

Executive Income Protection Plan

Terms and Conditions

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**This document sets out the terms and conditions of our contract with you.
Please keep it for future reference.**

1. Definitions

Some of the words and expressions used in this document and in the **plan schedule** may be unfamiliar to you or have a special meaning that applies whenever that word or expression is used. This Section contains a list of these words and expressions and an explanation of their meaning.

Where words defined in this Section are used in this document, they are printed in bold type.

References to “you” and “your” will mean the **plan holder**.

References to “his” and “he” will also mean the feminine and refer to the **life insured** named in the **plan schedule**.

References to “we”, “us” and “our” will mean Unum Limited.

References in this document to laws and statutes include any amendments to or re-enactments of them.

Benefit or benefit amount

The maximum amount we will pay if the **life insured** is **incapacitated**.

The **benefit amount** insured at the **start date** of your **plan** is shown in the **plan schedule** and we will send you details of any revised **benefit amount** in writing whenever a revision occurs. See Section 5 “Increasing your cover”. The latest notified **benefit amount** applies at all times. You may reduce the benefit amount at any time and we may reduce the **benefit amount** if you claim. We give details of how this might happen in Section 4.3, “Limitation of benefit”.

Benefit term or benefit period

The maximum period of time during which we will pay **benefit**.

Career break

The period of up to 12 months after the date of your written notification to us during which the **life insured** is not in paid employment and during which we have agreed to stop cover and not to collect premiums.

Complaint

A **complaint** or request relating to the obligations of either you or us under **DP Laws** that is relevant to the **protected data**, including any compensation claim from a **data subject** or any notice, investigation or other action from a regulator or **supervisory authority**.

Controller

Has the meaning given to this term in **DP Laws** (as defined below).

Cover while not in occupation

The period of up to 60 months after the date of your written notification to us during which the **life insured** is not in paid employment and during which we have agreed to continue cover on an alternative basis.

Data subject

Has the meaning given to this term in **DP Laws** (as defined below).

Data subject request

A request made by a **data subject** to exercise any rights of **data subjects** under **DP Laws**.

Death benefit

An amount we pay if the **life insured** dies during the first year of your claim.

The death of the **life insured** must occur after the end of the **deferred period** and before we have made 12 monthly **benefit** payments without interruption and where his death is caused by the medical condition or injury that caused his **incapacity**.

Deferred period

The continuous period from the date the **life insured** is first unable to perform the **material and substantial duties** of his **occupation** to the date **benefit** is first payable.

The **deferred period** is shown in your **plan schedule**.

1. Definitions continued

Director's loan to the business

Money you have borrowed, based on a formal, documented agreement, from the **life insured** who was at the time of the agreement a director, full time working officer of your company or a full-time working employee of your company, where:

- the amounts the company has paid to the **life insured** as capital repayment of and/or interest on the loan appear clearly in the company accounts for the relevant accounting period and do not exceed those scheduled in the loan agreement; and
- satisfactory evidence of the loan basis, such as a written agreement specifying the loan amount, the repayment schedule and the agreed interest rate, is available to us should we ask for it; and
- the **life insured** receives no further capital repayments or interest payments from the company beyond the end of the **deferred period**.

Director's loan from the business

Money you have loaned through a director's loan account to the **life insured** who was at the time of the loan a director, full-time working officer of your company or a full-time working employee of your company, where:

- the purpose of the loan account being in debit was to remunerate the **life insured** in addition to his salary for his performance of the **material and substantial duties** of his **occupation** whilst he was employed by the company; and
- documentary evidence is available to us should we ask for it of your decision before the loan was made to remunerate the **life insured** this way, such as a minute from a board meeting; and
- the loan account debit is recorded in the company accounts for the relevant period as written off in the **life insured's** favour; and
- the loan amounts have not already been accounted for as income from the **life insured's** employment for Pay As You Earn assessment purposes or as a beneficial loan; and
- you reported a profit in the tax year when the loan account debit was reported and this was no more than 25% below the profit you reported in the tax year immediately prior; and
- you make no further capital repayments or interest payments to the **life insured** beyond the end of the **deferred period**.

Disability plus

Additional **benefit** we pay you on certain conditions being met if the **life insured** remains **incapacitated** after receiving **benefit** for 24 continuous months.

Dividends

The distribution to your shareholders of money (i.e. not in the form of shares or property) from its business profit, where:

- the decision to pay a dividend has been formally declared by your board of directors and the amounts are clearly documented as dividend payments to named shareholders in the relevant accounting period; and this money was paid
 - to the **life insured** in lieu of salary or director's fees as remuneration for his performance of the **material and substantial duties** of his occupation whilst working for the company and he will receive no dividend income from his shareholding in the company beyond the end of the **deferred period**; or
 - from your earnings generated entirely by the **life insured's** performance of the **material and substantial duties** of his **occupation** whilst working for the company, no other person being employed by the company to perform other than administrative or secretarial duties in any accounting period for which a dividend was paid and no dividend being paid to the company's shareholders beyond the end of the **deferred period**.

