

UNDERWRITTEN BY PINNACLE INSURANCE PLC

Head and Registered Office : Pinnacle House, A1 Barnet Way, Borehamwood, Hertfordshire WD6 2XX
United Kingdom
Company Registered Number : 1007798
Policy Number : 02282
Date of Policy : 1st August 2007

YOU ARE ADVISED TO READ THIS DOCUMENT CAREFULLY

HOW TO CLAIM: Simply telephone us on 0844 543 1180 for a claim form, complete all the sections and return it.

MORTGAGE PAYMENT PROTECTION INSURANCE DISABILITY AND UNEMPLOYMENT COVER

This **policy** provides protection in the event of **your disability** or **unemployment** providing **you** meet the eligibility criteria set out in Section 1 and have paid the **monthly premium** when due. This **policy** provides **you** with everything **you** need to know about **your** cover and contains all the contractual terms and conditions of **your** cover including the exclusions.

Please read this **policy** carefully as it explains the benefits of cover that are available to **you** and the criteria **you** must meet to qualify for those benefits. Please make sure that **you**:

- are eligible for the insurance cover;
- know what this insurance does and does not cover;
- understand how changes in **your** employment affect eligibility; and
- understand the terms and conditions for making a claim.

This **policy** uses words and phrases that have specific meanings. **You** will find these explained in Section 18 "Definitions". Defined words are shown in "**bold**" wherever they appear.

HOW MUCH WILL IT COST?

The cost of **your** Mortgage Payment Protection Insurance is £6.25 for every £100 of **monthly benefit** based on **accident, sickness** and **unemployment** cover, with a 30-day wait period and a maximum benefit duration of 12 months.

This Payment Protection Insurance is optional. There are other providers of Payment Protection Insurance and other products designed to protect **you** against loss of income. For impartial information about insurance, please visit the website at: www.moneyadvice.service.org.uk

1. ELIGIBILITY

- (i) **You** are eligible for this insurance if at the **start date**, **you**:
- are 18 years or over but less than 65 years of age;
 - have been in **full-time employment** or **self-employed** for at least 60 continuous consecutive months immediately prior to the **start date**;
 - work and live in the United Kingdom, the Channel Islands or the Isle of Man. **You** may also be eligible for continued cover if **you** worked and lived in the United Kingdom, the Channel Islands or the Isle of Man at the **start date** and **you** are subsequently posted to work outside the United Kingdom, the Channel Islands or the Isle of Man as:
 - a member of the British Armed Forces or as a civil servant at a British Embassy or Consulate; or
 - your** employer is a United Kingdom registered company and **you** are assigned to work within the European Union;
 - are applying for, or have a residential mortgage (excluding 'buy to let' mortgage); and
 - comply with other eligibility requirements* which may apply at the time of **your** application and will be explained at that time. These requirements will not affect **you** if **you** are already covered under this **policy**.
- *This may include extending the length of time **you** must have been working for, prior to the **start date**, to beyond that stated in (b) above.
- (ii) **Joint Cover** - if two people are named on the **mortgage**, each will be covered in respect of **disability** and **unemployment** benefits for the percentage of the **monthly benefit** shown in the **schedule**. The two percentages must add up to 100%.

Self-employed and Fixed-term Contract Workers

If **you** are **self-employed** or **you** work on a fixed-term contract(s) **you** are eligible for this insurance but **you** should read this **policy** carefully to make sure it is suitable for **your** needs - **you** should pay particular attention to the definitions of "**self-employed**" and "**ceased trading**", Section 5 "Unemployment Benefit" and Section 7 "Claims".

If **you** are **self-employed** and wish to claim **unemployment** benefit **you** will need to provide satisfactory evidence that **you**:

- have **ceased trading**;
- are registered as unemployed with the Department for Work and Pensions; and
- fulfil the definition of **unemployment**.

Important Notes

Certain circumstances may affect **your** right to benefits if **you** are aware of them at the **start date**. **We** will not pay any benefits under this **policy** for:

- any condition, injury, illness, disease, sickness or related condition and/or associated symptoms whether specifically diagnosed or not, which **you** knew about (or ought reasonably to have known about) at the **start date** or, for which **you** sought or received advice, treatment or counselling from a **doctor** during the 12 months immediately prior to the **start date**.
However, **you** will be able to claim if the sickness, disease, condition or injury is not considered a **chronic condition** and **you** have been symptom free and have not consulted a doctor or received treatment for the condition in the 24 months immediately prior to **your** claim. Please refer to Section 4 for the full list of **disability** exclusions;
- any impending **unemployment** **you** were aware of at the **start date**. **You** will not be covered for any **unemployment** which **we** reasonably believe **you** knew was likely to happen, whether **you** had official notice of it or not, when **you** took out this insurance;
- any **unemployment** **you** were advised of or which happens during the first 60 days following the **start date** in respect of a **new borrower**, or within 120 days of the **start date** in respect of an **existing borrower**, whether **you** were aware of it or not at the **start date**;
- a Carer Cover claim under Section 5 (v) if at the **start date** **we** reasonably believe

you were aware of the need, or likely need at any time in the future, for a member of **your immediate family** to require a carer.

