

TECHNICAL GUIDE

Excepted Group Life policy

Because everyone
needs a back-up plan



This guide explains the main features of our Excepted Group Life product.

The policy:

- provides a lump sum benefit on the death of a member
 - The lump sum benefit provided from this policy does not count towards a member's Lifetime Allowance
- is held under a Trust with discretionary powers for the Trustees.
- is only available through authorised intermediaries
- does not have a surrender value
- is designed to meet the criteria for an Excepted group Life Policy as defined in section 480 of the Income tax (Trading and Other Income) act 2005.

Excepted Group Life policies

Until the Finance Act 2003 received Royal Assent on 10 July 2003, Unapproved Group Life policies were unable to benefit from an exemption under Section 539 of the Taxes Act 1988. The Finance Act 2003 modified Section 539 by introducing the concept of an Excepted Group Life policy under a new section of the 1988 Taxes Act Section 539A. Section 539A of the Finance Act 2003 removes certain policies from chargeable event legislation by introducing the concept of an Excepted Group Life policy. The definition of an Excepted Group Life policy is now contained in section 480 of the Income Tax (Trading and Other Income) Act 2005, and the conditions it has to meet are set out below.

Statutory conditions for an Excepted Group Life policy

There must be a minimum of two members, although it should be noted that Unum require a minimum of five members to issue an Excepted Group Life policy. In addition, the following criteria must be fulfilled, and must apply throughout the lifetime of the policy:

1. the policy must provide a capital sum payable on death before age 75. The policy may contain exclusions which apply to all insured individuals e.g. suicide exclusion
2. the same method for calculation of the capital sum and any limitation e.g. stated fixed benefit or multiple of earnings must be applied to all lives insured
3. the policy must not provide a surrender value other than a refund of "unused" premiums
4. only the benefits set out above may be provided by the policy
5. benefits payable under the policy must be paid to either an individual entitled to them (or a charity), or a Trustee for payment to individuals
6. no persons whose life is insured under the policy may receive any death benefit in respect of another group member purely on the basis that they are one of the insured persons under the policy
7. the policy is not taken out with the main purpose of avoiding the payment of tax

For information on our other GL products, click the following links:

Registered Group Life and Dependants' policy

Supplementary Relevant Group Life Policy

Spouses and Partners Group Life Assurance

Group Life and Dependants Pensions for Channel Islands and Isle of Man

Unum Select Life Cover

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Section A - Your commitment as the policyholder

By taking out a Unum policy you are agreeing to;

- pay premiums on time
- choose the conditions of eligibility for members' entry at the start of the policy and to abide by those conditions
- to notify us in writing if you:
 - want to amend the eligibility criteria - eg. by changing the eligibility from management only to all staff
 - acquire another company and wish to include their employees to the policy
 - dispose of a company which results in the removal of members from the existing policy
 - want to change the policy design – eg. amount of benefit or terminal age
- identify any discretionary entrants (employees who do not fulfil the standard eligibility conditions)
- notify us of claims within the time limit set out in your policy document
- supply us with any information we may ask for

Section B - Risk factors

1. This guide should be read with the accompanying quote. Please note that the quote takes precedence if anything in it differs from this guide.
2. The policy documents take precedence if anything differs between the policy documents, the quote and this guide.
3. Full details of your insurance cover are set out in your policy documents. The policy is issued according to the Laws of England and any dispute will fall under the exclusive jurisdiction of the English Courts.
4. Customers for this product are classed as "Commercial" as defined by the Financial Conduct Authority's (FCA) Insurance: Conduct of Business sourcebook (ICOBS).
5. This document does not provide definitive tax advice. This includes, but is not limited to, any potential liability to corporation tax and income tax, Lifetime Allowance Charge, Annual Allowance charge or the loss of any Lifetime allowance protection. You should take advice from a financial adviser to ensure you understand the impact of tax and legislation
6. The guarantee period advised in your quote applies to both the premium rate (for Unit Rated policies) - or the underlying rate table (for Single Premium policies) - and the policy conditions. When the guarantee expires at the policy review date, both the premium rate (or underlying rates), and the policy conditions are reviewable.
7. For all policies, the premium rate and policy conditions are usually guaranteed for 2 or 3 years. However, we may amend the terms if we believe there is a significant change in the risk profile. The factors we take into account are:
 - a change of 30% or more in the number of members or benefit insured
 - the inclusion of a new subsidiary
 - the disposal of a participating company or closure of part of your business
 - the inclusion of a new member category
 - a change in policy design such as an alteration of benefit level, terminal age or eligibility conditions
 - a significant overall change in the occupations of the members or where they work
 - a major change to the level or basis of the income tax system
8. If the number of members drops below the minimum number set out in your policy document, we reserve the right to cancel the policy at any subsequent policy accounting date.
9. There are limitations to the overall cover of the policy in the event of a catastrophe or in respect of members travelling together on business as a group. (See section 9 – Catastrophe limits).
10. The policy is issued subject to UK and US sanctions.

