

LIFEGUARD
TERM LIFE ASSURANCE
POLICY TERMS AND CONDITIONS

The policy (the "Policy") is written confirmation of the contract between The Pension Annuity Friendly Society Limited (the "Insurer") as administered on the Insurer's behalf by Compass Underwriting Limited ("Compass"), and the insured person named in the Certificate of Insurance.

In return for the payment of the agreed premiums, the Insurer will pay the benefits identified in the Certificate of Insurance and its schedules, in accordance with the Policy's terms and conditions.

The Certificate of Insurance and any endorsement made altering the Certificate of Insurance or its terms and conditions or schedules, form part of the Policy.

The Certificate of Insurance should be kept in a safe place as it will have to be produced when a claim is made. We will not issue a replacement original Certificate of Insurance.



Andrew Briant
Managing Director

Issued by Compass on behalf of Simon Whitehead, Chief Executive of the Insurer.

IMPORTANT NOTE

Information about the insured person in an application or other supplementary questionnaires must be accurate – particularly about the insured person's:

- age, sex and smoker status;
- medical history and state of health;
- occupation, hazardous pursuits and residence.

If there is a failure to disclose a material fact or incorrect information is provided, the Insurer reserves the right to void or cancel the Policy with no payment of claims or refund of premium.

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1. PREMIUMS

- (a) The initial premium payable under the Policy is as shown in the Certificate of Insurance and is due on the start date as shown under 'Period of Cover' in the Certificate of Insurance.
- (b) Subsequent premiums (if any) will be due on the corresponding day in each subsequent month or year, as appropriate, and will cease to be due on the payment of the Life Cover Benefit or on the payment of the last premium due as specified. "Premiums" means the initial and all subsequent premium.
- (c) Monthly premiums must be paid by direct debit instruction on a current bank or building Insurer account unless otherwise agreed by the Insurer. Annual premiums can be paid to either your financial advisor or to Compass by cheque.
- (d) Thirty days grace is allowed for the payment of each premium due after the first premium is paid. Should a claim arise during this period, the unpaid premiums due will be deducted from any benefit payable.
- (e) If any premium is not paid on the due date, or within the thirty days grace allowed, the Policy will be cancelled and all benefits under it will cease and the Insurer's liability will cease.
- (f) Changes in the frequency of premium payments to or from monthly or annual payments cannot be made unless Compass, on receipt of a written request to do so from the insured person, agrees otherwise.

2. LIFE COVER BENEFIT

- (a) Life Cover Benefit will become payable on the death of the insured person, provided this occurs on or before the end date as shown under 'Period of Cover' in the Certificate of Insurance.
- (b) The Life Cover Benefit payable is the sum specified in the Certificate of Insurance less any unpaid premiums.
- (c) Life Cover Benefit will only be payable once, subject to receipt of proof, see 'Payment of Benefits' below. Upon payment of Life Cover Benefit, no further benefits will be payable under the Policy and the Policy will cease.

3. PAYMENT OF BENEFITS

- (a) The payment of any benefit will be subject to the Insurer receiving such proof as it may reasonably require of (i) the happening of an event on which any benefit is payable, (ii) the legal title of the claimant (the party claiming the benefit), (iii) the date of birth of the insured person, (iv) a completed Insurer claim form and (v) all such other information as the Insurer may reasonably require.

4. SURRENDER

- (a) If the Policy is cancelled by the insured person, no payment will be made by the Insurer and the Policy will cease.

5. ALTERATIONS

- (a) The Insurer reserves the right to alter the Policy as the Insurer reasonably considers appropriate, if the Policy or the Insurer are materially affected by the change in legislation or taxation or any judicial decision. Compass will give the insured person written notice of any such alteration.
- (b) If the date of birth of the insured person has been incorrectly stated, the Policy and benefits shall be adjusted by the Insurer to those which would have been applied had the true date of birth been stated at the outset. If the true date of birth is such that had it been known by the Insurer at the time the Policy was proposed that the Insurer would not have issued the Policy, then the Insurer may cancel the Policy and no benefits will be payable.
- (c) If there is a failure by the insured person to disclose a material fact or incorrect information is provided, the Insurer reserves the right to void or cancel the Policy with no payment of claims or refund of premium. A material fact is any information which could influence the Insurer in its assessment of an application.