2. CHANGING LEVEL OF BENEFIT/CIRCUMSTANCES

- (i) It is **your** responsibility to ensure this **policy** continues to meet **your** requirements and that the chosen **monthly benefit** meets **your** mortgage repayment. If **you** take out a further advance on **your mortgage**, change **your mortgage** or transfer **your mortgage** to another lender, **you** may apply to change **your monthly benefit** to match **your** new mortgage repayments. If interest rates rise or fall, **you** may apply to amend **your monthly benefit** to reflect the change in **your** mortgage repayment.
- (ii) If **you** want to change **your monthly benefit** **you** must ask **us** in writing. If **we** agree to change **your** level of **monthly benefit** or proportion of the **monthly benefit**, the change will take effect from the date **we** accept the amendment, provided that **you** are not already receiving **monthly benefit** under this **policy** or are aware of an impending claim.
- (iii) **We** will not pay the increase in **monthly benefit** or the change in proportion of **your monthly benefit** if:
- you** receive notice verbally or in writing of **unemployment**, or are aware of impending **unemployment** within 60 days of the date **you** applied for the increase or change;
 - you** knew of, or should reasonably have known of **your** impending **unemployment**, on the date **you** applied for the increase or change; or
 - a **disability** claim results from any condition, injury, illness, disease, sickness or related condition and/or associated symptoms whether specifically diagnosed or not, which **you** knew about (or ought reasonably to have known about) at the date **you** applied for the increase or change, or for which **you** sought or received advice, treatment or counselling from a **doctor** during the 12 months immediately prior to the date **you** applied for the increase or change.
- (iv) Joint Borrowers - If either of **you** stop working, **permanently retire** or reach 65 years of age **you** must advise **us** in writing. **We** will have the right to decide if the **monthly benefit**, in whole or in part, may be transferred to the other person named in the **schedule** who is still eligible for cover, such a request not to be unreasonably declined by **us**. Providing **we** accept **your** request, the amendment will take effect from the date **you** advised **us** of the change or the date the person stopped working, whichever is the later.

3. DISABILITY (ACCIDENT & SICKNESS) BENEFIT

- (i) If after the **start date** and before the **end date** **you** become continuously **disabled** for 30 consecutive days or more, **we** will pay from the 31st day onwards, 1/30th of the **monthly benefit** for each continuous day **you** are **disabled**. The **monthly benefit** will be paid to **you** monthly in arrears provided **you** meet the terms and conditions of this **policy**.
- (ii) To receive the **monthly benefit** **you** must:
- have been in **full-time employment** or **self-employed** when **your disability** begins;
 - be under regular care and attendance of **your doctor**;
 - be prevented from working only as a result of the **disability**;
 - not be receiving the **monthly benefit** for **unemployment** for the same period; and
 - give **us** any evidence **we** ask for in order to prove **your** claim is valid and continues to be so.
- (iii) When paying **your** claim **we** will consider the first day of **disability** to be the day a **doctor** certifies that **you** are **disabled** and are unfit for work.
- (iv) **We** will continue to pay the **monthly benefit** until:
- we** have paid 12 **monthly benefit** payments in respect of a single **disability** claim;

- (b) **you** return to **full-time employment** or **self-employment**;
 - (c) **you** fail to provide evidence of **your disability**; or
 - (d) the **end date**;
- whichever happens first.
- (v) If **you** have made a claim and then find part-time work for less than 16 hours per week **you** will still be able to claim for **disability** benefit provided that **you** are in receipt of Employment and Support Allowance.

(vi) Future Claims

- (a) **You** may make a further **disability** claim:
- (i) for an unrelated condition - if **you** have returned to **full-time employment** or **self-employment** for at least 1 month following the previous **disability** claim; or
 - (ii) for the same or a related condition - if **you** have returned to **full-time employment** or **self-employment** for at least 6 consecutive months following the previous **disability** claim.

However, if two periods of **disability** (each resulting from the same or a related condition) are separated by less than 3 consecutive months of **full-time employment** or **self-employment**, **we** will treat them as one continuous period of **disability** for the purposes of calculating the maximum **monthly benefits** payable, but no benefit will be payable for the time in between.

- (b) If **we** have paid the maximum **monthly benefits** for a single claim, **you** may only make a further **disability** claim (whether resulting from a related or unrelated condition) provided **you** have returned to **full-time employment** or **self-employment** for at least 6 consecutive months.

Statutory maternity or paternity leave can form part or all of the one or six month periods in (a) and (b) above.