Section C - How the policy works

Section 1.1 - Type of cover

Most employers insure the death in service benefits to be provided by their Registered occupational pension scheme, under a Registered Group Life and Dependants' Pension policy. The lump sum benefit is provided by a Registered Group Life and Dependants' Pension policy will count towards a deceased member's Lifetime Allowance. Some employers or partnerships may prefer to insure lump sum death in service benefits under an Excepted Group Life policy that provides benefits that do not count towards a member's Lifetime Allowance.

Cover type	Lump sum benefit
Benefit provided	Cover is usually provided as a multiple of between 1 and 20 times each member's earnings. Alternatively, it can be a fixed sum for each member.
Maximum sum assured	The total maximum sum assured for any member is £15 million.
Minimum number of members	Available for 5 or more employees.
Terminal age	<p>A set age up to age 75 or linked to the member's State Pension Age (SPA).</p> <p>If SPA is selected, subsequent changes to the SPA will apply to all members. The SPAs are set out in the table on our website in 'State Pensionable ages=Policy Terminal age' (UP2105) which can be found here: http://online.positiveimagesuk.com/unum/Images/UP2105.pdf</p> <p>Cover can cease at any pre-agreed point within the month during which the member reaches terminal age, such as the last day of the month.</p> <p>Unless otherwise stated cover will cease at 23:59 on the day prior to the member reaching terminal age.</p>

One of the criteria set out in section 480 of the Income Tax (Trading and Other Income) Act 2005, is the requirement to ensure that the same method for calculation of the lump sum is used for all members.

Section 1.2 – Eligibility

An employee can join the policy if they satisfy the conditions of eligibility defined in your policy documentation.

You should clearly state a defined and compulsory eligibility for each membership category, this needs to be the same for each member within a defined category.

This should include:

- the minimum and maximum entry ages allowed for new members
- the categories of member you want covered, and the benefits required
- if a minimum service requirement is in place and the duration
- the date when new members will be covered - and when existing members will be eligible for increases in insured benefits – this can be annually, monthly or daily (Daily entry and increases in benefit will apply unless agreed otherwise).

If cover is dependent on membership of the employer’s pension scheme, you will also need to provide the pension scheme’s current eligibility requirements.

The FCL will usually apply to all eligible members. Where it does not, medical underwriting will be needed before we can provide cover.

You can include members who are part-time, on zero hours contracts, or fixed-term employees in the policy if they satisfy the eligibility conditions. You cannot include members who are self-employed.

Discretionary, Late and Early entrants

The following terms apply to members who do not meet the eligibility criteria (Discretionary entrant), or want to join the policy prematurely (Early entrant) or after their first opportunity to do so (Late entrant). In addition, we have detailed the terms which apply to members joining as a result of auto enrolment in the following table:

Discretionary and Early entrants	Late entrants	Auto enrolment
<p>We need a Scheme Member’s Application Form in all cases.</p> <p>Acceptance is at the discretion of our Medical Underwriter.</p> <p>Any member who has previously been treated as a discretionary entrant will continue to have their existing terms applied until they have been re-underwritten.</p> <p>Early entrants will be treated as normal members once they have met the service requirement to join the scheme.</p>	<p>Employees wanting to enter the policy more than 12 months after their first opportunity to do so must complete a Scheme Members Application Form for cover in excess of £250,000 (or in excess of the FCL if lower).</p> <p>Acceptance is at the discretion of our Medical Underwriter.</p> <p>Employees wanting to enter the policy within 12 months of their first opportunity may do so if they satisfy the eligibility conditions, and will not be classed as late entrants.</p>	<p>Where eligibility is linked to membership of the employer’s pension scheme, employees may enter the policy at any auto enrolment or auto re-enrolment event if they satisfy the eligibility conditions and will not be classed as late entrants.</p> <p>Employees wanting to enter the policy at a date other than an auto enrolment or auto re-enrolment event will be subject to late entrant terms.</p>