6. ACCEPTANCE OF INSTRUCTIONS

- (a) Any instruction, request or notice will not be accepted by the Insurer until such documents, information and consents as the Insurer may reasonably require are received at the offices of Compass.

7. GENERAL

- (a) The Policy can be assigned, placed in trust or dealt with under a power of attorney.
- (b) All notices affecting the ownership of the Policy (whether by way of assignment or otherwise) must be given in writing to Compass.
- (b) In the Policy "insured person" means the person specified as such in the Certificate of Insurance or his or their successors in title or assignees and the phrase "you" and "yours" wherever used should be construed accordingly.
- (c) Where appropriate, words in the masculine include the feminine and words in the singular include the plural and vice-versa.
- (d) For the purposes of the Contracts (Rights of Third Parties) Act 1999, the insured person and the Insurer agree that there is no intention to confer contractual rights on any third party who may benefit under the terms and conditions of the Policy.
- (e) The Policy shall be governed by the laws and courts of England and Wales.

- (f) When the payment of a claim is delayed by more than two months, the Insurer will pay interest on the Life Cover Benefit due. The two month period will run from the date of the insured person's death. Interest will be calculated at a relevant market rate from the end of the two month period until the actual date of payment.

8. COMPLAINTS PROCEDURE

The Insurer and Compass always try to provide a first-class standard of service. However, if you have any question or complaint about your insurance or about a claim, you should first contact the intermediary who arranged this insurance for you.

If you are still not happy, please write to:

The Managing Director
Compass Underwriting Limited
40 Lime Street
London
EC3M 7AW.

You can fax 020 7398 0109 or e-mail Compass at complaints@compassuw.co.uk. You need to clearly give the reason for your complaint. Please also make sure that you give Compass all your contact details and your Policy or claim number.

If Compass cannot sort your complaint out, or you are still not satisfied, you can take the issue further. You will need to write to:

The Chief Executive
The Pension Annuity Friendly Society Limited
Sackville House
143-149 Fenchurch Street
London
EC3M 6BN

Phone 0845 108 7240, fax 0845 108 7238 or e-mail info@pafs.co.uk who will arrange for an investigation on your behalf.

If the Insurer has given you their final response and you are still not satisfied, you may refer your case to the Financial Ombudsman Service (FOS) at:

Financial Ombudsman Service
Insurance Division
South Quay Plaza
183 Marsh Wall
London
E14 9SR.

Phone 0845 080 1800 or fax 020 7964 1001.

FOS is an independent organisation that arbitrates on complaints about insurance products. It will consider complaints after the Insurer has given you written confirmation that they have been through their full complaints procedure.

You have six months from the date of the Insurer's final response in which to refer your complaint to the FOS.

This does not affect your right to take legal action.

Signed for and on behalf of the Insurer
Compass Underwriting Limited



Managing Director

9. YOUR RIGHT TO CHANGE YOUR MIND

You have 30 days from the day you receive this notice in which to change your mind.

If you wish to proceed with the Policy, what should you do?

- Ignore this notice.

If you wish to cancel, what should you do?

- Sign the "Policy Termination" form at the end of this document and return to;

Compass Underwriting Limited
40 Lime Street
London
EC3M 7AW

- You must post it on or before the 30th day after the day upon which you received this notice.

Will you lose anything by cancelling?

- Compass Underwriting Limited will repay you any money you have paid, free of any charges, however, your Life Cover Benefit will cease immediately.

Policy Termination



Please enter your Policy Number: 66*CC _____

Cancellation

I wish to exercise my cancellation right within the 30 day period allowed.

Insured Person(s) full
Name.....

Insured Person(s) Signature
(s).....Date.....

**If at any time you require assistance, or information, on any aspect of your policy, please call
our Customer Service Department on 020 7398 0100**