

## Key Features of the Pegasus Whole of Life Plan

### **Important information you need to read**

The Financial Conduct Authority is the independent financial services regulator. It requires us, Scottish Provident, to give you this important information to help you decide whether our Pegasus Whole of Life 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.

You may have arranged your plan through a financial adviser. If so, you should contact them to discuss your plan.

This Key features document should be read together with your personal illustration.

**If you would like this information in large print, in braille or on cassette or CD, please call 0345 271 0900.**

---

## Its aims

- To pay a lump sum when you die. If there are two lives assured you can choose whether it will pay out on either the first or second death
- To provide protection against the financial impact of dying. The plan pays out a lump sum, for example, to give financial support for your family, including inheritance tax planning, or business if you make a valid claim while the plan is in force
- To provide cover for as long as you want it to continue.

---

## Your commitment

- You must do the following:
  - answer all the questions in the application form honestly, in full and to the best of your knowledge and belief. We will use your answers to the questions to decide what terms we offer you together with any other information that you supply to us in relation to the questions

Please do not assume we will clarify or confirm any facts that you give us with your doctor and do not let that affect answering the questions that we have asked. If you are in any doubt about whether something is important enough to include when answering the questions, please provide the information in the application form, or alternatively ask us for further guidance

- tell us if there is any change to any of the answers given in your application (including in relation to the life assured's health, occupation or leisure activities), or any other information you provide between the date the answer or the information is provided and the date Scottish Provident starts your plan

If you don't do this, it could mean that we

- won't pay the full amount of your claim,
- have to amend the terms of your cover, or
- at worst cancel your plan and not pay out.
- You agree to pay regular premiums throughout the period of the cover. If you choose to have increasing benefits, your premium will change each year to reflect this
- If you stop paying premiums:
  - your plan will stop
  - you will not get anything back
  - you will no longer be covered for your benefits.
- You should review the level of cover regularly, and update if necessary, to ensure it is appropriate for your needs.

---

## Risks

- If you do not answer the questions in the application form honestly, in full and to the best of your knowledge and belief or you do not tell us that the information given has changed before your plan starts, your plan may be cancelled and may not pay out in the event of a claim
  - We will not pay out in the circumstances described under 'When will my plan not pay out?' on page 6 in this key features document
  - Your plan has no cash in value at any time
  - If you choose a maximum – reviewable premium basis, to maintain your level of cover, you should expect your premium to increase significantly at review. The first review will be ten years after your plan starts and subsequent reviews will be every five years thereafter.
- After a review the new premium may be higher than a standard – guaranteed premium basis would have been. There is no limit to the amount that your premium may increase, but any increase will be fair and reasonable. You can find more details in the 'Maximum – reviewable premiums' section in the Pegasus Whole of Life product guide
- There is no guarantee that the cover you choose will offset any inheritance tax liability
  - If the benefits under your plan do not include the increasing benefit option, inflation may reduce the buying power of any benefit amount paid out at the time of a claim
  - Future changes in legislation or your personal financial circumstances could affect the amount payable or any further tax payable on that amount.

---

## Questions and answers

### What is the Pegasus Whole of Life Plan?

- The Pegasus Whole of Life Plan is a regular premium whole of life protection plan providing a lump sum when you die or are diagnosed with a terminal illness that meets our definition
- You should consider the plan if you are looking to provide protection for:
  - your family
  - your business.
- The plan is designed to, for example, provide a lump sum to help pay any inheritance tax liability. You may reduce the impact of inheritance tax by writing the plan under a suitable trust. All or part of the proceeds from the plan may then be removed from the estate, which may reduce the final tax bill.

### What benefits and premium bases are available on the plan?

- The following benefits are available under the plan:
  - **Death benefit** pays out a lump sum if you either die or are diagnosed with a terminal illness that meets our plan definition. Death benefit can be taken on a level or increasing basis
  - **Premium payment benefit** (sickness, accident or disability) will protect your premiums if before age 85 (depending on the definition that applies to you at the time of the claim), because of sickness, accident or disability, you cannot work, suffer from one of the serious illnesses covered, or are unable to perform 3 out of 9 everyday tasks or 3 out of 6 life tasks. You will start to receive this benefit after the deferred period you choose, which can be 13, 26 or 52 weeks. For full definitions of the serious illnesses, everyday and life tasks please refer to the 'Definitions' section of the Pegasus Whole of Life product guide.

