

# Over 50s Life Insurance

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Chosen partner of Direct Line





# Welcome to Direct Line

Over 50s Life insurance is designed to pay you a single sum of money if you die.

## Who provides this Over 50s Life Insurance?

This policy is underwritten and administered by our chosen provider – AIG Life Limited (AIG for short).

They specialise in insurance in the UK that helps people experiencing tough times in life – such as life insurance, critical illness and income protection cover.

Direct Line has chosen AIG as its provider of life insurance because of their experience and care when helping people to protect their families.

## How to use this document

This document is to help you decide whether Over 50s Life Insurance is right for you. It'll help you understand how things work.

The full terms, conditions and exclusions of this cover can be found in the Insurance Details and Insurance Summary. The Insurance Details is the terms and conditions and the Insurance Summary is a personalised summary of your cover if you decide to take it out. We'll let you know when you might want to check these throughout this document.

The Insurance Details are on our website and you'll get a copy of the Insurance Details and Insurance Summary if you decide to buy this insurance.

## Giving the right information

So your insurance matches your needs, it's really important that you provide information that's true, accurate and complete when you apply for your insurance. If you don't, it can cause problems later on, like your policy being cancelled or a claim being rejected or reduced.



## Who can buy Over 50s Life Insurance?

To apply for this insurance, you must be resident in the United Kingdom and at least 50 years old and no older than 85 (81 for those who smoke).

## What is Over 50s Life Insurance?

Over 50s Life Insurance is designed to help you leave some money behind when you're no longer there. It can be used towards the cost of your funeral, or to leave something for your friends or family when you die.

This type of insurance will pay out a single sum of money when you die.

## The fundamentals - how it works

### What am I insured for?

- After you've had the insurance for two years, AIG will pay your total insurance amount when you die.
- In the first two years of your insurance, AIG will pay three times your insurance amount if you die because of an accident.
- If you die because of any reason other than an accident during the first two years of your insurance, AIG will pay one-and-a-half times the monthly payments you've already made.

### How much can I be insured for?

You can choose how much you want to pay each month for your insurance, and this will determine how much your insurance will pay out.

The amount you pay and the amount you're insured for will depend on your age when you take out the insurance.

### The limits

You can take out more than one Over 50s Life Insurance with AIG, but there's a limit to this.

The maximum insurance amount is limited to £15,000 or the maximum monthly payments you make are limited to £100 for all the Over 50s Life Insurances you hold with AIG.

So, if you take out more than these limits, your claim payout may be reduced or declined.

If AIG subsequently identify that the maximum limits have been exceeded, they reserve the right to cancel or amend any policies which go above these limits, and will refund any monthly payments you've made as appropriate.



## How much will be paid out when I die?

The following example shows how much will be paid out if you chose a monthly payment of £15, if you were a non-smoker aged 65 when the insurance started.

If you die two or more years after your insurance started, the payout will be **£2,639**.

If you die because of an accident during the first two years of your insurance, the payout will be **£2,639 x 3 = £7,917**.

If you die because of any reason other than an accident during the first two years of your insurance, the payout will be one-and-a-half times the monthly payments you've already made.

For example, if you die after making 18 monthly payments (at £15 per month), you'll have paid **£270** (£15 x 18).

This means the amount paid out when you die is £270 x 1.5 = **£405**.

The above figures are for illustrative purposes only.

Your insurance ends after AIG has made a payout.

## Paying for your insurance

You'll make a monthly payment by direct debit for your insurance until your 90th birthday.

After that, you'll stop making monthly payments but your insurance will continue until you die.

The amount you pay won't change.

## Protected insurance amount

If you cancel or stop paying for your insurance, the insurance will still pay out if you die – as long as you've made at least half of the monthly payments that are due between when your insurance first started and your 90th birthday.

The amount paid out will depend on when you stop making monthly payments and will be at least half of your original insurance.

This is how the protected insurance amount is calculated:

Insurance amount **X** number of monthly payments you've already made

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number of months between when your insurance started and your 90th birthday

### For example:

At age 65, you buy £2,639 worth of insurance. Because your payments will end on your 90th birthday, the total number of years you need to make monthly payments is 25 (300 months).

