WILTSHIRE

FRIENDLY

SOCIETY LIMITED

POLICY SUMMARY
SICKNESS INCOME PLUS

Income Replacement Plans for Individuals

V1.5 25 May 2018

WILTSHIRE FRIENDLY SOCIETY

Wiltshire Friendly Society Limited ("the Society", "we", "us", "our") is an insurance firm and a mutual society. Being mutual means that it is owned by its ***Members*** and has no shareholders to consider. Therefore it exists only for the benefit of current and future generations of ***Members***.

SICKNESS INCOME PLUS

SICKNESS INCOME PLUS is an Income Replacement Insurance Plan (sometimes also referred to as Income Protection Insurance). It is designed to pay you ***Regular Benefit*** to replace part of your regular income that is lost when you are unable to work because of ***Incapacity***. The plan is also designed to pay you a ***Cash Sum*** when you reach the ***Plan Retirement Age*** or a reduced amount if it is terminated before then.

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IMPORTANT NOTE TO ADVISERS

Retail Distribution Review (Holloway Sickness Policies) Instrument 2011 (FSA 2011/37) as amended by: Retail Distribution Review (Holloway Sickness Policies) (Amendment) Instrument 2012 (FSA 2012/70)

In summary, the changes made by this instrument are to add a definition of "Holloway special application conditions" and make subsequent amendments to relevant provisions in the Handbook to allow firms that provide Holloway policies to qualify for exemption from the Retail Distribution Review Adviser Charging and Professionalism rules.

The Society confirms that the products described within this Policy Summary meet the "Holloway policy special application conditions" defined within the FCA Handbook. (Please see below for further information).

FURTHER INFORMATION

Holloway sickness policy
a long-term insurance contract offered or effected by a friendly society under the Holloway system, providing permanent health benefits and, in addition, investment benefits, where the investment benefits:
(a) are derived from surpluses accrued by the friendly society and apportioned to policyholders; and
(b) are payable to policyholders at maturity, on retirement, on death, or as otherwise specified by contractual provisions or individual society rules.

Holloway policy special application conditions
conditions that will be met by a firm where:
(a) in the case of a firm which underwrites Holloway sickness policies:
  (i) all of the Holloway sickness policies of a particular type underwritten by the firm show a projected maturity value of not more than 20% of accumulated premiums at the mid-rate projection in the key features illustrations prepared for the purposes of COBS 13.1.1R(2) (or would have shown such a projected maturity value but for the fact that no key features illustrations are required to be prepared because the Holloway sickness policies are PRIIPs and to which COBS 13.1.1R(2) does not therefore apply); except that no more than 5% of the relevant Holloway sickness policies underwritten by the firm may show a projected maturity value of between 20% and 25% of accumulated premiums at the mid-rate projection in the key features illustrations prepared for the purposes of COBS 13.1.1R(2) (or which would have been prepared but for the fact that such Holloway sickness policies are PRIIPs);
  (ii) the firm conducts a regular assessment to determine whether the relevant Holloway sickness policies meet the conditions in (i) and, if such an assessment indicates that the conditions in (i) may no longer be met, takes any steps necessary to ensure that the relevant, Holloway sickness policies will meet the conditions in (i) within three months of the relevant assessment having been carried out; and
  (iii) the assessment in (ii) is carried out at least annually and on a more frequent basis if a change is made to the projection rates or pricing of the relevant Holloway sickness policies.
(b) in the case of an intermediary who makes a personal recommendation to a retail client in relation to a Holloway sickness policy, the intermediary has received a written notification from the firm which underwrites the policy confirming that the conditions in (a) have been met.

GLOSSARY

Some terms used in this document, which are highlighted in ***Bold Italic Text***, have a particular meaning, they are as follows:

Actively at Work	To be ***Actively At Work*** you will be in good health, not have received medical advice to refrain from work and be actively following your normal ***Occupation*** as follows: • if you are employed you will be working your normal hours in accordance with your contract of employment; or • if you are self-employed you will be following your normal working pattern and working hours; and • in either case, you will be capable of doing so if it was not for an authorised leave of absence not related to ***Incapacity*** (such as annual holiday) and "***Actively Working***" shall be construed accordingly.
Account	Your ***Account*** with the Society, which exists only to ascertain the ***Cash Sum*** to be payable on termination of your membership, to which any ***Apportionment*** and/or ***Bonus*** may be credited from time to time.
Apportionment	The share of the ***Underwriting Surplus*** declared annually by the Board Of Management of the Society ("the Board") which is allocated to each eligible ***Member*** of the Society in accordance with the ***Rules***.
Bonus	The share of the ***Investment Surplus*** declared annually by the Board which is allocated to each eligible ***Member*** of the Society in accordance with the ***Rules***.
Cash Sum	The accumulated ***Apportionment*** and ***Bonus***, credited to ***Members' Accounts*** during the life of their plans, which is to be paid on termination of their membership in accordance with the ***Rules***.
Contribution(s)	Regular payments to the Society to pay for your ***Cover***.
Commuted Member	A ***Member*** who has attained the ***Plan Retirement Age***, who has elected to pay reduced ***Contributions*** and to remain a member of the Society, being eligible to share in the Society's ***Surpluses*** but not eligible to claim ***Regular Benefit***.
Cover	The total number of ***Units*** for which you are contributing.
Deferred Period	The period at the beginning of your ***Incapacity*** for which no ***Regular Benefit*** is to be paid. Depending on your personal circumstances this can be set at nil or other longer periods.
Existing Medical Condition(s)	Medical conditions that are active at the time you apply for your plan or when you amend it at a later date.
Historic Medical Condition(s)	Medical conditions that are no longer active but which carry the risk that they may re-occur or which might give rise to other medical conditions in the future.
Incapacity	An illness, or injury caused by an accident, which causes you to be unable to carry out the normal duties of your ***Occupation*** immediately before you were incapacitated.
Investment Surplus	The Society's investment returns less investment expenses and less the amount required to support the Society's reserve and capital requirements.
Material Fact(s)	A fact or facts that might influence our decision of whether or not we will offer you insurance and, if so, the terms on which we will do so.
Member(s)	An individual who has had his or her application for membership of the Society accepted and whose plan is currently in force and "membership" shall be construed accordingly.

