

Loan Protection Insurance

Your policy document...

...cover that's a comfort,
should the unexpected happen.



Alternative formats

The information within this document is available in alternative formats such as Braille, audio tape or large print. Please call 0800 731 9046 if you wish to receive it in one of these formats and we will be happy to help.

We accept calls made through RNID Typetalk. Some calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

Your Loan Protection Insurance Policy is underwritten by Lloyds TSB General Insurance Limited (Company No. 204373) and Scottish Widows plc (Company No. 199549).

Both of these insurers are authorised and regulated by the Financial Services Authority (FSA). The main business of Lloyds TSB General Insurance Limited is insurance and the main business of Scottish Widows plc is life assurance, pensions and investments.

Lloyds TSB General Insurance Limited, registered in England: 25 Gresham Street, London EC2V 7HN. FSA No. 202091. Scottish Widows plc, registered in Scotland, registered office in the United Kingdom at 69 Morrison Street, Edinburgh EH3 8YF. FSA No. 191517.

www.lloydstsb.com/insurance

Useful numbers and addresses

Claims

You can register a claim by telephone or fax on these numbers:

Phone 0845 300 0123

Fax 01633 468819

If you would like to use our minicom service, let us know your telephone number and an advisor will call you back.

Enquiries

If you would like to contact us about anything else, for example, to discuss how your claim is progressing, you can call us on the claims telephone number. You can also email or write to us at the address below. Please note that you will need to quote your loan account number and contact details at this point.

Email* rcreditor.health@lloydstsb.co.uk

Post Lloyds TSB Insurance, Tredegar Park,
Newport, South Wales NP10 8SB

Positive Job Solutions

For job information or employment advice:

Phone 0845 300 6018

The Positive Job Solutions service is provided by Jobcare Services Limited. Registered in England, No. 2064316. Registered Office, GT House, 24-26 Rothesay Road, Luton, Bedfordshire LU1 1QX.

Telephone call costs, call recording and call monitoring

Calls to 0845 numbers are charged at local rate from UK landlines. Calls to 0800 numbers are free from UK landlines. These charges may differ if calling from a mobile.

Please note that telephone calls may be recorded and/or monitored.

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*Please be aware that we cannot be held responsible for the security of any personal data sent via email.

Introduction

Thank you for taking out your Loan Protection Insurance policy with Lloyds TSB Insurance.

This booklet is **your** Loan Protection policy document: it explains how **your** policy works should **you** need to make a claim and contains all the contractual terms and conditions which apply.

To ensure **you** get the best from **your** Loan Protection Insurance, please read this policy document carefully. It details the benefits of the cover that may be available to **you** and the qualifying criteria for those benefits.

Words and phrases in bold have certain meanings within this policy document and these are explained on pages 6-9.

These terms and conditions only apply to loan protection insurance policies entered into on or after 21 April 2008.

How do I pay for this Loan Protection Insurance policy?

Your insurance policy premium (inclusive of Insurance Premium Tax) is paid for in one lump sum, either by:

- paying the full cost of the premium in cash or

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- adding the full cost of the premium to the amount **you** have borrowed and repaying this amount over the term of the loan. This means that interest will be applied to the premium where applicable. Please refer to **your** Consumer Credit Act form for full details of the interest payable.

If **you** want to change **your** mind

If **you** decide that **you** don't want **your** Loan Protection Insurance policy or it doesn't meet **your** needs, **we** will refund **your** money in full if **you** tell **us** this in writing within 30 days of signing **your** Loan Agreement unless a claim has been made and settlement terms have been agreed. The contract between **you** and **us** will then be treated as if it had never happened.

Please write to **us** at:

Lloyds TSB Personal Loans Service Centre, Peterlee,
County Durham SR8 2RS

If **you** want to cancel **your** Loan Protection Insurance after the first 30 days **you** may do this – please contact **us** on 0800 056 7698. **You** may then be eligible for a refund of part of **your** premium.

For full details, please refer to the 'How do I cancel my Loan Protection Insurance policy?' section of this policy document on page 34.

Our promise to you

We aim to provide an excellent service at all times, by answering **your questions as quickly as possible and always within five working days to make the claims process as straightforward as possible.**

If **you** are unhappy with any part of the service **we** provide, please contact **our** Customer Care team:

Phone 0845 300 5599

Fax 01633 468835

Email* customer.care.insurance@lloydstsb.co.uk

Post Customer Care, Lloyds TSB Insurance,
Tredgar Park, Newport, South Wales NP10 8SB

If **you** feel that **your** complaint hasn't been answered satisfactorily, please write to the Managing Director at the address above, or

Email* managing.director.insurance@lloydstsb.co.uk

Finally, if **you** are still not happy with the way in which **we** have handled **your** complaint, **you** can then contact the Financial Ombudsman Service (FOS) at:

Phone 0845 080 1800

Post The Insurance Division, Financial Ombudsman Service,
South Quay Plaza, 183 Marsh Wall, London E14 9SR

Contacting the FOS will not affect **your** legal rights.

* Please be aware that we cannot be held responsible for the security of any personal data sent via email.

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Definitions

The following words and phrases are used within this policy document and this section explains exactly what they mean. **We have set them out in alphabetical order for ease of reference and wherever they are used within this policy document, they will appear in bold.**

Accident

A sudden and unforeseen event that happens by chance and results in bodily injury.

Critical Illness

Cancer – excluding less advanced cases

Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue. The term malignant tumour includes leukaemia, lymphoma and sarcoma.

For the above definition, the following are not covered:

- All cancers which are histologically classified as any of the following:
 - pre-malignant;
 - non-invasive;
 - cancer in-situ;
 - having either borderline malignancy; or
 - having low malignant potential.
- All tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0MO.
- Chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A.
- Any skin cancer other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

Coronary artery by-pass grafts – with surgery to divide the breastbone

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist to correct narrowing or blockage of one or more coronary arteries with by-pass grafts.