DP Laws

(i) the Data Protection Act 1998; the Privacy and Electronic Communications (EC Directive) Regulations 2003 and any laws or regulations implementing Council Directives 95/46/EC or 2002/58/EC; (ii) the General Data Protection Regulation (EU) (2016/679) and/or any corresponding or equivalent national laws or regulations, once in force and applicable; and (iii) any mandatory guidance, guidelines or codes of practice relating to the **processing** of **personal data**, as applicable to you or us.

1. Definitions continued

Earnings

The combined value of :

- the **life insured's** pre-tax income from you for Pay As You Earn assessment purposes in the 12 months immediately before the date his **incapacity** commenced; and
- the taxable value of benefits listed here that the **life insured** received from you in the 12 months immediately before the date his **incapacity** commenced:
 - Living accommodation (the **life insured's** sole residence, where he is registered to pay Council Tax)
 - Company car (only one car, provided to the **life insured** for private use)
 - Fuel (where we are covering a fully expensed company car, as above)
 - Beneficial loans (not directors' loans or loans to purchase work-related items such as travel season tickets)
 - Private medical insurance, accident and travel insurance and critical illness insurance.

If the **life insured** is **incapacitated** before he has worked for you for 12 months, his **earnings** will be annualised by dividing them by the number of months over which he has received them from you and multiplying the result by twelve

unless :

the **life insured** is **incapacitated** before you have been trading as a limited liability company for 12 months and he has earned a share of pre-tax profit from any trade, profession or vocation he was following in the 12 months immediately before the date his **incapacity** commenced. In this case, his **earnings** will be the combined value of:

- his pre-tax income from you for Pay As You Earn assessment purposes in the 12 months immediately before the date of his **incapacity**; and
- the taxable value of benefits listed above that he received from you in the 12 months immediately before the date his **incapacity** commenced; and
- his share of pre-tax profit from any trade, profession or vocation for the purposes of Schedule D Case I and II of the Income and Corporation Taxes Act 1988 in the 12 months immediately before the date his **incapacity** commenced.

Earnings that include dividends or director's loans

One third of the combined value of:

- the **life insured's** pre-tax income from you for Pay As You Earn assessment purposes in the 36 months immediately before the date his **incapacity** commenced; and
- the taxable value of benefits listed here that the **life insured** received from you in the 36 months immediately before the date his **incapacity** commenced:
 - Living accommodation (the **life insured's** sole residence, where he is registered to pay Council Tax)
 - Company car (only one car, provided to the **life insured** for private use)
 - Fuel (where we are covering a fully expensed company car, as above)
 - Beneficial loans (including **directors' loans** but not loans to purchase work-related items such as travel season tickets)
 - Private medical insurance, accident and travel insurance and critical illness insurance.

and

- **dividend** income in the 36 months immediately before the date his **incapacity** commenced; and
- **director's loan** income in the 36 months immediately before the date his **incapacity** commenced.

If the **life insured** is **incapacitated** before he has worked for you for 36 months, his **earnings** will be annualised by dividing them by the number of months over which he has received them from you and multiplying the result by twelve

unless

the **life insured** is **incapacitated** before you have been trading as a limited liability company for 36 months and he has earned a share of pre-tax profit from any trade, profession or vocation he was following in the 36 months immediately before the date his **incapacity** commenced. In this case, his **earnings** will be one third of the combined value of:

1. Definitions continued

- his pre-tax income from you for Pay As You Earn assessment purposes in the 36 months immediately before the date his **incapacity** commenced; and
- the taxable value of benefits listed above that he received from you in the 36 months immediately before the date his **incapacity** commenced; and
- **dividend** income in the 36 months immediately before the date his **incapacity** commenced; and
- **director's loan** income in the 36 months immediately before the date his **incapacity** commenced; and

his share of pre-tax profit from any trade, profession or vocation for the purposes of Schedule D Case I and II of the Income and Corporation Taxes Act 1988 in the 36 months immediately before the date his **incapacity** commenced.

Expiry date

The date shown in the **plan schedule** on which the **plan** ends.

GAF scale

The Global Assessment of Functioning scale of mental health illness or other similar and suitable scale of assessment which may replace it.

Incapacity or incapacitated

Means the **life insured** cannot perform the **material and substantial duties** of his **occupation** because of illness or injury.

Indexed earnings

The **earnings** of the **life insured** in the 12 months before the date his **incapacity** commenced adjusted by the increase (if any) in the **RPI** for the period from that date to the date **proportionate benefit** becomes payable.

Insurance contract

Means the contract of the insurance between you and us.

Life insured

The person named in the **plan schedule** as the **life insured** upon whose incapacity we pay **benefit**.

Market rate of pay

The rate of pay for an **occupation** determined from the New Earnings Survey published by The Office for National Statistics, taking into account regional variations.

Material and substantial duties

The duties necessary for the performance of the **life insured's occupation** that cannot reasonably be omitted or modified.

