

# Life Insurance

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Chosen partner of Direct Line







# Welcome to Direct Line

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

## Who provides this 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 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 Life Insurance?

To apply for this insurance, you must be resident in the United Kingdom, be at least 17 years old and no older than 75.

You can choose to insure:

- you alone – we call this single life insurance, or
- you and another person - we call this joint life insurance.

## What does joint life insurance mean?

Joint life insurance is where two people need insurance so if one person dies or is diagnosed with a terminal illness, the other is provided with financial support. The insurance will only pay out once. The insurance is jointly owned and ends when a payment is made meaning the other person is no longer insured under this insurance.

## What is Life Insurance?

Life Insurance is designed to support your family financially when you're no longer there for them. It can help them pay any outstanding debts or contribute towards your mortgage.

This type of insurance will pay out a single sum of money while you're insured if you die or if you're diagnosed with a terminal illness.

## What does terminal illness mean?

A terminal illness means that the illness either has no known cure, or has progressed to the point where it can't be cured.

A claim for terminal illness can be made where you've been diagnosed by a medical consultant with an illness that is expected to lead to death within 12 months. If the consultant can't diagnose this, or expects death to occur more than one year after diagnosis, AIG won't pay a terminal illness claim.

We'll only make a payment for a diagnosis of a terminal illness if you meet the definition in the Insurance Details.

## What is Critical 3?

When you buy Life Insurance, you can choose to include Critical 3 for an additional cost.

Critical 3 is designed to support you and your family financially if you fall seriously ill. It can help pay any outstanding debts or contribute towards your mortgage.

This type of insurance will pay out a single sum of money while you're insured if you're diagnosed with one of the three specified critical illnesses and survive for 14 days.

They are:

- Cancer – excluding less advanced cases and including aplastic anaemia
- Heart attack – of specified severity, and
- Stroke – of specified severity

For the full definitions of these conditions, check out section 4 in the Insurance Details.

Critical 3 insurance ends if AIG pays out a claim for a critical illness. It'll only pay out once if you have joint life insurance.

If your Critical 3 insurance ends, your Life Insurance will continue, if you keep making monthly payments. Critical 3 will stop if AIG pays a claim for Life Insurance.

## The fundamentals - how it works

### The amount of insurance

You can decide how much insurance you want. This is the amount AIG pays if you die or are diagnosed with a terminal illness before your insurance ends.

If you choose to include Critical 3 in your insurance, you decide how much insurance you want. This is the amount AIG pays if you're diagnosed with one of the specified critical illness conditions and survive for 14 days.

### The length of your insurance

This is how long your insurance lasts. Some people may choose the number of years left on their mortgage, or when their children might leave home. You can choose between 3 and 50 years, although your insurance must end before you reach your 86th birthday.

If you choose to include Critical 3, the length of the insurance will be the same as your Life Insurance.

### Types of insurance

You can choose whether you'd like the amount of your Life Insurance to stay the same or change over time.

- Level insurance – a straightforward insurance, where the amount of your Life Insurance stays the same
- Decreasing insurance – designed to cover any big debts you're paying off. The amount of your Life Insurance decreases each month, so that it reaches zero when your insurance ends. It works in the same way as the outstanding amount on a repayment mortgage, with an annual interest rate of 8%.

With either type of insurance, if you choose to include Critical 3, your Critical 3 amount will always stay the same.

For more information about these types of insurance, check out section 1.2 in the Insurance Details.

### Paying for your insurance

AIG will collect monthly payments from you by direct debit until your insurance ends.

The amount you pay won't change unless a claim is paid for Critical 3 or you remove it from your insurance, in which case the amount you pay will reduce.

### Changing your insurance

You can change your insurance in the following ways:

- Reduce the amount of your Life Insurance,
- Reduce the length of your insurance,
- Change your joint life insurance to one single life insurance or two separate single life insurances, or
- Reduce the amount of Critical 3 or remove Critical 3 from your insurance.

For more information, check out section 2.3 in the Insurance Details.