Heart attack – of specified severity

Death of heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:

- Typical clinical symptoms (for example, characteristic chest pain).
- New characteristic electrocardiographic changes.
- The characteristic rise of cardiac enzymes or Troponins recorded at the following levels or higher:
 - Troponin T > 1.0 ng/ml
 - AccuTnl > 0.5 ng /ml or equivalent threshold with other Troponin 1 methods.

The evidence must show a definite acute myocardial infarction.

For the above definition the following are not covered:

- Other acute coronary syndromes, including but not limited to angina.

Kidney failure – requiring dialysis

Chronic and end stage failure of both kidneys to function, as a result of which regular dialysis is necessary.

Major organ transplant

The undergoing as a recipient of a transplant of bone marrow or of a complete heart, kidney, liver, lung or pancreas, or inclusion on an official waiting list for such a procedure.

For the above definition, the following is not covered:

- Transplant of any other organs, parts of organs, tissues or cells.

Stroke – resulting in permanent symptoms

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- Transient Ischaemic Attack.
- Traumatic injury to brain tissue or blood vessels.

Deferred period

The agreed time between the date you sign your Loan Agreement and the date of your first loan repayment, which is shown in your Loan Agreement.

Doctor

A qualified and registered medical practitioner other than you or a member of your immediate family.

Definitions (continued)

Employed

In employment for which you are paid, or in self-employment.

Employment

Carrying out work for which you are paid, or self-employment.

Hospital

A lawfully operated establishment which has accommodation for resident patients with facilities for diagnosis and major surgery and provides a 24 hour a day nursing service by registered nurses. A convalescent, nursing or rest home, or similar section of a hospital is specifically excluded.

In-patient

Any time spent in hospital that involves an overnight stay.

Loan Agreement

This is the Lloyds TSB Personal Loan Agreement, including the Consumer Credit Agreement, you made with Lloyds TSB.

Loan Protection Insurance policy

This Loan Protection insurance contract between you and us.

Non-employed person (choosing not to work)

A person who is not employed and is all of the following:

- choosing not to work;
- not retired;
- not unemployed;
- not a student in full or part-time education;
- not certified as being sick by a doctor, unless solely as a result of a claim under this Loan Protection Insurance policy;
- not reached age 65.

Pre-existing condition

Any condition, injury, illness, disease, sickness or related condition and/or associated symptoms, whether diagnosed or not which you:

- knew about or should reasonably have known about on the date that you signed your Loan Agreement, or
 - had seen or arranged to see a doctor about during the 12 months immediately before the date you signed your Loan Agreement,
- and which occurs again within 12 months of the date you signed your Loan Agreement.

Related condition

Any symptom, disease, illness or injury which reasonable medical opinion considers to be associated with another symptom, disease, illness or injury.

Repayment holiday

Any calendar month during which Lloyds TSB Bank plc has agreed to suspend your monthly loan repayment under the terms of your Loan Agreement.

Retired

You have stopped working in employment and have no intention to return.

Total loan amount

The original amount borrowed including your Loan Protection Insurance policy premium.

Treatment

Surgical or medical services, e.g. X-ray, that are needed to diagnose, relieve or cure a disease, illness or injury.

Unemployed or unemployment

Out of employment and seeking to return to employment.

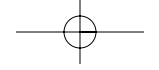
We, us or our

The providers of the insurance cover, who are:

- Lloyds TSB General Insurance Limited for Accident or Sickness and Hospitalisation cover for loan terms of less than five years and Unemployment cover for all loan terms.
- Scottish Widows plc for Accident or Sickness and Hospitalisation cover for loan terms of five years and over and Life and Critical Illness cover for all terms.

You or your

The person covered by this Loan Protection Insurance policy, shown as the first person named on the Loan Agreement.



Are you eligible for this policy?

You are eligible for this policy if, on the date that you signed your Loan Agreement, all of the points below applied to you:

- 1 You** are 18 or over and under 75 throughout the term of **your Loan Agreement**.
- 2 You** are either **employed, retired** or a **non-employed person (choosing not to work)**.
- 3 You** are resident in the UK, Channel Islands or the Isle of Man.
- 4 You** signed **your Loan Agreement** as a private individual and not as a business.
- 5 You** are the first named person on the **Loan Agreement** if **your loan** is in joint names.
- 6** None of the following points apply to **you**.

You are not eligible for this policy if, on the date that you signed your Loan Agreement, any of the points below applied to you:

- 1 You** are **unemployed**.
- 2 You** are in receipt of Incapacity Benefit from the relevant government authority.
- 3 You** are acting as a guarantor.
- 4 You** are solely a student and not working.

Please note: This **Loan Protection Insurance policy** is only available for a loan of £25,000 or less (not including the premium for this **Loan Protection Insurance policy**).

Important notes:

You should refer to each cover section to ensure **you** understand the cover that **you** are eligible for and the exclusions that apply. However, there are certain exclusions and limitations that are particularly relevant when **you** decide to take out this policy. These are:

- 1 If you** are sick, or injured through an **accident when you signed your Loan Agreement**
If **you** are **employed, your** cover will not begin until **you** have returned to work for at least 14 consecutive days.

If **you** are **retired** or a **non-employed person (choosing not to work), your** cover will not begin until **you** have recovered from **your accident** or sickness for at least 14 consecutive days.

- 2 Pre-existing conditions**
This policy does not cover **pre-existing conditions** unless **you** have been symptom free and have not consulted a **doctor** or received **treatment** for the condition in the 24 months prior to **your** claim.

Please refer to the definition of **pre-existing conditions** on page 9. If this applies to **you** and **your** loan was refinanced, please refer to the Refinanced Loans section of this policy document on page 32.

