



Caledonian Life

Protecting you and your world

Protection
Policy Documents
Protection Assurance

Policy Conditions

IMPORTANT

Please keep these documents safely

- The utmost care should be taken of this policy as duplicates of lost policies can not generally be issued.
- You may wish to let one or more of the beneficiaries of this policy know where you intend to keep it.
- Any documents which affect the title to the policy (such as trust deeds or assignments) should also be kept safely as these will be required when a claim is made.

Any notices should be sent to:

The Existing Business Department at
Caledonian Life, Caledonian House, 47 St. Stephen's
Green, Dublin 2, Ireland.

POLICY CONDITIONS

This is the Policy Conditions booklet for your Caledonian Life protection policy. Please keep it safe, as you may need it in the future.

Caledonian Life is a division of the Royal London Group which consists of The Royal London Mutual Insurance Society Limited and its subsidiaries.

The Royal London Mutual Insurance Society Limited ("the Society") will pay out the life assurance cover shown in the policy schedule, provided the premiums are paid as shown in the policy schedule, and subject to the terms and conditions as set out in this policy conditions booklet.

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INTRODUCTION

This policy is designed to pay a benefit if a life assured dies.

This policy is provided by us (Caledonian Life, a division of The Royal London Mutual Insurance Society Limited in Ireland) to you (the policyholder(s) named in the policy schedule).

The policy consists of the policy schedule and any endorsements attaching to it, this policy conditions booklet, the application and any related information provided by you or anybody acting on your behalf as part of the application.

This policy is a protection plan only – you will not receive a cash value if you decide to cancel your plan. Even if you have not made a claim by the time the period of cover ends, we will not return your premiums. All cover under the policy will end on the expiry date shown in the policy schedule, unless it has ended before that for any of the reasons explained in these policy conditions.

If you are making a claim under this policy, please contact us at:

Caledonian Life
Caledonian House
47 St. Stephen's Green
Dublin 2
Ireland

In legal disputes Irish law will apply. Premiums and benefits are payable in the currency of Ireland.

More detailed information on all these matters is in the relevant sections of this policy conditions booklet.

HOW DOES THE POLICY WORK?

You choose the type of cover you want and pay the premiums to us as set out in the policy schedule. If a life assured dies, we will pay the appropriate benefit (the benefits are described in greater detail later on in this policy booklet).

WHO RECEIVES THE MONEY WE PAY OUT?

The policyholder(s), as defined in the policy schedule, or their legal personal representatives, will receive the money we pay out.

However, if this policy has been assigned to someone else (for example, it is passed to a building society to be placed with title deeds as security for a mortgage), we will pay that person or organisation. If the policy is written under trust, we will pay the trustee. The right to receive the policy's benefits may also pass to other people, such as someone who holds a power of attorney.

WRITING TO US

If you need to write to us about this policy, please write to:

Caledonian Life
Caledonian House
47 St. Stephen's Green
Dublin 2
Ireland

COOLING-OFF PERIOD

If, after taking out this policy, you feel it is not suitable, you may cancel it by writing to us at the address shown above. If you do this within 30 days from the date we send you your policy documents (or a copy), we will return any premiums you have paid. We strongly recommend that you consult with your financial adviser before you cancel your policy.

CANCELLATION

If this policy is to be cancelled, we must receive written notification, signed by you, to the address shown above.

If this policy has been issued in connection with a mortgage, or other loan, which is subsequently paid-off or transferred to another lender, you must inform us in writing should you wish to cancel this policy. Until you have informed us that you no longer need this cover, we will continue to collect premiums and you will remain covered by the policy. You will not be entitled to any refund of premiums.

COMPLAINTS

Caledonian Life is committed to the provision of the highest standard of customer service. However, if you are dissatisfied with any aspect of our service, please let us know. We take all complaints very seriously. If you wish to complain about any aspect of the service you have received, please contact Caledonian Life directly. If your complaint is not dealt with to your satisfaction, you may refer your complaint to:

Financial Services Ombudsman's Bureau,
Third Floor, Lincoln House,
Lincoln Place,
Dublin 2.