GLOSSARY (CONTINUED)

Occupation	The profession, trade or type of work carried out by a member and does not mean a particular role which a member may perform in such ***Occupation*** or otherwise.
Offer	The formal document that outlines the terms on which you are offered membership of the Society and how your plan will provide the ***Cover***.
Plan Retirement Age	The age which you select when you apply for or amend your membership to retire from membership of the Society.
Regular Benefit	Payments made by the Society to replace part of your regular income that is lost when you are unable to work due to ***Incapacity***.
Rules	The publicly registered terms and conditions stating the Society's purpose, how it is to be governed and managed and how it will provide the benefits of membership. All ***Members*** and the Board Of Management are legally obliged to abide by the ***Rules***.
Rulebook	A book in which the ***Rules*** are published.
Suited Occupation	This is a reasonable and gainful alternative to your own ***Occupation*** which you can carry out for any employer or on a self-employed basis. By which we mean an ***Occupation*** to which you are suited by education or experience, or which you might reasonably be expected to seek and obtain or for which you might reasonably be expected to train or retrain.
Surpluses	The total of the ***Underwriting Surplus*** and the ***Investment Surplus***.
Terminal Bonus	An additional amount that might be added to your ***Cash Sum*** when you retire, if you become a ***Commuted Member*** or if you die before you reach the ***Plan Retirement Age***.
Underwriting Surplus	The total of ***Contributions*** received by the Society less claims for sickness benefit and the Society's expenses, but excluding investment expenses.
Unit	A ***Unit*** of ***Regular Benefit***. One ***Unit*** provides £10.50 per week of ***Regular Benefit*** (£45.50 per month or £546 annually).
Work	Any ***Work*** you do, whether done under a contract of employment or on a self-employed basis and whether done for remuneration or otherwise, and "***Work***" and "***Working***" shall be construed accordingly.

THE FOLLOWING TERMS ARE ALSO USED

Month	A calendar month and "monthly" shall be construed accordingly.
Week	A full 7 day week, including Sunday, and "weekly" or "daily" shall be construed accordingly.
Year	A calendar year and "yearly" or "annually" shall be construed accordingly.

IMPORTANT NOTE

Wiltshire Friendly Society Limited give you this important information to help you to decide whether our SICKNESS INCOME PLUS plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

You should read this document in conjunction with the personal quotation and the Key Information Document given to you by your adviser with this document. We recommend you take advice from your adviser to ensure this product meets your needs.

This Policy Summary does not contain the full terms and conditions of your plan, these can be found in the Society's *Rules* which should be read in conjunction with our *Offer*. A copy of the *Rulebook* will be provided to you when you first join the Society.

AIMS

- To pay you ***Regular Benefit*** to replace a pre-agreed part of any earnings you might lose if you suffer ***Incapacity*** and, as a consequence of which, you are unable to ***Work***.
- To provide you with the ***Cover*** we have agreed for the duration of your plan, no matter how many times you make a claim for payment of ***Regular Benefit***.
- To provide you with a tax paid ***Cash Sum*** when you reach your ***Plan Retirement Age***. Please see "What Is The Tax Position Of My Plan?" on page 17 for further information.

YOUR COMMITMENT

- To let us know truthfully, accurately and fully all medical facts, your income details and other ***Material Facts*** and relevant information that we ask for when we set up your plan and later when you make a claim or amend your plan.
- To pay your ***Contributions*** by monthly Direct Debit when they are due.
- To abide by the ***Rules*** and any additional terms and conditions applied to your plan when it is first set up or subsequently amended.
- To tell us about any claim you may need to make within our specified time limits.
- To participate fully in our claims admission and management processes when you claim.
- To let us know, as soon as they occur, about any changes in your personal, income and ***Work*** circumstances that might affect your plan and the ***Cover*** provided.
- To regularly review your plan to make sure that it remains adequate for your needs and that you are **not** over-insured.

RISKS

- You must let us know truthfully, accurately and fully all of the information we ask for. If you do not, we have the right in the future to review our offer of membership and, if necessary, amend our decision to make that offer or vary the terms applied. This might have the effect of reducing the amount of ***Regular Benefit*** you can claim, causing the rejection of a future claim or in extreme circumstances the cancellation of your membership and the ***Cover*** provided. The requirement for true, accurate and full information will also apply in the future when you ask to amend your ***Cover*** or submit a claim for ***Regular Benefit***.

- If you fall behind in your ***Contributions***:
  - if, on the first day of ***Incapacity*** your arrears are:
    - 3 months or less you may submit a claim but your outstanding ***Contributions*** will be deducted from the ***Regular Benefit*** payable;
    - greater than 3 months but 6 months or less, or if this has been the case at any time during the preceding month, you cannot submit a claim for ***Regular Benefit*** until 1 clear month after your arrears have been cleared fully. Your ***Deferred Period*** will be added to that 1 month period; or
    - greater than 6 months but less than 12 months, or if this has been the case at any time during the preceding 2 months, you cannot submit a claim for ***Regular Benefit*** until 2 clear months after your arrears have been cleared fully. Your ***Deferred Period*** will be added to that 2 month period;
  - your share of the ***Apportionment*** will be reduced in proportion to any arrears you might have built up at the end of each year and will be held over until the end of the year in which you have cleared all arrears.

- If you allow your ***Contributions*** to fall behind for 12 months or more, your plan will lapse.