- 3 Unemployment**
 - You** will only be eligible for **Unemployment** cover when **you** have been continuously **employed** for at least 16 hours per week for a minimum period of six months either on the date that **you** signed **your Loan Agreement** or during the term of **your Loan Protection Insurance policy**.
 - This policy will not pay for any **unemployment** that **you** were aware of or should reasonably have known about when **you** signed **your Loan Agreement**, whether **you** had received official notice or not.
 - This policy will not pay for any **unemployment** that **you** were advised of or which happens during the first 30 days following the start date.

If the last two bullets apply to **you** and **your** loan was refinanced, please refer to the Refinanced loans section of this policy document on page 32.

- 4 Hospitalisation**
This policy will not pay for any period of hospitalisation which **you** were aware of when **you** signed **your Loan Agreement**.

Your circumstances and age may affect the benefits that **you** can claim during the term of **your Loan Protection Insurance policy**.

For full details, please refer to the eligibility sections for each appropriate benefit:

Unemployment coverpage 16

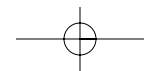
Accident or Sickness coverpage 22

Critical Illness coverpage 26

Hospitalisation coverpage 28

Life coverpage 31

Alternatively, please contact **us** using the details provided on the inside front cover.



How to make a claim

Here's what **you** need to do:

- 1 Please refer to the appropriate benefit section of this policy document to see if **you** are eligible to make a claim.
- 2 To register **your** claim, please call **us** on 0845 300 0123 or fax **us** on 01633 468819. **Our** lines are open from 8am to 6pm Monday to Friday and 9am to 1pm on Saturday. If **you** would like to use **our** minicom service, let **us** know **your** telephone number and an advisor will call **you** back.
- 3 Once **you** have registered **your** claim, **we** will send **you** a claim statement that will have been partially completed from **our** records. **You** will then need to have all sections completed by the relevant people e.g. **your doctor**.
- 4 Once completed, please return the claim statement together with any supporting evidence to **us** in the pre-paid envelope supplied.
- 5 Any correspondence relating to **your** claim should be sent to:
Lloyds TSB Insurance, Tredegar Park, Newport,
South Wales NP10 8SB

Important

It is important that **you** keep **your** loan repayments up to date while **your** claim is being assessed.

Providing evidence when **you** claim

You will be required to provide any evidence or information **we** might reasonably ask for, such as evidence from third parties including **your doctor** or employer. Any evidence **we** receive must be in English (**you** will be responsible for providing evidence translated into English at **your** own expense). Without this information, **your** claim may not be paid. Please note **we** will not pay for any costs incurred in obtaining this information.

If **you** continue to be sick or absent from work, **we** may ask **you** to undergo an independent medical examination at **our** expense.

If any claim under this **Loan Protection Insurance policy** is fraudulent or intended to mislead **us**, **your** right to any benefit will end and **we** will be entitled to recover any benefit paid and costs incurred.

Life claims

Your next of kin should contact any Lloyds TSB branch where staff will take care of the claim on their behalf.

State benefits

If **you** make a claim under this **Loan Protection Insurance policy you** can still claim state benefits, although they may be affected by **your Loan Protection Insurance policy** benefit payments. For more details, please ask at **your** local employment service.

Taxation

There may be a potential inheritance tax liability on the excess of any Life benefit payment over the outstanding loan amount.

Policy benefits at a glance

This table briefly outlines the cover **you** may be eligible for under **your Loan Protection Insurance policy** and how any change in **your** circumstances or age may affect it.

Your status at point of claim	Unemployment cover	Positive Job Solutions	Accident or Sickness cover	Plus bonus 10% cash payment	Critical Illness cover	Hospitalisation cover	Life cover
If at the point of claim you are under 65 and have been employed (including self-employed) for 16 hours or <u>more</u> per week.	✓	✓	✓	✗	✓	✗	✓
If at the point of claim you are under 65 and: <ul style="list-style-type: none"> • employed (including self-employed) for <u>fewer</u> than 16 hours a week, or • a non-employed person (choosing not to work), or • retired. 	✗	✓	✓	✓	✓	✓	✓
If at the point of claim you are 65 or over.	✗	✓	✗	✗	✓	✓	✓

If **your** circumstances change during the term of **your Loan Agreement**, it may affect the benefits **you** are eligible for under **your Loan Protection Insurance policy**.

For example, if, while claiming, **you** reach the age of 65, any **Unemployment** or **Accident** or Sickness benefit payments will stop.

How **repayment holidays** could affect **your** eligibility for cover and the benefits that **you** may receive.

For each **repayment holiday** that **you** take during the period of **your Loan Agreement**, the term of **your Loan Agreement** will be extended and **we** will extend the term of **your Loan Protection Insurance policy** by the same length of time.

Before taking a **repayment holiday**, it is important to understand that extending the term of **your Loan Agreement** may affect **your** eligibility for cover at the time **you** may wish to claim.

For example: If **you** take a **repayment holiday** and this extends the term of **your Loan Agreement** past **your** 65th birthday, **you** will then become ineligible for **Accident** or Sickness cover and **Unemployment** cover.

For full details, please refer to the repayment holiday sections for each appropriate benefit.

Unemployment coverpage 17
 Accident or Sickness coverpage 23

If **you** take a **repayment holiday** and this extends the term of **your Loan Agreement** past **your** 75th birthday, Life cover, **Critical Illness** cover and Hospitalisation cover will continue until:

- **your Loan Agreement** comes to an end, or
- the **total loan amount** or the amount **you** owe under **your Loan Agreement** (less any arrears) has been paid under a **Critical Illness** or Life claim, or
- **you** enter into an Individual Voluntary Arrangement in respect of **your** debts, or are made bankrupt, or
- **your** debt is transferred to another person, whichever is the earliest.

Unemployment cover

Unemployment cover provides a monthly benefit, equal to the monthly repayment under **your Loan Agreement**, subject to the provisions set out below:

Your eligibility

You will be eligible to claim Unemployment benefit under this Loan Protection Insurance policy if all of the points below apply to you when you make a claim:

- You** are under 65.
- You** are **employed** for at least 16 hours per week and have been paying the correct tax and National Insurance contributions immediately prior to **your** claim.
- You** have been continuously **employed** for at least 16 hours per week for a minimum period of six months either on the date **you** signed **your Loan Agreement** or during the term of **your Loan Protection Insurance policy**.
- None of the exclusions listed on pages 18-19 apply to **you**.