Lo Call: 1890 88 20 90
Tel: +353 (0)1 662 0899
Fax: +353 (0)1 662 0890
Email: enquiries@financialombudsman.ie
Website: www.financialombudsman.ie

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Section 1 - Definitions

This section defines some of the key terms used in this policy.

Section 2 - Basis of cover

This section explains the legal basis on which cover is given.

Section 3 - Paying premiums

This section explains your obligations in paying premiums and explains what happens if premiums are not paid when they are due.

Section 4 - Your cover

This section explains the benefits you can choose under the policy.

Section 5 - Approval

This section describes the law under which this policy is written if the schedule shows that it is a personal pension term assurance.

Section 6 - Children's Life Cover

This section explains the additional children's life cover that is available.

Section 7 - Special Events Increase Benefit

This section explains how you may be able to increase your benefits at the time of events such as an increase in mortgage, marriage or the birth or legal adoption of a child.

Section 8 - Indexation option

This section explains the indexation option which allows you to get some protection against inflation. Your Policy Schedule will show if this applies.

Section 9 - Conversion option

This section explains the conversion option which allows you the right to renew your cover. Your policy schedule will show if this applies.

Section 10 - Exclusions

This section explains the circumstances in which we will not pay benefits. Please refer to your policy schedule for any additional conditions or exclusions that may apply to your policy.

Section 11 - Claims

This section explains how to make a claim and how we will assess your claim.

Section 12 - Tax

This section explains what will happen if there is any change in tax law.

Section 13 - Data Protection

This section outlines how any personal information supplied by you can be used.

Section 14 - Other information

This section provides other information you need to know.

SECTION 1 - DEFINITIONS

Benefit / Cover

The life assurance cover shown in the policy schedule.

Consultant

A registered medical practitioner who has specialist qualifications in an appropriate branch of medicine and who is practising at a major hospital in the Republic of Ireland or UK.

Conversion option expiry date (if the policy schedule shows that a conversion option applies)

If a conversion option applies to this policy, a conversion option expiry date will be shown on the policy schedule. You can only exercise the option before this date.

Dual life

If there are two lives assured and cover is on a dual life basis (see policy schedule), cover is provided separately for the two lives. Cover can continue for the second life assured after the death of the first life assured provided that you continue to pay premiums. We will reduce the premium we charge to reflect that only one life assured is covered.

Increase date (if the policy schedule shows that an indexation option applies)

This is each anniversary of the start date shown in the policy schedule. On this date each year the benefit and premium will increase if the indexation option applies at that time (see Section 8).

Joint / Multiple Life First Death

If there is more than one life assured and cover is on a joint or multiple life first death basis (see policy schedule), we will only pay out a benefit on the first death. The policy will then cease.

Life assured or lives assured

The person or people named in the policy schedule as the life or lives assured. Payment of the benefit under the policy depends on the lives of those people. Where we refer to 'lives assured' in these policy conditions, it is assumed to mean 'life assured' where there is only one life covered on the policy.

Policy schedule

This is part of the contract. It sets out the specific details of the policy such as:

- the start date;
- the expiry date;
- the life or lives assured;
- the policyholder or policyholders;
- the life assurance cover;
- the premium; and
- any special conditions that apply.

Policy expiry date

The expiry date shown in the policy schedule. Cover will end on this date unless it has ended earlier.

Premium

Either:

- the amount shown in the policy schedule under the relevant heading (or the amount to which this has increased if an indexation option applies); or
- the amount we tell you when we reinstate cover under Section 3.3; or
- the amount we tell you when there has been a claim on a dual life contract.

Start date

The policy date shown in the policy schedule. Cover will start on this date (unless otherwise stated).

We / Us

Caledonian Life, a division of The Royal London Mutual Insurance Society Limited in Ireland.

You / Your (the policyholder)

The person (or people or organisation) named as the policyholder in the policy schedule, who is responsible for ensuring the premiums under the policy are paid. The policyholder is legally entitled to the policy benefit as long as they have not been assigned (passed) to someone else or issued in trust.