- Payment of ***Regular Benefit*** may be delayed or not allowed at all if you do not tell us promptly, within our specified time limits, that you need to claim.

- If you do not review your plan regularly and if necessary amend it, the following may apply:
  - **if your insurance is too high** - we will not pay all of the ***Regular Benefit*** you are expecting and we will not refund any ***Contributions*** paid for the excess ***Cover***, even if you have selected a plan which provides escalating ***Cover***.
  - **if your insurance is too low** - you may not receive enough ***Regular Benefit*** to meet your needs;

- Certain causes of ***Incapacity*** are excluded from your plan. For more information please see page 16.

- The value of your ***Cash Sum*** is not guaranteed and depends on the Society's performance each year.

- If you cancel your plan before you reach the ***Plan Retirement Age*** your ***Cash Sum*** will be lower than if you had not done so.

- The tax treatment of your plan may change in the future.

YOUR QUESTIONS ANSWERED

What Is SICKNESS INCOME PLUS?

- An insurance plan designed to replace with ***Regular Benefit***, an agreed part of your income that you might lose when you are unable to ***Work*** because of ***Incapacity***.

- When you take out a plan you automatically become a ***Member*** of the Society.

- Depending on the Society's performance, your plan will potentially provide a ***Cash Sum*** payable when you reach the ***Plan Retirement Age***, even if you have needed to claim.

- Plans are flexible and, subject to your eligibility and acceptance by the Society, you can choose the features that are right for you and change them later if needed.

- Your plan insures your personal income from employment or self-employment, it does not insure the income of your business.

How Does It Work?

1) At the start of your plan

- The Society's plans are arranged to provide income replacement insurance in ***Units***. The number of ***Units*** you hold (your ***Cover***) is used to determine:
  - how much ***Regular Benefit*** you can claim when you are incapacitated;
  - how much your monthly ***Contributions*** will be.

- The ***Contributions*** you actually pay during each year will be used to determine your share of the ***Apportionment***.

- You choose how much ***Regular Benefit*** you need bearing in mind how much you can afford and our limits.

- You will also need to choose when your plan is to cease (your ***Plan Retirement Age***). You may choose a ***Plan Retirement Age*** of 60, 65, 66, 67 or your predicted State Pension Age ("SPA") to a maximum age of 68.

Important Note: If you choose a *Plan Retirement Age* that is below your SPA and subsequently you wish to increase it, our agreement to any such change will be subject to consideration of your health at the time and your age. The Society reserves the right, dependent upon your circumstances, not to agree to any increase, to apply additional terms or to require additional *Contributions*.

- Subject to our assessment of your application, your plan can be arranged to pay ***Regular Benefit*** from the first day of ***Incapacity,*** or after a ***Deferred Period***. The longer you are able to wait before ***Regular Benefit*** begins the lower your monthly ***Contributions*** will be. Available ***Deferred Periods*** are 1, 2, 4, 8, 13, 26 and 52 weeks.

- There are three types of plan to choose from:
  - **"Level Benefit"** – means that throughout your claim, your ***Regular Benefit*** will be paid at the level chosen by you at the start of your plan;
  - **"Reducing Benefit"** – which is available at lower cost than **"Level Benefit"** and means that, for an initial period of 24 months, your ***Regular Benefit*** will be paid at the level chosen by you at the start of your plan before reducing to 50% for the remainder of the claim; or
  - **"Escalating Benefit"** – which is available at additional cost and means your ***Cover*** and ***Contribution*** will increase automatically each year either by a fixed rate of 2% or the rate of increase in the Consumer Prices Index ("CPI"), whichever rate you have selected.

    After your plan has been in force for one year (or in the case of any subsequent increase(s) in ***Cover*** after that has been in force for one year) escalation will take place at the beginning of the month following that in which your next birthday falls ("the escalation date"). Escalation will then take place each year thereafter on the anniversary of that date.

    If you select the CPI option, the rate of escalation will be the annual rate of increase in the CPI published 3 months prior to the escalation date. This may be limited to a maximum set by the Society from time to time, which will be clearly stated on the application form you complete at the time and any subsequent ***Offer***.

Important Note: If you select this option we will notify you just before the date on which escalation will apply each year. You should not take up the escalation option for any year (either fully or in part) if it will cause you to be over-insured.

For all three types of plan, each full ***Unit*** for which you contribute will entitle you to £10.50 per week of ***Regular Benefit***. For **"Reducing Benefit"** plans, this will be paid for up to 24 months before it reduces to £5.25 per full ***Unit*** per week.

- All plans include waiver of ***Contribution*** (sometimes referred to as waiver of premium). This means that if you claim ***Regular Benefit*** for a minimum period of 4 weeks, the ***Contributions*** you pay, after the expiry of 4 weeks or, if later, that of your ***Deferred Period***, will be proportionately refunded with each payment of ***Regular Benefit***.

- The minimum level of ***Cover*** you can insure at the commencement of your plan is £52.50 per week (£227.50 per month).