Actively at work (AAW)

Employees may need to be AAW before insurance cover with Unum starts dependent upon the number of members insured under the policy and whether it is a new scheme, or a previously insured ('switch') scheme.

Actively at work requirements		
Number of members	New schemes	Existing insured ('switch') schemes
5-19	Applies – cover will not be provided until the employee has been back actively at work for 5 consecutive working days.	Applies – cover will not be provided until the member has been back actively at work for 5 consecutive working days.
20-99	Applies – cover commences immediately upon the return of the member to active employment	Waived for existing members Applies to new members – cover commences immediately upon the return of the member to active employment
100+	Waived for all members	Waived for all members

AAW means that an employee:

- has not received medical advice to refrain from work and is actively following their normal occupation, and
- is working the normal number of hours required by their contract - either at their normal business or at a location to which they are required to travel for business.

An employee will be regarded as actively working if fully capable of so doing were it not for either a leave of absence previously authorised by you or the requirement for actively working falls on a day the individual is not contracted to work.

For switch policies where AAW applies, the member must be AAW on the last working day of the previous policy.

Where AAW is waived, temporary absence provisions will apply to members' insured benefits and any increases in benefit.

Temporary Absence

We can insure members during temporary absence from work under the following terms.

Reason for absence	Maximum duration of cover	Benefit increases
Illness or injury	Until the member's Terminal Age	Salary related Increases are covered in line with the employer's general pay increases, up to a maximum of 5 per cent per annum compound
Statutory absences such as maternity, adoptive, paternity, or unpaid parental leave	For a maximum period of 3 years not exceeding the Terminal Age	We will not cover increases due to a change in benefit basis or due to members moving between categories or policies.
Any other reason such as sabbaticals, unpaid, or compassionate leave	For a maximum period of 3 years not exceeding the Terminal Age	Increases in benefit are not covered

Temporary absence cover for members on fixed-term contracts cannot be extended past the term of their original contract.

Temporary absence is provided for reservists. We should be advised if the number exceeds 1% of membership.

Special cover options

Redundancy cover

Lump sum cover can be provided for members who have been made redundant.

- Cover is for a defined period, normally 3, 6, 12 or 24 months and must not exceed the policy termination age
- Cover ceases immediately on re-employment

Early retirement cover

For an additional cost, lump sum cover can be provided for members who retire early through ill health.

- Cover may continue up to a maximum of the member's SPA, even if the policy terminal age is greater.
- Early retirement cover is not provided for Equity Partners

All special cover options must be selected at the start of cover and must be available to all members or a defined category of membership.

Where special cover applies, you must continue to pay premiums for these members

Insured earnings

You must choose an insured earnings definition for calculating the members' benefits. The definition of insured earnings for each category should state which payments are included and reflect how members of that category are paid.

Common definitions of insured earnings include but are not limited to the following:

Basic annual salary	Basic annual salary plus fluctuating payments during the last 12 months	Basic annual salary plus fluctuating payments averaged over the last 3 years	Total earnings	P60 earnings
The member's basic salary excluding other payments such as bonus, commission or dividends.	This can be limited to specific fluctuating payments, such as overtime and/or bonuses and/or commissions etc.	This can be limited to specific fluctuating payments, such as overtime and/or bonuses and/or commissions etc.	The earnings received during the previous 12 months. Including variable forms of pay such as overtime, bonuses and commissions.	The earnings received during the previous tax year (up to 5th April) - This would only change the benefit level when passing 6th April each year.

If you operate salary sacrifice (e.g. in favour of childcare vouchers or pension contributions), we can consider insured earnings reflecting the 'pre-sacrifice' amount.