---

## Questions and answers (continued)

- The following premium bases are available under the plan:
  - Standard – guaranteed premium basis: where we calculate the premium you will need to pay to keep your chosen level of cover throughout life
  - Maximum – reviewable premium basis: where we calculate the premium you need to keep your chosen level of cover for the first ten years until the first premium review.

If you choose to have an increasing benefit your premium will increase each year to cover the extra cost.

### What is the definition of terminal illness?

- Our definition of **terminal illness** is: a definite diagnosis by the 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.

### How do increasing benefits work?

- We will increase your benefit each year by the percentage increase in the UK Government's Retail Prices Index (RPI). However, it will not increase by less than 2% or by more than 10% each year
- Your premium for that benefit will increase each year by the percentage increase in RPI (between 2% and 10%), multiplied by 2.

### Can I make changes at a later date?

- Your plan is flexible and can in some instances be adapted to meet your changing needs. Your premium will either increase or decrease when you make changes to your plan but cannot fall below the minimum level set by us. Depending on what changes you make, we may need to ask you for medical evidence and your plan schedule may change
- Increase options: provided we accept your plan at ordinary rates, there are some options which allow you to increase the amount of your benefits within limits, when certain events happen without having to provide any medical evidence. The events include:
  - increase in inheritance tax liability
  - moving home
  - getting married or entering a civil partnership
  - having children
  - career progression
  - business increase options.

Your premium will increase to meet the cost of increased cover. You can only take up an option if you are not claiming, nor eligible to claim, for any benefits including terminal illness benefit and premium payment benefit.

More information on all these options can be found in the 'Changing your plan' section of the Pegasus Whole of Life product guide.

---

## Who can own the plan?

- The owner of the plan is the person who applies for the contract and normally pays the premiums
- To be an owner you must be:
  - aged 18 or over when you sign the application form; and
  - “habitually” resident in the UK, the Channel Islands or the Isle of Man (for example having a UK main home address and a UK bank account).
- We must establish an insurable interest (for example any spouse, civil partner or business partner who has a financial interest in the well being of the life assured) before the start of the plan.

## Who can be a life assured?

- A life assured is a person whose life is covered by the plan and may be different to the owner
- To be a life assured you must, at the start of the plan, be:
  - aged 18 or over; and
  - younger than age 85.
- There can be up to two lives assured.

Full details can be found in the ‘The options’ section of the Pegasus Whole of Life product guide.

## When does my cover begin?

- You will not be covered until we have accepted your application and we have contacted you to tell you that your cover has started.
- The cover can start either on the date we accept your application (if you have requested immediate cover), or a specific start date if:
  - your application is accepted at ordinary rates

- you have asked for the plan to start from that date; and
- we have received the first premium or an acceptable method of collecting it.

Otherwise, we will write and tell you the conditions under which we are prepared to issue a plan. We will then wait for your agreement before we start the plan.

- When we start your plan, we will send you a plan schedule which will detail your benefits
- You may be eligible for immediate or mortgage free cover while we are assessing your application form and before your plan is in force. Full details can be found in the ‘Free cover’ section of this key features document on page 8.

## How long will my cover last?

- Your death benefit with terminal illness cover will last for the rest of your life provided you continue to pay the premiums for your plan
- Your premium payment benefit will last until you reach age 85. You can find more details in ‘The benefits’ section of the Pegasus Whole of Life product guide.

## How is my premium calculated and what happens to it?

- The cost of the cover will depend on factors such as age, whether you smoke or not, your occupation, your health and the level and basis of benefit you choose
- The cost of cover and any other options you choose will be included in the premium shown in your personal illustration.