## Mortgage guarantee

If you choose decreasing Life Insurance in connection with a mortgage, and at the time of making a successful claim the amount of your Life Insurance is less than the amount of the outstanding mortgage, AIG will pay the amount outstanding on your mortgage, provided that:

- the difference between the amount of Life Insurance and the outstanding mortgage is solely due to the mortgage being charged an annual interest rate higher than 8%
- the initial annual interest rate charged on the mortgage at the start of your insurance was less than 10%
- your insurance doesn't end before your mortgage is due to be repaid, and
- the amount of Life Insurance you were insured for at the start of your insurance was at least the size of the mortgage, or the part of the mortgage your insurance covers.

If you don't meet the criteria for the mortgage guarantee and the annual interest rate on your mortgage is greater than 8%, the amount AIG will pay for a successful Life Insurance claim may not meet the outstanding amount of your mortgage.

## Home purchase insurance

If you're purchasing a property, AIG will automatically provide you insurance at no extra cost between when you exchange contracts and when the purchase of your home is completed. In Scotland, this will be from when missives are completed for the property until the date of entry into the property.

Home purchase insurance will begin once you've chosen when you want your insurance to start and you've exchanged contracts.

Home purchase insurance will end on the date of completion or on the date your insurance starts, whichever comes first. If the date of completion happens before your insurance is due to start, you won't be insured during this time.

Home purchase insurance will pay the lower of:

- the amount of insurance requested in your application or the purchase price of your home, as confirmed when contracts are exchanged
- £1,000,000 if you die, or
- £350,000 if you've chosen to include Critical 3 in your insurance and you're diagnosed with one of the specified critical illness conditions and survive for 14 days.

AIG is unable to consider a claim for terminal illness under home purchase insurance.

Your insurance will end if a payout is made under home purchase insurance.

## Important information about your insurance

### When you're covered

This insurance only protects you against events that happen to you while you're insured. If something happens outside that time, you won't be insured. Your Insurance Summary will show you how long your insurance lasts.

### Cover for illnesses

AIG will only pay a claim for a diagnosis of a terminal illness, cancer, heart attack or stroke if you meet the definition of that condition provided in the Insurance Details.

If you choose to include Critical 3 insurance, AIG may exclude a specific illness. This could be because you have a particular medical condition when you apply. If AIG has excluded any illnesses from the insurance they're offering, they'll let you know and it will be shown in your Insurance Summary.

### Reviewing your cover

Make sure you review your policy in line with your earnings and lifestyle. If you don't, you may find you have more or less insurance than you actually need.

### 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 payment remains unpaid for more than 30 days from the date it was due to be collected, AIG will stop your insurance and you'll no longer be insured.

You may be able to reinstate your insurance by paying any outstanding premiums up to six months after missing a premium.

### Medical information

AIG may need to ask your doctor for medical information. This could be to help AIG assess your insurance application or to check the information you've provided.

## 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, you can 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.

### Where a claim can be made

If you're diagnosed with a terminal illness, cancer, heart attack or stroke, you can be residing anywhere in the world when you make a claim.

However, your diagnosing consultant must be in an eligible country. For a list of eligible countries, check out section 4 in the Insurance Details.

For a death claim, you can be anywhere in the world.

### 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 regular payments throughout the term of your insurance
- you provided inaccurate information when you applied for the insurance
- you don't provide medical or other evidence that AIG asks for, or
- you didn't tell AIG if any of the information in the Insurance Summary or Application Details that you receive when you buy your insurance 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.

There's also an important exclusion to your insurance. AIG won't pay the money if you die as a result of your own actions during the first year of your insurance, or within one year after restarting your insurance.

For more information about when a claim won't be paid, check out section 1.4 in the Insurance Details.

### Changing your mind about your insurance

If you change your mind about having your insurance within 30 days of receiving your insurance documents, you'll be refunded any payments you've made, unless AIG has already paid a claim under your Insurance.

If you don't cancel your insurance within this time period, your insurance will remain in place.

If you stop your insurance after 30 days, your insurance will end on the day before your next monthly payment is due and you won't get any money back.

If you choose to stop your Life Insurance, your Critical 3 will also stop if you've included it in your insurance.

### The Law

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

All the 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.

If the amount AIG pays out forms part of your estate, it may be subject to inheritance tax. You may wish to place your insurance in trust to help mitigate the effect of inheritance tax. We recommend 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 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 their 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 as 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)

Or 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 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](http://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.



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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