How Does It Work? (Continued)

2) During the life of your plan

- When you are unable to ***Work*** because of ***Incapacity*** you can submit a claim (provided the ***Incapacity*** lasts for more than 3 days). We will first assess your claim and, so long as it is in order, payment of ***Regular Benefit*** will begin from the end of the agreed ***Deferred Period***, if any.
- ***Regular Benefit*** will continue to be paid until the standard criteria for claims to cease are met. Please see page 15 for an explanation of those criteria.
- After you have been a ***Member*** for 2 years, your plan entitles you to share in the ***Apportionment*** that is declared by the Board Of Management (the Board) each year. As an eligible ***Member***, your share will be credited to your ***Account*** which, during the life of your membership, accumulates to provide a ***Cash Sum*** payable at the end of your membership. Please see "How Does My ***Cash Sum*** Build Up?" on page 16 for further information.
- Once your ***Account*** has been credited with the first ***Apportionment***, thereafter you will also be eligible to be allocated ***Bonus*** at a rate declared each year by the Board.
- Subject to there being a sufficient balance within your ***Account*** you may apply to withdraw part of your accumulated ***Cash Sum*** within 3 months of the following events: the date of your marriage, the birth of your child or on the death of your spouse. You may also do so at any time if you are a ***Commuted Member***. Please see below for further information about commuted memberships.
- A partial withdrawal from your accumulated ***Cash Sum*** (in the case of financial hardship only) at any other time is at our discretion.
- In all cases, after you have made any such withdrawal there must always be a balance remaining in your ***Account*** that is equal to at least the last full ***Apportionment*** that you were eligible to be allocated. In the case of ***Commuted Members*** this minimum amount will be determined by the Board from time to time on an individual basis.
- The ***Cash Sum*** available at the end of your plan will be reduced if you make a partial withdrawal.

Important Note: *Apportionment* and *Bonus* depend entirely on the Society's performance and, because of this, cannot be guaranteed. They might increase, decrease or stay the same when compared to previous years. In extreme prevailing circumstances *Apportionment* and *Bonuses* might not be allocated at all. Therefore the amount you receive as your *Cash Sum* also cannot be guaranteed.

3) At the end your plan

- Your plan is designed to provide ***Regular Benefit*** when needed during your working life and, over the longer term, pay you a ***Cash Sum*** when you reach your ***Plan Retirement Age***. To maximise your ***Cash Sum*** you will need to continue your plan until that time. You may also, at our discretion, receive an additional ***Terminal Bonus***. The amount of ***Terminal Bonus*** is determined by the Board from time to time and will be added to your ***Cash Sum*** when you retire from membership or if you die before you reach your ***Plan Retirement Age***; or to your ***Account*** if you elect to become a ***Commuted Member***. ***Terminal Bonus*** also depends on the Society's performance and so cannot be guaranteed.
- Except if you decide to continue as a ***Commuted Member***, your plan will cease automatically when you reach your ***Plan Retirement Age*** or, if earlier, your SPA. You will normally receive your ***Cash Sum*** and any ***Terminal Bonus*** at that time.
- You may terminate your membership and plan early, before you attain your ***Plan Retirement Age***, and withdraw your ***Cash Sum***. If you do so the amount you receive will be less than if your plan ran to its full term. ***Terminal Bonus*** will not be payable on such early withdrawals.
- We may terminate your membership and plan early, but only in exceptional circumstances, for example (but not limited to) if you defraud the Society and/or you fail to disclose ***Material Facts*** which would have caused us to decline to provide ***Cover*** in the first place.
- When you reach your ***Plan Retirement Age*** or, if earlier, when you attain the age of 60, you may choose to leave your ***Cash Sum*** with the Society and continue as a ***Commuted Member***. Your ***Contributions*** will be reduced and you will not be eligible to claim ***Regular Benefit***, but you will continue to share in any annual ***Apportionment*** and ***Bonus***.

If you choose to become a ***Commuted Member*** you should take appropriate advice, for example from a financial adviser, as to whether this is suitable in your circumstances.

Who Can Be Insured?

- Anyone who is resident in the United Kingdom at the time their membership commences or their ***Cover*** is increased, who is at least 18 years of age but not older than 55 (50, if you select a ***Plan Retirement Age*** of 60) and earning regular income from employment or self-employment. If you are already a ***Member*** you may apply to increase your ***Cover*** if you are not older than 55 (50, if your ***Plan Retirement Age*** is 60).

- Anyone who is already a ***Member*** and who becomes resident or domiciled in any other country within the European Union.

- Non earners, for example house-persons or students, can also be insured for up to £105 per week with a minimum ***Deferred Period*** of 4 weeks.

- We reserve the right only to offer cover on special terms or not to offer cover at all.

What Income Can I Insure?

- The ***Regular Benefit*** we pay will be based on your regular income during the period immediately before your ***Incapacity*** commenced and the following will apply:
  - if you are employed your regular income will be your average regular income before any deductions are made under PAYE. The average will be that for the 3 months prior to the commencement of your ***Incapacity***, shown on your current year payslips and/or your annual P60 for the preceding year. This would include overtime, commission and bonuses and other benefits provided they are lost as a result of your ***Incapacity***;
  - if you have the freedom to choose to receive all or part of your regular income as dividends from a limited company that you work for, you can include these provided they will not be paid or remain payable for any period during which you claim ***Regular Benefit***. This will be based on the related dividend certificates for the current year and those for the preceding year supported by the accounts of the company;
  - if you are self-employed your regular income will be your personal pre-tax share of the annual profits of your business (not your regular drawings from the business). This will be as shown on your two most recently agreed tax returns together with the related accounts. We will also need an estimated and reasonable assessment of your business trading income and expenses since those tax returns. When assessing your eligible income from self-employment we will make reasonable adjustments to take into account business expenses, for which you are responsible and that continue when you are unable to ***Work*** as a consequence of your ***Incapacity***.

Important Note: If you are self-employed, SICKNESS INCOME PLUS plans only insure your personal share of the income from your business, not the income of the business itself. Similarly, if you are a director of the company that employs you, we will only provide insurance in respect of your personal income (as it appears on your Self-Assessment Tax return), not the income of the business itself.

- We do not insure unearned income such as interest, property rents or investment dividends other than as described above.

- Your plan is not intended to make you better off than if you were at work. Therefore, it will not pay amounts of ***Regular Benefit*** above the agreed proportion of your regular income or that will exceed the amount you actually lose if you are unable to ***Work*** because of ***Incapacity*** and the following will apply:
  - the normal maximum gross income we will insure is £60,000 per annum (£1,153 per week);
  - the maximum ***Regular Benefit*** which your plan can provide, within the maximum referred to above, is 65% of your regular income.