- (vii) Pregnancy and childbirth - **we** will pay benefit for any **disability** resulting from any symptom(s) of, or complication(s) of pregnancy and childbirth which a **doctor** certifies prevents **you** from working, and which is not excluded under any other exclusions listed in this **policy**. However no benefit will be payable for **normal pregnancy** and childbirth related conditions.

- (viii) The maximum **monthly benefit** payable under this **policy** is £2,000 or 60% of **your net income**, whichever is lower.

4. DISABILITY (ACCIDENT & SICKNESS) EXCLUSIONS

We will not pay any **disability** benefit if **your disability** results from or as a consequence of the following:

- (i) any **pre-existing medical condition** - this exclusion does not apply if **you** have been continuously insured under this **policy**, the sickness, disease, condition or injury is not considered a **chronic condition** and **you** have been symptom free and have not consulted a doctor or received treatment for the condition in the 24 months immediately prior to **your** claim;
- (ii) a **chronic condition**;
- (iii) a self-inflicted injury;
- (iv) civil commotion, terrorism, riot or insurrection, war or any act incidental to war (whether declared or not) or being on active naval, military or air force duty, service or any type of associated or similar operations;
- (v) being under the influence of, or being affected by, alcohol or drugs unless prescribed by a **doctor** (other than prescribed for the treatment of drug addiction or alcohol dependency);
- (vi) any condition of a mental or nervous origin including stress, anxiety or depression (unless a suitably qualified **consultant** certifies that the condition prevents **you** from working, or **you** have been referred to and receive ongoing treatment from an appropriate medical specialist on the recommendation of **your doctor**);
- (vii) backache or related conditions where there is no physical or radiological evidence (for example an MRI) of a medical abnormality (unless a suitably qualified **consultant** certifies that the condition prevents **you** from working, or **you** have been referred to, and receive ongoing treatment from an appropriate medical specialist on the recommendation of **your doctor**); or
- (viii) ionising radiation or radioactive contamination from nuclear fuel, waste or equipment.

5. UNEMPLOYMENT BENEFIT

- (i) If after the **start date** and before the **end date** **you** are **unemployed** for 30 consecutive days or more, **we** will pay from the 31st day onwards, 1/30th of the **monthly benefit** for each continuous day **you** are **unemployed**. The **monthly benefit** will be paid to **you** monthly in arrears provided **you** meet the terms and conditions of this **policy**.

- (ii) To receive the **monthly benefit** **you** must:

- (a) have been in **full-time employment** or **self-employed** for at least 6 consecutive months immediately prior to the **start date**;
- (b) satisfy the definition of **unemployment** set out in Section 18 (and if **you** were **self-employed**, **you** must have **ceased trading**);
- (c) not be receiving the **monthly benefit** for **disability** for the same period; and
- (d) give **us** any evidence **we** ask for in order to prove **your** claim is valid and continues to be so.

- (iii) When paying **your** claim, **we** will consider **your** first day of **unemployment** to be the day **you** are first registered as **unemployed** with the Department for Work and Pensions Jobcentre Plus or equivalent government department in Northern Ireland, the Channel Islands or a European Union member state. **You** will not be considered to be **unemployed** for days for which **you** receive payment in lieu of notice.

- (iv) **We** will continue to pay the **monthly benefit** until:

- (a) **we** have paid 12 **monthly benefit** payments in respect of a single **unemployment** claim;
 - (b) **you** return to **full time employment** or **self employment**;
 - (c) **you** fail to satisfy the definition of **unemployment** set out in Section 18;
 - (d) **you** fail to provide **us** with evidence of **your unemployment**; or
 - (e) the **end date**;
- whichever happens first.

- (v) Carer Cover - if **you** are **unemployed** as a result of **you** becoming a carer, **we**

will consider an **unemployment** claim if **you** can provide evidence that **you**:

- (a) are required to care for a member of **your immediate family**;
- (b) are in receipt of Carer's Allowance from the Department for Work and Pensions; and
- (c) were not aware that it was a possibility that **you** would have to leave paid employment to become a carer prior to the **start date**.

(vi) Future Claims

- (a) **You** may make a further **unemployment** claim if **you** have returned to **full-time employment** or **self-employment** for at least 6 consecutive months following the previous **unemployment** claim.

However, if two periods of **unemployment** are separated by less than 3 consecutive months of **full-time employment** or **self-employment**, **we** will treat them as one continuous period of **unemployment** for the purposes of calculating the maximum **monthly benefits** payable, but no benefit will be payable for the time in between.

- (b) If **we** have paid the maximum **monthly benefits** for a single claim, **you** may only make a further **unemployment** claim if **you** have returned to **full-time employment** or **self-employment** for at least six months.

Statutory maternity or paternity leave can form part or all of the six month period in (a) and (b) above.

