

Loan Protection Insurance

Your Loan Protection Insurance policy summary.



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Policy summary

What is Loan Protection Insurance?

Loan Protection Insurance, which is optional and not a condition of taking out the loan, may enable you to meet your monthly loan repayments in the event of your unemployment, accident or sickness. It may also provide you with critical illness cover, life cover and hospitalisation cover. This is a summary of the cover that your Loan Protection Insurance policy provides. It does not contain the full terms and conditions of your Loan Protection Insurance policy, which can be found in your policy document.

It is a monthly renewable contract meaning that cover lasts for a month at a time and will continue on a month by month basis unless it is cancelled by you or us, or until your cover ends as described within the section of this document entitled 'How long will my Loan Protection Insurance policy last?'

We recommend that you review your cover at least once a year to ensure it is adequate.

Who are the insurers?

The providers of the insurance cover are:

- Lloyds TSB General Insurance Limited for Accident or Sickness, Unemployment and Hospitalisation cover.
- Scottish Widows plc for Life and Critical Illness cover.

Are you eligible for Loan Protection Insurance?

You are eligible if on the date that you sign your loan agreement you are:

- 18 or over and under 75 throughout the term of your loan agreement, and
- either employed (including self-employed), retired or a non-employed person (choosing not to work), and
- resident in the UK, Channel Islands or the Isle of Man, and
- signing your loan agreement as a private individual and not as a business, and
- the first named person on the loan agreement if your loan is in joint names, and
- none of the points below apply to you.

You are not eligible if on the date that you sign your loan agreement you are:

- unemployed, or
- in receipt of Incapacity Benefit or Employment and Support Allowance from the relevant government authority, or
- acting as a guarantor, or
- solely a student and not working.

If you are sick, or injured through an accident when you sign 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.

Policy benefits at a glance

What are the significant features and benefits of Loan Protection Insurance?

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.

If, at the point of claim, you are:	Unemployment cover	Positive Job Solutions	Accident or Sickness cover	Plus bonus 10% cash payment	Critical Illness cover	Hospitalisation cover	Life cover
Under 65 and have been employed (including self-employed) for 16 hours or <u>more</u> a week.	✓	✓	✓	✗	✓	✗	✓
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. 	✗	✓	✓	✓	✓	✓	✓
65 or over.	✗	✓	✗	✗	✓	✓	✓

If your circumstances change during the term of your loan agreement, it may affect the benefits that 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.

If, whilst claiming, your circumstances change so that a different benefit may be more appropriate, we may re-assess the basis on which we pay your claim.

Please refer to your policy document for full details

Unemployment cover	pages 18-22
Accident or Sickness cover	pages 24-27
Hospitalisation cover	pages 30-31

Summary of features and benefits

Unemployment cover

If, during the term of your Loan Protection Insurance policy you are unemployed for 15 consecutive days or more you could claim against this cover.

If during the term of your Loan Protection Insurance policy you voluntarily leave your employment to become a carer please refer to 'What if I become a carer?' section of your Loan Protection Insurance policy booklet on page 19.

This cover provides a monthly benefit, equal to the sum of your monthly repayment under your loan agreement and your monthly Loan Protection Insurance premium. Unemployment cover is subject to a maximum of 12 monthly benefit payments per claim.

Any subsequent unemployment claim must be preceded by a period of six months in continuous active employment of 16 hours or more per week.

Accident or Sickness cover

If, during the term of your Loan Protection Insurance policy you are employed and off work due to accident or sickness for 15 consecutive days or more, or non-employed (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 for 15 consecutive days or more, you could claim against this cover.

This cover provides a monthly benefit, equal to the sum of your monthly repayment under your loan agreement and your monthly Loan Protection Insurance premium.

Critical Illness cover

If, during the term of your Loan Protection Insurance policy you are diagnosed by a doctor as suffering from, or you need an operation for, a specified critical illness that meets our policy definition you could claim against this cover. The complete list of conditions we cover is set out below:

- **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.*

This cover provides a single benefit equal to the total loan amount (this is the original amount borrowed) or the amount you still owe under the loan agreement (less any arrears), whichever is the greater.

These headings are only a guide to what is covered. The full definitions of the illnesses covered and the circumstances in which you can claim are given in the Loan Protection Insurance policy booklet (please refer to the Definitions on pages 7 and 8 and to Critical Illness cover on pages 28 and 29 for full details of the circumstances in which you can claim). These definitions typically use medical terms to describe the illnesses, but in some cases the cover may be limited. For example:

- Some types of cancer are not covered.

Hospitalisation cover

If, during the term of your Loan Protection Insurance policy you have to stay in hospital for three consecutive nights or more, you could claim against this cover.

This cover provides a benefit of £25 for an in-patient stay of three consecutive nights in hospital, and £25 per night for each subsequent night's stay as an in-patient for the same condition or related condition, which need not be consecutive.

You are able to claim for a maximum of 365 nights per condition.

Life cover

If, during the term of your Loan Protection Insurance policy you die, life cover could provide a single benefit equal to the total loan amount (this is the original amount borrowed) or the amount you still owe under your loan agreement (less any arrears), whichever is the greater.

What am I not covered for?

There are certain situations that you are not covered for. For example, anything you already know about when you sign your loan agreement, or which is caused by illegal or deliberate acts on your part.

The significant and unusual exclusions are set out within this section of this policy summary. There may be other exclusions that are relevant to you so you need to check the Exclusions sections of your policy document for a full list of exclusions.

You will not be covered for Unemployment:

- where you have not been paying the correct tax or National Insurance contributions immediately prior to your claim
- if you have not been continuously employed for at least 16 hours per week for a minimum period of six months either at the time of signing your loan agreement or during the term of your Loan Protection Insurance policy
- lasting for less than 15 complete and consecutive days
- which immediately follows a period of casual or temporary work or unemployment which is normal in your line of work (for example seasonal or where your contract is for a specific task)
- which results from the end of a fixed-term contract, unless certain conditions are met (for full details, please refer to the unemployment exclusions on page 20 of your policy document)
- which you are notified of, or which begins within 30 days of you signing your loan agreement
- during any deferred period.

Please note:

- You must be meeting the Jobseeker's Agreement. Where you are ineligible, 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.
- 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 will not be covered for unemployment unless 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.

Please refer to your policy document for a full list of exclusions, in particular:

Unemployment cover

pages 19-21

You will not be covered for Accident or Sickness:

- if you are solely a student and not working
- whilst you are unemployed, unless you are already claiming unemployment benefit under your Loan Protection Insurance policy
- lasting for less than 15 complete and consecutive days
- due to any pre-existing condition (for a full explanation of pre-existing conditions, please refer to the definition of a pre-existing condition on page 10 and to the pre-existing exclusion on page 25 of your policy document)
- during any deferred period.

Please refer to your policy document for a full list of exclusions, in particular:

Accident or Sickness cover page 25

You will not be covered for Critical Illness:

- due to any pre-existing condition (for a full explanation of pre-existing conditions, please refer to the definition of a pre-existing condition on page 10 and to the pre-existing exclusion on page 28 of your policy document).
- which does not meet our policy definition (please refer to the Definitions on pages 7 and 8 of your policy document).

Please refer to your policy document for a full list of exclusions, in particular:

Critical Illness cover pages 28-29

What am I not covered for? (continued)

You will not be covered for Hospitalisation:

- if you are solely a student and not working
- whilst you are unemployed
- lasting for less than three consecutive nights, unless you have already spent three consecutive nights in hospital for the same condition during the period of your insurance
- due to any pre-existing condition (for a full explanation of pre-existing conditions, please refer to the definition of a pre-existing condition on page 10 and to the pre-existing exclusion on page 30 of your policy document)
- due to treatment or investigations relating to infertility or fertility
- spent in a convalescent, nursing or rest home, or similar section of a hospital
- during any deferred period.

Please refer to your policy document for a full list of exclusions, in particular:

Hospitalisation cover pages 30-31

You will not be covered for Life:

For life cover please refer to your policy document for a full list of exclusions, in particular:

Life cover

page 32

Important information

What if I am refinancing my Lloyds TSB loan(s)?

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 which you were aware of, or should reasonably have known about, 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.

Please refer to your policy document for full details, in particular:

Refinanced loans

page 33

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. It is a monthly renewable contract and, subject to payment of your monthly premium, will continue in force in accordance with the terms and conditions set out in your policy document unless cancelled by you or us. Your cover and all benefit payments will end when:

- Your loan agreement is originally scheduled to terminate (unless your loan agreement extends past the original end date as a result of taking one or more repayment holidays during the term of your loan), or
- You have settled your loan agreement early, or
- The total loan amount or the amount you owe under your loan agreement (less arrears) has been paid under a critical illness or life claim, or
- You make a false claim (you will have to return any claim payments we have made),
- You cancel this insurance (please refer to the 'How do I cancel my Loan Protection Insurance policy?' section of this document), or
- Your loan is transferred to our Consumer Debt Recovery Department, or

Important information (continued)

- You enter into an Individual Voluntary Agreement in respect of your debts, or are made bankrupt, or
 - Your debt is transferred to another person, or
 - Your premium has remained unpaid for 60 consecutive days (in this case all claim payments will end and we will cancel the policy from the date up to which cover has been paid for),
- whichever is the earliest.

Please note:

- You have an obligation to ensure that your Loan Protection Insurance premiums are kept up to date to ensure continuation of cover.
- If we do not receive a monthly premium payment when it is due, we will advise you accordingly and re-submit the unpaid premium for payment. We may write to you for the amount due in another form of payment.

Can you cancel or change my Loan Protection Insurance policy?

In addition to the reasons provided within the 'How long will my Loan Protection Insurance policy last?' section of this document, we also reserve the right to choose to cancel your policy at any time for the reasons set out below, but you will be given at least 60 days' advance written notice to your last known address. The reasons are:

- any event outside our control which makes it impossible or impracticable to

carry out our obligations under this policy;

- any event outside our control that we expect to have a significant impact on future claims and that we could not have foreseen previously.

We reserve the right, in certain circumstances, to make reasonable and proportionate changes to the terms of your Loan Protection Insurance policy (including premium) upon 60 days' advance written notice to your last known address. Please refer to page 35 of your policy document entitled 'General policy conditions' for full details.

How do I make a claim?

To register your claim:

Phone **0845 300 0123**

Fax **01633 468819**

Our lines are open from 8am to 6pm Monday to Friday and 9am to 1pm on Saturdays.

Remember you will have to provide any evidence required to complete the claim.

How do I make a complaint?

If you have a complaint regarding your Loan Protection Insurance policy, you should contact:

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

Phone
0845 300 5599

Email*

customer.care.insurance@lloydstsb.co.uk

Fax

01633 468835

Should you remain dissatisfied, you have the right to refer your complaint to:

Post

**Financial Ombudsman Service (FOS),
South Quay Plaza,
183 Marsh Wall,
London E14 9SR**

Phone

0845 080 1800

If you do contact the FOS, your actions will not affect your legal rights.

*Please be aware that any personal data you send to us via email could be transmitted across unsecure systems. We cannot be held responsible for the security of any such personal data whilst it is in transit to us.

How do I pay for this Loan Protection Insurance policy?

The insurance policy premium (inclusive of Insurance Premium Tax where applicable) is paid for by monthly Direct Debit. The Direct Debit will be deducted from the bank account that you are using to repay your loan.

How do I cancel my Loan Protection Insurance policy?

You can cancel this Loan Protection Insurance policy after the start date if you decide that you don't want it or it doesn't

meet your needs. If you cancel within 30 days of signing your loan agreement we will refund your money in full 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. If you do not cancel within the first 30 days, the policy will remain in force in accordance with the terms and conditions set out in your policy document.

If you decide that you would like to cancel after the first 30 days you may do so.

However:

- we will not refund any premiums already paid, and
- if you request to cancel your policy and you have not yet paid the monthly premium due, we will be entitled to collect the outstanding premium,[†] and
- your cover will continue until the end of the period for which you have paid.

To cancel your Loan Protection Insurance policy please call 0845 3000 167 or write to us at: Lloyds TSB Insurance, Tredegar Park, Newport, South Wales, NP10 8SB

[†]Your cover starts on the date that you sign your loan agreement and lasts for a month at a time. Therefore, depending on which day of the month you have elected to pay your Loan Protection Insurance policy premium you may still owe us a premium for the cover which you have agreed to receive, but not yet paid for at the time your policy is cancelled. If this is the case we may still require you to pay the outstanding monthly premium.

Would I receive compensation if the insurers were unable to meet their liabilities?

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and circumstances of the claim and would provide cover for 100% of the first £2,000 and 90% of the remainder of the claim without any upper limit. Further information about compensation scheme arrangements is available from the FSCS. Contact them at:

Online **www.fscs.org.uk**

Phone **020 7892 7300**

What if I wish to request this booklet in an alternative format?

The information within this booklet 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.

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. Scottish Widows plc registered in Scotland, registered office in the United Kingdom at 69 Morrison Street, Edinburgh EH3 8YF.

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.