Changing terminal age

If, at a rate review, you want to change the terminal age on an existing policy:

- any new members who were over the previous terminal age will be treated as new entrants
- if a terminal age over age 70 is chosen, we will need to re-approve cover above the FCL
- for policies with under 20 members, AAW terms will apply to the increase and we will need to re-approve all benefits above the FCL

Members based overseas

Cover usually extends to members who are ordinarily resident in the UK. We can provide cover for members who are working overseas or are seconded to other organisations outside of the UK with the following provisions. This may affect the premium rate quoted and our ability to provide cover.

Members employed outside of the UK	Secondment outside the UK
<p>Members who work overseas for their UK resident employer are covered, as long as:</p> <ul style="list-style-type: none">• the member meets the policy eligibility conditions	<p>Members seconded from their UK resident employer to another company (registered in the UK or overseas) are covered as long as:</p> <ul style="list-style-type: none">• the member meets the policy eligibility conditions• the member has a contract of employment with the UK employer covered under the policy• the UK employer retains controls over where and for who the member works• both the UK employer and member expect employment to resume with the UK employer at the end of the secondment (or will retire to the UK if the period of secondment extends to the date the member chooses to retire)
<ul style="list-style-type: none">• Cover is subject to prior agreement with us• You must declare each member's nationality, the countries they work in, the type of work they perform, and for how long they are expected to be overseas at the start of the policy and at each policy review date• Members must be declared in the membership data and premiums paid in respect of cover• Premiums must be paid in Sterling from a UK bank account• Benefits are paid in Sterling to a UK bank account• Foreign earnings will be converted to Sterling using the Financial Times exchange rate or, if applicable, the same exchange rate used to convert the non-UK earnings to Sterling to establish the premium payable• If a death occurs overseas, we will need details of the member's travel, and may ask for evidence of the cause of their death and details of their burial in English.	

Section 2 – Preparing a Quote

Quotes can be prepared by your intermediary on UnumOnline (up to 100 employees) or by submitting a written request via our Regional Sales Offices which cater for larger policies and a wider range of benefit bases.

We prepare a quotation based upon the policy design and risk specification supplied by your intermediary together with:

- the membership data
- claims history over the last 5 years (if previously insured)
- occupation and location profile of the members to be covered under the policy.
- details of any members who have had benefits declined or have had adverse underwriting decisions or special terms applied.
- details of any members who have been absent from work for more than three months.

We require the membership data to be as up-to-date as possible (within the last 12 months of the quotation request date).

Once we have the data, specification and claims experience, we will supply a quote detailing the applicable rate (if Unit Rated), premium and FCL.

The premium we charge will depend on a number of factors. These include the nature and level of the benefits to be provided and details of the members to be insured, such as, but not limited to:

- level of income benefits
- eligibility and entry conditions
- age and gender of employees
- occupation, industry and locations of employees
- claims history, if previously insured
- cause of absence of any members who have been absent for more than 3 months
- our then current minimum premium

Section 3 – Starting and ending cover

Setting up the policy

Your intermediary needs to contact us in writing in advance to advise us when you want us to go on risk (so a 1st January start date will go on risk at 00.01 a.m. on 1st January). Alternatively, your intermediary will place your UnumOnline quotation on Risk. We will not backdate acceptance of risk.

Conditional cover will start from the commencement date for up to 30 days subject to satisfactory answers to any specific caveats shown in our quote.

Conditional Cover for UnumOnline policies will be provided as soon as the risk process has been completed and on risk has been confirmed

You will need to provide the following information within the 30-day conditional cover period

- a fully completed Quotation Acceptance Application Form (QAAF) signed by the policyholder
- membership data at the start date
- AAW Declaration, if applicable
- deposit premium or Direct Debit mandate

You need to inform us of any material changes in the risk profile of the membership between the accepted quotation and the on risk date - eg. changes in the locations where members work, their occupations, industries or claims history. We will then advise you if we will continue cover, of any additional requirements and if needed, the revised premium.

Please note that the QAAF includes a Direct Debit mandate to be signed by the policyholder and a customer verification statement that, if requested, should be signed by your intermediary.

