

Key features of the Secured Lifetime Care Plan



The Financial Conduct Authority is a financial services regulator. It requires us, Aviva Life & Pensions UK Limited, to give you this important information to help you to decide whether our Secured Lifetime Care 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.

Please read this document with the accompanying illustration. Where relevant information is contained in other documents these will be signposted at the appropriate point. The purpose of this document is to help you make an informed decision.

What is the Secured Lifetime Care Plan?

This plan pays monthly long term care benefits if you need formal paid-for care because of physical disability or mental impairment. It will provide long term care benefit payments after the selected deferred period has ended until you die. This means there is a maximum period of time, the deferred period, for which you are responsible for making all of your own payments, before the benefits from this plan are paid. You can choose a deferred period of one, two, three, four or five years when you take out the plan.

Who should consider the Secured Lifetime Care Plan?

- You should consider this plan if you are aged 60 or over, reside in the UK and expect to receive formal care for the rest of your life, either in a care home or at home, for which you have to pay.
- This plan can be purchased either by the person requiring care, their legal representative, or on their behalf by somebody else.

Its aims

To make monthly benefit payments that will fund part or all of the cost of the care you need for the rest of your life. These benefit payments will be made after the agreed deferred period.

Your commitment

To pay the agreed single premium.

Risks

- You may die before any benefit payments have been made, or the total benefit payments we have made by the date of your death may be less than the premium you have paid. There will be no payment due on your death in either case.
- The cost of any care services you need may be more than the benefit payments we make.
- The cost of care services you need may rise faster than the benefit payments from the plan. If it does, this means you will need to make up the difference yourself.
- Some state and local authority benefits are means-tested, and your entitlement (if any) to receive them may be affected by the payments from a Secured Lifetime Care Plan. Attendance allowance, disability living allowance, personal independence payment and NHS funded nursing care are not currently affected.
- Your plan has no cash-in value at any time.

- If we can't pay part or all your secured care benefit direct to a registered care provider, we'll pay you instead. For example, we'll need to pay you direct if you have made your own informal care arrangements, or if in the future, you qualify for NHS continuing care, or a similar funding arrangement. The amount we'll pay will be net of any tax that we need to deduct under the current tax rules.

Questions and answers

Can I change my mind?

You can change your mind within 30 days from when you receive the 'Your right to change your mind' form. If for any reason you decide that you don't want to take out this plan, just return the form within the 30 days to the address shown in the 'How to contact us' section on page 4 and we'll give you your money back. If we have added the adviser charge to your premium and paid your adviser, this amount will not be refunded by us.

If you don't let us know that you want to cancel your plan within 30 days, it will continue in accordance with the plan's policy conditions. If you decide to cancel the plan at a later date the plan's policy conditions will apply and there will be no cash-in value.

Am I eligible?

- You must be aged 60 or over at the time of application.
- When your plan starts, you should be receiving care because you need help with your normal everyday tasks or supervision, if you are mentally impaired.
- When you apply for the plan we'll use the medical information that you have provided to check whether you meet the physical or mental disability criteria.
- You will meet the physical disability criteria if you are unable to live independently due to a physical impairment, which is expected to be permanent.
- You will meet the mental disability criteria if there is a loss of intellectual capacity, identified through using medically recognised tests examining memory, orientation, simple reasoning and basic decision making.

What about tax?

- Long term care benefits are paid free of tax when they are paid direct to a registered care provider.
- An income tax liability may arise on the portion of the long term care benefit, if any, that cannot be paid direct to a registered care provider.

When paid to anyone other than a registered care provider, part of the long term care benefit that we pay to you is treated as a return of your original premium and is called the capital element and will not be taxed. The remainder of the payment is treated as income and will be taxable. The amount of income calculated will be dependent on individual circumstances.

We must currently deduct basic rate income tax from the income element if we cannot make payments to a registered care provider.

- If you are a non taxpayer, or are subject to starting rate tax on savings income, you may be able to reclaim some or all of the tax we have deducted from the income element. It is up to you to reclaim this from HM Revenue and Customs (HMRC).
- If you already are, or the income element causes you to become a higher rate or additional rate taxpayer, you will have further tax to pay on the income element and you should make a declaration to HMRC.
- This information has been prepared on the basis of Aviva's interpretation of current law and HMRC practice. The value of any tax benefits depends on individual circumstances and is subject to change.
- Your financial adviser will be able to give you more information about your own tax position.

What benefits will I receive from the plan?

- The monthly long term care benefit that is shown in the illustration. We will pay this from the agreed benefit start date which will be after your selected deferred period.
The amount paid, net of tax if any needs to be taken, must not be more than the cost of your care services when your plan starts.
- If you haven't already made your own care arrangements and would like our help, we can arrange this for you. We can also stay in touch on a regular basis to check that the care you're receiving is still meeting your needs.

How will the long term care benefit be paid?

- Monthly benefits will be paid after the selected deferred period. This means you will have to pay the full cost of your care until the end of the deferred period.
- The benefits will be paid monthly. We can send the money directly to up to four different registered care providers, when you are receiving formal care at home or in a registered care home. The payments will be paid tax free if the care providers are registered with the current Government appointed regulator.
- The first benefit will be paid in arrears at the beginning of the month following the benefit start date. All further benefit payments will be paid in advance starting at the beginning of the month following the benefit start date.
- If part or all of your long term care benefit cannot be paid direct to a registered care provider, that portion will be paid direct to you less any tax deduction we must make. For example, if you were to make your own informal care arrangements or if in future you qualify for NHS continuing care or similar funding arrangement.

What are the charges?

All charges are included in the total premium you pay for your Secured Lifetime Care Plan.

Our administration costs are covered within the premium and your long term care benefit payments reflect this. However, your adviser may charge you for the advice that they give you. We can add the adviser charge to your premium, or you can pay your adviser directly.

What are the benefit increase options?

- When you start your plan, for an additional cost, you can choose to have your long term care benefit increase automatically each year. You can choose any one of three different types of increase shown below. You can also choose the month of the year in which the increases are to take place.
 - Increases which match yearly increases in the Retail Prices Index.
 - Increases which are set at 2% more than yearly increases in the Retail Prices Index.
 - Increases at a fixed rate each year between 3% and 10%.These increases take place both during the deferred period and after the long term care benefit becomes payable.
- The rate selected at the start of the plan can't be changed at a later date.
- The rate at which your long term care benefit will increase is intended to help you fund increases in the care costs you expect to be paid by this plan. Actual increases in care costs may be at a faster rate than those that apply to your long term care benefit. This means your payments may not cover the full increase in the care costs you expect to be funded by this plan.
- You can buy an additional plan at a later date to provide extra long term care benefits if you need to. The cost of any extra long term care benefit will be worked out using the premium rates at that time and will depend on your health and age when you apply. When you buy extra cover, we'll also check that you meet the current eligibility criteria before agreeing to cover you.

Do I need to review my cover?

It's important to regularly review your circumstances and the likely costs of your long-term care. This may help to make sure that you continue to have enough cover. If there is a change affecting your long-term care needs, it's also important to get some advice about what this means for you.

What happens to my plan when I die?

- The plan will stop.
- There will be no additional benefit payment due on your death even if we have not made any payments, or the total payments we have made by the date of your death are less than the premium you have paid.

Further information

How to contact us

Your financial adviser will normally be your first point of contact. If you have any questions, you can phone or write to us.



Call us on: **0345 303 0430**

Monday to Friday 8:30am – 5:30pm

As part of our commitment to quality service, telephone calls may be recorded.



If you want to cancel your plan within 30 days of it starting, or to write to us for any other reason, please use the following address:

Aviva

(Lifetime Care)

PO Box 582

Bristol

BS34 9FX

United Kingdom



Or you can email us at:

lifetimecare@aviva.com

Please note that this email may not be secure and it is therefore possible that it could be intercepted and read. Please do not include any personal or confidential information.

Client categorisation

Aviva categorises each customer as a 'retail client'. This gives you the highest level of protection available under the Financial Conduct Authority Conduct of Business Rules. This includes access to the Financial Services Compensation Scheme or Financial Ombudsman Service. Please contact your financial adviser if you require further details.

How to complain

If you've taken a product out with Aviva and are unhappy with the product or the service you received, you can contact us using the details in the 'How to contact us' section.

We aim to resolve your complaint quickly. If we can resolve your complaint within three working days following the day we receive it, we will write and confirm this to you, along with your rights to refer your complaint to the Financial Ombudsman Service (FOS).

If your complaint is not resolved within three working days of receiving your complaint:

- Your complaint will be acknowledged promptly.
- A dedicated complaint expert will be assigned to review your complaint.
- A thorough and impartial investigation will be carried out.
- You will be kept updated of the progress.
- Everything will be done to resolve things as quickly as possible.
- A written response will be sent to you within eight weeks of receiving your complaint, this will inform you of the results of the investigation or explain why this isn't possible.

Where we cannot resolve your concerns, or have been unable to resolve them within eight weeks, you may be able to ask the FOS to carry out an independent review. Whilst firms are bound by their decision, you are not. Contacting the FOS will not affect your legal rights. You can contact them on **0800 023 4567** or visit their website at **financial-ombudsman.org.uk**, where you will find further information.

Compensation

Our Secured Lifetime Care Plan is covered by the Financial Services Compensation Scheme. If we become insolvent and we can't meet our obligations under this plan, the scheme may cover you for up to 100% of any successful claim you make.

To find more information about the FSCS, including how to contact them via email and webchat:

Website: **fscs.org.uk**

Phone: **0800 678 1100** or **0207 741 4100**.

Potential conflicts of interest

There may be times when Aviva Plc group companies or our appointed officers have some form of interest in the business being transacted.

If this happens or when we become aware that our interests, or those of our officers, conflict with your interests, we'll take all reasonable steps to manage that conflict of interest. We'll do this in a way that treats all customers fairly and in line with proper standards of business.

Further details of our conflicts of interest policy are available on request.

Where, despite all efforts to manage a conflict of interest, the conflict of interest cannot be prevented, we will disclose it to you before you commit to taking out this product.

Aviva staff remuneration

Aviva staff are salaried and they receive an annual bonus based upon the overall performance of the Aviva Group.

Some members of our distribution team may also receive additional bonus, a proportion of which relates to their sales performance.

Terms and conditions

This Key Features document gives you a summary of the Secured Lifetime Care Plan. It does not include all the definitions, exclusions, and terms and conditions. These are shown in the policy conditions booklet. If you would like a copy of the policy conditions, please ask your financial adviser or contact us.

Financial advisers

Where you have received information or advice from a financial adviser, they will provide you with information regarding their identity, the capacity in which they are acting and their address for future communications. If you don't have a financial adviser, one can be found at **unbiased.co.uk**.

Law and language

This Plan is governed by the law of England. Your contract will be in English and we will always write and speak to you in English.

Key Features document information

If the illustration supplied to you contains an expiry date and you wish to make an application after this date, you should ask for a further illustration and Key Features document from your financial adviser.

The date when the Key Features document was produced is shown at the end of the document. If you are not sure if you have the most up-to-date version you should ask your financial adviser.

About Aviva

Aviva Life & Pensions UK Limited is the provider of the lifetime care range of plans. It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is entered on the Financial Services Register, number 185896. **[fca.org.uk/register](https://www.fca.org.uk/register)**

Solvency Financial Condition Report


Every year we publish a Solvency and Financial Condition report which provides information about our performance, governance, risk profile, solvency and capital management. This report is available for you to read on our website at **[aviva.com/investors/regulatory-returns/](https://www.aviva.com/investors/regulatory-returns/)**



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How to contact us

 0345 303 0430

 contactus@aviva.com

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