

TECHNICAL GUIDE

# Unum Select Critical Illness cover

Because everyone  
needs a back-up plan



# Unum Select Critical Illness cover

---

## Product overview

- To provide insurance benefits in the form of a lump sum to be paid to an employee if they or their child or spouse, if applicable, is diagnosed with one of a number of defined medical conditions or undergoes one of the listed surgical procedures; collectively, the critical illness events.
- The policy benefit is paid once the employee or their child or spouse, if applicable, survives for at least 14 days after the critical illness event.
- To allow an employer to decide, when they take out the policy:
  - Who they wish to cover
  - The amount of premium they wish to fund directly
  - The type of plan; Standard or Voluntary
  - The level of benefits they feel are appropriate
  - For fully employee funded plans, whether to offer additional cover for the employee's spouse.

## Technical Guide

- Technical Guide for "commercial customers" and their advisers. This product is only available from appropriately authorised intermediaries who have signed our Terms of Business Agreement.
- This document is a technical guide to the features of our Unum Select Critical Illness cover product and should be read in conjunction with the proposal which accompanies it. If anything stated in the proposal differs from what is in this guide, then what is stated in the proposal overrides the guide.
- In the event of a discrepancy between the policy document, the proposal and the content of this guide, the wording of the policy document will prevail.
- Full details of the insurance cover will be contained in the policy document. The policy is issued subject to the Laws of England and any dispute shall be subject to the exclusive jurisdiction of the English Courts.
- We have classed the customers for this product as "commercial" within the context of the Financial Conduct Authority's (FCA) Insurance: Conduct of Business sourcebook (ICOBS).

Contents	Page number
A. Terms explained	4
B. Product structure	5
C. Your commitment as the policyholder	7
D. Risk factors	7
E. How does a Unum Select Critical Illness cover policy work?	8
F. Product details	9
1. What factors should be considered in deciding what benefits to provide?	9
2. Definitions	12
3. Setting up the policy	14
4. What premiums will be charged for the cover?	15
5. How does the policy accounting work?	15
6. Claiming benefits	18
7. What is not covered?	18
8. Can cover be provided for an employee who is not in the UK?	18
9. Taxation	19
10. Continuation option	19
11. Cover for an employee's partner or spouse	19
12. Third party rights	19
13. Surrender value	19
14. Complaints handling	19
15. Compensation	19
16. Further information	19

**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 and income tax. Policyholders should take advice from their own professional advisers to ensure that they understand the impact of tax and legislation.**

## A. Terms explained

**Actively At Work (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 of employment, either at their normal business address 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 his or her employer or the requirement for actively working falls on a day the individual is not contracted to work.

An employee must be Actively At Work on the commencement date of the policy or subsequent date on which cover starts, the date of any subsequent increase in cover and, if applicable, the date they enrol for cover.

**Basic Benefit** means an amount of benefit payable in the form of a lump sum. Basic Benefit is provided where the employer provides all or some of the contribution for an employee.

**Commencement date** is the date from which we have agreed to provide the quoted cover.

**Critical illness event** means the diagnosis by a medical practitioner of a medical condition or undergoing a surgical procedure which is subsequently confirmed in accordance with the terms of the definition of the relevant critical illness (see Section F.2 'Definitions').

For those events that are medical conditions, the date of the event is the date that formal diagnosis is made; for surgical procedures, the date of the event is the date of actually undergoing the procedure.

**Evidence of Insurability (EOI)** consists of a small number of health and lifestyle related questions which will be used to determine if cover can be provided.

**Guaranteed Issue amount (GI)** is the amount of insured benefit we declare in your proposal, below which no evidence of insurability is required, although Actively At Work requirements will apply. See Section F 3.2 'Evidence of Insurability to be provided before employees are covered' which gives a full explanation of the terms and any conditions that apply to it.

A **late entrant** is an employee who wishes to join the policy 31 days after of the date of their first opportunity to do so. For 100% employer funded plans only, where eligibility is linked to membership of the employer's pension scheme; a late entrant is an employee who wishes to join the pension scheme more than 12 months after their first opportunity to do so.

**Master Application** is the form to be completed to allow Unum to set up the policy

**Personal Benefit** means an amount of benefit payable in the form of a lump sum and is fully funded by the employee.

The **policy review date** is the date when the premium rate and terms of the policy are reviewed and guaranteed for a further period (typically two years).