You will not be eligible to claim Unemployment benefit under this Loan Protection Insurance policy if any of the following points apply to you when you make a claim:

- You** are 65 or over.
- You** have not been **employed** for 16 hours or more per week and have not been paying the correct tax and National Insurance contributions immediately prior to **your** claim.

- You** have not been continuously **employed** for 16 hours or more per week for a minimum period of six months either on the date **you** signed **your Loan Agreement** or during the term of **your Loan Protection Insurance policy**.
- You** are **retired**.
- You** are a **non-employed person (choosing not to work)**.
- Any of the exclusions listed on pages 18-19 apply to **you**.

Please note: **You** may be able to claim **Unemployment** benefit under this **Loan Protection Insurance policy** if **you** have voluntarily left **employment** to become a carer.

Please refer to the section entitled 'What if I become a carer?'

You will only be covered for a period of unemployment during which:

- You** are available for work, actively seeking work and certified as **unemployed** with:
 - the Department for Work and Pensions in Great Britain, or
 - the Department for Social Development in Northern Ireland, or
 - the State's Insurance Authorities in the Channel Islands or an EU member state, and
- You** are not being paid by **your** employer in lieu of notice, and
- You** are meeting the Jobseeker's Agreement within the UK, or equivalent agreements within Northern Ireland, the Channel Islands or an EU member state.

Please note: If **you** are ineligible for a Jobseeker's Agreement, **you** must be able to provide ongoing alternative evidence acceptable to **us** that **you** are **unemployed** and actively seeking work of at least 16 hours per week. This could include copies of job applications, responses and registration with job agencies.

If during **your** claim **you** participate in a government training scheme to improve **your employment** prospects, **your** claim can continue as long as **you** can continue to provide ongoing evidence that **you** are actively seeking **employment**.

- If **you** are self-employed and **you** own **your** own company as a sole trader or partner in a partnership and are able to control the affairs of the company, **you** have involuntarily ceased trading because **you** could not find enough work to meet all **your** reasonable business and living expenses and have declared this to HM Revenue & Customs.

What if I become a carer?

You will be eligible to claim **Unemployment** benefit under this **Loan Protection Insurance policy** if **you** have voluntarily left work to become a carer and the following points apply to **you**:

- You** are caring for an immediate member of **your** family (i.e. spouse, civil partner, live in partner, child or parent) on a full time basis.

- You** can provide proof that **you** are either in receipt of or awaiting a Carer's Allowance from the Department for Work and Pensions.
- On the start date of this policy **you** were unaware of the need, or the likely need, at any time in the future to become a carer.

If **you** cease to become a carer **you** must let **us** know immediately as **we** will then reassess the basis on which **we** are paying **your** claim.

Deferred or Further Education loans

If **you** have a deferred or further education loan, **Unemployment** cover will start 15 days after **your deferred period** comes to an end. **Your** benefit will be calculated from the first full day of **unemployment** following the end of **your deferred period**.

Repayment holidays

If **you** have taken a **repayment holiday**, please note that **Unemployment** cover is not available during the calendar month in which **your** loan repayment has been suspended. If **you** are made **unemployed** during the month of **your repayment holiday**, **Unemployment** cover will start after the end of that month provided **you** have been **unemployed** for 15 consecutive days or more.

Unemployment cover (continued)

Your eligibility (continued)

Your benefit will be calculated from the first full day of the next calendar month. For example, if **your** loan repayment is due in March and **you** have taken a **repayment holiday**, **you** will not be eligible to claim for **Unemployment** benefit during March.

If after the end of March **you** are still **unemployed** and have been **unemployed** for 15 consecutive days or more, **you** will be able to claim on or after 1 April, and **your** claim will be backdated to 1 April.

You are not able to take a **repayment holiday** if **you** are claiming **Unemployment** benefit under this **Loan Protection Insurance policy**.

Exclusions

You will not be covered for any period of **unemployment** which:

- lasts for less than 15 complete and consecutive days, or
- immediately follows a period of casual or temporary work, or
- immediately follows a period of training, probation or apprenticeship, or
- is normal in **your** line of work (e.g. seasonal or where **your** contract is for a specific task), or
- results from the end of a fixed-term contract, except where **you** have:

- worked continuously for the same employer for at least 24 months, or
- been on a contract for at least 12 months and had that contract renewed at least once, or
- originally been **employed** on a permanent basis by the same employer but were transferred to a fixed term contract by the employer without a break in **your employment**, or

- **you** are notified of, or which begins within 30 days of **you** signing **your Loan Agreement**. (If this exclusion applies to **you** and **your** loan was refinanced, please refer to the Refinanced Loans section of this policy document on page 32), or
- **you** were aware of, or should reasonably have known about, when **you** signed **your Loan Agreement** whether or not **you** received official notice (if this exclusion applies to **you** and **your** loan was refinanced, please refer to the Refinanced loans section of this policy document on page 32), or
- was caused by or is a result of:
 - **your** dismissal for misconduct/gross misconduct, or
 - any intentional act by **you**, or
 - **your** resignation, voluntary **unemployment** or voluntary redundancy (if **you** have voluntarily left **employment** to become a carer please refer to the section entitled 'What if I become a carer?' on page 17 of this policy document), or

- occurs whilst **you** are working outside the UK, the Channel Islands, Isle of Man or the EU, unless **your** employer is based in the UK, the Channel Islands, Isle of Man or the EU, or
- is due to any **pre-existing condition**. However, a claim may be accepted if **you** remain symptom free and have not consulted a **doctor** or received **treatment** for the condition for a full 24 months prior to **your** claim. If **you** have had appointments to see a **doctor** within this 24 month period and these were not kept, the exclusion will still apply (if this exclusion applies to **you** and **your** loan was refinanced, please refer to the Refinanced loans section of this policy document on page 32), or
- is as a result of alcohol or drug abuse. Inappropriate use of alcohol or drugs, including but not limited to the following:
 - consuming too much alcohol, or
 - taking an overdose of drugs, whether lawfully prescribed or otherwise, or
 - taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription, or
- is as a result of cosmetic surgery, unless medically necessary e.g. reconstructive, or
- is not supported by the required evidence, or
- arises from **you** taking part in any criminal act, or

- is as a direct result of war and civil commotion: War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

If **you** are claiming benefit for **Accident** or Sickness, **you** cannot claim **Unemployment** benefit at the same time.