If this policy has been assigned to someone else, 'you' refers to that assignee.

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SECTION 2 - BASIS OF COVER

2.1 We have issued this policy to you on the understanding that the information given in the application form and any related document (including that provided by a third party on behalf of you or a life assured) is true and complete and that we have been given all relevant information. If this is not the case we will be entitled to declare the policy void. If this happens, you will lose all your rights under the policy and we will not pay any claim. Information is 'relevant' if it might influence the judgement of a reputable insurer when fixing the level of premiums or benefit, when deciding whether to provide cover at all or when deciding whether to attach conditions.

Relevant information includes, but is not limited to, details on the following:

- Personal health
- Occupation
- Residence or travel
- Participation in any hazardous leisure activities
- Smoking habit
- Illegal drug use

2.2 If your cover ends because premiums have not been paid when due and it is reinstated under Section 3.3, we will reinstate it on the understanding that the information given in the declaration of health form and any related documents is true and complete and that all relevant information has been provided.

If this is not the case, we will be entitled to declare the policy void from the date of reinstatement. If this happens, you will lose all your rights under the policy from the date of reinstatement and we will not pay any claim. Information is 'relevant' if it might influence the judgement of a reputable insurer when deciding whether to reinstate cover at all or when deciding whether to attach conditions.

SECTION 3 - PAYING PREMIUMS

3.1 Although each premium is due as shown in the policy schedule, we allow 30 days to pay the premium (the time allowed is known as a 'period of grace'). If a life assured dies during a period of grace, we will take from the benefit any premium that has not been paid.

3.2 If a premium has not been paid by the end of the period of grace, the cover under the policy will end immediately. A premium is not paid until we have received it. It is the responsibility of those paying the premium to make sure that we receive it. We are entitled to pass on any charge which we have to pay because all or part of the premium (for example, a direct debit) is not paid.

3.3 If, within 12 calendar months of the first missed premium being due, we are asked to reinstate cover, the lives assured must fill in a declaration of health form and all unpaid premiums must be paid. The declaration of health form includes questions which might influence the judgement of a reputable insurer when fixing the level of premiums or benefit. If the information on the declaration of health form shows any material change to that declared on the application form, we may refuse to reinstate cover or reinstate the cover with an increased premium or with new conditions (this could include the removal of options).

If we agree to reinstate cover, we will ask for all missed premiums to be paid and for premiums to start being paid again. We will not pay benefits for anything that happens between:

- the end of the period of grace; and
- the date, following our agreement to reinstate cover, on which we receive all missed premiums.

If we accept a premium (or part premium) which is no longer due, we will return it as we will not have provided cover under the policy. We are entitled to pass on a charge to cover the costs of reinstatement.

3.4 Monthly premiums must be paid by direct debit.

SECTION 4 - YOUR COVER

4.1 This policy only pays a benefit when a life assured dies or qualifies for a Terminal Illness payment subject to the conditions described in this document. The policy schedule shows the level of life cover that we would pay.

In addition, the policy will pay a lump sum of €5,000 upon the death of a child of a life assured, subject to the conditions described in this document. Full details of this additional benefit are given in section 6.

For the purposes of this policy, Terminal Illness is defined as:

- A definite diagnosis by the attending Consultant and Caledonian Life's Chief Medical Officer 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 and Caledonian Life's Chief medical Officer is expected to lead to death within 12 months.

Your policy may also have an indexation option (see Section 8) or a conversion option (see Section 9).

Check your policy schedule to see which options (if any) apply to your policy.

4.2 If we accept a claim, we will pay the amount of benefit set out in the policy schedule adjusted for the amount (if any) by which it has been reduced (Mortgage Protection Assurance - see policy schedule) or increased (indexation option - see policy schedule). The benefit payable will be the level of the life cover on the date of death. If a life assured dies during a 'period of grace', we will also reduce the benefit by the amount of the unpaid premium.