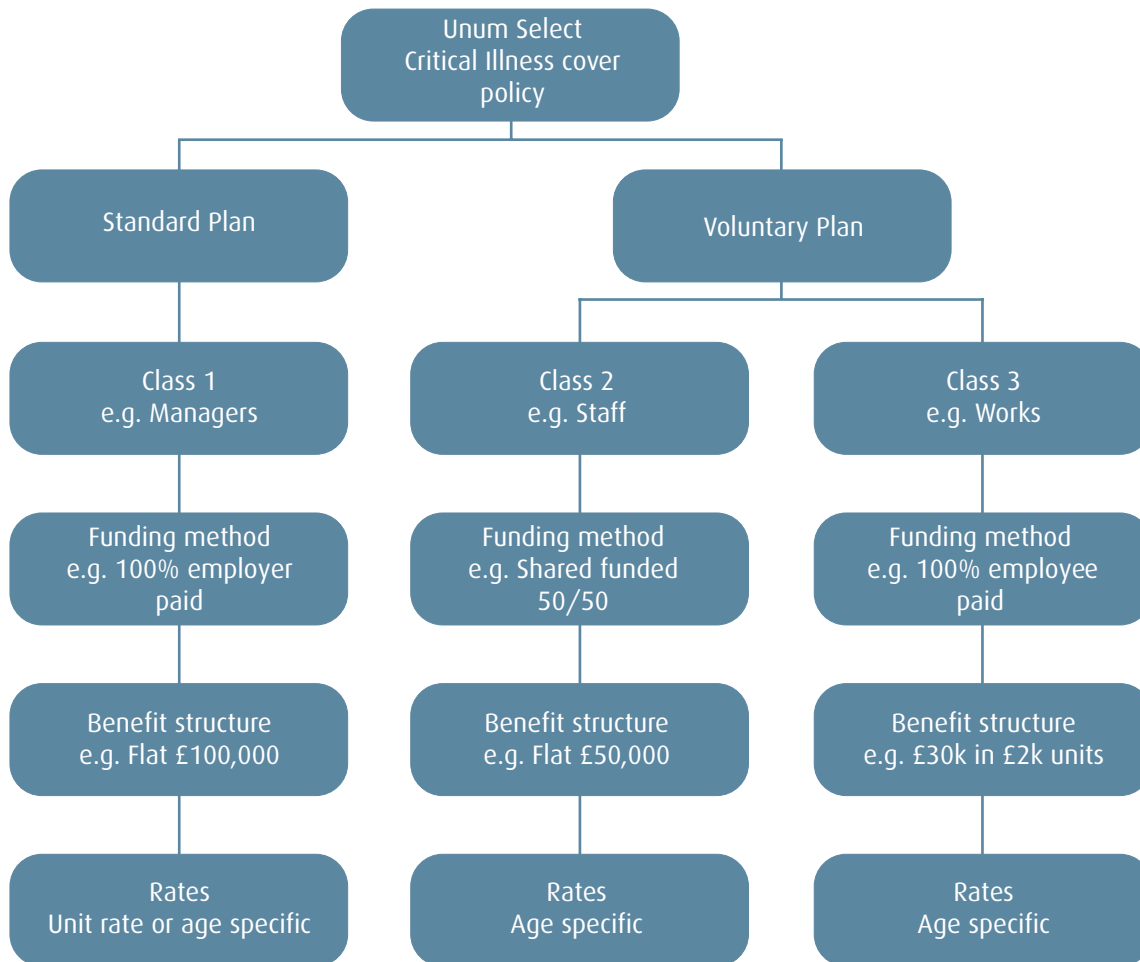
**Spouse** means the legal husband or wife or the civil partner of the employee.

The policy **Terminal Age** is the age at which benefit payments under the policy cease. This will be the last day of the month in which Terminal Age is reached. The employer can set the Terminal Age at either 65 or 70 and may vary it by eligibility class.

## B. Product structure

Each Unum Select Critical Illness cover policy can be made up of two plan types; Standard and Voluntary. A policy can be made entirely of Standard or Voluntary plans or a combination of both. Each plan may contain a number of different eligibility classes.

An example of this product structure is provided below.



## Unum Select Critical Illness cover

Plan provision		Standard plan	Voluntary plan
Premium options		<ol style="list-style-type: none"> <li>100% employer paid</li> <li>Shared funding where the premium is shared with the employee based on a % of premium</li> <li>Defined funding where the employer agrees to pay a fixed monetary amount of premium per employee with the employee paying the balance.</li> </ol>	<ol style="list-style-type: none"> <li>100% employee paid</li> <li>Shared funding where the premium is shared with the employee based on a % of premium</li> <li>Defined funding where the employer agrees to pay a fixed monetary amount of premium per employee with the employee paying the balance.</li> </ol>
Shared funding minimum % requirements		Minimum of 50% employer contribution	Minimum of 25% employee contribution
Minimum employee take-up required at outset	100% employer paid	100%	10 successfully completed applications
	Shared or Defined funding	75%	
Minimum employee take-up to obtain GI		75%	20%
EOI		Only required for amounts over GI.	<p>Is required in all cases.</p> <p>If 20% or more take-up obtained, cover is granted to all employees that elected to be covered and the results of EOI are ignored on the benefits up to GI.</p> <p>If take-up less than 20%, cover is granted to those employees who were accepted after providing EOI subject to 10 successfully completed applications.</p>
Actively At Work (AAW) requirements		Must be AAW on the date their cover is due to start and the date of any subsequent increase in cover.	Must be AAW on the date they enrol for cover, the date their cover is due to start and the date of any subsequent increase in cover.
Minimum lives per plan		10	10

Notes:

- I. Funding type may vary by eligibility class.
- II. For Shared and defined funding, the employee must pay their share of the premium to receive the employer's contribution and be covered under the policy.
- III. There are no minimum premiums for any of the funding options and no minimum employer contribution for the defined funding option.
- IV. EOI is required for any employee who requires cover above the GI.
- V. EOI consists of a small number of health and lifestyle related questions. Underwriting is immediate and cover is either accepted or rejected. No additional premiums or exclusions are applied. No medical evidence is obtained.
- VI. EOI is always required for spouse cover.
- VII. EOI is not required for child cover.

## C. Your commitment as the policyholder

- You must provide us with all the information we ask for when you apply for a policy or when you make a claim. You must advise us if these details change. If you do not provide this information, we may not be able to pay any claims.
- You must update membership information for leavers and joiners and benefit changes prior to finalising the monthly bill.
- You agree to pay premiums on time.
- You choose at the outset the conditions of eligibility that govern who can be covered by the policy.
- You agree to abide by the conditions of eligibility set out in the policy.
- You agree to notify us in writing if you wish to amend the eligibility criteria, for example by closing the policy to new entrants.
- You agree to notify us in writing if you acquire another company and you wish to cover the employees of the new company under the policy.
- You agree to notify us in writing if you dispose of a company whose employees are covered under the policy and will no longer be covered under the policy.
- You agree to notify us within the stated time limit (see Section F 6. 'Claiming Basic and Personal Benefits') of any claim you wish to make.
- You agree to supply us with all the information we ask for at a policy review date.
- You must appoint a Plan Administrator to support the online administration of the policy using the Unum Select website. This will include such functions as: review, amend and confirm monthly membership and billing statements; issue confirmation of cover letters to employees and the notification of claims.