---

## Questions and answers (continued)

### Will the premium I pay change during my lifetime?

- For death benefit you can choose either:
  - Standard – guaranteed premium basis.  
This means your premium will not change throughout your life, unless it increases as a result of a benefit increasing each year
  - Maximum – reviewable premium basis. This means your premium will be reviewed and increased on the first plan anniversary after the death benefit has been in force for ten years and every five years thereafter. The increase in premium will take place on the plan anniversary date. The premium after the review could then be higher than a guaranteed premium basis would have been.
- The cost of life insurance increases with age. Reviewable premiums will be increased to take account of the fact that you will be older at review, as the starting premium is calculated to cover the first ten years of the plan only. You should expect premiums to increase significantly on review. Premiums at review will also change based on our future outlook on:
  - claims
  - investment returns
  - expenses
  - the tax and regulatory environment, and
  - reinsurance premiums.

Once reviewed, premiums will be guaranteed for a further five years until the next review.

There is no limit to the amount your premium may increase but the change will be fair and reasonable.

We will give you at least 30 days notice before we change your premium. If you do not want to pay the higher premium, you can tell us to keep it at the same level and reduce the amount of your cover instead.

Full details can be found in 'The premiums for your plan' in section C of the Pegasus Whole of Life product guide.

- If you choose premium payment benefit, that cover will end at age 85. This means your premium will automatically reduce when that benefit comes to the end of its term
- If you choose to have an increasing benefit your premium will increase each year to cover the extra cost.

### What happens if I stop paying premiums?

- If you stop paying premiums on your plan:
  - your plan will stop
  - you will not get anything back
  - you will no longer be covered for your benefits.

### When will my plan not pay out?

#### Death claims

- If the cause of the claim is the death of the life assured through intentional self inflicted injuries within one year of:
  - you taking out the benefit or the benefit being reinstated, we will not pay the claim; or
  - an increase in the benefit amount (other than an automatic increase by the rate of inflation) we will not pay the increase.

This does not affect the payment of the benefit to any recognised lending institution, to whom the plan has been assigned for mortgage or loan purposes.

We will not pay your claim if the cause of the claim is terminal illness and the life assured does not meet our definition of terminal illness. The terminal illness definition can be found on page 4 of this key features document.

---

Intentional self inflicted injuries in relation to death claims means, in our reasonable opinion, the most likely cause of death is that the life assured took his or her own life, whether or not specifically shown as a verdict or cause of death in a death certificate, coroner's report or other equivalent documentation.

### **Premium payment benefit claims**

- We will not pay your benefit if your claim is caused by intentional self inflicted injuries. Intentional self inflicted injuries in relation to premium payment benefit claims means any injury the life assured has suffered that is, in our reasonable opinion, as a result of his or her own deliberate act
- We will not pay a claim during the deferred period shown in your personal illustration. The deferred period is the time during which you must be ill before we start to pay any benefit
- If you are not in the UK, the Channel Islands or the Isle of Man when you make a claim, you will have to return to the UK or a country within the geographical areas set by us, unless we decide otherwise.

The geographical areas are Australia, Austria, Belgium, Bulgaria, Canada, the Channel Islands, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Hungary, Iceland, the Isle of Man, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Poland, Portugal, the Republic of Ireland, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

We will not pay your benefit if the life assured does not meet the definition of disabled in section D of the Product Guide or any medical or other evidence is not supplied when we ask for it.

### **Exclusions for all benefits**

- We may apply specific exclusions when we accept your plan. These will be shown in your acceptance letter and plan schedule.

For further details please refer to the 'When we will not pay a claim' section of the Pegasus Whole of Life product guide.

---

## Free cover

You could be eligible for immediate free cover or mortgage free cover if you have ticked the appropriate box on the application form.

### Immediate free cover

This cover will start when we receive (subject to the free cover terms and conditions):

- your completed application form (including anti money laundering evidence) telling us that your plan is to start when we accept it and confirming that the life assured is under age 60; **and**
- a cheque or Direct Debit instruction

at our Glasgow Administration Centre.

Your immediate free cover will continue until the date we make our underwriting decision.

If we have increased your premium or otherwise accepted your application on special terms, your free cover will be extended for a further 14 days.

However, in any event, free cover will not continue beyond the earlier of:

- 90 days after we receive your application; **and**
- the start date of your plan.

### If you are eligible for immediate free cover

If you are eligible for immediate free cover and the cover you requested on your application form is less than the limits set out on page 9, you do not need to tell us if there is a change to any of the information in the application form or any other information you supply to us in relation to your application between us receiving your application form and other information, and the date that immediate free cover stops.