Medical practitioner

A person who is either currently registered by the General Medical Council in the **UK** as a medical practitioner or registered outside the **UK** by an appropriate body we agree to be equivalent to the General Medical Council.

National Insurance Contribution benefit

The amount of benefit selected by the **plan holder** in respect of the National Insurance Contributions payable by the **plan holder** on behalf of the **life insured**.

Occupation

The trade, profession, vocation or employment by which the **life insured** was earning a living immediately before the date his **incapacity** commenced.

We will pay **benefit** if the **life insured** cannot perform the **material and substantial duties** of his **occupation**. **Occupation** refers to the commonly performed duties of the trade or profession usually undertaken in such a job, rather than the specific duties of the **life insured's** personal role. **Occupation** is not restricted to one place of work.

Pension Contribution benefit

The amount of benefit selected by the **plan holder** in respect of approved pension and life assurance contributions payable by the **plan holder** in respect of the **life insured**.

Personal data

Has the meaning given to this term in **DP Laws** (as defined above).

Personal data breach

Any breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, any **protected data**.

Plan

The Executive Income Replacement Plan.

Plan holder

The person or company who takes out the **plan** and is entitled to the **benefit**.

1. Definitions continued

Plan schedule

The **schedule** (as altered from time to time) that is attached to and forms part of this document.

Plan term

The period from the **start date** to the **expiry date**.

Premium basis

The basis on which premiums are calculated, either reviewable or guaranteed, as shown on your **plan schedule**.

Premium rate tables

The cost of the insurance, based on factors relevant to our assessment of the risks we are covering such as the **life insured's** age, sex, **occupation** and smoking habits, and including our expenses.

Processing

Has the meaning given to this term in **DP Laws** (as defined above).

Processor

Has the meaning given to this term in **DP Laws** (as defined above).

Protected data

Means **personal data processed** by you and subsequently received by, or otherwise made available to, us from or by you or a person acting on your behalf, or otherwise obtained by us in connection with the performance of your or our obligations under this **insurance contract**.

Reduced earnings

Earnings from a new **occupation** or part-time work which are less than the **life insured's** pre-**incapacity** earnings.

RPI

The **UK** General Index of Retail Prices, commonly known as the 'Retail Prices Index'.

We will replace **RPI** with another suitable index if the **RPI** is significantly changed. Examples of significant changes would be the Government substantially changing the items in the index, re-basing the index or no longer publishing it.

Self-reported symptoms

The manifestations of a condition, as described to a doctor, that are not verifiable using tests or standard clinical procedures. Examples of **self-reported symptoms** include, but are not limited to, headaches, pain, fatigue, stiffness, soreness, ringing in ears, dizziness, numbness and loss of energy.

Smoker

A person who has smoked any cigarettes in the 12 months before the **start date** or intends to do so on or after the **start date**.

Start date

The date shown in the **plan schedule** when your **plan** starts.

Supervisory authority

Means any local, national or multinational agency, department, official, parliament, public or statutory person or any government or professional body, regulatory or **supervisory authority**, board or other body responsible for administering **DP Laws**.

Total and permanent incapacity or totally and permanently incapacitated

The **life insured's** illness or injury has stopped him from performing the **material and substantial duties** of his **occupation** for at least 26 consecutive weeks and it would have stopped him from working in all other **occupations** for the same period of time and we expect it to continue to stop him from working in all other **occupations** for the rest of his life.

UK

The United Kingdom of Great Britain and Northern Ireland.

2. The contract

- a) The full contract between you and us consists of
- the **plan** application
 - any medical or other statement made to us by the **life insured** or on his behalf
 - these terms and conditions
 - any changes we agree to make to the **plan**.
- b) You will pay the premiums and we will pay the **benefit** under this **plan** in the **UK** in the lawful currency of the **UK**.
- c) Any amounts payable under this **plan** are payable to the **plan holder** or to his executors, administrators, trustees or assignees or the person otherwise legally entitled to them.
- d) We may make appropriate changes to the **plan** if we are required to do so due to changes in law or taxation.
- e) Any change made to the **plan** will only be valid if it is in writing and signed on our behalf.
- f) Any notice of assignment of the **plan** must be sent to us in writing to Unum, Milton Court, Dorking, Surrey, RH4 3LZ. We will tell you of any change in our address.
- g) The Contracts (Rights of Third Parties) Act 1999 does apply to this **plan**. Once the **plan holder** has notified us of a claim, the **life insured** may enforce those terms of the **plan** relating to the **plan holder's** claim for **benefit** in respect of him.
- h) We will send you a Cancellation Notice when your **plan** starts. If you do not want to proceed with the **plan** you must return the Cancellation Notice within 30 days of receiving it. If you do this, we will refund in full any premiums you have paid. The contract between you and us will then be treated as if it had never existed.
- i) This **plan** is governed by the laws of England and any dispute is subject to the sole jurisdiction of the English Courts.