- (vii) Fixed-term Contract Workers - if **you** work on a fixed-term contract and **your** contract is not renewed **you** will only be entitled to claim for **unemployment** cover if **you** meet one of the following criteria:

- (a) **you** have been on a contract with the same employer for at least 12 months and had the contract renewed at least once;
- (b) **you** have worked continuously under contract with the same employer for at least 24 months;
- (c) **you** were originally employed on a permanent basis but were transferred to a fixed-term contract by the same employer without a break in employment; or
- (d) **you** have been with the same employer and are under a contract which is not regularly renewable but is individually negotiated, and which has:
 - (i) been in force for at least 6 months;
 - (ii) been renewed at least twice; and
 - (iii) **your** contract was terminated before it was due to naturally expire.

If this is the case, **we** will restrict payments to the period up to the original contract expiry date, subject to the terms of the **policy**.

(viii) Temporary Work

- (a) An **unemployment** claim may be suspended for a period of temporary work, provided:
- (i) **you** notify **us** before **your** temporary work starts; and
 - (ii) **your** temporary work lasts for at least one week and no longer than 12 months, whether as one contract or a series of contracts.

Once **your** temporary work has ended, **we** will continue to pay **you** claim as a continuation of **your** earlier claim up to a maximum of 12 **monthly benefit** payments in total, subject to the terms and conditions of this **policy**.

- (b) If **you** are in temporary work with the same employer for 12 months or more and **you** are made **unemployed**, **we** will pay **unemployment** benefit as set out in Section 5 (i), subject to the terms and conditions of this **policy**.
- (c) If **you** have an **unemployment** claim but **you** do not submit your claim because **you** take temporary work, **you** may submit **your** claim once the temporary work has ended. **We** will then assess **your** claim, subject to the terms and conditions of this **policy**, as if **you** had submitted it following **your** initial **unemployment**.

(ix) Multiple Employment

If **you** are in **full-time employment** with more than one employer and **you** are made **unemployed** from one or more of **your** jobs, **you** will be able to claim for **unemployment** benefit if **you** are no longer working 16 hours a week or more in total and **you** meet criteria (ii) and (iii) of the definition of **unemployed**.

- (x) The maximum **monthly benefit** payable under this **policy** is £2,000 or 60% of **your net income**, whichever is lower.

6. UNEMPLOYMENT EXCLUSIONS

We will not pay any **unemployment** benefit if:

- (i) at the **start date** **you** knew **you** would become **unemployed** or **you** had reason to believe that **you** might become **unemployed**;
- (ii) **you** are made **unemployed** or are told that **you** will be made **unemployed**, within 60 days of the **start date** in respect of a **new borrower**, or within 120 days of the **start date** in respect of an **existing borrower**;
- (iii) **your** work was seasonal, casual or temporary other than as set out in Section 5 (viii) above or **unemployment** is a regular feature of **your** work;
- (iv) **you** finish the job **you** were specifically employed to do, or **you** come to the expected end of a fixed-term contract unless **you** satisfy one of the conditions set out in Section 5 (vii) above;
- (v) **you** resign or **you** accept voluntary **unemployment**;
- (vi) **you** lose **your** job because of misconduct, fraud, dishonesty or as a result of any act **you** carried out;
- (vii) **you** are made **unemployed** because of any strike which **you** took part in or any lock-out by **your** employer;
- (viii) **you** do not actively seek re-employment; or
- (ix) the **unemployment** results from any condition excluded under the **disability** exclusions set out in Section 4.

7. CLAIMS

- (i) **You** should request a claim form by telephoning 0844 543 1180, or contacting **us** at:

Claims Department, Cardiff Pinnacle*
Pinnacle House, A1 Barnet Way, Borehamwood, Hertfordshire WD6 2XX
www.support.cardiffpinnacle.com

The fully completed claim form should be returned to **us** together with any supporting evidence within 90 days of the date **your disability** or **unemployment**

began, or as soon as possible after this. All the relevant sections should be completed to avoid a delay in receiving benefits.