How we pay your benefit

Your benefit payments will be the same amount as **your** monthly loan repayments and will be made directly into **your** loan account, or the bank account **you** are using to repay **your** loan for the credit of **your** loan account.

Benefit will be calculated from the first full day of **your unemployment**. Subject to receipt of the required evidence, **your** payment will be made after each continuous and complete 30 day period. If **your** claim lasts between 15 and 30 days, payment will be made sooner on a pro-rata basis.

If **your** claim finishes during one of these 30 day periods, **we** may pay **your** benefit up to the date **your** claim ends, on a pro-rata basis.

Benefit will not be paid for any **repayment holiday** period.

Unemployment cover (continued)

Your Unemployment claim will end when:

- **you** return to work, or
- **you** have received the maximum 12 monthly benefit payments, or
- **you** retire from **employment**, or
- **you** reach the age of 65, or
- **your** cover ends, as described in the section of this policy document entitled 'How long will my Loan Protection Insurance policy last?' on page 33, whichever is the earliest.

Making further claims

You can receive a maximum of 12 monthly **Unemployment** benefit payments in one claim. If **you** return to work before 12 payments have been made and are **unemployed** again within six months, **your** previous claim may continue. After that, **you** need to have worked for at least 16 hours a week for six consecutive months before making a new claim.

Periods of **unemployment** separated by a maximum of six months temporary or part-time **employment** will also be treated as one continuous period of **unemployment**.

If **your** circumstances change during **your** claim

You must notify **us** immediately, using the contact details provided on page 12, if **your** circumstances change during **your** claim.

We will then re-assess the basis on which **we** are paying **your** claim, but **you** will not be subject to the usual qualifying periods.

For example: If **you** are receiving **Unemployment** benefit and during **your** claim **you** have an **accident** or become sick, **we** will change **your** claim to **Accident** or **Sickness** and continue paying benefit without any qualifying period.

Positive Job Solutions

For the cost of a local rate call, Positive Job Solutions is a confidential and independent telephone advice service, available to **you** and any member of **your** family who lives with **you**.

A specialist team of advisors will discuss any concerns or questions **you** might have and help **you** get back to work as soon as possible. This includes a free guide on everything from preparing CVs and application letters to advice on self-employment. **You** will also have access to a national job vacancy database.

You can use the confidential advice service at any time during the life of **your Loan Protection Insurance policy** – even for advice on looking for a new job or changing career.

How to contact Positive Job Solutions

Call 0845 300 6018 between 8am and 8pm Monday to Friday or between 8am and 12 noon on Saturdays.

Accident or Sickness cover

Accident or Sickness cover provides **you** with a monthly benefit, equal to the monthly repayment under **your Loan Agreement**, subject to the provisions set out below:

Your eligibility

You will be eligible to claim Accident or Sickness benefit under this Loan Protection Insurance policy if when you make a claim:

- 1 **You** are under 65, and
- 2 **You** are **employed** and off work due to **accident** or sickness, or
- 3 **You** are a **non-employed person (choosing not to work)** or **retired** and would be considered unable to perform the duties of a retail shop assistant due to **accident** or sickness, and
- 4 None of the exclusions listed on pages 23 and 24 apply to **you**.

You will not be eligible to claim Accident or Sickness benefit under this Loan Protection Insurance policy if any of the following points apply when you make a claim:

- 1 **You** are 65, or over.
- 2 **You** are **employed** and working.
- 3 **You** are a **non-employed person (choosing not to work)** or **retired**, and would be considered capable of performing the duties of a retail shop assistant.

- 4 **You** are **unemployed**, unless already claiming **Unemployment** benefit under this **Loan Protection Insurance policy**.
- 5 **You** are solely a student and not working.
- 6 Any of the exclusions listed on pages 23 and 24 apply to **you**.

You will only be covered for a period of accident or sickness during which:

Your accident or sickness has been certified by a **doctor**. (However **you** can self-certify as sick for the first seven days).

Deferred or Further Education loans

If **you** have a deferred or further education loan, **Accident** or Sickness cover will start 15 days after **your deferred period** comes to an end. **Your** benefit will be calculated from **your** first full day of **accident** or sickness following the end of **your deferred period**

Please note: if **you** are **employed** and **you** are receiving sick pay from **your** employer, **you** do not have to wait until **your** sick pay has ended before **you** submit **your Accident** or Sickness claim. **You** can still receive **Accident** or Sickness benefit even if **you** are also receiving sick pay from **your** employer.

Repayment holidays

If **you** have taken a **repayment holiday**, please note that **Accident** or Sickness cover is not available during the calendar month in which **your** loan repayment has been suspended. If **you** have an **accident** or are sick during the month of **your repayment holiday**, **Accident** or Sickness cover will start after the end of that month provided **you** have been injured due to an **accident** or **you** have been sick for 15 consecutive days or more. **Your** benefit will be calculated from the first full day of the next calendar month.

For example, if **your** loan repayment is due in March and **you** have taken a **repayment holiday**, **you** will not be eligible to claim for **Accident** or Sickness benefit during March. If after the end of March **you** are still injured due to an **accident**, or are sick, for 15 days or more **you** will be able to claim on or after 1 April, and **your** claim will be backdated to 1 April.

