within this time, your policy will continue as detailed in this document.

If you wish to cancel your policy after the first 30 days then you can also do this by contacting us in writing, by email or by telephone. You won't receive any refund of premium if your policy is cancelled after the first 30 days.

### Write:

Budget Life Insurance Team, Pegasus House, Bakewell Road, Peterborough PE2 6YS

### Email:

life@budgetinsurance.com

### Call:

0330 0188806

## Solvency II Directive Information

Under this directive, we are required to provide you with a Solvency and Financial Condition Report which you can access via our website at www.scottishfriendly.co.uk/customer-centre/solvency-two

## Making a claim

You can write to us or call if you want to claim.

### Write:

Budget Life Insurance Team, Pegasus House, Bakewell Road, Peterborough PE2 6YS

### Call:

0330 0188692

## Complaints

You can call or write to us in the first instance if **you** have a complaint about **your policy**, please contact **us** by calling us on 0330 0188806. **We** will try to resolve the matter over the phone within 3 days. If **your** complaint is not resolved to **your** satisfaction within 3 days **we** will send **you** a written acknowledgment of **your** complaint, together with the next steps **we** will be taking to resolve it. If **you** prefer to put **your** complaint in writing please send it to The Customer Relations Manager, Budget Life Insurance Team, Pegasus House, Orton Southgate, Peterborough PE2 6YS.

Complaints which the **Insurer** is required to resolve will be passed on to them by **us**. **We** will let you know when we do this.

After four weeks, **you** will be sent either a final response or a letter explaining why **your** complaint remains unresolved and advise when **you** will be contacted again.

If **you** have not received a final response after eight weeks of making **your** complaint **you** will be sent a letter explaining the reason for the delay and advising **you** of **your** right to complain to the Financial Ombudsman. If **your** complaint cannot be resolved, **you** may refer **your** complaint to the Financial Ombudsman Service within six months of receiving the final response letter.

The address is Financial Ombudsman Service, Exchange Tower, London E14 9SR. The website address is www.financial-ombudsman.org.uk.

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

or call 0800 023 4567.
Making a complaint won't affect your legal rights.

## Critical Illnesses covered

We have listed all of the conditions we cover below and have provided the full definitions of the illnesses covered and the circumstances in which you can claim in the **Policy Terms and Conditions**.

### Alzheimer's disease
Resulting in permanent symptoms

### Aorta graft surgery
For disease or trauma

### Benign brain tumour
Resulting in permanent symptoms

### Blindness
Permanent and irreversible

### Cancer
Excluding less advanced cases

### Coma
With associated permanent symptoms

### Coronary artery by-pass grafts
With surgery

### Deafness
Permanent and irreversible

### Heart attack

### Heart valve replacement or repair
With surgery

### HIV infection
Caught in the UK from a blood transfusion, a physical assault or at work in an eligible occupation*

### Kidney failure
Requiring permanent dialysis

### Loss of hands or feet
Permanent physical severance

### Loss of speech
Permanent and irreversible

### Major organ transplant
From another donor

### Motor neurone disease
Resulting in permanent symptoms

### Multiple Sclerosis
With current symptoms

### Paralysis of limbs
Total and irreversible

### Parkinson's disease
Resulting in permanent symptoms

### Stroke

### Third degree burns
Covering either 20% of the surface area of the face or body

### Traumatic brain injury
Resulting in permanent symptoms

*The eligible occupations for HIV caught at work are:
- The emergency services – police, fire, ambulance
- The medical profession – including administrators, cleaners, dentists, doctors, nurses and porters
- The armed forces.

## Contact Us

### Write:
Budget Life Insurance Team, Pegasus House, Bakewell Road, Peterborough PE2 6YS

### Call:
0330 0188806

### Email:
life@budgetinsurance.com

### Visit:
www.budgetinsurance.com

**If you would like to request a large print or braille version of these documents, please contact us on the above details.**

# Financial Services Compensation Scheme (FSCS)

Your policy is covered by the FSCS. You may be entitled to compensation from the scheme if we or the **Insurer** cannot meet our respective obligations under the policy. This depends on the type of business and the circumstances of the claim. You can obtain more information from the Financial Services Compensation Scheme at www.fscs.org.uk or by calling 0800 678 1100.

# Glossary

### Additional Critical Illness

This benefit will pay a valid claim upon the diagnosis of a critical illness meeting the claim criteria contained in our Policy Terms and Conditions. Upon the payment of a claim this benefit will stop, but your Life Insurance will continue provided premiums are paid until the end of the term.

### Application

The application you make when you wish to purchase a policy from us. We will ask you a number of questions and calculate how much you need to pay. These questions form part of your application.

### Benefit

A policy can have a number of benefits.

A benefit is defined as:

- Life Insurance
- Life Insurance with Critical Illness
- Additional Critical Illness
- Child Critical Illness.

### Child Critical Illness

The benefit providing cover for your child or children if they are diagnosed with a critical illness.

### Critical Illness

Any of the illnesses referred to in the critical illness section of this document which meets the claim criteria relevant to such illness set out in the Policy Terms and Conditions.

### Insurer

Scottish Friendly Assurance Society Limited

### Joint life

This is where two people are covered by a single policy. If/when a claim is paid for a critical illness, that benefit will stop and no further critical illness claims will be paid. The policy will cease upon the first death or terminal illness.

The policy will stop upon the earlier diagnosis of a critical illness claim if the policy is one of Life Insurance with Critical Illness.

### Life Insurance

This benefit covers the life assured for a specific policy term. In the event of death or terminal illness occurring within the policy term the sum assured will be paid (save for Policy Exclusions).

### Life/Lives Assured

The person or people named in the Statement of Facts and covered by your policy.

### Life Insurance with Critical Illness

We will pay a valid claim upon death or the earlier diagnosis of a terminal illness or critical illness meeting the definitions contained in our Policy Terms and Conditions (save for Policy Exclusions).

### Policy Term

The length of time your policy will run for.

### Policy Terms and Conditions

These specify the terms of your policy in detail and should be kept safe and read alongside the statement of facts we provide when your cover starts.

### Quote

This is an indication of the premium payable for your chosen benefit, based on your age and smoking status – but before you have provided information about your health and lifestyle.

### Single life

One person is insured on a policy.

### Statement of Facts

This lists the answers you gave us in your application. You need to check that the information is accurate, complete and correct before buying a policy. If you have not answered the questions accurately, completely and truthfully, then this may invalidate a claim.

### Sum Assured

Sum assured is the amount the Insurer will pay out if/ when you claim. This can remain level (the same) or decrease throughout the policy term, depending on the type of cover you choose when you apply for your policy.

### Terminal Illness

A definite diagnosis by an attending Consultant of an illness that satisfies both of the following:

- The illness either has no known cure or has progressed to the point where it cannot be cured; and
- In the opinion of the attending Consultant, the illness is expected to lead to death within 12 months.

## Policy Summary V6, October 2019

Budget Insurance Services is a trading name of BISL Limited. Registered Office: Pegasus House, Bakewell Road, Orton Southgate, Peterborough, PE2 6YS. Registered in England No. 3231094.We are authorised and regulated by the Financial Conduct Authority.

**This document contains your Life Insurance.**
Yours to keep.

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