3. Premiums

- a) Your **plan** begins on the **start date** and will continue as long as we receive the premiums shown in the **plan schedule** or in any written notification from us that the premiums have changed.
- b) Monthly premiums must be paid by direct debit on the dates they are due. If you do not pay the premium on the due date your **plan** may end with effect from the due date.
- c) Annual premiums must be paid within 30 days of the dates they are due. If you do not pay the premium within 30 days of the due date your **plan** may end.
- d) You must continue to pay premiums during the **deferred period**.
- e) If, having missed a premium due date, you wish to reinstate your **plan**, you may do this up to 90 days after the date the last premium was paid by paying us all the missing premiums and making arrangements for future premiums to be paid. We may allow you to reinstate your **plan** after this time limit if you pay us all the missing premiums, you make arrangements for future premiums to be paid and you provide and the **life insured** permits us to obtain new evidence of the **life insured's** insurability.
- f) If the **premium basis** is shown in the **plan schedule** as guaranteed, your premium will not change unless your **benefit amount** changes.
- g) If the **premium basis** is shown in the **plan schedule** as reviewable, we may change the premiums at any time after the **start date** in line with any general change we make to the **premium rate tables** due to changes to the following factors for **plans** of this type:
- our experience or expectation of claims;
 - our experience or expectation of investment returns;
 - our experience or expectation of expenses;
 - our experience or expectation of the amount of time **plans** of this type remain in force;
 - changes to the taxation, legislation or regulations applicable to the **plan**.
- If our view of these factors at the time of the review differs from the view we took of them at the start of the **plan** or at the last review, we may change your premium based on that difference.
- h) There is no limit to the amount that your premium might change by, but the method we use to calculate any change in your premium will be applied in a fair and reasonable way.
- i) Changes in premium as a result of the review will not depend on your individual circumstances, for example the health or claims record of the **life insured**.
- j) Any changes to our own view of these factors will result in new **premium rate tables** coming into force. If we apply new **premium rate tables** to your **plan**, your premium will change in line with this change at the next anniversary of the **start date**. We will write to you to tell you of any change at least 60 days before the change comes into effect. You will have the option of maintaining the prevailing premiums for a lower level of **benefit** if you notify us at least 14 days before the change would otherwise have taken effect, and your reduced cover will apply from that date.
- h) If, at the time we apply new **premium rate tables** to your **plan**, your **benefit** has changed since the **start date**, your new premium will be based on the new **premium rate table** for your age at the time of each notified **benefit** change.
- Any restrictions or additional premium applicable to the **plan** will also be applied in calculating the new premium.
- k) If your **benefit** amount increases, we will use **premium rate tables** in force for your age at the time of the change to work out the premium for the additional cover. Any additional premium charged at the **start date** or upon a review of terms will also apply to the new **benefit** amount.

3.1 Waiver of premium

You do not have to pay a premium for any period during which **benefit** is being paid or any period during which you have exercised the **career break** option.

4. Benefits

4.1 Amount of benefit

- a) We will pay **benefit** if, before the **expiry date**, the **life insured** meets the definition of **incapacity** and suffers a loss of **earnings**.
- b) We will pay your **benefit** monthly in arrears from the end of the **deferred period**. This means that your first monthly **benefit** will be paid one month after the end of the **deferred period**.
- c) We will pay **benefit** until the end of the **benefit term** or, if earlier than this, the **life insured** is no longer **incapacitated** or dies.
- d) We will stop paying **benefit** when you have received the number of monthly payments that apply to your selected **benefit term**. At the end of this period, the **life insured** will need to return to work and you will need to recommence payment of premiums to keep your **plan** in force. We will pay further **benefit** only if the **life insured** suffers an **incapacity** that is unrelated to any previous claim(s). If the **life insured's** immediate recommencement of work and premium payment is not possible, you may delay this for up to 12 months using the **Career Break** option (see section 4.6). Otherwise your **plan** will lapse and no further **benefit** will be paid.

4.2 Proportionate Benefit

- a) If the **life insured** is **incapacitated** and suffers a loss of **earnings** but has another **occupation** or is working on a part-time basis, we will pay a proportion of the **benefit amount** from the end of the **deferred period**, or from a later date if **benefit** is already in payment.
- b) We will calculate **proportionate benefit** based upon your **indexed earnings** and **reduced earnings**:

$$\frac{(\text{Indexed Earnings} - \text{Reduced Earnings}) \times \text{Full Benefit}}{\text{Indexed Earnings}}$$

- c) We will recalculate the **proportionate benefit** from time to time. If the **life insured's** **reduced earnings** have increased above the allowance for inflation your **benefit** will be reduced. The allowance for inflation is the percentage increase in **RPI** over the 12 month period that ends three months before the date of the increase in **reduced earnings**.

- d) If the **life insured** is working either on an unpaid basis, or for less than the **market rate of pay** for that work, we will be entitled to assume that he is earning the sum which represents the **market rate of pay** for the work in calculating the **reduced earnings** referred to in this Section.