You are not able to take a **repayment holiday** if **you** are claiming **Accident** or Sickness benefit under this **Loan Protection Insurance Policy**.

Exclusions

You will not be covered for any period of **accident** or sickness which:

- lasts for less than 15 complete and consecutive days, or
- is due to any **pre-existing condition**. However, a claim may be accepted if **you** remain symptom free and have not consulted a **doctor** or received **treatment** for the condition for a full 24 months prior to **your** claim. If **you** have had appointments to see a **doctor** within this 24 month period and these were not kept, the exclusion will still apply (if this exclusion applies to **you** and **your** loan was refinanced, please refer to the Refinanced loans section of this policy document on page 32), or
- is as a result of alcohol or drug abuse: Inappropriate use of alcohol or drugs, including but not limited to the following:
 - consuming too much alcohol, or
 - taking an overdose of drugs, whether lawfully prescribed or otherwise, or
 - taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription, or
- is as a result of cosmetic surgery unless medically necessary e.g. reconstructive, or

Accident or Sickness cover (continued)

Exclusions (continued)

- is due to intentional, self-inflicted injury, or
- is not supported by the required evidence, or
- arises from **you** taking part in any criminal act, or
- is as a direct result of war and civil commotion:
War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

If **you** are claiming benefit for **Unemployment**, **you** cannot claim **Accident** or Sickness benefit at the same time.

How we pay your benefit

Your benefit payments will be the same amount as **your** monthly loan repayments and will be made directly into **your** loan account, or the bank account **you** are using to repay **your** loan for the credit of **your** loan account.

Benefit will be calculated from the first full day of **your accident** or sickness. Subject to receipt of the required evidence, **your** payment will be made after each continuous and complete 30 day period. If **your** claim lasts between 15 and 30 days, payment will be made sooner on a pro-rata basis.

If **your** claim finishes during one of these 30 day periods, **we** will pay **your** benefit up to the date **your** claim ends, on a pro-rata basis.

Benefit will not be paid for any **repayment holiday** period.

You will also receive a bonus cash payment directly to the bank account **you** are using to repay **your** loan, equal to 10% of **your** monthly benefit payment if **you** are:

- a **non-employed person (choosing not to work)**, or
- **retired**, or
- **employed** for less than 16 hours per week, and
- aged less than 65.

Your Accident or Sickness claim will end when:

- **you** return to work (if during **your** claim, **you** find part-time work of less than 16 hours per week through a government initiative, **your** claim can continue as long as **you** are in receipt of Incapacity Benefit and **you** are working fewer hours than those worked prior to **your** claim), or
- **your** period of **accident** or sickness ends, or
- **you** reach the age of 65, or
- **your** cover ends, as described in the section of this policy document entitled 'How long will my Loan Protection Insurance policy last?' on page 33, whichever is the earliest.

If your circumstances change during your claim

You must notify **us** immediately, using the contact details provided on page 12, if **your** circumstances change during **your** claim. **We** will then re-assess the basis on which **we** are paying **your** claim, but **you** will not be subject to the usual qualifying periods. For example:

- If **you** are receiving **Accident** or Sickness benefit and during **your** claim **you** become **unemployed** **we** may change **your** claim to **Unemployment** and continue paying benefit without any qualifying period.
- If **you** are receiving **Accident** or Sickness benefit and during **your** claim **you** become eligible for Hospitalisation cover, **you** may claim without waiting a further three consecutive nights.

Critical Illness cover

Critical Illness cover provides a benefit equal to the **total loan amount** or the amount **you** still owe under **your Loan Agreement** (less any arrears), whichever is greater, subject to the provisions set out below:

Your eligibility

You will be eligible to claim **Critical Illness** benefit under this **Loan Protection Insurance policy** if **you** are diagnosed by a **doctor** as suffering from, or **you** need an operation for any of the following **Critical Illnesses**, and none of the exclusions listed on pages 26 and 27 apply to **you**.

These headings are only a guide to what is covered. The full definitions of the illnesses covered are given in the Definitions section on pages 6 and 7:

- **Cancer** – excluding less advanced cases
- **Coronary artery by-pass grafts** – with surgery to divide the breastbone
- **Heart attack** – of specified severity
- **Kidney failure** – requiring dialysis
- **Major organ transplant**
- **Stroke** – resulting in permanent symptoms.

Repayment holidays

You are unable to take a **repayment holiday** if **you** are in the process of claiming a **Critical Illness** benefit under this **Loan Protection Insurance Policy**.

Exclusions

You will not be covered for any **Critical Illness** which:

- is due to any **pre-existing condition**. However, a claim may be accepted if **you** remain symptom free and have not consulted a **doctor** or received **treatment** for the condition for a full 24 months prior to **your** claim. If **you** have had appointments to see a **doctor** within this 24 month period and these were not kept, the exclusion will still apply (if this exclusion applies to **you** and **your** loan was refinanced, please refer to the Refinanced loans section of this policy document on page 32), or
- is as a result of alcohol or drug abuse: Inappropriate use of alcohol or drugs, including but not limited to the following:
 - consuming too much alcohol, or
 - taking an overdose of drugs, whether lawfully prescribed or otherwise, or
 - taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription, or

- is due to intentional, self-inflicted injury, or
- is not supported by the required evidence, or
- arises from **you** taking part in any criminal act, or
- has previously been paid under the Refinanced loans section of this policy (if this exclusion applies to **you**, please refer to the Making further claims section on page 27), or
- is as a direct result of war and civil commotion: War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

How we pay your benefit

We will make a payment straight into **your** loan account, or into the bank account **you** are using to repay **your** loan for the credit of **your** loan account. This payment will be for whichever is the higher of:

- The **total loan amount**, or
- The amount **you** still owe under **your Loan Agreement** less any arrears.