## D. Risk factors

The policy carries the following risks:

- You should take legal advice on the need to outline the benefits provided by the policy in employees' contracts of employment and that the benefits, as promised, are not discriminatory. The Employment Equality (Age) Regulations 2006 that came into effect on 1st October 2006 made it unlawful for an employer to discriminate directly or indirectly against an employee on any aspect of their employment or benefits, based on their actual age or their apparent age. The Regulations do not directly apply to insurance policies.
- You will not be covered if you fail to comply with the terms and conditions of the policy or if you stop paying premiums. If you terminate the policy, we will continue to pay benefits for valid claims that occur during the period of cover for which premiums have been paid.
- For all policies, the premium rate and policy terms and conditions will usually be guaranteed for two years. However, we reserve the right to amend these terms if, in the opinion of Unum, there is a significant change in the risk profile for a particular plan, the factors we take into account for this type of plan are:

- A variance of 20% or greater in the number of employees or benefit insured;
  - The inclusion of a new subsidiary;
  - The disposal of a participating company or closure of a part of the employer's business;
  - The inclusion of a new eligibility class;
  - A change in plan design such as an alteration of benefit level, Terminal Age or terms of eligibility;
  - A change in the occupations of the employees or where they work;
  - A change to the level or basis of the social security or income tax systems;
- For new and existing policies we reserve the right to review the terms offered if there is a 20% or more change to the data provided to produce the proposal.
  - If the number of employees drops below five at any time, we reserve the right to cancel a plan at any subsequent policy anniversary date.

## E. How does a Unum Select Critical Illness cover policy work?

- We require a minimum of 10 lives to issue a Unum Select Critical Illness cover policy.
- You decide on who you wish to insure and the type of plans, Standard and/or Voluntary to meet your needs
- You decide the level of premium you wish to fund directly and the amount of contribution you wish the employee to make.
- You, the employer, pay all the premiums but may receive contributions from an employee for all or part of the cover provided under the policy.
- You decide the level of benefit for each eligibility class.
- Employees' spouses may be covered if the employee is paying the total contribution for their own benefit (see Section E 1.6 'Can employees' families be covered?').
- Employees' children (including stepchildren and legally adopted children) aged between six months and 18 years are automatically covered at no extra cost. There is no upper limit to the number of children we will cover (see Section E 1.6 'Can employees' families be covered?').
- A Voluntary plan requires active enrolment of employees, normally at their place of work although online and telephone based enrolment is also provided. Enrolment is carried out by specialist staff, who are able to provide information in the workplace on the benefits you are providing for them. Some Standard plans may also be enrolled actively.
- While premiums are being paid, we will provide cover no matter how many claims are made. If you cancel the policy, we will still consider claims arising during the period you were covered by us, provided that there are no premiums outstanding.

- You must pay all of the premiums in sterling. Any contribution you make will usually be treated as a trading expense and will normally be taxed as a benefit in kind for employees. (See Section F 9. 'Taxation').
- A lump sum benefit is paid to employees covered by the policy who suffer one of the Critical Illness events listed in the policy and survive for a period of 14 days (six months in the case of "Loss of physical ability to look after yourself"), thereafter. For those events that are medical conditions, the date of the event is the date that formal diagnosis is made; for the surgical procedures, the date is the date of actually undergoing the procedure.
- You must notify us of claims within the stated time period (see Section F 6. 'Claiming Basic and Personal Benefits').
- You must provide us with the information we require when you make a claim.
- You must make the claim on behalf of your employee and their child(ren) and spouse where applicable. Benefit is paid directly to an employee free of tax.
- You can choose different levels of funding, cover, or benefits, for different classes of employee.
- The guarantee period advised in your proposal applies to both the premium rate and the terms and conditions applicable to the policy. When the guarantee expires at the policy review date, both the premium rate and the terms and conditions of the policy are subject to review.
- Switch terms (or no worse terms) for employees insured under an existing Group Critical Illness policy who are transferring to Unum Select Critical Illness cover are not available.
- Unum Select Critical Illness cover is not available for employees already insured under a separate Group Critical Illness policy.

### When will cover commence?

An initial proposal (quotation) is issued for consideration by you. If you wish to proceed to purchase, we will issue a final proposal confirming the basis of the cover requested, the appropriate premium rates and your selected policy effective date. If there are both Standard and Voluntary plans within the policy, they may have different effective dates.

Cover will commence on the requested policy effective date upon receipt of the completed Master Application form issued with the final proposal and a completed Direct Debit mandate if this payment option is selected and following completion of enrolment, if applicable.

### When will cover cease?

#### Under normal circumstances

We cannot cancel the plan unless the number of employees insured under the plan is fewer than five, premiums are overdue or you fail to provide all the information we ask for when applying for the plan, administering the plan or when claiming for benefit in respect of an employee.

You can cancel the plan at any time, provided you do so in writing. Cover will then cease and you will not be liable to make payments for any period after this date. Cancellation cannot be back-dated.

If the plan is cancelled, we will still consider and pay valid claims that arose while cover existed up to the date of cancellation, provided that there are no premiums outstanding.

Cover for any employee will cease on whichever is the earliest date of:

- they retire early (no cover is provided after taking early retirement), or;
- they reach the Terminal Age or;
- they leave the employer's service (no cover is provided for employees who have been made redundant).

## F. Product details

### 1. What factors should be considered in deciding what benefits to provide?

The flexibility provided by Unum Select Critical Illness cover allows you to design cover that is compatible with your employment contracts, culture, and your specified budget.

#### 1.1 Who can be covered?

An employee can be insured if they satisfy the conditions of eligibility defined in the policy and meet the definition of being Actively At Work and successfully complete EOI, if required.

##### 1.1.1 Conditions of eligibility

Conditions covering entry to the policy must be selected. For example:

- The minimum and maximum entry ages allowed for new entrants
- The class of employee you wish to be covered, and to what benefits you want each class to be entitled
- The waiting period you wish the employee to serve before being eligible for cover
- The minimum hours worked per week.

If cover is dependent on membership of the employer's pension scheme then the current eligibility requirements of that scheme must also be provided.

The definition of eligibility must be clearly stated in all cases. For a Standard plan which is 100% employer funded membership is compulsory for all employees within a defined eligibility class or classes. Eligibility conditions covering entry ages, entry dates and service qualification periods must be the same for each employee within a defined class.



Part-time employees and fixed-term employees may also be included in the policy if they satisfy the above conditions. Fixed-term employees can be covered for the duration of their contract under all Unum Select Critical Illness cover options.