- (ii) Continuing Claim Forms - **we** will ask **you** to fill in a continuing claim form at **your** expense for each month **you** are claiming. **You** must send this to **us** within 90 days of the date **we** last paid **your** monthly benefit, or as soon as possible after this.
- (iii) **You** must give **us** any proof **we** reasonably ask for, at **your** own expense, otherwise **we** will not pay any benefit. **We** may also ask **you** for additional information during a claim. This proof could be amongst other things:
 - (a) **disability** claims - a certificate from **your** employer confirming **you** are not presently working for them. **We** may require medical evidence in addition to **your** doctor's initial report, and/or ask **you** to undergo a medical examination with a **doctor** or **consultant** appointed by **us**. **We** will pay the costs of this additional medical evidence. **We** will not pay **you** any benefit if **you** fail to undergo a medical examination and **you** do not have a reasonable explanation for not attending;
 - (b) **unemployment** claims - confirmation of **your** unemployment from the Department for Work and Pensions Jobcentre Plus (or equivalent government department in Northern Ireland, the Channel Islands or a European Union member state) or a letter from **your** last employer confirming **you** worked for them. If **you** are **self-employed**, **we** will contact **your** accountant, bank and/or tax office for proof that **you** have **ceased trading**.
- (iv) If **you** are ineligible for a Jobseeker's agreement, **you** must be able to provide ongoing alternative evidence acceptable to **us** that **you** are **unemployed** and actively seeking re-employment. This could include copies of job applications, invitations to interviews, application responses and registration with employment agencies.
- (v) If **you** are seeking work in the European Union **you** must make arrangements with the Department for Work and Pensions to register as **unemployed** in the country **you** are going to. **You** must obtain a form E303/3 from the Overseas Benefits Office in Newcastle before leaving the United Kingdom. **We** will continue to pay **your** unemployment claim for a period of up to 3 months.
If, during the 3 month period referred to above, **you** find work and/or **you** relocate to a European Union member state outside the United Kingdom, **you** should notify **us** as soon as possible as **you** may no longer be eligible for benefits or cover under this **policy**.
- (vi) If **you** or **your** partner is receiving any state benefit, **you** should advise the appropriate authority if **you** are also claiming under this policy. In some circumstances, the amount of **monthly benefit** **you** receive under this policy may affect **your** entitlement to state benefit. **Your** local benefits agency will be able to provide **you** with further information.
- (vii) **We** have a regulatory obligation to prevent fraud. Insurers share information with each other to prevent fraudulent claims via a register of claims. A list of participants is available on request. In the event of a claim, any information **you** have supplied relevant to this insurance and on the claim form, together with other information relating to the claim, will be provided to the register.

8. SWITCHING CLAIMS

You can switch between a **disability** claim and an **unemployment** claim (or vice versa) without interruption (i.e. no additional wait period will be applied), subject to a maximum of 12 **monthly benefits** being paid in total. All other terms of this **policy** will still apply and both claims must be valid.

9. CLAIMS SUPPORT PROGRAMME

If **you** have an **unemployment** claim **we** will provide **you** with a Job Finder Guide and access to **our** Claims Support website (www.support.cardifpinnacle.com), which will help **you** in **your** job search. **You** may also be offered access to a CV writing service, a CD Rom, employment workshops and telephone support service.

If **you** have a **disability** claim **we** will provide **you** with **our** Claimant Health Guide. **You** will also have access to **our** Claims Support website (www.support.cardifpinnacle.com), which will assist **you** with health updates and general information on **your** condition.

10. PREMIUMS

- (i) Each **monthly premium** covers **you** for one month. At the start of **your** insurance cover more than one **monthly premium** may be collected to ensure **you** are covered for the correct period.
- (ii) This **policy** has reviewable premiums, which means that **your** **monthly premium** may change subject to **us** giving **you** 30 days' notice. When reviewing **your** premiums, **we** will only consider any future impact of one or more of the following:
 - (a) changes due to new information arising from **our** own experience suggesting that **our** future claims experience is likely to be better or worse than previously assumed. This information includes changes to the number of claims **we** expect to pay, changes to the average expected duration of **our** claims payments or changes to the average expected amount paid per claim;
 - (b) changes due to new information arising from external sources such as general industry, population or reinsurer experience suggesting that **our** future claims experience is likely to be better or worse than previously assumed. This includes industry or general population unemployment experience.
 - (c) relevant changes to **our** previous assumptions in relation to:
 - (i) expenses related to providing the insurance;
 - (ii) policy lapse rates which means the average time policies are held;
 - (iii) interest rates;
 - (iv) tax rates;
 - (v) the cost of any legal or regulatory requirements.
- (iii) Any changes to **your** premium **we** make will not:
 - (a) be made as a result of any reason other than changes in the assumptions mentioned above;
 - (b) be based on whether **you** have made a claim; or
 - (c) be made to recover any previous losses.
- (iv) **We** will review **your** premium at least annually and **you** will be given at least 30 days' written notice, at **your** last known address, of any alteration to the premium

rates under this **policy** unless the change is due to legislative, tax or regulatory requirements. If **your** premium is changed due to legislative, tax or regulatory requirements which are outside **our** control, then **we** may not be able to give **you** 30 days' notice.

- (v) **We** may review **your** premium more frequently than annually if it becomes necessary due to significant changes in any of the assumptions referred to above. Except where **your** premium is changed due to legislative, tax or regulatory requirements, the minimum period between consecutive premium changes will be 180 days.
- (vi) As a result of the premium review, **your** **monthly premium** may go up, stay the same or go down, and there is no limit to the amount of any change.
- (vii) If **we** change **your** **monthly premium** and **you** do not wish to continue **your** cover **you** should contact **us** to discuss **your** options. Depending on the type of **policy** **you** have, **you** may be able to change **your** **monthly benefit** or change **your** type of cover. Alternatively **you** can cancel as set out in Section 12.
- (viii) **You** must continue to pay **your** **monthly premium** while **you** are making a claim under this **policy** to ensure that cover can continue after **your** claim has ended. If, during a claim, **you** cancel **your** **policy** or fail to pay the **monthly premium** when due **we** will continue to pay the **monthly benefit** provided that the claim was made prior to the date on which **you** cancelled or first failed to pay the **monthly premium** when due. **You** will not, however, be covered for any new claim made on or after that date.