4.3 Limitation of benefit

- a) The **benefit amount**
 - plus
 - benefit paid to the **life insured** under any other illness or injury policies except those that pay out for a maximum of two years
 - plus
 - **earnings** that the **life insured** continues to receive from any employment, trade, profession or vocation
 - plus
 - any retirement pension the **life insured** receives because of his **incapacity**, such as an ill health early retirement pension, calculated before the exchange of any part of the retirement pension for cash payment must not exceed 80% of his **earnings**.
- b) Where we have received satisfactory proof that the **life insured** is **totally and permanently incapacitated**, any retirement pension he receives is excluded from the **benefit** limitation calculation.
- c) Where any **earnings** the **life insured** receives are not subject to tax, such as other insurance policies, we will gross up such **earnings** by 50% for the purposes of calculating the **benefit amount** payable.
- d) **Pension contribution benefit** will be limited so that the combined value of pension contribution benefits under this or other similar policies will be less than the lower of:
 - the annual gross contributions to be made by the **plan holder**, and
 - one third of **earnings**.
- e) **National insurance contribution benefit** will be limited to the amount of National Insurance Contributions payable by the **plan holder**.
- f) No refund of premium will be paid where you insure more **benefit** than we will allow.

4. Benefits continued

4.4 Disability plus

- a) The **benefit amount** will increase by 20% after you have received **benefit** for a continuous period of two years if
- you selected this option at the **start date**
 - and
 - we agree that, because of the **life insured's incapacity**, one of the statements in List A or three of the statements in List B applies to him.
- b) If you asked at the **start date** for **benefit** increases to be linked to **RPI**, any **RPI** increase will also apply to the additional **benefit** arising under this Section from the next anniversary of the start of your **benefit** payments.
- c) If you asked at the **start date** for **benefit** to increase by 5% each year, any such increase will also apply to the additional **benefit** arising under this Section from the next anniversary of the start of your **benefit** payments.
- d) If we consider that none of the statements in List A or that fewer than three of the statements in List B apply to the **life insured**, we will stop paying the additional amount under this Section.

List A

- The **life insured** cannot put on a pair of trousers and a jacket that fit without help from another person or using special equipment.
- The **life insured** cannot take a telephone message and pass it on. (This statement applies if he cannot tell another person one fact about the purpose of the call immediately after hearing the message.)
- The **life insured** is certified blind by a **UK** registered Ophthalmologist and he cannot do any work for which eyesight is essential.
- The **life insured** cannot eat a meal holding in both hands cutlery that is not specially adapted to help.
- The **life insured** cannot wash himself without help from another person or using special equipment.
- The **life insured** has epileptic seizures and needs help from a carer more than twice each day or for more than half an hour each day.
- The **life insured** has psychosis diagnosed by a Consultant Psychiatrist and needs help from a carer more than twice each day or for more than half an hour each day.
- The **life insured's** life expectancy is no more than one year.

List B

- The **life insured** cannot walk 200 metres at a reasonable walking pace without stopping and without the use of sticks, crutches or other assistive devices.
- The **life insured** cannot walk up a flight of 12 stairs without holding on a rail or resting within a reasonable period and walk down again.
- The **life insured** cannot sit in a hard-backed chair for 30 minutes without pain and maintain the position without the aid of any other person, object or appliance including the arms of the chair itself.
- The **life insured** cannot stand for more than 10 minutes and perform light tasks, using one hand for support and without having to sit down.
- The **life insured** cannot rise to a standing position from a hard-backed chair without the assistance of another person, object or appliance, including the arms of the chair itself.
- The **life insured** cannot bend or kneel to pick up something light such as a newspaper or TV remote control from the floor and straighten again using support if necessary.
- The **life insured** cannot pick up a tray with a filled plate on it from a surface at the height of a fitted kitchen worktop using both hands and walk 10 metres.
- The **life insured** cannot walk up a 10% incline for 50 metres without stopping or encountering severe discomfort and without the use of sticks, crutches or other assistive devices.
- The **life insured** does not have the manual dexterity necessary to write an A5 letter using a pen or pencil, using the normal dominant hand.

4.5 Death benefit

- a) On receipt of satisfactory proof of the death of the **life insured** and its cause, we will pay a **death benefit** equal to 12 months' **benefit** less **benefit** we have already paid you.

4.6 Periods of unemployment - Career break

- a) If the **life insured** is not in paid work, we will suspend the **plan** for up to 12 months at your request. You must write to us to tell us of the date you would like the **career break** to start, and then write to us again within 12 months of that date if you wish to reinstate the **plan**. During the **career break** we will not consider a claim or pay **benefit** and we will not collect premiums.

4. Benefits continued

- b) We will only reinstate the **plan** after the end of the twelfth month of exercising this option if the **life insured** is actively at work in an **occupation** that is acceptable to us, you complete an application form and he consents to us obtaining any evidence we may require to assess his insurability. If you request a **career break** more than once in any five year period, we may not agree to reinstate the **plan**.