  Although we will insure up to 65% of your regular income, the effect of taxation will vary from individual to individual. Therefore, as a rule of thumb, your ***Cover*** should be around 10% less than your average take home pay. If it is not you may be over-insured.

When Will My Plan Start

- For your plan to start you will need to have been ***Actively At Work*** for at least 1 month immediately prior to the agreed start date. This means that you must not have been absent from work because of ***Incapacity*** during that period.

- Your plan will start when we have considered your application and have offered you terms. To do this we consider your medical history, lifestyle factors and your declared income. This is to enable us to decide whether or not we can offer you insurance on standard terms and the level of ***Cover*** we can provide.

- When we assess your application initially, we may require you to complete a health and lifestyle questionnaire. This is designed to provide us with information about your past and current medical history and details of any participation in sports and your other leisure activities. If we need a questionnaire, we will arrange for it to be completed in a telephone interview, conducted by a qualified nurse.

- There are four possible outcomes from our assessment of your application:
  - **Acceptance on standard terms**
    - we will insure you for the ***Cover*** you have requested.
  - **Exclusion**
    - we will not insure you for any ***Incapacity*** arising from a specified medical condition(s) and/or we may apply a longer ***Deferred Period*** than you have requested in respect of that particular ***Incapacity***;
    - we will not insure you for ***Incapacity*** arising from specified pastimes or we will limit the amount of ***Regular Benefit*** we will pay in respect of that ***Incapacity*** or in respect of your particular ***Occupation***.
  - **Acceptance on special terms**
    - we will insure you for the ***Cover*** you have requested but we need to ask for additional ***Contributions***.
  - **Decline**
    - your medical history or other factors represent an unacceptable future risk to the Society and so we must refuse to provide insurance to you.

  Exceptionally, this may be a conditional decline where we tell you that you may re-apply in the future. We would do this if we could not fairly assess your application because at the time you submit it there is some uncertainty about specific facts. For example you may have a suspected medical condition that is being investigated.

- We will send you our ***Offer*** which will confirm the type of plan we are offering, its start date, the ***Contributions*** to be paid and any individual terms we might need to apply:
  - when you apply for your plan you will be able to select its start date, which can be either at the beginning of the month in which we send our ***Offer*** or at the beginning of the next month;
    - if you select a start date at the beginning of the month you will have to pay ***Contributions*** from that date;
    - if you select a start date at the beginning of the following month, your plan will not start until then and this means that if you suffer ***Incapacity*** before that date you will not be eligible to claim ***Regular Benefit*** and we will have the right to revise our ***Offer*** in light of that ***Incapacity***.

- If you are happy with the terms offered you accept them by paying your first monthly ***Contribution***. For a limited time afterwards you will have the right to cancel your plan. Please see page 18 for further information.

Can I Alter My Plan Later?

- You can apply to alter your ***Cover*** at any time. Alterations are subject to acceptance by the Society. If you wish to increase your ***Cover*** or reduce your ***Deferred Period*** you will need to be aged 55 (50, if your ***Plan Retirement Age*** is 60) or below, in good health and ***Actively At Work*** at the time the alteration takes effect. Your ***Contributions*** will either increase or decrease to reflect the alteration you request.

What Factors Decide How Much I Pay?

- The cost of your plan will partly depend on:
  - the type of plan you select (currently – **"Level Benefit"** or **"Reducing Benefit"** or **"Escalating Benefit"**);
  - your age;
  - the ***Deferred Period*** applied to your plan;
  - whether or not you smoke. You will be considered to be a **non–smoker** only if you have **not** used any form of tobacco products, including nicotine-replacement products such as gum and patches, for a period of at least 12 months;
  - your ***Plan Retirement Age***;
  - any special terms applied to your plan as a result of our assessment of your initial application or later if you apply to amend your ***Cover***; and
  - current ***Contribution*** rates which are set out in tables that are determined and published by the Board in accordance with the ***Rules***. Rates will increase with your age and therefore your ***Contributions*** will increase, each year, at the beginning of the month following that in which your birthday falls. ***Members*** who are aged 30 or below will pay ***Contributions*** at a single rate until they attain the age of 31 when the first such annual increase will be applied.

- There are other more general factors that can influence the cost of the Society's plans, and these include:
  - the Society's claims and general expenses;
  - inflation;
  - other economic and environmental factors;
  - legislative and regulatory changes; and
  - changes in taxation.

The cost of providing our plans is reviewable in the light of the factors referred to above. This means that we can review ***Contributions*** each year and either increase or decrease them by any amount. However, such changes will be fair and reasonable and we will provide you with at least 1 clear month's notice before they take effect. Such increases are applied to all relevant plans and not on an individual basis.

Can My Plan Be Suspended If My Circumstances Change?

- Provided at the time you are not in arrears, you may apply to suspend payment of your ***Contributions*** if you experience a temporary change to your circumstances and as a consequence, either you do not need your ***Cover*** or you cannot afford it for the time being.

- For example you have become unemployed, you wish to take unpaid study leave or a career break or you have financial difficulties. You may also suspend it during maternity leave, although if you do so you will be unable to claim for any complications arising from the pregnancy or childbirth.

- You will be eligible to suspend your ***Cover*** after your plan has been running for at least 2 years.

- The maximum total period during which you may suspend is 2 years in any 5 (starting with the earliest effective suspension date).

- If you suspend your ***Cover*** you will pay reduced monthly ***Contributions*** and will not be able to claim ***Regular Benefit*** or receive your share of the ***Apportionment*** during this time although you will still receive your ***Bonus*** allocation. This means that your ***Cash Sum*** will be lower than it would have been had you not suspended your plan.