11. WHEN COVER ENDS

- (i) All cover under this **policy** and all benefits will automatically end on the earliest to occur of the following:
 - (a) the date **your** mortgage ends;
 - (b) the date **you** reach 65 years of age or **permanently retire**;
 - (c) the date **you** die;
 - (d) the date **you** do not pay the **monthly premium** when due;
 - (e) the date **you** or **we** cancel **your** insurance as set out under the terms of this **policy**; or
 - (f) the date **we** cancel **your** insurance in accordance with Section 14 "Our right to cancel".
- (ii) If **you** are already receiving benefits for a valid claim, **we** will continue to pay the **monthly benefit** provided that:
 - (a) the event leading to **your** claim occurred prior to the date **you** cancelled **your** **policy** or the date the **monthly premium** was not paid when due; and
 - (b) cancellation was not due to dishonest or exaggerated behaviour, misrepresentation or failure to disclose a material fact.

You will not be covered for any new claim arising on or after the cancellation date.

- (iii) When this **policy** ends it will not have any cash or surrender value, other than any premium refund that may arise under Section 12 below.

12. YOUR RIGHT TO CANCEL

- (i) Within the "cooling off" period - if **you** decide **you** do not want the cover and wish to cancel **your** **policy**, **you** can do so within 30 days of the **start date** or the date **you** receive these **policy** documents, whichever is the later (the "cooling off period"). **You** will receive a full refund of any **monthly premium** **you** have paid provided no claim has been made under the terms of this **policy**. If **you** have made a claim, no refund of **monthly premium** will be payable.
- (ii) Outside the "cooling off" period - if **you** cancel outside the initial 30 day cooling off period, no refund of **monthly premium** will be payable.
- (iii) If **we** change **your** **monthly premium** and/or vary or waive **your** terms and conditions and **you** do not wish to continue **your** cover **you** should contact **us** to discuss **your** options. Depending on the type of **policy** **you** have, **you** may be able to change **your** **monthly benefit** or change **your** type of cover. Alternatively **you** can cancel without notice and without penalty. Any cancellation will take effect at the end of the period for which **you** have already paid **your** **monthly premium**.
- (iv) All cancellation requests should be made to:

Tipton & Coseley Building Society, 70 Owen Street
Tipton, West Midlands DY4 8HG
0121 521 4000

13. TERMS AND CONDITIONS

- (i) **We** may vary or waive the terms and conditions of this **policy** to reflect changes in the assumptions set out in Section 10 (ii) (c) (i), (ii), (iii), (iv) and (v) above which **we** use to design and price **your** cover. Such changes may have the effect of increasing or reducing the cover previously provided under this **policy**.
- (ii) When changing **your** terms and conditions **we** will only consider any future impact of changes in assumptions due to the reasons set out in Section 10 (ii) (c) (i), (ii), (iii), (iv) and (v) above.
- (iii) In addition, **we** may also vary or waive **your** terms and conditions to:
 - (a) improve **your** cover;
 - (b) comply with any applicable laws or regulations;
 - (c) reflect any changes to taxation;
 - (d) correct any typographical or formatting errors that may occur.
- (iv) **You** will be given at least 30 days' written notice to **your** last known address of any alteration to the terms and conditions of cover under this **policy** unless the change is due to legislative, tax or regulatory requirements. If **your** cover is changed due to legislative, tax or regulatory changes which are outside **our** control, then **we** may not be able to give **you** 30 days' notice.
- (v) Except where the terms and conditions of cover under this **policy** are changed due to legislative, tax or regulatory changes, the minimum period between consecutive changes will be 180 days.
- (vi) Any changes to **your** terms and conditions **we** make will not:
 - (a) be made as a result of any reason other than changes in the assumptions mentioned in Section 10 (ii) (c) (i), (ii), (iii), (iv) and (v) or for the reasons set out in Section 13 (iii) (a), (b), (c) and (d) above;
 - (b) be based on whether **you** have made a claim; or
 - (c) be made to recover any previous losses.
- (vii) If **we** vary or waive **your** terms and conditions and **you** do not wish to continue

you cover **you** should contact **us** to discuss **your** options. Depending on the type of policy **you** have, **you** may be able to change **your monthly benefit** or change **your type of cover**. Alternatively **you** can cancel as set out in Section 12.