4.7 Periods of unemployment - Cover while not in occupation

- a) If the **life insured** is not in paid work, we will at your request offer an alternative definition of **incapacity** for up to 60 months for which a different premium may be payable. You must write to us to tell us of the date you would like the required change to start, then write to us again within 60 months of that date if you wish to revert to the **plan's** original terms.
- b) During the period when **cover while not in paid occupation** is in force, we will not consider a claim or pay **benefit** based on the **plan's** normal **incapacity** definition. The definition of incapacity for **cover while not in paid occupation** relies on meeting the specified criteria in either the Physical Test or Mental Health Test. We will pay **benefit** if the **life insured** satisfies either test.

The **life insured** will be assessed in a setting appropriate to the task which he is claiming he is incapable of performing. If the carrying out of the task requires any use of equipment, the equipment will be taken to be such that is generally available and as being of an average and modern standard and meets with general safety standards. A doctor will be asked to advise whether any adjustments to the equipment would mean that he should be able to complete the task.

The **life insured** should be able to do any activity at a reasonable pace and in a reasonably safe way and without having to stop or change position because of severe discomfort. The two tests relate to the **life insured's** ability to undertake the task, not necessarily his performance level. In either of the Physical or Mental Health Tests, if he were unable to perform one of the tests before the **plan** started it will be excluded from being used as grounds for incapacity.

- i) The Physical Test

The **life insured** will be considered **incapacitated** if he cannot perform three of the 11 tests specified below at any given time:

Sitting

This means being unable to sit on a hard backed chair which has no arms and maintain your posture unaided for 30 minutes.

Getting up from a chair

This means being unable to stand up unaided from a seated position on a hard backed chair which has no arms.

Walking

This means being unable to walk unaided for 200 metres without stopping.

Lifting

This means being unable to use one hand to lift a 2 litre carton of milk from counter height. (Both arms must be disabled to satisfy the test).

Walking up or down stairs

This means being unable to walk up or down a flight of 13 stairs without a handrail unaided and without stopping.

Bending, kneeling or squatting

This means being unable by any combination of bending, kneeling or squatting to touch the floor and stand up again using support if necessary.

Using their hands

This means being unable to use one hand to turn a tap or cooker knob. (Both hands need to be disabled to satisfy the test).

Using their arms

This means being unable to reach behind you and put on a sleeved coat or jacket.

Performing light duties

This means being unable to stand for 10 minutes and wipe down a kitchen worktop or table using support if necessary.

Driving

This means being unable to drive due to having had your ordinary driving licence removed by the DVLA for medical reasons.

Seeing

This means having a corrected vision, as measured by an optician or ophthalmologist, of 6/60 or worse in

4. Benefits continued

both eyes. Corrected means with the use of normal visual aids such as glasses. 6/60 vision means being limited to seeing an object at 6 feet that could be seen with normal vision at 60 feet.

Failing the 'sight' test on its own qualifies you for a claim.

ii) The Mental Health Test

The **life insured** will be regarded as **incapacitated** if he suffers serious symptoms of mental illness or any serious impairment in social or occupational functioning.

The **life insured** will satisfy the test where he is certified with a **GAF Scale** score of under 51 by a Consultant Psychiatrist or Psychologist.

- c) We will only reinstate the **plan's** original terms after the end of the 60th month of **cover while not in paid occupation** if the **life insured** is actively at work in an **occupation** that is acceptable to us, you complete an application form and he consents to us obtaining any evidence we may require to assess his insurability, and we agree to your request to reinstate the **plan**.
- d) We will pay **benefit** if, before the **expiry date**, the **life insured** is **incapacitated** under either the Physical Test or

the Mental Health Test.

- e) No additional **benefit** is payable if the **life insured** is simultaneously **incapacitated** under both the Physical Test and the Mental Health Test.
- f) Benefit will be payable until the earliest of the following:
- we consider the **life insured** is no longer **incapacitated**
 - the date on which **benefit** has been paid for a cumulative total of 24 months in the event of **incapacity** under the Physical Test where only one of the tests is satisfied because of a condition arising from **self reported symptoms**
 - the date on which **benefit** has been paid for a cumulative total of 24 months in the event of **incapacity** arising under the Mental Health Test
 - death of the **life insured**
 - the **expiry date**.
- g) Once **benefit** has been paid for the cumulative total of 24 months under f(ii) or f(iii) above, no further claims may be made and no further **benefit** will be payable for any subsequent **incapacity** arising from the same cause.

5. Increasing your cover

5.1 Option to increase benefit

- a) You can increase the **benefit amount** under your **plan** on each of the following events:
- when the **life insured** marries or enters into a civil partnership under the Civil Partnership Act 2004
 - the birth or legal adoption of a child to the **life insured**
 - when the **life insured** receives a salary increase of at least 10% following a significant promotion or the award of a recognised professional qualification
 - when the **life insured** increases his mortgage to fund a house move or home improvements
 - every third anniversary of the **plan start date**
- without the provision of further evidence of insurability if all the following apply:
- the **life insured** is actively at work, we are not considering a claim or paying you **benefit**, the **deferred period** has

not started, the **life insured** is not on a **career break** and you have not exercised the **cover while not in occupation** option

- the **life insured** has not reached his 55th birthday
 - your premiums are up to date
 - the remaining period to the **expiry date** of your **plan** is at least five years
 - you increase the **benefit amount** by no more than £10,000 in any one year (or any other higher amount which we may decide)
 - the amount of all your **benefit** increases is no more than 50% of the **benefit amount** at the start of your **plan**
 - your **benefit** following the increase does not exceed the limitations of this **plan** (see Section 4.3).
- b) The increase in **benefit** is limited on each occasion to the amount of the increase in salary plus any increase in your pension and National Insurance contributions payable in respect of the salary increase.