If the information we asked for is not provided within 30 days, cover will stop. We will then charge a premium for the 30 days of cover provided, calculated on a pro-rata basis and based on the time we have provided cover.

Ending cover after the policy starts

The policyholder

You can cancel the policy at any time, provided you do so in writing. Cover will then end and you will not be liable for payments for periods after this date. Cancellation cannot be backdated.

If the policy is cancelled, we will still consider claims where the date of death was before the cancellation date, provided that there are no outstanding premiums.

Unum

We cannot cancel the policy unless:

- the number of members insured under the policy drops below the minimum number stipulated for the policy, or
- premiums are overdue, or
- you fail to provide all the information we ask for when applying for the policy, administering the policy or when claiming for benefit relating to a member, or
- the company ceases to trade, or
- trade sanction controls are put in place against members with a significant shareholding, or
- the policy no longer complies with current legislation, or
- you assign the policy without our agreement

Section 4 – Premium rates and policy accounting

	Unit Rated or Simplified Administration policies (20 or more members)	Single Premium policies (between 5 and 19 members)
Quote	<p>The 1st-year premium advised at the start date of your policy is provisional.</p> <p>The premium is based on the total salary roll or total benefit roll at the start date the unit rate (expressed as a percentage of salary or as a percentage of benefit).</p> <p>Our quote states an estimated 1st-year cost assuming an annual premium is paid and that all members can be accepted for their full benefit entitlement at ordinary rates.</p>	<p>Premiums will be calculated for each member according to our current premium rates.</p> <p>Premiums are recalculated each year and depend on the age of the members at each policy accounting date.</p> <p>Our quote states an estimated 1st-year cost assuming an annual premium is paid and that all members can be accepted for their full benefit entitlement at ordinary rates.</p>
Rate Guarantee	Unit rates are usually guaranteed for 2 or 3 years and are then reviewable. New rates may apply at the end of this period.	The underlying premium rate table is usually guaranteed for 2 or 3 years and is then reviewable. A new rate table may apply at the end of this period.
Costing basis	If the number of members insured under an existing policy falls below 20 at a policy accounting date, we may calculate the premium on the Single Premium basis from the following policy accounting date.	If the number of members insured under an existing policy increases to 20 or more at a policy accounting date, we may calculate the cost on the Unit Rated basis from the following policy accounting date.
Additional premiums	<p>Due to particular medical conditions, or if the member takes part in an unusually hazardous pursuit, additional premiums may apply to:</p> <ul style="list-style-type: none"> • members benefits in excess of the FCL • Discretionary, Early or Late entrants' benefits <p>If applicable, additional premiums are payable from the date we make the decision.</p>	
Account	<p>We calculate a premium adjustment at the end of each policy accounting period, based on the average total salary roll or total benefit roll for all members covered by the policy during that time.</p> <p>This means changes in salary and membership are treated as if they occurred halfway through the accounting period.</p> <p>We will apply any premium adjustment for members who leave, join or whose benefit increases at the policy accounting date.</p>	<p>We calculate a premium adjustment at the end of each policy accounting period, taking into account joiners, leavers and changes in benefit throughout that time.</p> <p>This means that premiums are calculated on the specific duration and level of cover for each member.</p>
Non-annual premium payment	Premiums are normally paid annually or monthly by Direct Debit. There is a standard load of 3% for all non-annual payments.	
Commission	Any commission paid to your intermediary is a percentage of the gross premium paid. The premium shown in our quote includes the level of commission payable.	
New joiners	Other than at the policy accounting dates, we only need details of new joiners if their benefit exceeds the FCL or if they are joining outside the normal eligibility conditions of the policy.	

Section 5 – Medical underwriting

Our Group policies are designed to cover all employees who satisfy the eligibility conditions. We do not usually need a Scheme Member's Application Form for benefits below the Free Cover Limit (FCL). Benefits above the FCL are subject to medical underwriting.

Our quotation will state the FCL which applies to your policy. The FCL for the policy may be reviewed at each policy accounting date or when a rate review is triggered.

A FCL only applies to eligible employees who join the policy at their first opportunity, within 12 months of that opportunity or at an auto enrolment event. Acceptance at any other time is subject to medical underwriting.