14. OUR RIGHT TO CANCEL

- (i) **We** may cancel **your policy** immediately:
- (a) where there is evidence of **your** dishonest or exaggerated behaviour (or dishonest or exaggerated behaviour by someone acting on **your** behalf) in relation to the cover provided under this **policy**;
 - (b) where **you** have failed to make disclosure of a material fact which, if disclosed at the time of application, would have caused **us** to decline **you** for cover;
 - (c) where **you** have misrepresented a material fact which, if correctly represented at the time of application, would have caused **us** to decline **you** for cover; or
 - (d) where necessary to comply with any applicable laws or regulations.
- (ii) **We** may cancel **your** insurance cover by giving not less than 90 days' written notice:
- (a) in the unlikely event that for any of the reasons listed in Section 10 **we** expect to experience unsustainable losses for the particular country or market sector that applies to **your policy**; or
 - (b) if **we** decide for reasons of strategy or cost that it is no longer viable for **us** to continue to provide cover within the particular country or market sector that applies to **your policy**.
- (iii) Except in cases of dishonest or exaggerated behaviour, misrepresentation or failure to disclose a material fact, any decision to cancel cover will not be made at an individual level and will not be based on whether **you** have made a claim.
- (iv) Except in cases of dishonest or exaggerated behaviour, misrepresentation or failure to disclose a material fact, cancellation of **your policy** will not affect **your** entitlement to claim for any event occurring before the date of cancellation.

15. INVALID MONTHLY BENEFIT PAYMENTS

If **we** make any payments as a result of **your** dishonest or exaggerated behaviour (or the dishonest or exaggerated behaviour of someone acting on **your** behalf) fraud, recklessness or negligence **you** will no longer be entitled to any benefits under this **policy** and **we** may demand that any payments made by **us** are paid back. **We** may take legal action against **you** for the return of such monies and **we** may demand that **you** reimburse **us** for any investigation costs reasonably incurred.

16. GENERAL CONDITIONS

- (i) The **monthly benefit** cannot be paid to anyone else or in any way other than as described in this **policy**.
- (ii) When **your** cover under this **policy** ends it will not have a cash or surrender value.
- (iii) The rights given under this **policy** cannot be transferred to anyone else.
- (iv) A person who is not a party to the contract of insurance set out in this **policy** shall have no rights under the Contracts (Rights of Third Parties) Act 1999 (the Act) to enforce any term of this **policy** provided that this shall not affect any right or remedy of any person which exists or is available otherwise than pursuant to the Act.
- (v) **We** are covered by the Financial Services Compensation Scheme (FSCS). If **we** are unable to meet **our** liabilities **you** may be entitled to compensation from the FSCS. Further information is available from their website: www.fscs.org.uk
- (vi) This **policy** is governed by English law. The parties to this **policy** agree to irrevocably submit to the jurisdiction of the courts of England and Wales unless **you** live in Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case **you** will be entitled to commence legal proceedings in **your** local courts.
- (vii) **We** will use the English language in all documents and communications relating to this **policy**.
- (viii) To improve the quality of **our** service, **we** will be monitoring and recording some telephone calls.

17. ENQUIRIES AND COMPLAINTS

STEP 1

While it is always **our** intention to provide a first class standard of service, if **you** do have any concerns regarding **your** insurance cover, please address them to: Customer Relations Manager, Cardiff Pinnacle*

Pinnacle House, A1 Barnet Way, Borehamwood, Hertfordshire WD6 2XX

STEP 2

Should **you** remain dissatisfied with the outcome of any internal enquiries, **you** have the right to refer **your** complaint to:

The Financial Ombudsman Service (FOS)

South Quay Plaza, 183 Marsh Wall, London E14 9SR

This procedure will not prejudice **your** right to take legal proceedings. However, please note that there are some instances when the FOS cannot consider complaints.

A leaflet detailing **our** full complaints/appeals process is available from **us** on request.

*Cardif Pinnacle is a trading style of Pinnacle Insurance plc. Pinnacle Insurance plc is authorised and regulated by the Financial Services Authority.

18. DEFINITIONS

The following words and phrases will have the following meanings where they appear in **bold** type.

"ceased trading" means where **you** have involuntarily ceased trading as a result of **your** business having insufficient assets to meet its debts and liabilities and:

- (i) final closing accounts for **your** business have been prepared and submitted to HM Revenue & Customs; or
- (ii) **your** business has been put in the hands of an insolvency practitioner; or
- (iii) **your** business is a partnership which has been or is being dissolved and final closing accounts have been prepared or are being prepared and submitted to HMRC;

"chronic condition" means any condition, injury, illness, disease, sickness or related condition and/or associated symptoms resulting from a chronic condition that existed at the **start date** whether it was requiring medical attention at that time or not.