4.3 All life cover will end and the policy will cease at the earliest of the following:

- at the end of a period of grace, if all or part of a premium has not been paid;
- on the policy expiry date, as shown in the policy schedule;
- when the policy is converted under Section 9;
- when a life assured dies or terminal illness payment is made (where there is only one life assured or cover is on a joint or multiple life first death basis); or
- when the second life assured dies (where cover is on a dual life basis).

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SECTION 5 - APPROVAL

This section only applies if the policy schedule states that this policy is a personal pension term assurance. This policy is a life assurance contract approved by the Revenue Commissioners under Section 785 of the Taxes Consolidation Act 1997. We cannot change the structure of the policy without the approval of the Revenue Commissioners. We do not have to accept further payments under the policy if the policy is no longer approved by the Revenue Commissioners.

SECTION 6 - CHILDREN'S LIFE COVER

On the death of an eligible child, as defined below, of a Life Assured (assuming a Life Cover benefit applies to that Life Assured) the company will pay €5,000. The policy will not end upon payment of the lump sum and the level of life cover will not be reduced. We will only pay the Children's Life Cover once in respect of each child. This applies even if both parents are Lives Assured, or even if a Life Assured is covered under more than one policy which provides similar benefits.

An eligible child is defined as a natural or legally adopted child who is aged between 3 months and their 18th birthday at the date of death and whose mother or father is a Life Assured under the policy. If the child is in full-time education, the child will qualify for the Children's Life Cover if they are aged between 3 months and 21st birthday at the date of death.

SECTION 7 - SPECIAL EVENTS INCREASE BENEFIT

This benefit is also known as a Guaranteed Insurability Option.

7.1 This option is only available to a Life Assured if they were accepted on standard terms and is not available if any special conditions apply, for example, if we applied any exclusions to the cover or included an extra premium for special terms. If the basis of cover is Joint Life, this option will only apply to the policy if both Lives Assured were accepted on standard terms. If the basis of cover is Dual Life then this option may only apply to one Life Assured. The availability of this option is subject to underwriting at the time the original policy is taken out.

7.2 If this option is included it allows you to increase the Life Cover on the policy, up to the limits set out below, without the need to supply further medical evidence, following any of these events:

- Increase in mortgage by a Life Assured either to purchase a new main residence or for home improvement of main residence;
- The marriage of a Life Assured;
- The birth or legal adoption of a child by a Life Assured.

7.3 The Life Assured must be under 55 years old at the time the option is exercised. If the basis of cover is Joint Life, both Lives Assured must be under 55 years old at the time the option is exercised. If the basis of cover is Dual Life, this option may be exercised separately in respect of each Life Assured.

7.4 You can increase your cover on more than one occasion, but the following limits apply:

The maximum increase in Life Cover for any one event is limited to whichever of the following amounts is lower:

- 50% of the relevant original level of Life Cover;
- or €100,000.

The maximum total increase in Life Cover for all events over the term of the policy is limited to whichever of the following amounts is lower:

- the relevant original level of Life Cover;
- or €200,000.

7.5 If the basis of cover is Joint Life, the maximum limits apply to the joint levels of cover and not individually. If the basis of cover is Dual Life, the maximum limits apply separately to each Life Assured's level of cover. In addition, if you have more than one policy with Caledonian Life, these limits apply across all of these policies and not separately to each of them.

7.6 Where the option is to be exercised for the purchase of a new main residence or home improvement, the maximum increase is also limited to the increase in the mortgage amount.

7.7 You must apply in writing to us within three months of the occurrence of the event if you wish to exercise this option. Caledonian Life will require evidence to show that the event has occurred.

7.8 You cannot increase your cover using this option:

- if we are currently considering a life or terminal illness claim (excluding Children's Life Cover);
- or, if you are no longer resident in the Republic of Ireland;
- or, for the purchase of a secondary residence or an overseas property.

7.9 Any increase in cover will:

- be based on the normal terms and conditions applicable for policies of this type at the date the option is exercised;
- have a term equal to the remaining term of the original policy;
- include any special conditions or restrictions as per the original policy conditions and policy schedule.