Immediate free cover is also available when you make alterations to your plan after it is in force. If you are eligible for free cover, you need to tick the appropriate box on the alteration application form.

**Once the free cover ends (we will not tell you when any free cover period has begun or ended, however please refer to the full explanation of all of the eligibility criteria above) your full duty of disclosure resumes and you will need to tell us if there is a change to any of the answers given in your application (including in relation to the life assured's health, occupation or leisure activities), or any other information you provide between the date the answer or the information is provided and the date Scottish Provident starts your plan. If you do not do this and this affects the terms that we would offer you, your insurance may be cancelled and may not pay out in the event of a claim.**

### If you are not eligible for immediate free cover

**If you are not eligible for immediate free cover or the cover you have requested is over the limits set out on page 9, you must tell us if there is a change to the answers given in your application, or to the information provided in relation to your application, between signing the application and the start date of your plan.**

**If you are unsure whether you are eligible for immediate free cover, please tell us about any changes to the answers given in your application, or to information provided in relation to your application between sending us your completed application form and the start date of the plan.**

### Mortgage free cover

This cover will start (subject to the free cover terms and conditions) on the latest of the dates we receive:

- your completed application form (including money laundering evidence) requesting mortgage free cover and confirming that the life assured is under age 60;
- a cheque or Direct Debit instruction; **and**



- 
- confirmation that you have exchanged contracts (or, in Scotland, missives have been concluded)

at our Glasgow Administration Centre.

Your mortgage free cover will continue until the date we make our underwriting decision.

If we have increased your premiums or otherwise accepted your application on special terms, your free cover will be extended for a further 14 days.

If we accept your application at ordinary terms or you notify us of your acceptance of any special terms within 14 days, your free cover will be further extended, if necessary, until the completion date of your mortgage.

However, in any event, free cover will not continue beyond the earlier of:

- 90 days after we receive your application; **and**
- the start date of your plan.

**You still need to tell us if there is a change to the answers given in your application, or to information provided in relation to your application, between sending us your completed application form and the start date of the plan.**

### **Immediate and mortgage free cover terms and conditions**

Free cover is also subject to the terms and conditions in this key features document until we issue acceptance terms – your free cover will then be subject to the acceptance terms and conditions we have offered you.

Free cover is also subject to the following additional terms and conditions:

- the free cover benefit will be equal to the type and level of cover you have applied for up to a maximum lump-sum death benefit of £1,000,000.

- if we are unable to offer you a plan due to your country of residence, you will not be entitled to any free cover

- if we have to write to you to request missing or incomplete information from your application form, your free cover will not start until we receive this; **and**

- if you have applied or are in the process of applying for similar cover with another insurance company, you will not be entitled to free cover.

We will not pay any free cover claim if, in our reasonable opinion, the claim is related to any medical condition that we could have expected the life assured to have been aware of on or before the free cover start date. This includes:

- any illness, disease or condition for which the life assured received medical treatment or advice from a registered medical practitioner;
- any illness the life assured should have been aware of before you completed the application form and, in our reasonable opinion, contributes towards the life assured's condition during the free cover period; **and**
- any symptoms the life assured has suffered which relate to a physical or mental condition, even though medical attention had not, at the time, been sought or discussed with a GP.

We will not pay any free cover claim if the claim was caused by:

- intentional self inflicted injuries; **or**
- taking part in hazardous activities.

You will find our definition of intentional self inflicted injuries in the 'When we will not pay a claim' section of the product guide.

We will not pay any free cover claim if you do not answer the questions in your application form honestly and in full to the best of your knowledge and belief.

---

## Further information

### Client category

We will treat you as a retail client in all dealings we have with you. This means you will benefit from the highest level of protection under the regulatory system including the ability to refer a complaint to the Financial Ombudsman Service, and you may be entitled to compensation from the Financial Services Compensation Scheme if we cannot meet our obligations.