- To resume your ***Cover*** after suspension the following will apply:
  - your ***Contributions*** must be up to date;
  - you must provide a declaration of good health and current income; and
  - you must have been ***Actively At Work*** on the date your ***Cover*** resumes, and not have been absent because of ***Incapacity*** for at least 1 month prior to that date.

- You will be eligible to claim ***Regular Benefit*** 1 month after your full ***Cover*** resumes. Your ***Deferred Period*** will be added to that 1 month period.

- During a period of suspension, if you suffer a serious medical condition, that is to say one that lasts, or is likely to last, for more than 3 months **you should inform us immediately**. Provided you were ***Actively Working*** at the time the ***Incapacity*** arose we will agree with you fair terms for the resumption of your ***Cover***. Normally we will seek to ensure that both you and the Society are in no worse a position than each was in at the time you suspended your ***Cover***, which may mean re-payment of the suspended ***Contributions*** since the date of suspension.

How Do I Claim?

- In order to make a claim for ***Regular Benefit*** the following procedures will apply:

- **Step 1 – Notification**
  - when you submit a claim you will need to let us have the following:
    - notification of your ***Incapacity***, within 14 days of its commencement, irrespective of the ***Deferred Period*** applied to your plan (if any);
    - a completed claim form and any other declaration you may be asked for;
    - consent for us to obtain medical information from your doctor or other medical attendant(s);
    - within 7 days of its issue, a medical certificate dating from the first day of your ***Incapacity*** stating the nature of your ***Incapacity*** and that you are unfit for ***Work*** because of it; and
    - satisfactory proof of your income immediately prior to your claim and evidence of loss of income;
  - the Society reserves the right, at its sole discretion, to require such other evidence of ***Incapacity*** and your income as it thinks fit. This can include seeking information from your employer or, if you are self-employed, any other person for whom you have worked and/or your professional advisers regarding your employment and income;
  - any delay in providing the information required may affect your eligibility to receive ***Regular Benefit*** from a particular day;
  - if you notify us of your ***Incapacity*** more than 3 months after it commenced, your claim will not be accepted other than in exceptional circumstances and at the sole discretion of the Society.

- **Step 2 – Claims Processing and Acceptance**
  - we will check the information you provide to make sure the claim is valid, within the agreed income and benefit limits and whether or not there are special terms that might affect payment.

- **Step 3 – Payment**
  - when we have validated and accepted your claim, ***Regular Benefit*** will become due from the end of the ***Deferred Period*** (if any) and will continue until the criteria for claim cessation, set out on page 15, apply.

- **Step 4 – Claims Management**
  - we will regularly communicate with you to check on the following:
    - the progress of your ***Incapacity***;
    - your capability for ***Work***;
    - whether or not you are ***Working***;
    - if you are being paid proportionate benefit, proof of your reduced income;
    - if you are no longer fit to carry out your own ***Occupation***, whether or not you are fit to follow another; and
    - if you are no longer fit to carry out your own ***Occupation***, your plans to obtain a ***Suited Occupation***;
  - as your claim progresses we may ask you to attend for consultations or interviews with healthcare and other professional advisers appointed by us, so that we may obtain objective advice regarding your continuing ***Incapacity*** and fitness or otherwise for ***Work***.

Important Note: If you do not agree to, or otherwise fail to provide the information referred to above, and/or to attend for consultations or interviews when required to do so, and/or otherwise fail to participate in our claims admission or management processes, *Regular Benefit* shall not be paid or, if already being paid, shall be suspended.

When And For How Long Will Regular Benefit Be Paid?

- All claims are subject to the Society's acceptance and validation process, the purpose of which is to ensure that they comply with the ***Rules*** and any additional individual terms that we may have applied.
- Claims will only be accepted for a minimum duration of 3 days.
- ***Regular Benefit*** will become due at the end of the ***Deferred Period***. If you have not selected a ***Deferred Period*** this will be from the first day of your ***Incapacity***.
- The first payment of ***Regular Benefit*** will be made as soon as possible after it first becomes due and will continue at fortnightly intervals until the claim ends.
- Your claim will continue until the earlier occurence of any of the following criteria:
  - you return to any ***Work*** (whether paid or not);
  - you are fit to resume your own ***Occupation*** or to ***Work*** (whether certified or not);
  - after 24 months you are fit to ***Work*** in a ***Suited Occupation***;
  - you no longer lose income because of your ***Incapacity***;
  - you reach the ***Plan Retirement Age***;
  - you die; or
  - your plan is terminated.
- The Society recognises that, at times, recovery from ***Incapacity*** may dictate or be aided by a partial return to ***Work***. Therefore, on a case by case basis, where this might apply, the Society will pay, at its discretion, an appropriately reduced proportion of ***Regular Benefit*** for a pre-agreed period.
- If your ***Incapacity*** lasts for more than 24 months and your doctor certifies that it is a permanent disability you may be allowed, at the sole discretion of the Society, to do any ***Work*** to help you to earn a living, provided any earnings do not exceed such sum as may be decided from time to time by the Society. Any payment of ***Regular Benefit*** shall be at the sole discretion of the Society and shall be in proportion to your actual loss of income. For these purposes a permanent disability is one (as certified by your doctor) from which you will not recover and as a consequence you will be unable to ***Work*** normally until you reach your ***Plan Retirement Age***.

Can A Claim Be Made More Than Once For The Same Incapacity?