Making further claims

All cover will end on repayment of the amount **you** still owe under **your Loan Agreement** less any arrears. However, where **you** have refinanced **your** loan and **your Critical Illness** claim is based on the terms of any previous loan protection insurance policy with **us**, the benefit payment may be less than this amount. (Please refer to the Refinanced loans section of this policy document on page 32.)

If this is the case, **your** cover under this **Loan Protection Insurance policy** will continue and any further claim will be assessed under the terms and conditions of this **Loan Protection Insurance policy** only and the terms of **your** previous loan protection insurance policy will no longer apply.

If **you** have a further claim for a different specified **Critical Illness**, any **Critical Illness** benefit previously paid will be deducted from the new payment. For example: If **we** have already paid £3,000 for a **Critical Illness** claim under **your Loan Protection Insurance policy**, any subsequent **Critical Illness** or Life claim will be reduced by £3,000. The **Critical Illness** cover referred to throughout this policy document is ancillary to the Life cover and can result in the earlier payment of **your** Life benefit.

Hospitalisation cover

Hospitalisation cover provides a cash benefit of £25 per night's stay in **hospital** as an **in-patient**, subject to the provisions set out below:

Your eligibility

You will be eligible to claim Hospitalisation benefit under this Loan Protection Insurance policy if, when you make a claim:

- 1 **You** are 65 or over, or
- 2 **You** are **retired**, or
- 3 **You** are **employed** for less than 16 hours a week, or
- 4 **You** are a **non-employed person (choosing not to work)**, and
- 5 None of the exclusions listed on pages 29 and 30 apply to **you**.

You will not be eligible to claim Hospitalisation benefit under this Loan Protection Insurance policy if any of the following points apply to you when you make a claim:

- 1 **You** are under 65, and
- 2 **You** are **employed** for 16 hours or more per week, or
- 3 **You** are **unemployed**, or
- 4 **You** are solely a student and not working, and
- 5 Any of the exclusions listed on pages 29 and 30 apply to **you**.

You will only be covered for a period of Hospitalisation during which:

Your stay in **hospital** lasts for three consecutive nights or more, unless **you** have already spent three consecutive nights in **hospital** for the same condition or **related condition** during the term of **your Loan Protection Insurance policy**.

Deferred or Further Education loans

If **you** have a deferred or further education loan, **you** cannot claim Hospitalisation benefit until **you** have been in **hospital** for three consecutive nights after **your deferred period** comes to an end. **You** will then be eligible for £25, followed by £25 for each subsequent night's stay.

Repayment holidays

If **you** have taken a **repayment holiday**, please note that Hospitalisation cover is not available during the calendar month in which **your** loan repayment has been suspended.

If **you** are admitted to **hospital** during the month of **your repayment holiday**, hospitalisation cover will start after the end of that month provided **you** have either:

- Spent three consecutive nights in **hospital**, if **you** are making a new claim or
- Spent one night in **hospital** if **you** have already spent three consecutive nights in **hospital** for the same condition or **related condition** during the term of **your Loan Protection Insurance policy**.

For example, if **your** loan repayment is due in March and **you** have taken a **repayment holiday**, **you** will not be able to claim if **you** are admitted to **hospital** during March. If **you** are making a new claim and have spent three consecutive nights in **hospital** during March **you** will be able to claim on or after 1 April provided **you** are still in **hospital**.

You are not able to take a **repayment holiday** if **you** are claiming Hospitalisation benefit under this **Loan Protection Insurance policy**.

Exclusions

You will not be covered for any period of hospitalisation which:

- was impending, i.e. which **you** were aware of when **you** signed **your Loan Agreement**, or
- is due to any **pre-existing condition**. However, a claim may be accepted if **you** remain symptom free and have not consulted a **doctor** or received **treatment** for the condition for a full 24 months prior to **your** claim. If **you** have had appointments to see a **doctor** within this 24 month period and these were not kept, the exclusion will still apply (if this applies to **you**, please refer to the Refinanced loans section of this policy document on page 32), or
- is as a result of alcohol or drug abuse:
 - Inappropriate use of alcohol or drugs, including but not limited to the following:
 - consuming too much alcohol, or
 - taking an overdose of drugs, whether lawfully prescribed or otherwise, or
 - taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription, or
- is as a result of cosmetic surgery, unless medically necessary e.g. reconstructive, or

Hospitalisation cover (continued)

Exclusions (continued)

- is due to intentional, self-inflicted injury, or
- is not supported by the required evidence, or
- is due to **treatment** or investigations relating to infertility or fertility, or
- is due to Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or a **related condition**, or
- is spent in a convalescent, nursing or rest home, or similar section of a **hospital**, or
- arises from **you** taking part in any criminal act, or
- is as a direct result of war and civil commotion: War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

How we pay your benefit

We will pay £25 for an **in-patient** stay of three consecutive nights, and £25 for each subsequent night's stay for the same or a **related condition**, which need not be consecutive. Payment will be made into the bank account **you** are using to repay **your** loan.

Your Hospitalisation claim will end when:

- **you** are discharged from **hospital**, or
- **you** have received payment for 365 nights per condition, or **related condition**, or
- **your** cover ends, as described in the section of this policy document entitled 'How long will my Loan Protection Insurance policy last?' on page 33, whichever is the earliest.

Please note: If **you** are eligible **Accident** or Sickness cover is available in addition to Hospitalisation cover until **you** reach the age of 65.

Life cover

Life cover provides a benefit equal to the **total loan amount** or the amount **you** still owe under **your Loan Agreement** (less any arrears), whichever is the greater, subject to the provisions set out below:

Your eligibility

Your personal representative will be able to claim Life benefit under **your Loan Protection Insurance policy** if **you** die during the term of **your Loan Protection Insurance policy**, and none of the exclusions listed below apply to **you**.

Exclusions

You will not be covered for Life benefit if the claim:

- is not supported by the required evidence, or
- arises from **you** taking part in a criminal act, or
- is as a direct result of war and civil commotion: War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.