A chronic condition is a condition which has at least one of the following characteristics:

- (i) it continues indefinitely; or
- (ii) it is constant and is controlled rather than cured; or
- (iii) it has symptoms which recur and have required consultation, treatment or care in the past; or
- (iv) it requires long-term monitoring or treatment, consultations, check ups, examinations or tests;

"consultant" means a medical specialist registered under the Medical Act 1983 (as amended) who is a member of a recognised Royal College (for example, the Royal College of Surgeons) and is recognised by that Royal College to be a consultant. It does not include **you**, **your** spouse, civil partner, a relative, close friend or someone who lives with **you**;

"disabled/disability" means being unable to work at **your** normal occupation (or at any job which **you** are reasonably able to do, given **your** experience, education or training) because of an accident or sickness. If **you** are **self-employed**, **you** cannot be receiving any form of payment or be helping, managing or carrying on any part of the running of the business while **you** are **disabled**;

"doctor" means a fully qualified medical practitioner registered with the General Medical Council and working in the United Kingdom, the Channel Islands or the Isle of Man. The **doctor** who confirms **your disability** when **you** are making a claim, cannot be **you**, **your** spouse, civil partner, a relative, close friend or someone who lives with **you**;

"end date" means the date **your** cover ends as set out in Section 11;

"existing borrower" means **you** apply for this insurance more than 60 days after **your mortgage** completion date;

"full-time employment" means working for at least 16 hours a week under a contract of employment that does not have a fixed or implied end date. **You** must be receiving a salary or wages and paying Class 1 National Insurance contributions;

"immediate family" means **your** spouse, civil partner, partner of the same or opposite sex whom **you** currently live with and have lived with for a continuous period of at least 1 year, parent, child or step child who **you** currently live with and have lived with for at least 1 year, or from birth if they are aged below one;

"lender" means Tipton & Coseley Building Society. Principal Office: 70 Owen Street, Tipton, West Midlands DY4 8HG;

"monthly benefit" means the amount chosen by **you** to cover:

- (i) the regular monthly **mortgage** repayment; and
- (ii) an optional amount to cover mortgage related expenses such as mortgage related life assurance premiums, endowment premiums and buildings and contents premiums. This additional amount may not exceed 25% of **your** regular monthly **mortgage** repayment.

The maximum **monthly benefit** allowable shall not exceed £2,000 or 60% of **your net income**, whichever is lower;

"monthly premium" means the monthly sum payable by **you** each month for insurance cover under this **policy**;

"mortgage" means the mortgage agreement between **you** and the **lender** in relation to which **we** have agreed to provide insurance cover under this **policy**;

"net income" means **your** earnings after tax and any voluntary deductions have been made;

"new borrower" means **you** apply for this insurance when taking out **your mortgage** or within 60 days of **your mortgage** completion date;

"normal pregnancy" means symptoms which normally accompany pregnancy which are of a minor and/or temporary nature (such as morning sickness and dizzy spells) and which do not represent a significant medical hazard to mother or baby;

"permanently retire" means **you** have no intention of returning to **full-time employment** or **self employment** or of obtaining any further work;

"policy" means the terms and conditions set out in this document;

"pre-existing medical condition" means any condition, injury, illness, disease, sickness or related condition and/or associated symptoms, whether specifically diagnosed or not:

- (i) which **you** knew about (or ought reasonably to have known about) at the **start date**; or
- (ii) for which **you** sought or received advice, treatment or counselling from any **doctor** during the 12 months immediately before the **start date**;

"self-employed/self-employment" means **you** are working for at least 16 hours a week and paying Class II National Insurance contributions and are:

- (i) helping with, managing or carrying on a business in the United Kingdom, the Channel Islands or the Isle of Man and liable to pay tax under Schedule D case I, II, IV and V of the Income and Corporations Taxes Act 1988;
- (ii) a partner or in a partnership; or
- (iii) a person who exercises direct or indirect control over a company;

"start date" means **your mortgage** completion date, or the date **we** advise **you** are accepted for cover if **you** apply for cover under this **policy** after **your mortgage** completes;

"unemployed/unemployment" means:

- (i) being entirely without gainful employment (which includes the assisting, managing and/or the carrying on of any part of the day to day running of a business); and
- (ii) being available for, and actively seeking work and registered with:
 - (a) the Department for Work and Pensions; or
 - (b) the Department for Social Development in Northern Ireland; or
 - (c) the States Insurance Authorities in the Channel Islands or an European Union member state; and
- (iii) **you** must have signed a Jobseeker's agreement within the United Kingdom, or equivalent agreement in Northern Ireland, the Channel Islands or a European Union member state. Failure to comply with any condition of this **policy** may result in the suspension or the stopping of **monthly benefit**;

"we, our, us" means Pinnacle Insurance plc;

"you, your" means the person(s) who have been accepted for insurance cover under this **policy**

The singular shall include the plural and vice versa. Within this **policy**, headings are only included to help **you** and do not form part of the insurance contract.