If a category of membership includes fewer than 3 members, a FCL will not apply to these members unless we state otherwise on the quotation. These members will not benefit from temporary cover pending medical underwriting.

Generally, the more employees who meet eligibility, the higher the FCL we can offer. Where cover is linked to membership of a pension scheme, the FCL will also depend on the percentage of eligible candidate members who join the pension scheme. If we do not know the percentage at the time we prepare our quotation we will assume that it is at least 75%; if it is actually less, our FCL will be reduced or we may decline to quote.

Employees with benefit exceeding the FCL, or employees where the FCL does not apply, will be asked to complete a Scheme Member's Application Form giving details of their health and any pastimes which might affect their insurability. Depending on these answers, we may ask for medical evidence that could include a report from the member's GP, a medical examination or blood or other tests.

If we accept the employee, any further increases in benefit will not need further underwriting when the following conditions are met:

- the policy is unit rated and has 20 or more members
- the insured benefit is based on a multiple of salary or earnings (ie not stated benefit)
- the insured benefit does not exceed £5million

If we accept the employee, but the above does not apply, we will only require further medical underwriting if an annual increase in benefit exceeds £20,000 or 10% of the current benefit insured, whichever is greater up to a maximum of £4 million.

Switch Terms for a policy with existing members whose benefits have been medically underwritten

We need details of the previous insurer's FCL and of any members whose cover has been medically underwritten or restricted to that FCL - showing for each member:

- name
- date of birth
- gender
- full underwriting decision
- special term or restriction applied (including percentage loadings and amount of benefit above which the loading/restriction applied)
- benefit on risk at previous policy cancellation date

Generally, if cover is switched on the same basis, no member will receive stricter underwriting terms than imposed by the previous insurer except for the following benefits which we must specifically approve before cover can be provided:

- benefits in excess of £4 million,
- any benefit with a rating above 400% Extra Mortality
- any members with benefits above the FCL whose principal residence is outside the European Union.

The actual amount charged for any medical loading may differ from the previous insurer because our underlying premium rates may be different

Temporary cover pending underwriting

Temporary cover	<p>Where a member's benefit needs underwriting because it exceeds the FCL, we provide a maximum period of 3 months' temporary cover in respect of the amount being underwritten.</p> <p>Temporary cover is allowed up to a maximum of £3 million or the member's existing benefit accepted by Unum if greater.</p> <p>During this period, any benefit that exceeds either the FCL or the member's insured benefit level immediately before the start of the policy will be subject to a pre-existing conditions exclusion. This means we will not pay benefit on death arising from any medical condition which the member has had during the 5 years before the date they first became eligible, or the date of any increase in cover.</p>
Temporary cover pending underwriting is subject to ALL of the conditions opposite	<ul style="list-style-type: none">• the member not being a Discretionary, Early or Late entrant• premium payments are up to date
Temporary cover starts	<ul style="list-style-type: none">• either on the date the member joins the policy with benefits above the FCL, or• on the effective date of an increase in benefit above the FCL
Temporary cover ends on the first date either of the following events occur	<ul style="list-style-type: none">• we issue terms following completion of medical underwriting, or• the 3 month period of temporary cover expires
What happens if an incapacity arises before we have agreed full cover?	<p>If a member dies after the temporary cover period ends, but before we have agreed full cover, benefit is restricted to:</p> <p>In the case of new business</p> <p>either our quoted FCL, or, if previously insured, any amount the member was covered for and which we have agreed to accept without additional medical underwriting.</p> <p>In the case of existing business</p> <p>the amount insured with us immediately before the effective date of the increase being underwritten.</p>

Section 6 – Policy documents

Once a policy goes live, we will issue a copy of your Policy Documents.

The policy is issued on the basis of the information provided:

- in the quotation request or specification
- the QAAF completed by you
- any questionnaire completed by a member
- any proposal or supplementary proposal made by, or on behalf of, the policyholder

The policy comprises the policy conditions, the schedule (including any endorsements) and any special provisions or notices specified in writing by us.

Your policy conditions could change following any event which triggers a rate review.

Section 7 – Claims

How to notify Unum of a claim

Please notify us of a member's death as promptly as possible. You can download claim forms from our website at <http://www.unum.co.uk/claims/group-life>. Alternatively, you can call our Customer Care department on 01306 873243 or email customercareclaims@unum.co.uk.

