

# The **co-operative** insurance good with money

## Whole Life Assurance Jargon Buster

**We know that insurance isn't always easy to understand so to help you we've detailed below the meanings of some of the terms and expressions we use in our Policy Documents. This is a general list therefore not all of these will apply to your policy.**

### Appointed Actuary

This is the person appointed by us to carry out certain duties under the legislation and regulation applying to insurance companies. United Kingdom life companies must, by law, have an appointed actuary. An actuary assesses the likelihood of events such as death or illness happening and uses this to design and price insurance products and to assess the profitability of new and existing business. All appointed actuaries have a duty to ensure, as far as they are able, that the life assurance and pensions business of the company is operated on sound financial lines, taking account of its policyholders' reasonable expectations. This role has been replaced by the With-profits Actuary.

### Assurance

An insurance policy payable on an event, which is certain to happen but of unknown timing.

### Basic Sum Assured

The value of cover provided by the policy before any bonuses are applied. The value of the basic sum assured is specified in the policy schedule. The Basic Sum Assured, plus any attaching bonuses, is the amount payable by us on the death of the Life Assured.

### Bona Fide

Undertaken in good faith.

### Bonus

An amount that is allocated to a policy to ensure that a customer receives their fair share of any profits made by the underlying fund. The level of future bonuses, or whether there will be any, cannot be guaranteed.

### Cash Surrender Value

See Surrender Value.

### Claimant

The person entitled to receive the benefits payable under the policy at the time they become payable. This will be the policyholder or, if the policyholder has died, his or her personal representative (i.e. the person who administers the estate after the policyholder's death). However, if the policyholder or personal representative has assigned or transferred ownership of the policy to another person that person will be the claimant.

### Condition and privileges

This means the terms and conditions of the policy which are detailed in the Policy Booklet.

### Endorsement

If you make a request to change the terms of your policy and we agree to the request we will issue an Endorsement in the form of a supplementary schedule, which describes the changed terms. An Endorsement, once issued, will become part of the contract between us.

### Entry Date

This is the date on which the cover under the policy starts.

### Forfeiture Notice/Notice before Forfeiture

For Industrial branch assurance, a Notice Before Forfeiture document will be sent to you if Premiums under the policy are in arrears. It will give details of any unpaid Premiums and will state that, unless they are paid within a specified period of time, you will no longer be covered under the policy.

### Industrial Assurance or Industrial Branch

A class of life assurance business where premiums are received by means of collectors and are payable at intervals of less than 2 months. The rules on this have now relaxed and premiums can now be paid by direct debit.

### Issue Date

This is the date that the policy is prepared and on which the contract between us is made. It is not necessarily the date that the cover under the policy commences.

### Life/Lives Assured

The person insured under the policy.

### Option Policy

Certain Ordinary Branch and Industrial Branch Life Whole Life policies issued before 25th February 2002 allowed, subject to certain terms and conditions, a further option policy to be taken out on the life of the life assured without any further evidence of the state of health of the life assured.

### Ordinary Branch Assurance

A separate class of life assurance business.

### Ordinary Long Term Fund

The fund where all the premiums for with-profits policies are invested.

### Paid up

A policy becomes paid up when a customer is no longer paying premiums. If this is sooner than allowed for by the policy, then the sum assured is reduced in line with the payments that have already been made.

## Premiums

The amount of money you will regularly pay us in order for us to provide insurance cover.

## Premium Interval/Premium Frequency

The frequency at which premiums need to be paid i.e. monthly, quarterly, annually.

## Premium Period

The period of time, measured from the Entry date of the policy, for which the Premiums are payable.

**Premium Receipt Book** (Applicable to Industrial Branch Assurance where Premiums are collected by our Collector Force)

A book in which a record of all Premiums paid in respect of the policy is kept. You normally retain this book and we will give you a receipt for it if we take it away for any reason.

## Proposer

The person who has requested cover on the life of himself or herself or another that they have an insurable interest in (i.e. a financial involvement with the person to be insured).

## Statutory references:

Your policy documents may refer to various statutory references such as:

- Section 23 of the Industrial Assurance Act 1923 or Industrial Assurance Act (Northern Ireland) 1924
- Fourth Schedule to the Industrial Assurance Act 1923 or Industrial Assurance Act (Northern Ireland) 1924
- Paragraph 3, Schedule 2, Finance Act 1975.

These relate to the laws that govern/apply to this type of insurance policy.

## Sum Assured

The lump sum benefit payable under an insurance policy if the Life Assured dies.

## Surrender Value

This is the amount payable on cancellation of the policy before the end of the policy term. It will be calculated in accordance with our current practice at the time, as approved by our Appointed Actuary, and will depend on the value of premiums paid and the length of time they have been paid for.

## With-Profits Actuary

See Appointed Actuary.

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