All cover is subject to the employee being AAW on the commencement date of the policy or subsequent date on which cover starts, the date of any subsequent increase in cover and, if applicable, the date they enrol for cover.

### 1.1.2 Early and discretionary entrants

Cover is not provided for early or discretionary entrants.

### 1.1.3 Late entrants

EOI will be required for late entrants in all cases. For 100% employer funded plans where eligibility is linked to pension scheme membership, employees joining within 12 months of first being eligible to join the pension scheme will not be regarded as late entrants.

### 1.1.4 What if an employee is temporarily absent?

The basis of the cover provided differs by cause of absence as follows:

Cause of absence	Standard and Voluntary plans
<b>Temporary absence due to - sabbatical or other agreed leave of absence</b>	<p>Where the employer has agreed a leave of absence, cover will be provided through to the end of the month that immediately follows the month in which the temporary absence begins.</p> <p>Cover automatically ceases after this period and the employee would be treated as a new hire on returning to work.</p>
<b>Statutory absence</b> (includes maternity leave, paternity leave, adoption leave or parental leave or any other form of statutory leave.)	<p>Cover continues in periods of statutory absence.</p> <p>Cover will cease at the end of the month:</p> <ul style="list-style-type: none"> <li>• after the employee ceases to be an employee;</li> <li>• in which the last contribution was paid;</li> <li>• after the employee, who is not incapacitated, does not return to work after the statutory absence applicable.</li> </ul> <p>The employee's cover will be reinstated when he or she returns to active employment.</p> <p>We will not:</p> <ul style="list-style-type: none"> <li>• apply a new waiting period; or</li> <li>• require Evidence of Insurability.</li> </ul>
<b>Sickness/injury</b>	<p>If the employee is not working due to injury or sickness, and they remain in service and contributions are paid, they will continue to be covered up to the Terminal Age.</p> <p>If premiums cease, cover will lapse and the employee would be treated as a new entrant on returning to work.</p>
<b>Notes</b>	<p>I. Cover will be maintained only if the employee remains in service during the period of absence.</p> <p>II. The benefit payable is the benefit on the day before the start of the employee's absence.</p> <p>III. Employees will not be regarded as being AAW and increases in cover are not provided.</p> <p>IV. Child and spouse cover ceases at the same time as the cover for the employee.</p>

## 1.2 Plan type

A variety of benefit and funding options are available which vary by plan type; Standard or Voluntary.

### 1.2.1 Standard plan

The Standard plan is designed for employers who decide to fund all or contribute significantly towards the cost of providing cover. Active enrolment of employees in the plan is not usually required.

The funding options available are;

1. fund 100% of contributions on behalf of the employee (for this option you must include all eligible employees for cover under the plan when they first become eligible);
2. make a partial contribution of 50% or more of the total contributions on behalf of the employee, or
3. make a fixed monetary contribution for each employee per month.

For options 2 and 3, the employee must elect to join and make a contribution in order to participate in the plan.

Options 2 and 3 require at least 75% of eligible employees to participate. If not, a Standard plan can not proceed.

GI is offered as part of the proposal and varies by the total number of eligible lives. Cover is provided up to the GI limit without the need for EOI. EOI is required in the form of a short medical questionnaire for all amounts above the GI.

Child cover is automatic and no application forms or details are required for cover to be provided.

The plan requires an absolute minimum of ten accepted employees at outset to proceed.

### 1.2.2 Voluntary plan

Voluntary plans require lower levels of employee participation than Standard plans and active enrolment is always required.

The funding options available are;

1. allow the employee to fund 100% of the contributions, or
2. make a partial contribution of up to 75% of the total contributions on behalf of the employee, or
3. make a fixed monetary contribution for each employee per month

For option 2 and 3, the employee must elect to join and make a contribution in order to participate in the plan.

For a Voluntary plan, all employees must complete an EOI questionnaire at initial enrolment.

GI may be offered as part of the proposal and varies by the total number of eligible lives. A minimum of 20% of eligible lives must join the plan for GI to be provided.

If 20% or more of eligible employees elect to join the plan, cover is provided up to the GI limit without reference to the EOI. EOI is required for all amounts above the GI.

If less than 20% of eligible employees elect to join the plan, GI will not apply and coverage is either issued or denied based upon the EOI. The plan requires an absolute minimum of 10 accepted employees at outset in order to proceed.

Child cover is automatic and no application forms or details are required for cover to be provided.

Spouse cover is always subject to EOI and is required in all circumstances. GI is not applied to any spouse benefit.

### 1.3 Benefit options

The following table outlines the wide range of benefit options that vary by plan type and eligibility class.

The type of cover you select will determine how benefits are calculated. You can decide how much benefit you want to insure according to your budget. If you select a higher benefit level, the premiums will increase.

Benefit design		Standard plan	Voluntary plan
<b>Benefit structure</b>		Flat amounts only	Monetary units of benefit: £2000 for employees Flat amount
<b>Benefit structure</b>	<b>Employee</b>	£100,000	£50,000 (either flat benefit or 25 x £2,000 units)
	<b>Child</b>	Lesser of 25% employee's benefit and £10,000	
	<b>Spouse</b>	Not available	£1,000 units or flat benefit up to a maximum of the lesser of 50% employees benefit and £25,000
<b>Benefit structure</b>	<b>Employee</b>	£4,000 flat	£2,000 (one unit) £2,000 flat
	<b>Child</b>	Lesser of 25% employee's benefit and £10,000	
	<b>Spouse</b>	Not provided	£5,000 (so employee must have a minimum £10,000 benefit)
<b>Notes</b>		<p>I. No overall maximum multiple of earnings limitation.</p> <p>II. Child means employees' children (including stepchildren and legally adopted children) aged between six months and 18 years. They are automatically covered at no extra cost. There is no upper limit to the number of children we will cover.</p> <p>III. No dependent child can be covered as both an employee and a dependent child.</p>	<p>I. No overall maximum multiple of earnings limitation.</p> <p>II. Spouse cover is only available if employee benefit is 100% employee funded.</p> <p>III. The spouse benefit structure (units or flat) will follow the employee benefit structure and is selected by the employer.</p> <p>IV. Spouse means the legal spouse or civil partner of an employee and who is living with the employee.</p> <p>V. Employee must have cover for spouse to have cover.</p> <p>VI. A spouse cannot be covered as a dependent if they are enrolled for coverage as an employee.</p> <p>VII. Child means employees' children (including stepchildren and legally adopted children) aged between six months and 18 years. They are automatically covered at no extra cost. There is no upper limit to the number of children we will cover.</p> <p>VIII. No dependent child can be covered as both an employee and a dependent child.</p>