We need the following information (table below):

Type of claim	Requirement	Description
All claims	Claim form section A	Member details and declaration completed by the scheme trustees or other agreed authorised signatories.
All claims	Proof of death	We are able to confirm deaths without the requirement of sight of the original death certificate. However an original death certificate will be required to process a claim in the following circumstances: <ul style="list-style-type: none">• The member died outside the UK• Only a Coroner's Interim Fact of Death Certificate has been issued.• The claim value is more than £500,000• If there is a request to make payment to someone other than the Trustees.• If the claim is being made within 10 days of the death being registered.
Death abroad	Death abroad questionnaire	Details of travel, and if required, cause of death and details of burial.

Benefit payments

Lump sum benefits

- Payments will be paid to the Trustees of the scheme.
- The Trustees have absolute discretion to whom the lump sum benefits are paid, but must take into account (but are not bound by) the deceased member's wishes as stated in any Expression of Wish form.
- Under the policy, once we have made a payment to the Trustees in settlement of a death claim, our responsibility stops.

Claims for overseas-based members

Any claims for members based abroad and foreign nationals will be paid in Sterling to the Trustees' UK bank account.

Any foreign earnings will be converted to Sterling using the Financial Times exchange rate on the policy accounting date that precedes the date of death of the claimant or, if applicable, the same exchange rate that was used to convert the non-UK earnings to Sterling to establish the premium payable.

Section 8 – Bereavement service

Our bereavement service is available to all of our Group Life policyholders and to the members' dependants. The service includes;

- financial information, including debt support services
- assistance with finding local, reputable childcare
- special bereavement pack
- health and wellbeing information and support

It also offers access to the LifeWorks critical incident support service following a death in the workplace. This is available to employers on a fee for service basis and provides practical advice on how best to support employees and help them through the grieving process

Full details of our bereavement service and how the employer and employee's dependants can access support are included with our claim form

The bereavement service does not form part of the contract and may be withdrawn at any time.

Section 9 – Catastrophe limits

A catastrophe means one originating cause, event or occurrence or a series of related originating causes, events or occurrences, which results in more than one death, irrespective of the period of time or area over which such originating causes, events or occurrences take place.

Unum shall be the sole judge as to what constitutes a catastrophe.

Our maximum liability

Our maximum liability for a policyholder or policyholder group in respect of more than one death (irrespective of the date and place of death) attributable directly or indirectly to a catastrophe is £100m or such other amount as advised in your quotation.

Where the catastrophe is a result of a group of members travelling together on business, the benefits will be limited to the lower of:

- the maximum liability limit, or
- £25 million or, if higher, the total of the 4 largest benefits in respect of the members who died in the catastrophe.

Allocation of Benefits

Benefits under the Policyholder group resulting from more than one death due to a catastrophe will be allocated in the chronological order of the notification of each claim until our total liability for such claims reaches the maximum liability limit.

Section 10 – Taxation

Payment of premium	<p>Premiums paid by employers are considered by their Local Inspector of Taxes under the “wholly and exclusively” provisions relating to business expenses..</p> <p>Premiums paid by employers are not assessable for tax as a benefit in kind for an employee.</p> <p>There is no tax relief on the premiums paid by an equity partner.</p>
Payment of lump sum benefits by the Trustees	<p>In the event of a claim, the lump sum death benefit is paid free of Income Tax.</p> <p>Discretionary Trust are subject to normal inheritance tax charging rules, with the possibility of exit and periodic charges of up to 6% of the value of the fund.</p> <p>www.hmrc.gov.uk/manuals/ihtmanual/ihtm17550.htm</p> <p>Trustees are responsible for IHT reporting on ‘exits’ and ‘10 year anniversaries’ (from IHT100).</p> <p>Benefits do not count towards a member’s Lifetime Allowance</p>

This information is based on our understanding of current UK tax legislation and HMRC practice at the time of going to press. The tax treatment detailed above may not apply to overseas members of the policy.