5. Increasing your cover continued

- c) You may exercise this option no more than one month before and no more than three months after the date on which the **life insured** marries, enters a civil partnership, receives a significant salary increase, increases his mortgage to fund a house move or home improvements, on the birth or legal adoption of a child, or every third **plan** anniversary.
- d) We reserve the right to issue the additional cover in the form of a replacement or additional plan.
- e) The additional cover you take out by exercising this option is subject to our terms and conditions current at the time of the increase. Your cover will be based on our **premium rate tables** and the **life insured's** age at the date on which the additional cover starts.
- e) We reserve the right to issue the additional cover in the form of a replacement or additional plan.
- f) The additional cover you take out by exercising this option is subject to our terms and conditions current at the time of the increase. Your cover will be based on our **premium rate tables** and the age of the **life insured** at the date on which the additional cover starts.
- g) We will automatically increase the **benefit amount** and change the premium unless you tell us not to, in writing, before the increase takes place. If you turn down the increase on two consecutive occasions, we reserve the right not to allow further increases under this Section unless you provide us with satisfactory evidence of the **life insured's** insurability.

5.2 Inflation-linked increases

- a) At the anniversary of the **start date** the **benefit amount** will increase in line with the percentage increase in the **RPI**, subject to the following:
 - the **life insured** is actively at work, we are not considering a claim or paying you **benefit**, the **deferred period** has not started, the **life insured** is not on a **career break** and you have not exercised the **cover while not in occupation** option.
 - the remaining period to the **expiry date** of your **plan** is at least five years.
 - your premiums are up to date.
 - the **benefit amount** is no more than 80% of the **life insured's earnings** at the anniversary of the **start date**.
 - the **benefit amount** is no more than £600,000 per year (or any other higher amount that we may decide).
- b) **Pension contribution benefit** will be limited so that the combined value of pension contribution benefits under this or other similar policies will be less than the lower of:
 - the annual gross contributions to be made by the **plan holder**, and
 - one third of **earnings**, up to £50,000.
- c) **National insurance contribution benefit** will be limited to the amount of National Insurance Contributions payable by the **plan holder** up to £40,000.
- d) The increase will be the percentage increase (limited to a maximum of 12%) for the 12 month period ending three months before the anniversary of the **start date**. If there is no change, or there is a reduction, in the **RPI** at the date of calculation, the **benefit amount** will stay the same.

5.3 Changes to benefit payments

- a) The **benefit amount** will change in line with the scale shown under 'changes to benefit payment' in your **plan schedule**, after each year's payment.
- b) Where changes to **benefit** payment are linked to **RPI**, **benefit** will increase by the percentage increase (limited to a maximum of 12%) in **RPI** for the twelve month period ending three months before the date the increase is due to start. Where there is no change, or there is a reduction in **RPI** at the date of calculation, the **benefit amount** will stay the same.
- c) Where changes to **benefit** payment are shown in the **plan schedule** as 5% per year, your **benefit** will increase by 5% after each year's payment.
- d) Where changes to **benefit** payment are shown in the **plan schedule** as none, your **benefit** will not increase.

6. Claiming Benefits

- a) We will not accept any claim where we do not receive a completed claim form within 90 days following the end of the **deferred period**.
- b) We will not pay any **benefit** if the **plan** has ended or **incapacity** has ceased at the time we are told of a claim.
- c) We will decide what evidence of **earnings** we need to consider the claim and carry on paying it. This may include copies of audited accounts, tax assessment or P60s confirming the **life insured's earnings** and, where appropriate, the relevant P11D documentation for benefits in kind.
- d) Acceptance and continuation of a claim will be subject to us receiving sufficient and satisfactory medical evidence to substantiate **incapacity** including:

- The **life insured** continuing to attend a **medical practitioner** or **practitioners** registered by the General Medical Council (or an appropriate equivalent body overseas if resident outside the **UK**) whose training and speciality are appropriate to such impairment and as frequently as such a **practitioner** would reasonably recommend.
- evidence that demonstrates to our satisfaction that all appropriate treatment options have been thoroughly investigated, explained and undertaken where it is reasonable to do so.