## 1.4 Critical Illness conditions covered

Lump sum paid on diagnosis after commencement of cover of the following critical illness events and the insured person's survival for a period of 14 days (six months in the case of "Loss of physical ability to look after yourself"), thereafter:

1. Heart attack
2. Stroke
3. Major organ transplant
4. Kidney failure
5. Multiple sclerosis
6. Coronary artery bypass grafts
7. Cancer
8. Paralysis/paraplegia
9. Benign brain tumour
10. Blindness
11. Coma
12. Terminal illness
13. "Loss of physical ability to look after yourself"

The Association of British Insurers (ABI) produced a model definition for many critical illness events. Where an ABI model definition exists, our Unum Select Critical Illness cover matches, or provides wider cover than, the ABI's definition.

Section F 2 'Definitions' contains a full description of all these critical illness events.

## 1.5 Can employees' families be covered?

### Child cover

Cover for an insured employees' child is provided automatically. Child means employees' children (including stepchildren and legally adopted children) aged between six months and 18 years. They are covered at no extra cost. There is no upper limit to the number of children we will cover.

No dependent child can be covered as both an employee and a dependent child.

### Spouse cover

Spouse cover is available under 100% employee funded Voluntary plans only. Spouse means the legal spouse or civil partner of an employee and who is living with the employee. An employee must be insured under the plan for their spouse to have cover. A spouse can not be covered as a dependent if they are enrolled for cover as an employee.

## 1.6 Policy exclusions

There are no exclusions.

## 1.7 Terminal Age

A Terminal Age must be selected for each eligibility class and may differ by class. The Terminal Age must be 65, or 70. Cover is not provided beyond the Terminal Age.

Normally, employers select a Terminal Age to insure benefit until the age that employees normally retire.

Cover in respect of fixed-term employees will cease at the end of their current contract at the latest.

## 1.8 Redundancy

No cover is provided after the employee has been made redundant.

## 1.9 Early retirement

No cover is provided after the employee has taken early retirement.

## 1.10 What are insured earnings for a Unum Select Critical Illness cover policy?

Insured earnings are not applicable to this policy.

## 1.11 Extended cover

It is possible to establish a Unum Select Critical Illness cover policy with different Terminal Ages for different classes of employee. The Terminal Age may be set at an age later than your normal contractual retirement age (NCRA). Employees retiring at NCRA would cease to be covered at that time. Employees working beyond NCRA would continue to be covered. Please note for 100% employer paid cover, it is only possible to insure employees working beyond NCRA provided all employees within a defined eligibility class that work beyond NCRA remain covered.

An increase in the Terminal Age would require a revision to the policy terms, including the premium rate, and cover for existing employees would be subject to being Actively At Work.

## 2. Definitions

### 2.1 Defined conditions

#### Benign brain tumour

A non-malignant tumour or cyst in the brain, cranial nerves or meninges within the skull, resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- Tumours in the pituitary gland
- Angiomas.

#### Blindness

Permanent and irreversible loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.

## Cancer

Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue.

The term malignant tumour includes leukaemia, sarcoma and lymphoma except cutaneous lymphoma (lymphoma confined to the skin).

For the above definition, the following are not covered:

- All cancers which are histologically classified as any of the following:
  - pre-malignant;
  - non-invasive;
  - cancer in situ;
  - having borderline malignancy; or
  - having low malignant potential.
- All tumours of the prostate unless histologically classified as having a Gleason score greater than six or having progressed to at least clinical TNM classification T2N0M0.
- Chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A.
- Any skin cancer (including cutaneous lymphoma) other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

## Coma

A state of unconsciousness with no reaction to external stimuli or internal needs which:

- requires the use of life support systems for a continuous period of at least 96 hours; and
- results in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following is not covered:

- Coma secondary to alcohol or drug abuse.

## Coronary artery bypass grafts

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a consultant cardiologist to correct narrowing or blockage of one or more coronary arteries with bypass grafts.

## Heart attack

Death of heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:

- Typical clinical symptoms (for example, characteristic chest pain).
- New characteristic electrocardiographic changes.
- The characteristic rise of cardiac enzymes, or troponins recorded at the following levels or higher;

- Troponin T > 1.0 ng/ml
- AccuTnl > 0.5 ng/ml or equivalent threshold with other Troponin I methods.

The evidence must show a definite acute myocardial infarction.

For the above definition, the following are not covered:

- Other acute coronary syndromes including but not limited to angina.

## Kidney failure

Chronic and end stage failure of both kidneys to function, as a result of which regular dialysis is necessary.

## Major organ transplant

The undergoing as a recipient of a transplant of bone marrow or of a complete heart, kidney, liver, lung or pancreas, or inclusion on an official UK waiting list for such a procedure.

For the above definition, the following is not covered:

- Transplant of any other organs, parts of organs, tissues or cells.

## Multiple Sclerosis

A definite diagnosis of Multiple Sclerosis by a consultant neurologist. There must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least six months.

## Paralysis of limbs

Total irreversible loss of muscle function to the whole of any two limbs.

## Stroke

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following is not covered:

- Transient ischaemic attack.
- Traumatic injury to brain tissue or blood vessels.

## Terminal illness

A definite diagnosis by the attending consultant of an illness that satisfies both of the following:

- The illness either has no known cure or has progressed to the point where it cannot be cured; and
- In the opinion of the attending consultant, the illness is expected to lead to death within 12 months.