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7.10 If this option is exercised the premium will be recalculated accordingly each time the cover is increased. We will base your new premium on:

- the age of the Life Assured, or both Lives Assured if the basis of cover is Joint Life, at the date the increase in cover commences;
- the smoking habits of the Life Assured, or both Lives Assured if the basis of cover is Joint Life, at the date the increase in cover commences;
- any special terms as outlined in the original policy schedule or at any subsequent reinstatement under Section 2.2;
- and Caledonian Life's premium rates at the time of the increase.

SECTION 8 - INDEXATION OPTION

This section only applies if the policy schedule shows that an indexation option applies to this policy. This option works as follows:

- (a) At each increase date (see definitions section), we will automatically increase the amount of your cover unless you have told us in writing not to do so. The lives assured do not need to give evidence of health for these increases.
- (b) We will advise you at least four weeks before each increase date of the details of the increase. If you want to cancel an increase in cover, you must tell us in writing at least one week prior to the increase date. If you do not cancel an increase in cover, the increased premium will be due from the increase date and the increased life cover will apply. If cover is on a dual life basis, you can only cancel an increase in cover in respect of both lives assured and not on one life assured only.
- (c) The increase in cover will be 5% each year and your premiums will also increase by 5% each year.
- (d) If you cancel the increase three times during the term of the policy, we will not offer you any further increases. You should bear this in mind, as there is no other way of increasing the cover under your policy.
- (e) There will be no further increase in benefit or premium after the life assured, or the oldest life assured in the case of a joint or multiple life first death policy, has reached aged 65. For dual life policies, the increase in benefit and premium for each life assured will cease when they have reached aged 65.

SECTION 9 - CONVERSION OPTION

If the policy schedule shows that a conversion option applies, you can convert this policy into another policy provided by Caledonian Life without having to provide evidence of health. The new policy must commence on or before the conversion option expiry date, and (aside from waiving the medical underwriting requirements) will be subject to Caledonian Life's standard new business terms and conditions for life cover at the date of conversion.

The following conditions apply:

- (a) The policy must not have already ceased as per Section 4.3.
- (b) The level of life cover under the new policy cannot be greater than the level of cover under this policy on the date it is converted.
- (c) We will issue the new life policy under our normal terms which apply at the time this policy is converted. The premium payable will be calculated based on the age of the lives assured and Caledonian Life's rates for the class of policy selected at the time.
- (d) Any special conditions which attach to this policy will apply to the new policy. If we have charged an extra premium on this policy (e.g. for health reasons), we will also charge an extra premium on the new policy based on the premium rates in place at the time of conversion.
- (e) You must apply in writing before the conversion option expiry date.
- (f) A conversion option will not be available under the new policy.
- (g) When you take out the new policy, the cover under this policy will be immediately reduced by the level of life cover under the new policy. If the level of life cover under this policy is reduced to nil, this policy will be immediately cancelled and no further benefit will be payable under it.
- (h) The new policy will be of a type offered by us at that time.
- (i) In some circumstances, the conversion option will be subject to financial underwriting – refer to policy schedule to see if this applies. Where it does apply, we have the right to reduce the level of cover on conversion or disallow the conversion altogether if the evidence of financial justification submitted at the time does not, in the opinion of our underwriters, warrant the level of cover requested.
- (j) The maximum term, in years, of the new policy will be equal to the lesser of 40 and 85 minus the age next birthday, at the date of conversion, of the oldest Life Assured in respect of whom the new policy applies. Caledonian Life's maximum age of cessation for new business policies at the time of conversion will also apply.

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SECTION 10 - EXCLUSIONS

In addition to any conditions or exclusions outlined on your policy schedule, the following exclusion applies to your policy.

If a life assured dies within a year of the start date as a result of their own deliberate act, we will not pay you any benefit under the policy. However if the policy was transferred to someone else (except for a husband, wife or next of kin of the life assured) before the act which caused the death, we will pay the benefit subject to having received all relevant information as outlined in Section 2.1.

SECTION 11 - CLAIMS

11.1 Your benefits have been calculated on the basis that the date of birth of the lives assured is as shown on the application. In the event of a claim, we may ask for proof of the date of birth. If the date of birth on the application is not correct, we may recalculate the benefits in line with the correct date of birth. In some circumstances, we may refuse to pay any benefit if we would not have provided cover initially had we known your correct date of birth.

11.2 We will consider a claim when we have received the following:

- (a) Proof of death in the form of a death certificate, or any other proof we reasonably need.
- (b) Proof of entitlement to claim the benefits. This could include proof that you have followed these policy conditions and any special conditions contained in the policy schedule. We may ask the person making the claim for a grant of probate or letters of administration.
- (c) Proof (in the form of a birth certificate) of the age of the life assured.
- (d) The original policy documents. If they are not available, whoever makes the claim must accept legal responsibility and sign a document indemnifying us if it turns out that someone else is entitled to the benefit.

11.3 If we have not paid the death benefit two months after the date of notification of the death of the life assured, interest shall accrue monthly from that time at a rate which is 0.25% per annum below the European Central Bank base rate. Interest may accrue until the death benefit has been paid.

11.4 If any information we have been given is not correct, true or complete, we may not pay the death claim.

11.5 If cover is on a dual life basis and one of the lives assured has died, cover can continue for the second life assured provided that the premium is still paid.

We will reduce the premium to reflect the fact that only one life is now covered.

SECTION 12 - TAX

Under current law, we do not deduct any tax from the benefit. However, tax is payable on any interest we pay - see Section 11.3. If tax laws change after the start date, we may change the policy conditions of the policy if we need to keep the policy in line with those changes. We will write and tell you about any changes in the policy conditions.

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SECTION 13 - DATA PROTECTION

All personal information supplied by you in connection with your application will be treated in confidence by Caledonian Life and will not be disclosed to any third parties, except where your consent has been received or where permitted by law.

SECTION 14 - OTHER INFORMATION

14.1 This policy does not have any encashment value.

14.2 This policy is governed by the laws of Ireland and the Irish courts are the only courts which are entitled to hear any dispute. If any relevant laws change after the start date, we may change the policy conditions of the policy if we need to keep the policy in line with those changes. We will write and tell you about any changes in the policy conditions.

14.3 If you transfer the benefit of this policy to someone else, the person you assign it to must write and tell us at:

Caledonian Life
Caledonian House
47 St. Stephen's Green
Dublin 2
Ireland

Notes

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Caledonian Life

Protecting you and your world

Operating in Ireland for over 140 years and building on the foundations of Caledonian Insurance Company and Guardian Life, Caledonian Life was launched in January 2001 as a new force in financial services. Caledonian Life policies are only sold through Brokers – financial advisers who are authorised by the Central Bank of Ireland.

Dedicated to providing some of the market's most competitive and comprehensive Protection products, Caledonian Life has offices in Dublin, Cork and Limerick.

Caledonian Life is a division of the Royal London Group, the UK's largest mutual life and pensions provider, established in 1861 and currently responsible for funds under management of approximately €50 billion. The Group businesses serve around 3 million customers and employ 2,630 people*. So you can rest assured you're in safe hands.

Please visit www.royallondongroup.co.uk for more details.

* 01/07/2011.

Broker Stamp

www.caledonianlife.ie

We'd be delighted to get your feedback on the content and clarity of this booklet, simply contact your Broker or email: feedback@caledonianlife.ie

Caledonian Life is a division of the Royal London Group which consists of The Royal London Mutual Insurance Society Limited and its subsidiaries. The Royal London Mutual Insurance Society Limited adheres to the codes of conduct issued by the Central Bank of Ireland and is authorised and regulated by the UK Financial Services Authority (registration number 117672).

The Royal London Mutual Insurance Society Limited is registered in England and Wales, number 99064. Registered office: 55 Gracechurch Street, London EC3V 0RL, United Kingdom. Address in Ireland: 47 St. Stephen's Green, Dublin 2.

All information is valid at the time of going to print at 31/10/2011.

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