How we pay your benefit

We will make a payment straight into **your** loan account for whichever is the higher of:

- The **total loan amount**; or
- The amount **you** still owe under **your Loan Agreement** less any arrears.

Where **you** have refinanced **your** loan, any amount that has been paid to **you** under a **Critical Illness** claim or Cancer claim under the terms of **your** previous loan protection insurance policy will be deducted from the benefit payment of this **Loan Protection Insurance policy**. If this applies, please refer to the Refinanced loans section of this policy document on page 32.

The **Critical Illness** cover referred to throughout this policy document is ancillary to the Life cover and can result in the early payment of **your** Life benefit.

Refinanced loans

Where **you** have refinanced a Lloyds TSB personal loan that was covered by a loan protection insurance policy and **you** enter into a new **loan protection insurance policy**, **you** will be covered under the terms and conditions of **your** new **loan protection insurance policy**.

However, if **you** are unable to claim on **your** new **loan protection insurance policy** because:

- **you** have a **pre-existing condition**, or
- **you** wish to claim for **Unemployment** benefit but **your unemployment** began or **you** were notified of it within 30 days of signing **your** new **Loan Agreement**, or
- **you** wish to claim for **Unemployment** benefit but **we** believe **you** were aware of **your unemployment** or should reasonably have known about it when **you** signed **your** new **Loan Agreement** (whether or not **you** had received official notice),

we will assess **your** claim under the terms and conditions of **your** previous loan protection insurance policy.

This means that if **you** would have been covered for the claim under **your** previous policy, **you** will still be covered for the claim. However, **we** will assess **your** cover by reference to **your** previous Lloyds TSB personal loan rather than **your** new Lloyds TSB personal loan. This means, for that particular claim, that the benefit payable to **you** will be no greater than the benefit that would have been payable to **you** under **your** previous loan.

You will receive cover until, either:

- **your** previous **Loan Agreement** was due to end, or
- a **Critical Illness** or Cancer claim has repaid the outstanding balance of **your** previous loan, or
- the outstanding balance of **your** current loan has been repaid.

Please note: **Critical Illness** cover is available on all Loan Protection Insurance policies sold on or after 1 July 2004. If **you** have refinanced **your** loan and **your** previous policy was taken out prior to 1 July 2004 Cancer cover may still be available under **your** previous loan protection insurance policy.

How long will my Loan Protection Insurance policy last?

Your Loan Protection Insurance policy will start from the date **you** sign **your Loan Agreement** and have agreed to pay the premium for this policy, and will end when:

- **you** reach the age of 75 (unless **your Loan Agreement** extends past **your** 75th birthday as a result of taking one or more **repayment holidays** during the term of **your** loan), or
 - **your Loan Agreement** terminates, or
 - **your** loan account is transferred to our Consumer Debt Recovery Department, or
 - the **total loan amount** or the amount **you** owe under **your Loan Agreement** (less any arrears) has been paid under a **Critical Illness** or Life claim, or
 - **you** enter into an Individual Voluntary Arrangement in respect of **your** debts, or are made bankrupt, or
 - **your** debt is transferred to another person,
 - **you** cancel **your** policy.
- whichever is the earliest.

If **you** wish to cancel **your Loan Protection Insurance policy** please refer to the 'How do I cancel my Loan Protection Insurance policy?' section on this policy document on page 34.

How do I cancel my Loan Protection Insurance policy?

How do I pay for this Loan Protection Insurance policy?

Your insurance policy premium (inclusive of Insurance Premium Tax) is paid for in one lump sum, either by:

- paying the full cost of the premium in cash or
- adding the full cost of the premium to the amount **you** have borrowed and repaying this amount over the term of the loan. This means that interest will be applied to the premium where applicable. Please refer to **your** Consumer Credit Act form for full details of the interest payable.

How do I cancel my Loan Protection Insurance policy?

If **you** decide that **you** don't want **your** Loan Protection Insurance policy or it doesn't meet **your** needs, **we** will refund **your** money in full if **you** tell **us** this in writing within 30 days of signing **your** Loan Agreement unless a claim has been made and settlement terms have been agreed. The contract between **you** and **us** will then be treated as if it had never happened. Please write to **us** at:

**Lloyds TSB Personal Loans Service Centre,
Peterlee,
County Durham
SR8 2RS**

If **you** want to cancel **your** Loan Protection Insurance after the first 30 days **you** may do this – please contact **us** on 0800 056 7698.

If **you** cancel **your** Loan Protection Insurance after the first 30 days a refund of part of **your** premium may be paid, provided **we** have not paid a claim to **you**. The amount an insurer might have to pay in the event of a claim is greater at the beginning of a loan than at the end. This explains why a refund is not made on a pro-rata basis. This table provides an example of what the refund would be (the figures below are rounded to the nearest whole number).

	36 month loan	60 month loan	84 month loan
After 12 repayments	46%	65%	74%
After 18 repayments	25%	49%	62%
After 24 repayments	11%	34%	51%
After 36 repayments	0%	14%	31%
After 48 repayments	0%	4%	16%
After 60 repayments	0%	0%	7%

A standard administration fee of £45 will apply.

A refund will not be paid in the following circumstances:

- When the amount of any refund due is less than £10, or
- If **you** enter into an Individual Voluntary Arrangement in respect of **your** debts, or are made bankrupt, or
- If a claim has been paid, or
- If **your** debt is transferred to another person.

General policy conditions

Choice of law

Unless **we** agree otherwise, English law will apply to this **Loan Protection Insurance policy**.

Fraud

If any claim under this **Loan Protection Insurance policy** is fraudulent or intended to mislead **us**, **your** right to any benefit will end and **we** will be entitled to recover any benefit paid and costs incurred.

Language

The language used in this policy document and any communications relating to it will be English.

Please note:

- **We** will provide cover during the period of **your** Loan Protection Insurance policy according to the terms set out in this policy document in return for payment of the premium.
- **Your** policy cannot be transferred or the benefits assigned to anyone else.