## “Loss of physical ability to look after yourself”

Losing the physical ability to do at least three of the six tasks listed below with no reasonable prospect of there ever being any improvement and this has persisted for 6 months. The employee (or child or spouse, as appropriate) must need the help or supervision of another person and be unable to perform the task on their own, even with the use of special equipment routinely available to help and having taken any appropriate prescribed medication.

1. Washing - the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means.
2. Getting dressed and undressed - the ability to put on, take off, secure and unfasten all garments and, if needed, any braces, artificial limbs or other surgical appliances.
3. Feeding yourself - the ability to feed yourself when food has been prepared and made available.
4. Maintaining personal hygiene - the ability to maintain a satisfactory level of personal hygiene by using the toilet or otherwise managing bowel and bladder function.
5. Getting between rooms - the ability to get from room to room on a level floor.
6. Getting in and out of bed - the ability to get out of bed into an upright chair or wheelchair and back again.

For the above definition, disabilities for which the relevant specialists cannot give a clear prognosis are not covered.

### 2.2 What is not covered?

If an employee (child or spouse, as appropriate) has previously suffered any critical illness event and benefit was paid, no benefit is payable under “Loss of physical ability to look after yourself”, paralysis of limbs or terminal illness critical illnesses.

If a benefit payment has been made for heart attack, kidney failure, coronary artery bypass grafts, heart transplant or stroke, no benefit will be paid for any subsequent incidences of any of these critical illnesses or for the major organ transplant critical illness.

If a benefit payment has been made under the cancer critical illness, a further claim cannot be made for any subsequent cancer whether or not such cancer is connected to or associated with the prior diagnosis of cancer.

If a benefit payment has been made for terminal illness critical illness, a further claim cannot be made for any other critical illness.

## 3. Setting up the policy

### 3.1 Process for setting up the policy

We prepare a Final Proposal based upon the risk specification supplied by your intermediary together with up to date membership data, the occupation and location profile of the employees to be covered under the policy.

Cover will commence on the requested policy effective date upon

receipt of the completed Master Application issued with the Final Proposal and a completed Direct Debit mandate if this payment option is selected and following completion of enrolment, if applicable.

### 3.2 Evidence of health to be provided before employees are covered

Group policies are designed to cover all employees who satisfy the eligibility conditions of cover (see Section F 1.1.1 ‘Conditions of eligibility’). We will declare a GI amount below which evidence of health is not usually required, although Actively At Work requirements will apply (see Section A “Terms explained”).

For an annual enrolment, cover can be increased for employees up to GI without EOI during the 14 day enrolment window.

Spouse cover is always subject to EOI

EOI is not required for child cover.

#### 3.2.1 Standard plans

##### For 100% employer paid plans:

The employee must be added to the Unum Select website within 31 days of being eligible to join the plan. Employees who are updated outside of this window are covered from the date they are updated on the Unum Select website.

Benefits will automatically be provided up to the GI amount without the need to complete EOI. Any benefits over GI will be subject to EOI.

##### For shared and defined funding plans:

If the employee joins within 31 days of first being eligible, benefits will automatically be provided up to the GI amount without the need to complete EOI. Any benefits over GI will be subject to EOI.

If the employee joins after 31 days of first being eligible, the employee becomes a late entrant and EOI will always be required.

#### 3.2.1 Voluntary plans

EOI is obtained in all cases and the policy can only proceed if there are a minimum of ten successful applications.

If GI is applicable, benefit will be provided up to GI for all employees who applied for cover within 31 days of first being eligible. Benefit above GI is provided to those employees who successfully completed EOI.

If no GI is applicable, cover is provided to those employees who successfully completed EOI.

If the employee joins after 31 days of first being eligible, the employee becomes late entrant and EOI will always be required.

## 4 What premiums will be charged for cover?

### 4.1 How will premiums be calculated?

#### 4.1.1 What factors determine the rate used to calculate premiums?

The premium rate charged will depend on a number of factors. These include the nature and level of the benefits to be provided and details of the employees you wish to insure, such as, but not limited to:

- Level of benefits
- Eligibility and entry conditions
- Age and gender of the employees (and spouse, as appropriate)
- Occupation, industry and locations of these employees

Premium rates are usually guaranteed for two years and are subject to review thereafter. New rates may apply at the end of these periods.

#### 4.1.2 Types of rates

Premium calculations will be based on either age specific rates or unit rates depending on plan design.

##### 4.1.2.1 Age specific

Age specific rates will apply for all Voluntary plans and for Standard plans with less than 20 lives. Rates will vary and individual rates for an employee and spouse are based on the following:

- Gender
- Smoker or non-smoker status
- Based on individuals age in five year bands
- Monthly paid premiums

Premiums will be calculated for each employee (and spouse where applicable) according to our current premium rates. The premium rate applicable to them is based on their age at the policy anniversary date. The cost of cover increases from the policy anniversary date after an employee (and spouse where applicable) moves into the next five year age band.

The underlying rate table is usually guaranteed for two years and is subject to review thereafter. A new rate table may apply at the end of this period.

If the number of lives insured under an existing 100% employer paid policy increases to 20 or more, we reserve the right to calculate the premium on the unit rated basis outlined below from the following policy anniversary date.

##### 4.1.2.2 Unit rated

Unit rates apply to all Standard plans with 20 or more eligible lives, as follows:

- Same rate for all employees
- Premium based on percentage of benefit multiplied by Unit rate
- Monthly paid premiums

Unit rates are usually guaranteed for two years and are subject to review thereafter. New rates may apply at the end of this period.

If the number of lives insured under an existing policy falls below 20, we reserve the right to calculate the premium on the age specific rate basis outlined above from the following policy anniversary date.

### 4.2 Will there be any unexpected additional premiums?

There are no medical loadings to the premium for any employee.

EOI will be required in the following circumstances and may affect the level of cover an employee is eligible for:

- you have employees whose cover exceeds the GI and who have therefore been asked to provide EOI, or;
- employees who are joining outside the normal eligibility conditions, such as late entrants;
- for increases in cover on Voluntary plans unless part of an annual enrolment period when EOI is waived up to GI.