- There is no limit to the number of claims you can make whether for the same ***Incapacity*** or otherwise.
- If, within 12 months following the end of a claim, you suffer a further period, or periods, of ***Incapacity*** caused by the same illness or accident, we will link the claims and treat them as a continuous claim ("linked claim") and any ***Deferred Period*** in respect of the later claim or claims will be waived. We will aggregate all periods of a linked claim when calculating the point at which ***Regular Benefit*** will be reduced if you have chosen a reducing benefit plan.
- For ***Reducing Benefit*** plans where the ***Regular Benefit*** payable under your claim has already reduced to 50% (after that benefit has been paid in full for 24 months) any linked claim will be paid only at the reduced rate.
- If a claim arising from the same cause of illness or the same accident is made 12 months or more after the previous claim has ceased, it will be treated as a new claim. In such cases the ***Deferred Period*** period, if any, will apply again and, if you have a **"Reducing Benefit"** plan, the period of full benefit will recommence.

How Do You Define Incapacity For Work?

- During the first 24 months after your claim commences you will be considered unfit for ***Work*** if, because of your ***Incapacity***, you are unable to carry out the normal duties of the ***Occupation*** you were carrying out before your ***Incapacity*** commenced, provided you are carrying out no other ***Occupation***.
- After you have been in receipt of ***Regular Benefit*** for 24 months, you will be considered unfit for ***Work*** if, because of your ***Incapacity***, you are still completely unable to carry out your own ***Occupation***, you are carrying out no other and, additionally, you are unable to carry out a ***Suited Occupation***.

When Will A Claim Not Be Paid?

- Some causes of ***Incapacity*** are automatically excluded from the insurance provided by your plan and therefore you will not be able to claim for them. They are:
  - any medical condition that we tell you in our ***Offer*** we will not insure;
  - any ***Historic Medical Condition***, or ***Existing Medical Condition*** that you did not tell us about when you applied for your plan or applied to amend it, and which if you had done so, would have resulted in us excluding it from your plan, declining to offer you ***Cover*** or applying other special terms;
  - except at our sole discretion, any ***Incapacity*** that does not prevent you from ***Working***;
  - attempted suicide, intentional self-injury or exposure to unnecessary danger (except in an attempt to save human life);
  - being under the influence of, or addiction to, alcohol, narcotics, solvents or drugs (other than drugs available over the counter of a retail pharmacy or other authorised retailer);
  - any medical or surgical treatment which is not certified by a duly registered medical practitioner to be necessary for your health;
  - sterilisation other than when medically necessary;
  - pregnancy or childbirth. However, your plan does insure complications of pregnancy provided your ***Cover*** is not suspended during any part of your pregnancy.

- There are other circumstances in which we may not pay a claim or may reduce the amount that we will pay. They are:
  - any ***Incapacity*** that arises before the start date of your plan as notified in our ***Offer***;
  - if you do not truthfully accurately and fully give the Society all the information requested when you apply for your plan, apply to amend it or during the progress of a claim;
  - your ***Contributions*** are not up to date at the start of your claim;
  - if you fail to notify us of your ***Incapacity*** within our specified time limits;
  - if you continue ***Working*** or you do not suffer any loss of income during your ***Incapacity***;
  - you only suffer partial loss of income during your ***Incapacity***;
  - your actual income immediately before you claim is lower than the regular income you have insured;
  - if your ***Incapacity*** arises when you are ***Working*** or living in any country outside the EU (this does not include holidays and other short term travel of less than 3 months); and/or
  - in respect of unemployment or redundancy.

How Does My Cash Sum Build Up?

- As a ***Member*** of the Society you are entitled to share in part of the ***Surpluses*** remaining at the end of a year.

- The Society has two sources of income each of which are expected to generate a surplus. They are:
  - the income and surplus relating to the provision of insurance to ***Members*** ("insurance activities"); and
  - the income and surplus arising from the investment of the Society's funds ("investment activities").

- Each year the Board calculates the available ***Surpluses*** and, after making adjustments to ensure that the Society has enough reserve funds to meet its commitments and to retain a return on those reserve funds, declares how much is available to share amongst eligible ***Members***.

- The surplus arising from insurance activities is known as the ***Underwriting Surplus*** and the amount shared amongst eligible ***Members*** is referred to as the ***Apportionment***. This is credited to your ***Account*** in proportion to the ***Contributions*** you pay during the year.

- The surplus arising from investment activities is distributed to eligible ***Members*** as a ***Bonus***, which, is expressed as a percentage and is allocated to each ***Member*** in accordance with the amount by which their ***Account*** was in credit at the beginning of the year, less any withdrawals made during the year.

- In order to offset partially the cost of setting up new plans ***Apportionment*** is not allocated for the first 24 months of membership. Therefore, because the ***Bonus*** is based on the value of a ***Member's Account*** at the beginning of each year, it cannot begin to be allocated until the end of the third year of membership.

Important Note: Because the Society's *Surpluses* will vary in accordance with its performance, the rates of *Apportionment* and *Bonus* have to be reassessed each year. For this reason, neither rates of *Apportionment* nor *Bonus* can be guaranteed. They may go up, go down or stay the same when compared to previous years. In poor years there may be no allocation at all.

What Is The Tax Position Of My Plan?

- Under current tax rules and legislation the Society is exempt from tax on ***Contributions*** receivable and therefore any ***Apportionment*** is allocated on a tax free basis.

- Where tax is payable on the Society's investment income, because invested funds are pooled, any such liability is met by the Society and the membership as a whole. Therefore ***Bonus*** is allocated on a tax paid basis with no further taxation due from individual ***Members***.

- If you are self-employed and pay your ***Contributions*** through your business they should be treated as drawings and not a deductible business expense. Any ***Regular Benefit*** claimed is paid to you personally and is not taxable. Our understanding is that you do not need to include ***Regular Benefit*** received on your tax return and you should not claim your ***Contributions*** as an expense. However you should seek the advice of your tax adviser or HM Revenue and Customs about your specific circumstances.

- If you are a director of a limited company and choose to pay your ***Contributions*** from company funds it is treated as a benefit in kind, unless it has been deducted from your net salary. Any ***Regular Benefit*** claimed is paid to you personally and is not treated as income of your company.