After 17 years (204 months), you cancel your insurance or stop making monthly payments.

This means your protected insurance amount would be:

**£2,639 x 204 / 300 = £1,795**. This would be the amount paid out when you die.

## Important information about your insurance

### Payments you make

The total payments you make for your insurance might exceed the insurance amount, depending on when you die.

### Value of the insurance

This isn't a savings or investment product.

Your policy has no cash value unless a valid claim is made.

### Impact of inflation on your insurance

Inflation will reduce the spending power of any money paid in the future.

### If you miss a payment

If any monthly payment remains unpaid for more than 30 days, your insurance will stop and you'll no longer be insured, unless you qualify for the protected insurance amount.

If AIG cancel your insurance because a premium isn't paid, you may be able to ask them to restart it. More information can be found in the Insurance Details.

### Covering your funeral

If you're purchasing this insurance to cover your funeral expenses, it may not provide enough money to cover the full cost.

## Things you need to know

### Making a claim

If you need to claim, you or the person claiming should get in touch as soon as you can using the contact details provided.

To find out more about how to claim, check out the Insurance Details.

We'll pay the insurance to the person legally entitled to receive it. This will be confirmed when a claim is made. It'll depend on the nature and circumstance of the claim, and whether the insurance has been assigned or held in trust.

### When a claim won't be paid

More insurance claims are paid than aren't. Here are the reasons why AIG won't pay a claim:

- you stopped paying monthly payments before your 90th birthday or you die, whichever happens first, unless you qualify for the protected insurance amount
- you provided inaccurate, incomplete and false information when you applied for the insurance, or
- you didn't tell AIG if any of the information in the Insurance Summary AIG sends you is wrong.

It's important to be accurate and thorough when applying. If you don't take sufficient care and give information that's untrue, incomplete or inaccurate, AIG may need to cancel or change your insurance so that it fits what AIG should have been told about. So if you later spot an error in your documents, contact AIG as soon as possible to change it.

For more information about when a claim won't be paid, check out section 2.1 in the Insurance Details.

### Changing your mind about your insurance

If you change your mind about having insurance within 30 days of receiving your policy documents, AIG will refund any payments you've made.

If you don't stop your insurance within this time period, your insurance will remain active.

If you cancel your insurance after 30 days, and have paid less than half of the monthly payments due, your insurance will end on the day before your next monthly payment is due and you won't get any money back.

If you cancel your insurance and have paid at least half of the monthly payments due, you'll qualify for the protected insurance amount and a reduced insurance amount will be paid when you die.

## The Law

This insurance is governed by the law of England and Wales.

All of AIG's standard communications with you now and throughout the term of your insurance will be in English. If you have specific communication needs, AIG will do their best to support you. Just let them know.

## Current tax rules

Under current legislation and HMRC practice, the amount of insurance paid out is normally free from Income Tax and Capital Gains Tax for UK residents, unless you assign your insurance to someone else.

Professional guidance should be sought before any type of assignment or changed ownership is undertaken.

If your insurance isn't placed in trust, the amount paid out may form part of your estate for inheritance tax purposes.

Your family may have to pay inheritance tax if the value of your estate is higher than the inheritance

tax threshold, so you may wish to place your insurance in trust to help mitigate the effect of inheritance tax.

It's recommended that you take professional advice before setting up a trust.

## Personal information AIG collects

Personal information AIG collects about you includes sensitive information such as your health and medical history. Where they collect this information, they'll rely either on your consent, or on a combination of the following justifications: performing a contract with you or preparing to enter into a contract with you; complying with regulatory requirements; or having a legitimate interest to request your personal information.

To give you a quicker decision about your insurance, AIG will make decisions about your application using an 'automated decision-making tool'. An 'automated decision-making tool' doesn't involve human input and it is sometimes used to determine whether AIG is able to provide you with insurance and on what terms based on the answers you give.

AIG may also use your personal information to detect, investigate and prevent crime (including fraud and money laundering).