Employees will either be accepted or rejected for their cover based on the answers to these questions. All accepted cover will be on standard terms.

### 4.3 Is there a discount for good claims experience?

Previous claims experience may be taken into account for Unum Select Critical Illness cover.

### 4.4 What commission is allowed for in the premium?

Any commission paid to your intermediary is a percentage of the gross premium paid; the rate of commission payable is shown in our Proposal.

Commission is available on a fixed rate (same level payable throughout the lifetime of the policy) and variable rate where the first year commission level only applies during the first 12 months of the policy, regardless of any changes to the policy in the second or subsequent years (e.g. does not apply to increases in cover after the initial 12 month period)

## 5. How does the policy accounting work?

Payment of premium is required monthly via the approval of a bill on the Unum Select website. Payment must be made by either Direct Debit or Direct Credit and is due at the end of the respective month. Payment must be received 31 days after the due date or the policy will be cancelled.

Each month a payroll deduction file is provided listing the individual employees who require coverage and the premiums payable per employee. These premiums are split between the individual employee contributions and those contributions made by the employer.

### 5.1 What information is required for policy accounting purposes?

For all policies and plans, individual details of insured employees and their benefits are maintained and updated on the Unum Select website and will be used to calculate the required monthly premium. Where, employees make a contribution, the membership listing will be provided in a payroll deduction file at the beginning of each month.

Providing information on joiners and leavers in a timely manner is essential to ensure that levels of benefit are accurately reflected.

## 5.2 How are accounts adjusted for employees who join, leave or have benefit increases during the year?

### 5.2.1 Standard plans

	100% employer paid	Shared & defined funding
<b>Cover effective date for joiners</b>	<p>The employee must be updated on the Unum Select website within 31 days of the earliest date they are eligible to join the plan. In this case, the cover effective date will be the date they are first eligible. Otherwise, the cover effective date will be the date they are updated on the Unum Select website.</p> <p>For benefit up to the GI amount, cover will begin at 00:01 on the cover effective date.</p> <p>For benefit over the GI amount, cover will begin at 00:01 on the latter of the requested effective date and the date the EOI is accepted.</p> <p>All cover is subject to the AAW requirements. If not AAW, cover will begin on the date the employee returns to active employment.</p>	<p>If the employee joins within 31 days of their earliest eligibility date, the cover effective date will be as follows:</p> <ul style="list-style-type: none"> <li>For benefit up to the GI amount, cover will begin at 00:01 on the first of the month following application or the requested cover effective date if later.</li> <li>For benefit over the GI amount, cover will begin at 00:01 on the first of the month following the latter of the requested effective date and the date the EOI is accepted.</li> <li>All cover is subject to the AAW requirements. If not AAW, cover will begin on the date the employee returns to active employment.</li> </ul> <p>If the employee joins after 31 days of their earliest eligibility date, they will be a late entrant and cover will be subject to EOI.</p>
<b>Premium effective date for joiners</b>	Billing will commence from the first day of the month following the Unum Select website being updated.	
<b>Leavers</b>	Cover ceases immediately when the employee leaves the company or ceases to be eligible. If the Unum Select website is updated in the month an employee leaves, before that month's bill has been approved, premium will automatically be pro-rated.	<p>Cover ceases immediately when the employee leaves the company or ceases to be eligible. If the Unum Select website is updated in the month an employee leaves, before that month's bill has been approved, premium will automatically be pro-rated.</p> <p>If the employee remains with the employer but wishes to cease cover then it will be effective on the last day of the month in which the employee provides notification to you, their employer.</p>



## 5.2.2 Voluntary plans

All funding options	
<b>Cover effective date for joiners</b>	<p>If the employee joins within 31 days of their earliest eligibility date, the cover effective date will be as follows:</p> <ul style="list-style-type: none"> <li>• For benefit up to the GI amount, cover will begin at 00:01 on the 1st of the month following application or the requested cover effective date if later.</li> <li>• For benefit over the GI amount, cover will begin at 00:01 on the 1st of the month following the latter of the requested effective date and the date the EOI is accepted.</li> <li>• All cover is subject to the AAW requirements. If not AAW, cover will begin on the date the employee returns to active employment.</li> <li>• If the employee joins after 31 days of their earliest eligibility date, they will be a late entrant and cover will be subject to EOI.</li> </ul>
<b>Premium effective date for joiners</b>	Billing will commence from the first day of the month following the Unum Select website being updated.
<b>Cover effective date for changes in benefit</b>	<p>The employee can increase/decrease benefits within the plan design of the policy. Changes are made through the Plan Administrator on the Unum Select website and will require the employee to enrol for an increase. Available enrolment options will be given to the employee. Increases to cover will be subject to EOI unless part of an annual enrolment (See Section 3.2 "Evidence of health to be provided before employees are covered").</p> <p>Cover will begin at 00:01 on the first of the month following the latter of the requested effective date and the date the EOI is accepted.</p> <p>An increase in cover is subject to the AAW requirements. If not AAW, cover will begin on the date the employee returns to active employment.</p>
<b>Premium effective date for increases in benefit</b>	Billing will commence from the first day of the month following the Unum Select website being updated.
<b>Leavers</b>	<p>Cover ceases immediately when the employee leaves the company or ceases to be eligible. If the Unum Select website is updated in the month an employee leaves, before that month's bill has been approved, premium will automatically be pro-rated.</p> <p>If the employee remains with the employer but wishes to cease cover then it will be effective on the last day of the month in which the employee provides notification to you, their employer.</p>

## 6. Claiming Basic and Personal Benefits

This section deals with common questions that arise when an employee suffers from one of the insured critical illness events.

For a claim to be valid, the following criteria must be met:

- The critical illness event, which occurs or is diagnosed, must be in the list of critical illnesses covered by your policy.
- The employee or spouse or child (if applicable) must survive for 14 days after the date that a critical illness event is diagnosed, or the listed surgical procedure is undergone, or six months for "Loss of Physical Ability to look after yourself".