This document does not provide definitive tax advice that can be relied upon in the specific circumstances of a particular Policyholder or in respect of any member insured under the policy. This includes but is not limited to any potential liability to corporation tax, income tax, Lifetime Allowance Charge or the loss of Enhanced protection.

Policyholders should take advice from their own professional advisers to ensure that they understand the impact of tax and related charges introduced by the Finance Act 2004 and subsequent related legislation.

Section 11 – Product variants

Product Variant(s)	Unum Online
Number of members	Policies with 3–100 members
Categories	Up to 4 membership categories can be included
Earnings Definitions	<p>Basic annual salary</p> <p>Basic annual salary plus all fluctuating payments averaged over the last 3 years</p> <p>Non-PAYE taxed (e.g. Equity Partners) - average annual net taxable earnings received in the previous 3 years</p> <p>Gross earnings in the previous 12 months</p> <p>P60 earnings in the previous tax year</p> <p>Basic annual salary plus all fluctuating emoluments received in the last 12 months</p>
Lump Sum benefit	<p>Multiple of salary – Minimum of 1 x salary up to a maximum of 15 x salary in increments of 0.5. An overall maximum of £4 million applies to each eligible member.</p> <p>Flat benefit – any amount up to £4 million. (up to a maximum of 15 x salary)</p>
Eligibility	<p>The policyholder must be a UK-registered company or a UK-based Equity Partnership</p> <p>The policy must be open to new entrants and not have a closed eligibility</p>
Redundancy cover	3, 6, 12, or 24 months if required
Temporary absence due to illness or injury	Unlimited to Terminal Age or 36 months

Continued...

Locations	<p>Available where members travel to, or work within the following locations:</p> <ul style="list-style-type: none"> - European Union - Australia - USA - Canada - Hong Kong - Switzerland - Iceland - Japan - Singapore - New Zealand - Norway
Occupations	<p>Not available for the following occupations:</p> <p>Professional sportspeople</p> <p>Entertainers</p> <p>Air crew, air traffic controllers, Ships crew</p> <p>Offshore, underground or underwater working</p> <p>Fire fighters, ambulance crew, police or armed forces</p> <p>Forestry, mining or quarrying</p> <p>Dealing with asbestos, nuclear, explosive materials or firearms</p>
Premium	<p>Premiums must be paid via Direct Debit</p> <p>The estimated 1st-year cost will also include any loadings (medical or non-medical) supplied at the time the quote was produced</p>
AAW	<p>Standard AAW rules apply</p>

Section 12 – Complaints

We want you to be entirely satisfied with your policy. If you do have a query or complaint, please contact the intermediary who arranged the policy for you. If there was no intermediary, please contact us at the details below.

Technical Complaints Team Leader

Unum
Milton Court
Dorking, Surrey
RH4 3LZ
Tel: 01306 887766

If you are still dissatisfied, you have the option to contact the Financial Ombudsman Service at the address below up to 6 months after our final decision. Your legal rights are not affected.

The Financial Ombudsman Service

Exchange Tower
London
E14 9SR
Tel: 0800 023 4567
Email: complaint.info@financial-ombudsman.org.uk

Section 13 – Compensation

If we cannot meet our liabilities, you may be entitled to compensation under the UK Financial Services and Markets' Act 2000. Information is available from us on request.

About Unum

Unum is one of the UK's leading providers of financial protection with more than 40 years' experience.

Unum helps employers protect their workers by providing access to financial protection, safeguarding employees from the consequences of serious illness, injury or death.

At the end of 2013, Unum protected almost 1.6 million people in the UK and paid claims of £320 million - representing in excess of £6 million a week in benefits to our customers - providing security and peace of mind to individuals and their families.

In the UK, Unum has a financial strength rating A- (Strong) from Standard & Poor's with stable outlook.

Its US parent company, Unum Group, traces its history back to 1848 and is one of the leading providers of employee benefits products and services, and the largest provider of group and individual disability insurance in the United States. Premium income for Unum Group and its subsidiaries totaled \$7.6 billion in the year ended 31 December 2013, with reported revenues for the group totalling \$10.4 billion. Total assets were \$59.4 billion at 31 December 2013.

For more information please visit www.unum.co.uk

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Registered office:

Milton Court
Dorking
Surrey RH4 3LZ

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