Other rules governing the payment of claims are:

- e) You must make a claim by completing our claim form.
- f) The **life insured** will, whenever we ask for it, give us written consent to allow any medical information or the results of any examination or test, or any other information that we consider necessary (including financial evidence) to be given directly to us. The **life insured** will attend any examination we ask for by any **medical practitioner** that we may choose.
- g) If the **life insured** is living in the **UK** we will pay any fees for any medical examinations we ask him to attend, provided they are carried out in the **UK**.
- h) If the **life insured** is living outside the **UK** we will pay fees for medical examinations we ask him to attend up to the level we would reasonably expect to pay in the **UK**.
- i) We will not pay any costs or expenses incurred by you or the **life insured** for attending any other medical examination or supplying us with any further evidence.
- j) If you make a claim or accept continuing payments from us knowing that the claim is false or fraudulent, we will have the discretion to treat the **plan** as void. We will

reclaim all **benefits** that we have paid at any time in connection with the false or fraudulent claim.

- k) Before we pay any **benefit** we must receive satisfactory proof of the **life insured's** age. If his age has been understated, we will reduce the **benefit** to an amount based on his correct age and the premiums paid.

6.1 Relapses after returning to work

If the **life insured** returns to work after **benefit** is paid but becomes **incapacitated** by the same cause within a period of twelve months from the date of return, **benefit** will start again immediately at the same level as previously paid. We will require satisfactory medical evidence.

6.2 Living, working or travelling outside the UK

- a) We will only cover the **life insured's** non **UK** taxable **earnings** providing they arise in the currency of one of the following countries:

Australia, any member state of the European Union, Canada, Channel Islands, Gibraltar, Iceland, Isle of Man, Japan, New Zealand, Norway, Saudi Arabia, South Africa, Switzerland, United States of America.

- b) As is the case when residing in the **UK**, we will pay **benefit** upon receiving the information we require in a form satisfactory to us.
- c) We will only make **benefit** payments to a **UK** bank account in pounds sterling. Where your employee's usual **earnings** are expressed in another currency, we will apply the prevailing sterling exchange rate at the date the **life insured's incapacity** started in calculating the amount of **benefit** that we will pay.

6.3 When will we not pay benefit

- a) The conditions in this Section apply to payment of the **benefit amount** in respect of **incapacity** and the **death benefit**.
- b) We will not pay any **benefit** if your premiums are not up to date.
- c) We will not pay any **benefit** if the **plan** has reached its **expiry date**.
- d) We may not pay any **benefit** if the information given to us when you applied for this **plan**, or when you increased any of its **benefits**, was incomplete, misleading or not true.

We will not refund any premiums if we do not pay any **benefit** due to the statements in this Section.

7. Portability of cover

If the **life insured** leaves the employment of the **plan holder**, the **plan** can be transferred to a new employer without the need for further medical underwriting provided the new employer agrees to pay the plan premiums and accept these contract conditions.

If the new employer does not wish to continue the plan or if the **life insured** becomes self employed, the **life insured** can effect a Personal Income Replacement Plan, or equivalent offered by us at that time, without the need for further medical underwriting.

This option must be exercised within 28 days of leaving employment.

8. Data protection

In relation to the **protected data**, we are a data **controller** for insurance purposes and you are also a data **controller** for employment purposes. You and we are each responsible for complying, and will comply, with **DP Laws** and our respective obligations in connection with the **processing of protected data**.

Nothing in this section shall prohibit or otherwise restrict you or us from complying with obligations under applicable **DP Laws**.

We shall only **process** the **protected data** for lawful purposes in connection with: assessing the risk associated with this **insurance contract** and for determining a premium and risk fee for the cover provided pursuant to this **insurance contract**; quoting for, setting up and administering policies and our legitimate reserving and record keeping purposes; assessing your and our rights, obligations and liabilities under this **insurance contract**, or electing to exercise any such rights where applicable; marketing Unum products and services; and as required to comply with applicable law (collectively the "**Agreed purpose**").

You will ensure that prior to any **protected data** being received by or made available to us you: (i) obtain all necessary consents from **data subjects** of the **protected data**; and (ii) provide all relevant privacy information to **data subjects** of the **protected data**.

You will ensure that the **protected data** is kept up to date at all times and is correct at the time it is provided to us and will promptly notify us of any changes or updates to it.

You and we will each, on reasonable request, provide reasonable assistance, information and cooperation to the other as necessary to enable the other to comply with **data subject requests**, to respond to **complaints** or other queries received from **data subjects** or other third parties, and as required to enable the requesting entity to comply with its obligations under **DP Laws**, in each case in connection with the **processing of the protected data**.

We will not retain or **process** the **protected data** for longer than is necessary in connection with carrying out the **Agreed Purpose** or, if longer, to adhere to our binding requirements under applicable law;

We may transfer any **protected data** to any country outside the European Economic Area ("**EEA**") or to any international organisation provided that any such transfer complies with **DP Laws** and is effected by way of a legally enforceable mechanism for transfers of **personal data** as may be permitted under **DP Laws** from time to time.

If the **life insured** would like to know how we use their data please see <http://resources.unum.co.uk/downloads/protecting-your-privacy-UP4033-052018.pdf>

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