### Contact us

Scottish Provident  
301 St Vincent Street, Glasgow,  
United Kingdom G2 5PB

Phone: 0345 271 0900  
(8.30am - 6.00pm, Monday to Friday)

### Your right to cancel

- You will have 30 days to cancel your plan from:
  - the date your plan starts; or
  - the date you receive 'Your Plan Documents' if this is later than the date your plan startsby writing to us at the address listed in the section 'Contact us'.
- If you do this we will refund any premiums you have paid. If you do not cancel, your plan will start and end as set out in our acceptance terms and we will collect premiums as agreed. If you cancel at any other time, your cover will end and you will get nothing back.

### Payment methods

- Regular monthly premiums are paid by Direct Debit. Yearly premiums may be paid by cheque or Direct Debit. You will pay premiums until you make a valid claim.

### Change of job

- You do not need to tell us if you change your job after your plan is in force. If, when you make a premium protection claim, your job has changed from the one on your application form, you will need to tell us so that we can assess your claim.

### Tax

- Where a plan is held by an individual any amount payable on death will form part of your estate and may be liable for inheritance tax. You may reduce the impact of inheritance tax by writing the plan under a suitable trust. All or part of the proceeds from the plan may then be removed from the estate, which may reduce the final tax bill. Your adviser can provide further details
- Where a plan is held by a Company or Partnership the tax treatment of the premiums paid to us and any amount paid on death will depend on the relationship between the owner of the plan, the life assured and the purpose of the plan. For more information please ask your financial adviser
- Future changes in legislation or your personal financial circumstances could affect the amount payable or any further tax payable on that amount.

---

## Law

- The law of England & Wales governs the relationship we have with you before the conclusion of the contract
- The plan will be governed by the law of England and Wales, unless the parties agree otherwise
- If you reside in the Channel Islands or the Isle of Man your plan will be governed by the law of England and Wales and held under Seal unless otherwise agreed.

## Making a claim

- If making a claim, you should contact our Claims Department on 0345 271 0007, or by writing to the address listed in the section 'Contact us'
- When you notify us of a claim, you will need to tell us your plan number and give us details about your claim.

## Complaints

- If you have any complaints about this plan, or about any part of our service, please contact our Customer Relations Team on 0345 271 0900, or by writing to the address listed in the section 'Contact us'
- We always hope that we are able to sort out your issue. However, if we:
  - have not been able to satisfy your complaint; or
  - have not sent you a final response after eight weeks

you can write to the Financial Ombudsman. The Financial Ombudsman would usually only investigate the complaint once our internal complaints process had been completed.

Contact details are as follows:

Financial Ombudsman Service  
South Quay Plaza, 183 Marsh Wall,  
London E14 9SR

Phone: 08000 234 567 (free from a UK landline) or 0300 1239 123 (free for mobile phone users who pay a monthly charge for calls to numbers starting 01 or 02)

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Fax: 0207 964 1001

- If you make a complaint to the Ombudsman, it will not affect your right to legal action
- We have made our complaints procedure simple to follow, so that you should not have to use a solicitor or seek professional help. If you choose to do this, you will be responsible for the costs
- A copy of our complaints procedure is available on request.

## 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 the Financial Services Compensation Scheme online at [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting them at:

Financial Services Compensation Scheme  
10th Floor, Beaufort House, 15 St Botolph Street,  
London EC3A 7QU

Phone: 0800 678 1100 or 0207 741 4100  
Fax: 0207 741 4101

---

## Further information (continued)

### How to find out more

- This leaflet tells you about the key features of the Pegasus Whole of Life Plan. Further information is given in the Pegasus Whole of Life product guide. You can ask us for a copy of this
- Your personal illustration shows the amount and type of cover you have chosen to include in your plan and the initial monthly or yearly premium
- Your plan may be provided through a financial adviser. If so, the financial adviser acts on your behalf and will give you details of the service they provide and how to contact them
- Should you require any further information please contact Scottish Provident on 0345 271 0900, or by writing to the address listed in the section 'Contact us'
- All documentation and communications about your plan will be in English.

### Legal information

- The information contained in this key features document and our understanding of UK law and HM Revenue & Customs practice are those current at the time of publication. These details are not intended as a substitute for professional, legal or tax advice and you should seek professional advice on these matters. We cannot accept any responsibility for any changes in UK law. If we are affected by changes to UK law or other circumstances beyond our control, we may change the terms and conditions in the product guide as we think appropriate.