- Similarly, your ***Cash Sum*** is not subject to Income Tax. Anything that we pay you that you have not already spent at the time of your death forms part of your estate and may be liable to Inheritance Tax if the value of your estate exceeds the tax threshold. This is most likely to occur if you die whilst you are a ***Member***, when any ***Cash Sum*** is paid direct to your estate.

Important Note: The above does not constitute advice and only applies to SICKNESS INCOME PLUS plans arranged on a personal basis. You should seek the advice of your tax adviser or HM Revenue and Customs about your specific circumstances. HM Revenue and Customs tax rules and legislation may change in the future and affect the information given above.

What Happens If I Die Whilst I Am Still A Member?

- Provided you have been a ***Member*** for at least 24 months, on death your estate will receive the value of the ***Cash Sum*** accumulated to the date of your death, after deduction of any arrears. Your estate might also receive a ***Terminal Bonus***.

- You may nominate someone to receive your ***Cash Sum*** if you die, for example your spouse or another dependent. If you do this and provided the amount payable is below the statutory small estates limit in force at the time, any sums due from the Society on your death will be outside of your estate and we can pay them directly to your nominee.

  To nominate someone, you will need to complete a Nomination Form and have it witnessed. Forms are available from the Society using the contact details on page 20.

Important Note: If you nominate someone and then subsequently marry or re-marry your nomination will automatically terminate by law and you will need to complete a new one.

PLAN CHARGES

- The ***Contributions*** you pay will cover all costs. These include the cost of administration, underwriting, claims, selling expenses, commissions and fees for any medical reports or examinations which we may ask for.

- Commission paid to your adviser for arranging your plan will depend upon the amount of annual ***Contributions*** you pay. Our quotation shows the amount of commission we will pay your adviser for setting up your plan and, where applicable, for regularly reviewing it. Before you sign your application your adviser will make sure you are provided with a written explanation of commission payments he or she will receive from the Society and any fee alternatives available.

- You will pay us nothing up front to meet the commission and other plan set up costs. Your monthly ***Contribution*** is all you will actually pay us.

- This does not mean that the services we provide are free.
  - in order to offset partially the cost of setting up your plan, your entitlement to share in the ***Apportionment*** will not commence until you have been a ***Member*** for 2 years. This is the only amount directly recovered from you;
  - the total of ***Members'*** monthly ***Contributions*** are treated as a pooled fund from which all claims and other costs, including those to set up new plans, are paid. Therefore the membership as a whole indirectly contributes to the Society's costs, including those for setting up new plans.

- Your cash sum is dependent on the Society's claims experience, its other costs and the return on its investments during the life of your plan. Therefore what you actually get may be higher or lower than the amount shown.

- The Key Information Document shows an estimate of what your future indirect share of the Society's costs might be.

CANCELLATION RIGHTS

When your plan commences we will send you a cancellation notice, outlining your right to cancel.

If you change your mind, and do not wish to proceed further with your plan, you may cancel it provided you do so within 30 days of the later of your plan commencing or you receiving the cancellation notice. If you do cancel within this period, you will receive a full refund of all ***Contributions*** paid.

You may cancel by returning the form attached to the cancellation notice or by contacting the Society by any of the methods outlined in the "Useful Information" section that can be found on page 20.

If you do not cancel your plan as outlined above and wish to cancel later you will be bound the ***Rules*** regarding early termination of membership.

No refund of ***Contributions*** will be made other than during the 30 day period referred to above.

OTHER FACTS

Governing Law

Your membership and all arrangements between you and the Society shall be governed by and construed in accordance with the laws of England.

Third Party Rights

The Contracts (Rights of Third Parties) Act 1999 is excluded under the terms and conditions of your plan.

Plan Terms And Conditions

The full terms and conditions of membership can be found in the ***Rules*** and your personal terms and conditions detailed in our ***Offer***. All ***Members*** are provided with a copy of the ***Rulebook*** on joining and further copies can be obtained on request.

PRIVACY POLICY

The Society wants to give you the best standard of service it can and the Society is serious about protecting your personal information. It is especially important that you trust the Society to look after sensitive information, including your medical history. The way the Society collects and shares your information is equally important and you expect the Society to manage your information privately and securely.

Our Privacy Policy will tell you how the Society collects and processes your personal information. Please take a few minutes to read it and show it to anyone else who may be connected to the information you provide to the Society.

This Privacy Policy may be subject to change – you can find the most recent version of this policy at wiltshirefriendly.com/privacy.

The Society never discloses personal data to any third parties for direct marketing or other similar purposes.

USEFUL INFORMATION

If you would like information about an application or you need to complain about the advice you received when you set up or amended your plan, you should contact the adviser who arranged it for you. His or her contact details and information about how to complain will be found on the Client Agreement given to you when your plan was arranged.

If your application was submitted directly or through a Society adviser, you should contact us directly. Please see below for our contact details and complaints procedure.

You May Contact Us As Follows:

- By telephone:

  General enquiries 01225 752120
  Application queries 01225 756793
  Claims 01225 756789

- By email: info@wiltshirefriendly.com

- Or you can write to us at:

  Wiltshire Friendly Society Limited
  Holloway House
  Epsom Square
  White Horse Business Park
  Trowbridge
  Wiltshire
  BA14 0XG

- Our website: www.wiltshirefriendly.com

WILTSHIRE

FRIENDLY

SOCIETY LIMITED

INCOME REPLACEMENT INSURANCE SINCE 1887

Holloway House Epsom Square
White Horse Business Park
Trowbridge Wiltshire BA14 0XG
Tel: 01225 752120
info@wiltshirefriendly.com

Policy Summary V1.5 25 May 2018

Incorporated under the Friendly Societies Act 1992 Register No. 746F
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority