

IMPORTANT INFORMATION

This information may be downloaded to your PC in whole or in part provided that any reproduction or copy, or any derivative, is true to the original, and it is EITHER used for personal use OR in support of an Agreement with Legal & General. Professional advisers who are properly authorised may use it in the process of giving financial advice relating to Legal & General products.

Copies or derivatives of the document may not be sold, marketed, or used for commercial gain.

Notwithstanding the above, Legal & General Assurance Society Limited retains ownership of copyright in all such reproductions, copies or derivatives.

Copyright © Legal & General Assurance Society Limited, 2008.
All rights reserved.

Key features of the Mortgage Protection Plan

Life cover

This is an important document, which you should retain

About Legal & General

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. We are one of the UK's top 50 companies in the FTSE 100 Index. Over 5.8 million people rely on us for life assurance, pensions, investments and general insurance plans. The Legal & General Group is responsible for investing over £304 billion worldwide (as at 30 June 2008) on behalf of investors, policyholders and institutions.

Contents	Page
1. Introduction	3
2. Its aims	3
3. Your commitment	3
4. Risks	4
5. What is Legal & General's Mortgage Protection Plan?	4
6. How much does the plan cost?	5
7. How much does the plan pay out?	5
8. What if I already have mortgage protection?	5
9. Who can the plan cover?	5
10. When won't the plan pay out?	5
11. What other options are available?	6
12. When will my cover start?	7
13. Will my payments ever change?	8
14. What happens if I move house?	8
15. What happens if I move abroad?	8
16. What are the charges?	8
17. What if I'm not sure if this product is suitable for me?	8
18. Making a claim	8
19. Further information	9
20. Glossary	11

The Financial Services Authority is the independent financial services regulator. It requires us, Legal & General, to give you this important information to help you to decide whether our Mortgage Protection Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Introduction

We have designed our Mortgage Protection Plan to help protect you and your family financially if you die or are diagnosed with a terminal illness.

We have tried to give you all the information about our products in clear and straightforward language. Where we've had to use a technical term we've highlighted this in ***bold italics*** and given a full explanation in our glossary on page 11.

Its aims

The plan aims to allow you to choose:

- the amount of cover;
- the period of cover; and
- the type of cover.

Your plan includes:

Life cover – pays out a lump sum if you die or are diagnosed with a terminal illness.

If you choose decreasing cover, your cover reduces approximately in line with the outstanding amount on a repayment mortgage.

Your commitment

You must:

- Provide us with all the relevant information we ask for when you take out the plan. If you don't, your plan may not pay out, and we might have to cancel your policy. Please don't assume that we'll write to your doctor, it's your responsibility to fill in the application form accurately.
- Truthfully provide all the information we ask for when you or your representatives make a claim. If you don't, your plan may not pay out and we might have to cancel your policy.
- Pay your premium monthly by direct debit or annually by direct debit or cheque during the ***term*** of the plan.
- Tell us if any of the following change between completing your application and when your plan starts:
 - Medical disclosures
 - Family history
 - Occupation
 - Travel or residence (except holidays)
 - Pastimes
 - Alcohol consumption
 - Start smoking
 - Use of recreational drugs, for example cocaine or heroin.

If you don't tell us about changes to any of the above, it could mean your plan won't pay out and we may have to cancel your policy.

We're here to help

If you've any queries, would like more information, or you would like this document in Braille, large print or audiotape, please contact our helpdesk on 0870 010 4080. We may record and monitor calls. Call charges will vary.

Risks

The plan carries the following risks:

- If you stop paying your premiums your cover will end 30 days after the first missed premium.
- If you don't truthfully provide all the information we request on your application or when you or your representative make a claim, we won't pay out under the plan.
- There are some circumstances when your plan won't pay out. These are described under 'When won't the plan pay out?' on page 5.
- The plan has no **cash in value** at any time.
- The present tax treatment may change.
- You should check that the plan **term** is long enough to cover the duration of your mortgage term, otherwise you won't be fully protected.
- Your policy's conditions or benefits may be subject to **exclusions** after we **underwrite** your application. In that case, we'll include those exclusions in your policy document.
- We won't pay out a claim from a cause that we exclude in your policy document.
- If you've chosen decreasing cover there are some circumstances when the lump sum we pay might not be enough to pay off your mortgage in full. For example, if your mortgage interest rate averages over 10% during the plan's **term**.

What is Legal & General's Mortgage Protection Plan?

Our Mortgage Protection Plan is a long term insurance policy which you can tailor to meet your needs. You can choose:

- **The type of cover you need** – your plan includes:
 - **Life cover** – pays out a lump sum if you die. You can choose either level or decreasing cover.
 - **Terminal illness cover** – life cover automatically includes terminal illness cover. This means we'll pay the lump sum if you are diagnosed as being terminally ill and are eligible to claim, with a life expectancy of less than 12 months. Once we've accepted a claim for terminal illness cover your plan will end. This cover doesn't apply during the plan's last 18 months and isn't available on plans with a **term** of less than two years.
 - **The level of cover you need** – this is the lump sum that we pay out for a valid claim.
 - **How long the cover lasts** – the table below gives details of the minimum and maximum **term**, as well as maximum ages.

After we've paid the lump sum, your policy ends and you pay no more premiums.

Mortgage Protection Plan products	Minimum term	Maximum term	Your plan must end before age
Level life cover	1 year*	40 years	80
Decreasing life cover	5 years	40 years	80

*If a one year **term** is chosen then terminal illness cover doesn't apply.

How much does the plan cost?

Your premium depends on several factors:

- Your personal circumstances, for example, your age, health, sex, occupation and whether or not you smoke.
- The amount and type of cover you choose.
- How long you want your cover to last.

You can pay your premium monthly by direct debit or annually by direct debit or cheque to maintain your cover. If you stop paying your premiums, your cover will end 30 days after your first missed premium. The plan has no **cash in value** at any time.

How much does the plan pay out?

Your plan pays out a lump sum. You decide how much this is when you take the plan out.

The plan pays out the main benefit once and then all cover ends. We produce a **personal illustration** to show you your period of cover, the type and amount of cover you've chosen and your premium.

What if I already have mortgage protection?

If you already have mortgage protection, please take financial advice before cancelling your existing policies. Your financial adviser can help you decide what best suits your needs.

Who can the plan cover?

You can apply for the plan to cover:

- you alone;
- you and another person; or
- one or two people, neither of which are you.

If the plan covers two people it will only pay out once. This would be when the first of these two people dies or has a valid terminal illness claim.

When won't the plan pay out?

We won't pay a claim if:

- The policy has stopped because you haven't paid your premiums.
- You don't disclose all the relevant information that we ask for when you take out your plan. Please don't assume that we'll write to your doctor, it's your responsibility to complete the application form accurately. If you don't disclose all relevant information it may mean we cancel your cover.
- A claim is made and the person or people making the claim don't truthfully provide all the information we ask for. If this happens we may not pay your claim and we could cancel your policy.
- The cause of the claim is specifically excluded by any terms we apply to your plan when we accept your application. These will be shown in your policy document.
- You don't tell us if any of the following change between completing your application and when your plan starts:
 - Medical disclosures
 - Family history
 - Occupation
 - Travel or residence (other than for holidays)
 - Pastimes
 - Alcohol consumption
 - You start smoking
 - Use of recreational drugs, like cocaine or heroin. These examples aren't a complete list. If you don't tell us about any change before your plan starts your cover could be cancelled.
- The insured person commits suicide in the first year of the policy.
- For terminal illness claims, if you live outside any of the following countries for more than 12 months: USA, Canada, Australia, New Zealand, Isle of Man, the Channel Islands or any of the countries that form part of the European Union we reserve the right to decline a claim.

Further details of what is covered and any standard **exclusions** and restrictions are given in the policy provisions section of the policy document. This is made up of the policy schedule and the OLA (Ordinary Life Assurance) wrap.

What other options are available?

Some of the following benefits are optional. If required, you must choose them at the start of the plan, and there may be an additional cost. We'll show full details of any extra benefits in your policy document. Your **personal illustration** shows any options or benefits included in your plan and their cost. For full details, either ask your financial adviser or contact us.

Waiver of premium benefit

This benefit pays your premiums if you're in gainful employment and you're too ill to undertake your normal occupation for six months or more due to incapacity caused by illness or injury. Although you'll have to pay your premiums at first, after 26 weeks of incapacity when you can't work, we'll waive your premiums. If you're not in gainful employment, you don't have to pay your premiums after 26 weeks, if your illness or accident stops you performing three or more functional assessment tests.

These tests are as follows:

- Walking – the ability to walk a distance of 200 metres on flat ground, with or without the aid of a walking stick and without stopping or experiencing discomfort.
- Bending – the ability to get into or out of a standard saloon car and the ability to bend or kneel to pick up an object from the floor and straighten up again.
- Communicating – the ability to answer a telephone and take a message.
- Reading – having the required eyesight (corrected if necessary) to read a daily newspaper.
- Writing – having the physical ability to write legibly using a pen or pencil without aid.
- Climbing – having the ability climb up a flight of 12 stairs without stopping or suffering severe discomfort.

We'll continue to waive premiums until the first of the following events:

- you're fit to return to work;
- you reach the end of your policy;
- your 60th birthday; or
- you die.

You don't need to notify us if you change your occupation during the *term* of the plan.

Indexation

This helps your cover keep up with inflation. The premiums and life cover increase in line with the **Retail Price Index** each year, up to 10% in any one year. This option is only available if we accept your application at normal rates.

If you choose to include the indexation option, you must select it at the start of your plan. Then, each year, we'll give you the opportunity to increase your cover regularly. If you decline the option at any time, we won't offer it again.

Conversion option

This option gives you the flexibility to convert your life cover later on into a whole of life plan without the need to provide any further medical evidence. There are a few restrictions. Your adviser can give you more information. This option isn't available if you've selected indexation or decreasing cover.

Option to increase the amount of cover you have later on during the plan (guaranteed insurability option)

You can increase the amount of cover later on without further medical evidence up to certain limits. This is your guaranteed insurability option.

You can do this if:

- you get married or enter into a registered civil partnership;
- you become a parent; or
- you increase your mortgage because you're moving home or undertaking major home improvements.

For your policy to include the guaranteed insurability option, the policy must be accepted on **standard terms and normal rates** before your 45th birthday. You must choose to use this option before your 50th birthday (older life for joint life policies).

If you do choose this option we won't ask any more medical questions, and the rates at the time of the increase will apply. We set out the limits which apply in your policy document. Your financial adviser can give you more details.

Accidental death benefit

Accidental death benefit provides you with life cover while we're processing your application. We provide this cover free of charge and without the need for any underwriting. It'll cover you if you die following an accident. The amount of cover will be the amount of life cover you have applied for or £300,000, whichever is the lowest. The cover will start when we receive a completed application form. It will last for 90 days or until we accept, postpone or decline your application or you notify us that you don't wish to proceed with your application, whichever occurs first. Terms and conditions apply.

Free cover between exchange and completion

We offer free life cover between exchange of contracts and completion of your property purchase. The amount of free life cover will be your proposed sum assured, the amount of your loan, or £300,000, whichever is the lowest.

In Scotland, we provide the free cover from when you complete missives for your chosen property until the date of entry.

We cover you for 90 days from when you exchange contracts (or, in Scotland, complete missives). To be eligible for this cover, the following conditions must apply:

- you're under 55 when you take out the mortgage (for joint life policies this will apply to the older life);
- you have been accepted on **standard terms**;
- the exchange of contracts has taken place;
- no other policies covering the same mortgage can be in force or applied for; or
- your duty of disclosure continues until completion (or date of entry in Scotland).

SmoothMove

To provide SmoothMove, we've teamed up with Inter Partner Assistance, one of the largest international emergency assistance organisations. If you're taking out cover to protect a new mortgage and are moving house, your cover will include SmoothMove, a 24 hour rescue service. Included at no extra cost SmoothMove helps with unexpected hitches on moving day. SmoothMove also covers you for up to three months for domestic emergency repairs and legal advice after you've moved in.

Inter Partner Assistance provides SmoothMove. For full details of SmoothMove, please see the key features and policy terms and conditions of SmoothMove, which you can get from your adviser.

Your personal illustration shows whether any of these options have been included in your plan.

When will my cover start?

You can choose the date when your plan starts. If you're moving house or taking out a larger mortgage, your mortgage cover usually begins on the same day as your new mortgage.

Will my payments ever change?

We guarantee your premium. This means that your monthly or annual payment will stay the same throughout your plan's *term*.

Your premium will also change if you:

- increase the amount of cover by exercising your guaranteed insurability option;
- choose the indexation option; or
- exercise the conversion option.

What happens if I move house?

Your plan can move too, and you can increase your cover for a larger mortgage, within certain limits.

What happens if I move abroad?

We can usually only offer cover to applicants who live in England, Scotland, Wales or Northern Ireland when the policy starts, provided they have no plans to move outside these areas.

For life cover

If you take out a life policy with us and then move abroad later on during the *term* of your plan, your cover will continue as long as you carry on paying your premiums.

For waiver of premium

If you live outside any EU country for more than three months we reserve the right to decline any claim and we may cancel your policy.

What are the charges?

The premium payments shown in your illustration include all the costs of administration, underwriting, claims, commission and selling.

What if I'm not sure if this product is suitable for me?

If you have any doubt about whether this product is suitable for you, please contact us or your financial adviser. We can only advise on our own life assurance and investment products.

Making a claim

If you or your representatives need to make a claim, please write to us at:

Legal & General Claims Department
City Park
The Droveaway
Hove
BN3 7PY

When we receive notification of a claim, we'll send you or your representatives a claim form to complete and return to us. We may ask you to provide us with certificates or other evidence that we need.

For waiver of premium claims we may ask you to have a medical examination.

To make a valid terminal illness claim your life expectancy, both in the opinion of an attending consultant and our Chief Medical Officer, is less than 12 months.

Further information

Your cancellation rights

After we have accepted your application, we'll send you a notice of your right to cancel. By law we must send you this notice. We then give you 30 days to change your mind about starting the plan. If you do change your mind, you need to send the notice back to us at:

Legal & General Assurance Society Limited
City Park
The Droveaway
Hove
BN3 7PY

and we'll then cancel the plan. If you do this, we'll refund any premiums you have paid.

If you don't take this opportunity to cancel and you want to do so at a later stage, you may not get any money back. If you want to cancel at a later stage, please write to the address above.

Complaints

If you wish to complain about the service you've received from us or you'd like us to send you a copy of our internal complaint handling procedure, please contact our helpdesk on 0870 010 4080. We may record and monitor calls. Call charges will vary.

Alternatively you can write to us at:
Legal & General Assurance Society Limited
PO Box 1186
Hove
East Sussex
BN3 1SD

If you remain dissatisfied, you can complain to:
The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Telephone: 0845 080 1800
Email:
complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Making a complaint will not affect your legal rights.

Client categorisation

If you buy this Legal & General product, we will treat you as a 'retail client'. There are various categories of client set out in the financial regulations. Being a retail client gives you the greatest level of protection under the regulations and ensures you get full information about any products you buy.

If, under the regulations, you are a professional client or eligible counterparty we will still treat you as a retail client, although this would not necessarily mean that you would be eligible to refer any complaints to the Financial Ombudsman Service or to make a claim under the Financial Services Compensation Scheme.

Conflicts of interest policy

During the term of your policy conflicts of interest may arise between you and us, our employees, our associated companies or our representatives. A conflict of interest is where our duties to you as a customer may conflict with what is best for ourselves.

To ensure we treat customers consistently and fairly, we have a policy on how to identify and manage these conflicts. A copy of the policy is available from our website at www.legalandgeneral.com/legal-security.

Law

This contract is governed by English law.

Language

We will communicate in English throughout the term of this contract. The terms and conditions and all communications will only be available in English. All communications from us will normally be by letter or telephone.

The Financial Services Compensation Scheme (FSCS)

The Financial Services Compensation Scheme covers the policies issued by us. You may be entitled to compensation from the scheme if we can't meet our obligations. This depends on the type of business and the circumstances of the claim.

The Financial Services Compensation Scheme may arrange to transfer your policy to another insurer, provide a new policy or if these actions are not possible, provide compensation. For all products in this key features brochure the first £2,000 of any claim is protected in full. Above this amount, the scheme covers payment to 90% of the value of the policy.

You can get more information from the Financial Services Compensation Scheme at:

7th Floor

Lloyds Chambers

1 Portsocken Street

London E1 8BN

Telephone: 020 7892 7300

Email: enquiries@fscs.org.uk

Website: www.fscs.org.uk

Tax

The proceeds from this plan are free from UK income tax and capital gains tax.

However, for life insurance, as we pay the proceeds after the death of an insured person, inheritance tax may be due on the benefits paid.

You may be able to avoid inheritance tax by using an appropriate trust. Ask your financial adviser for more details. The Government may change the tax position described above.

Our regulator

We are authorised and regulated by the Financial Services Authority. We are entered on their register under number 117659. You can check this at www.fsa.gov.uk/register or telephone them on 0845 606 1234 or write to them at: 25 The North Colonnade, Canary Wharf, London E14 5HS.

The mortgage lender

If you have assigned the policy to your mortgage lender and you fall behind with (or stop paying) premiums we may have to keep the lender informed.

Please note

It's a guide to our Mortgage Protection Plan and is based on our understanding of current laws and tax rules. Further details are given in the plan schedule and the policy document. You should get expert advice about the legal and tax information in this leaflet.

Glossary

Cash in value – certain plans have a ‘cash in value’ which means that you receive some money back if you cancel your plan.

Exclusions – if we apply an exclusion to your policy, this means we won’t cover you for a particular condition. If you’re disabled or incapacitated due to this condition you won’t be able to make a claim.

Personal illustration – this is the document provided before you take out your plan that details the exact plan, your premium and the options you’ve chosen.

Retail Price Index – a way of measuring the impact of inflation on family budgets which is set by the Government. We use this rate to calculate any increases in your premiums and sum assured if you’ve selected the indexation option.

Standard terms and normal rates – where no individual exclusions or premium increases are applied to your plan.

Term – how long your plan lasts.

Underwrite – the process your application goes through to allow us to assess any risks and to decide how much your premiums will be.