

Lifetime care

Lifetime Care Charter

Immediate and Secured Lifetime Care Plans

The Immediate and Secured Lifetime Care Plans from Aviva are designed to offer peace of mind to those requiring long term care. They guarantee to pay a chosen amount of long term care benefit each month for the remainder of the care recipient's life. Please note that these plans have no cash in value at any time.

Please see the Key Features Document for an explanation of how the plans work, their benefits and any risks. Your financial adviser can provide you with a copy of this.

There is some uncertainty for those needing to fund care needs around how the Government might fund lifetime care in the future.

In order to enhance the peace of mind offered by our Immediate and Secured Lifetime Care Plans, we have developed the Lifetime Care Charter overleaf. Should the Government decide to increase State contributions towards covering the cost of care, you may find that the amount you need from your plan is reduced. Should this happen, we will provide you with a partial refund of your premium.

The Lifetime Care Charter may be withdrawn at any time. However, if it was available when you bought your plan, you will still benefit from the cover it provides.

Example of when you may receive a partial refund

Please note this example is for illustrative purposes only to show how the changes could potentially work in practice. It does not represent how you will be impacted by any changes.

Before any Government changes:

Your care fees cost £2,000 per month.

To cover this:

- You pay £600 from your own resources.
- The remaining £1,400 is paid from your Lifetime Care Plan.

The Government then changes UK legislation and starts paying £700 towards the cost of your care.

Your care fees still cost £2,000 per month, but you can choose to use the £700 State contribution to either reduce the amount you contribute yourself, and/or to reduce the amount being paid from your Lifetime Care Plan.

This could work as follows:

- The £700 from the State could cover the contribution you were paying, plus an additional £100.
- The remaining £1,300 would then be paid from your Lifetime Care Plan.
- You now need £100 less from your Lifetime Care Plan, so you would be due a partial refund of your premium.

Any refund would be calculated in line with Statement 3 of our Charter, overleaf.

Your financial adviser can help explain how this might work in your personal circumstances.

Our Charter

The terms and conditions of the Charter should be read in conjunction with the policy conditions relating to your Immediate or Secured Lifetime Care Plan. Your financial adviser can provide you with a copy of the policy conditions. The Charter is applicable to all new Immediate and Secured Lifetime Care Plans taken out with Aviva on or after 1 November 2011, provided the **Care Recipient** is resident in the United Kingdom, but regardless of where in the United Kingdom they reside. This version of the Charter replaces all previous versions.

1. If UK legislation regarding the funding of long term social care directly leads to **you** having an unnecessary level of **Care Benefit**, then **you** may ask us to reduce the **Care Benefit** by the amount that is no longer required.
2. If **you** do, we will require **you** to provide relevant evidence to show that the **Care Benefit** has become excessive as a direct result of a change in legislation, and of the amount by which it has become excessive. Subject to our acceptance of the evidence provided, with effect from the date of receipt of the request for a reduction in **Care Benefit** (the "**Relevant Date**") the **Care Benefit** will be reduced by the amount that is no longer required ("the **Benefit Reduction**").

"**Care Benefit**" means

- (a) for the Immediate Lifetime Care Plan, the **Immediate Care Benefit** as specified and defined in the policy conditions relating to the Plan.
- (b) for the Secured Lifetime Care Plan, the **Long Term Care Benefit** as specified and defined in the policy conditions relating to the Plan.

"**Care Recipient**" means the person entitled to receive the care provided by the registered care provider.

"**You**" means the person who owns the Immediate or Secured Lifetime Care policy and is named in the policy schedule as policyholder.

3. The refund for the **Benefit Reduction** would be calculated as follows:
 - (a) Using the premium basis and the underwriting assumptions used at the commencement of the policy we will calculate the single premium we would have charged had we known that benefits would be reduced with effect from the **Relevant Date** (the "**Updated Premium**").
 - (b) The difference between the **Updated Premium** and the original single premium paid will be the overpayment (the "**Overpayment**") made at outset. Subject to (d) below, the **Overpayment** will be refunded to you.
 - (c) We will pay interest on the **Overpayment** which will be equivalent to a deposit rate of interest, payable from the commencement date of the plan until the refund date.
 - (d) We reserve the right to adjust the **Overpayment** in the light of investment conditions at the time and for any unforeseen circumstances occurring between now and the refund date. In the event that the **Overpayment** is adjusted in accordance with this clause (d), the interest payable under (c) above will be calculated by reference to the adjusted **Overpayment**.

Any questions?

Please call our customer helpdesk on 08457 777 543 or email lifetimecare@aviva.com

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