### 6.1 Notification of claim

Please notify us of a claim under this policy as promptly as possible following diagnosis, ideally within 21 days, online via the Unum Select website or by telephoning our Unum Select Customer Services department on telephone number: **0800 011 3000**.

We will issue you the appropriate claim forms.

### 6.2 How are claims made?

The evidence we require includes the following:

- A claim form completed by the employer.
- A claim form completed by the employee which includes the claimant's consent under the Access to Medical Reports Act granting us the authority to obtain further information from the claimant's doctors.
- Claimant's original birth certificate.
- Confirmation of claimant's survival for 14 days from the date of diagnosis or surgery (six months for "Loss of Physical Ability to look after yourself").
- If cover is provided for a spouse and/or children, the spouse and/or children's original birth certificates and an original marriage certificate for the spouse.

### 6.3 Claims processing

Upon receipt of all the necessary documentation, we will process the claim.

We will review the medical evidence to ensure the diagnosis satisfies the policy conditions. The benefit will be paid if the claimant survives the event by 14 days (six months for "Loss of Physical Ability to look after yourself").

Claims are paid to the employee tax free, by Direct Credit to a UK account in their name.

### 6.4 Can a further claim be made if the employee suffers from a recurrence of the same event?

Once a claim has been admitted for a specific critical illness event, no further claims can be made in respect of that event. Cover will automatically continue and restrictions apply as set out in Section F 2.2 "What is not covered?"

### 6.5 How to complain about a claim decision

In the event of the claim decision not being to the policyholder's satisfaction, the policyholder may refer the matter to the Customer Feedback Department. This is a separate department, independent of the Claims Department that will review the claim decision afresh and in line with Unum's complaint handling process.

An employee can refer the claim decision to the Customer Feedback Department in relation to the benefits to which they contributed.

The Customer Feedback Department will issue Unum's final decision on the claim. If the policyholder remains dissatisfied The Financial Ombudsman Service provides an independent dispute resolution service for eligible complainants. Where you remain dissatisfied with the outcome of your complaint, you can contact the Financial Ombudsman Service at the address below within six months of Unum's final decision being made. Your legal rights and those of the employee are not affected if this organisation is contacted.

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

Tel: **0800 023 4567 or 0300 123 9123**

## 7. What is not covered?

There are no exclusions in the policy.

## 8. Can cover be provided for employees not in the UK?

We are prepared to cover employees travelling or working overseas or seconded to other organisations, provided that:

- they meet the eligibility conditions of cover for the policy, and;
- they have a contract of employment with a UK registered company (which is covered by the policy), and
- they continue to be declared in the membership data and premium continues to be paid in respect of them, and
- all premiums must be paid in sterling by the employer.

For lives based overseas, the nationality and countries worked in need to be declared for each employee at policy commencement and review.

Benefits will be paid to a UK account in sterling in respect of claimants living abroad provided that we can obtain satisfactory medical evidence in English

If we require a claimant located overseas to undergo a medical examination, we will contribute an amount towards the cost of the examination in the foreign country, normally the equivalent cost of a similar examination in the UK.

## 9. Taxation

### Basic Benefit and Personal Benefit

All benefits are paid to the employee free of tax.

### Premiums

Premiums paid by the Policyholder (i.e. the Employer) to insure employees in Select Critical Illness cover are a trading expense and can be offset against Corporation Tax. The Employer is liable for Class 1A National Insurance Contributions on the premiums.

The employee is taxed on the amount of the premium paid on their behalf by their Employer as a benefit in kind.

Employee contributions do not qualify for tax relief.

Clarification of the tax position in specific cases should be sought from your local Inspector of Taxes. Alternatively, you may wish to refer to your intermediary on the tax implications for themselves and their employees.

This information is based on our understanding of current UK tax legislation.

## 10. Continuation option

Not available under Unum Select Critical Illness cover.

## 11. Cover for an employee's partner or spouse

Cover is available for an employee's partner or spouse for 100% employee funded Voluntary plans only.

## 12. Third party rights

An employee can enforce a claim under the policy where their employer has submitted a claim in respect of the employee (their child or spouse, as appropriate).

## 13. Surrender value

The policy does not acquire a surrender value.

## 14. Complaints handling

We want you to be entirely satisfied with your Unum Select Critical Illness cover. 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 Unum directly.

If this does not resolve the matter, then please write to:

Customer Feedback Department  
Unum Limited  
Milton Court  
Dorking  
Surrey  
RH4 3LZ

Tel: **01306 887766**

If the matter remains unresolved, you may be eligible to contact the Financial Ombudsman Service at the address below within six months of Unum's final decision being made. Your legal rights are not affected if you contact this organisation.

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

Tel: **0800 023 4567 or 0300 123 9123**

## 15. Compensation

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

## 16. Further Information

### About Unum

Unum is one of the UK's leading providers of financial protection, with almost 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 2012, Unum protected more than 2 million lives 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 of A (Strong) from Standard and Poor's with a 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 totalled \$7.7 billion in the year ended 31 December 2012, with reported revenues for the group totalling \$10.5 billion. Total assets were \$62.2 billion at 31 December 2012.

For more information visit  
**unum.co.uk**

---

## Financial Protection

Unum specialises in forward-thinking, imaginative financial protection benefits (Income Protection, Life cover and Critical Illness cover). We work with advisers and their clients to deliver solutions that make these invaluable benefits accessible to all UK employees.

Financial protection benefits are essential when you need them and provide peace of mind when you don't. They provide crucial financial support to employees and their families in the unfortunate event that they can't work or earn an income. And companies that offer them can create a more motivated and engaged workforce, achieving a sustainable competitive edge in today's challenging business environment.



Because everyone  
needs a back-up plan

**Income Protection** | **Critical Illness** | **Life Cover**

---

**Registered office:**  
Milton Court  
Dorking  
Surrey RH4 3LZ

**Unum Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.** Registered in England 983768.  
We monitor telephone conversations and e-mail communications from time to time for the purposes of training and in the interests of continually improving the quality of service we provide.

Copyright © Unum Limited 2014

**Tel: 01306 887766** | **Fax: 01306 881394**