Where permitted by applicable law, AIG may share personal information with carefully selected third parties, for example, other insurers and reinsurers.

As you have been introduced to AIG by U K Insurance Business Solutions Limited (UKIBS) on behalf of Direct Line, AIG will share limited information about you with UKIBS to prevent duplicate communications, for statistical purposes and as per UKIBS legitimate interests. For more information on how UKIBS use your information, please see their privacy policy at [directline.com](https://www.directline.com). AIG won't share your information for marketing purposes without your permission.

Your personal information may be transferred outside the country in which you're located including to countries outside the UK.

As a data subject you have certain rights in relation to your personal information.

More details about AIG's use of personal information and your rights as a data subject can be found at [aiglife.co.uk/privacy-policy](https://aiglife.co.uk/privacy-policy) or you may request a copy using the following contact details: Data Protection Officer, AIG Life, 58 Fenchurch Street, London, EC3M 4AB or by email at [DataProtectionOfficer@aiglife.co.uk](mailto:DataProtectionOfficer@aiglife.co.uk)

## About AIG's business

American International Group, Inc. (AIG, Inc.) is a leading international insurance organisation serving customers in more than 80 countries and jurisdictions. AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of AIG, Inc.

AIG Life Limited is the life insurance arm of AIG in the UK, Channel Islands, Isle of Man and Gibraltar.

Information about AIG's business, performance and financial position, and details on how they control their business and manage risks can be found in the Solvency and Financial Condition Report available on their website [aiglife.co.uk](https://aiglife.co.uk).

## Making a complaint

If you have a complaint, you can get in touch using the contact details provided.

AIG and Direct Line try to resolve complaints as quickly and fairly as possible. If a complaint can't

be dealt with promptly, you'll receive a letter to acknowledge it and regular updates until it's resolved. If you're not happy with how your complaint is dealt with, you can refer it to the Financial Ombudsman Service.

You can email them at [complaint.info@financialombudsman.org.uk](mailto:complaint.info@financialombudsman.org.uk)

Call: 0800 023 4567

Or write to The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR.

Making a complaint to the Financial Ombudsman Service doesn't affect your right to take legal action.

## What happens if AIG got into financial trouble and couldn't pay out the money?

The Financial Services Compensation Scheme (FSCS) is there to protect you if AIG can't meet their obligations. Whilst most customers will be covered under the FSCS, whether or not you can claim and the amount you can claim depends on the specific circumstances of your claim. You can get further information from [fscs.org.uk](https://fscs.org.uk) or by calling 0800 678 1100.

## How to contact AIG

### For any questions about your insurance:

- call 0330 390 0513
- email [enquiries@aiglife.co.uk](mailto:enquiries@aiglife.co.uk)

### To make a complaint:

- call 0345 600 6813
- email [complaints@aiglife.co.uk](mailto:complaints@aiglife.co.uk)

### To contact the claims team:

- call 0330 303 9985
- email [claimsteam@aiglife.co.uk](mailto:claimsteam@aiglife.co.uk)

AIG's phone lines are open Monday to Thursday, 8.30am to 6.00pm and Friday, 8.30am to 5.30pm, except bank holidays.

Please note that opening hours are UK local time.

You can also write to AIG Life Limited, PO Box 12010, Harlow CM20 9LG or visit [aiglife.co.uk](http://aiglife.co.uk) for more information.

Calls are charged at standard rates from a BT landline, but may cost more via mobiles and other networks. Calls may be recorded or monitored. This is to make sure there is a record of any instructions given, help train staff, improve the quality of service and prevent or detect fraud.

This document is available in other formats such as Braille, large print or audio. Please ask if you need one of these formats.



**Direct Line**<sup>®</sup>

U K Insurance Business Solutions Limited introduces Direct Line customers to AIG Life Limited for life insurance and life insurance with critical illness. U K Insurance Business Solutions Limited is authorised and regulated by the Financial Conduct Authority. The Financial Services Register number is 313783. Registered office: Churchill Court, Westmoreland Road, Bromley, BR1 1DP. Registered in England and Wales under company number 05196274.

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