WILTSHIRE

FRIENDLY

SOCIETY LIMITED

CORE
GROUP INCOME REPLACEMENT PLANS FOR EMPLOYERS

Technical Guide

V1.2 25 May 2018

Protecting your greatest asset

asset *n* valuable or useful person or thing.

WILTSHIRE FRIENDLY SOCIETY

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

WHAT IS GROUP INCOME REPLACEMENT INSURANCE?

An insurance plan taken out by employers to insure part of their employees' gross pay so that the employees can continue to receive income if they are prevented from working because of illness or because of injury sustained in an accident.

Income replacement benefit is claimed by and paid to the employer. The benefit is then paid to employees through normal payroll processes.

Employers may also choose to insure their contributions to an employee's pension scheme, other employee benefits added to pay and their liability for employers' national insurance contributions ("NIC") on the amount of benefit paid to employees.

Proportionate benefit may be payable if an employee has to take up a part-time or a lower paid ***Occupation*** because of his or her ***Incapacity*** and therefore would continue to lose their normal income.

Our plans have been designed to meet the needs of smaller employers and those of their employees.

NOTE TO ADVISERS

Customers for the Society's Group Income Replacement Plans are classified - "Commercial Customers" - as defined in the Financial Conduct Authority's (FCA) Insurance Conduct of Business sourcebook (ICOBS).

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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*** an employee must meet all of the following criteria. He or she:-

- will be working his or her normal contracted hours, either at his or her normal place of work or at any other place which the business requires or would be if it was not for an authorised leave of absence not related to ***Incapacity*** (such as annual holiday, study leave etc.);
- will not have received medical advice to refrain from work; and
- must be mentally and physically capable of performing fully all the normal and regular duties of the job for which they are employed.

And "***Actively Working***" shall be construed accordingly.

Approved Territories List

All countries within the European Union, Switzerland, Liechtenstein, Norway, New Zealand, Australia, Canada, United States of America, Iceland, Hong Kong, China, Japan, Singapore, Malaysia and South Korea.

Deferred Period(s)

The period at the beginning of an employee's ***Incapacity*** for and during which no benefit is payable. The minimum period you can select is 4 weeks and longer periods of 8, 13, 26 and 52 weeks are also available at lower cost.

Discretionary Entrant(s)

An otherwise eligible employee who is not ***Actively At Work*** at the date on which your plan commences (or if later that on which he or she first meets the plan ***Eligibility Criteria***) and during the 30 days immediately preceding that date, who may be added to your plan only at our discretion and on application.

Eligibility Criteria

The rules and conditions you choose whereby employees are eligible to join and remain in your plan and "employee(s)" and "eligible employee(s)" shall be construed accordingly. Under the terms of your plan, once the criteria are agreed you are obliged to enrol all eligible employees.

Employee Contract(s)

An employee's contract of employment or contract of service.

Free Cover Limit

The maximum amount of benefit we will provide for each employee above which we will require medical underwriting. The limit is dependent on the number of ***Plan Members*** and our underwriting policies from time to time.

Incapacity

An illness, or an injury sustained in an accident, that causes an employee to be unable to ***Work*** and, as a consequence, he or she suffers loss of income.

Plans may be agreed and priced on an ***Own Occupation Basis*** or, at a lower cost, on an ***Alternative Occupation Basis***.

1 **Own Occupation Basis**: an employee will be eligible to receive benefit if, for the duration of the claim and as a consequence of ***Incapacity***, he or she is unable to carry out the material and substantial duties of the ***Occupation*** he or she was carrying out immediately before the ***Incapacity*** occurred, provided always he or she is not carrying out any other ***Occupation***.

2 **Alternative Occupation Basis**: (option not available on Plan 26, Plan 52 or Plan 104) during the first 12 or 24 months of a claim (optional periods), an employee will be eligible to receive benefit if, as a consequence of ***Incapacity***, he or she is unable to carry out the material and substantial duties of the ***Occupation*** he or she was carrying out immediately before the ***Incapacity*** occurred, provided always he or she is not carrying out any other ***Occupation***; and

at the end of the optional 12 month or 24 month period an employee will only be eligible to continue to receive benefit if he or she remains unable to carry out his or her own ***Occupation***, as set out above, and also is unable to carry out the material and substantial duties of a ***Suited Occupation***, provided always he or she is not carrying out any other ***Occupation***.

(Material and substantial duties are those normally required for the performance of an employee's ***Occupation*** which cannot reasonably be omitted or modified by the employee or the employer).

GLOSSARY (CONTINUED)

Material Fact(s)
A fact or facts that might influence our decision whether or not we will offer you insurance either overall or in respect of individual employees and the terms on which we will do so.

Occupation
The profession, trade or type of ***Work*** carried out by an employee. This does not mean a particular role in which an employee might be employed.

Offer
The formal document, to be read in conjunction with the plan terms and conditions, that outlines the specific terms on which you are offered your plan and how it will provide the insurance.

Plan Member(s)
An employee who meets your ***Eligibility Criteria***, for whom you have submitted a successful application for cover and whose membership of your plan is currently in force. All ***Plan Members*** are automatically enrolled as members of the Society.

Plan Member Retirement Age
The age you select at which the cover for each ***Plan Member*** will cease.

Plan Review Date
The first day of the month in which the anniversary of the plan commencement date occurs or, if not a working day, the next working day.

Plan Year
The calendar year or part of a calendar year ending on the ***Plan Review Date***.

Pre-existing Medical Condition
Any medical condition for which a prospective or existing ***Plan Member*** has received treatment, care or other services (including diagnostic measures), or took prescribed drugs or medicines at any time during the 12 months before the date on which he or she first became an eligible employee, or, in the case of existing ***Plan Members***, the date of any proposed increase in cover.

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.

Single Premium Rated Plans
Premiums for these plans are calculated for each employee, based upon the applicable premium rate and the employee's age and personal profile. Premiums are recalculated each year on the ***Plan Review Date*** and will increase in accordance with each employee's age.

Suited Occupation
A reasonable alternative ***Occupation*** with any employer or on a self-employed basis which an employee actually takes up (whether for remuneration or otherwise), or to which he or she is suited by education, working experience or training, or which he or she might reasonably be expected to seek and obtain, or for which he or she might reasonably be expected to train or re-train.

Total Earnings
The total amount of an employee's contractual gross income, before the deduction of taxes. There are 6 definitions of income which are set out on page 10 and dependent upon what you wish to cover, may include P60 earnings, basic salary, overtime, bonus, commission and/or dividends paid by the employer. In addition other employee benefits and allowances that are added to their pay and employer's pension contributions may also be covered and will be included in the calculation of ***Total Earnings***.

Unit Rated Plans
Premiums for these plans are calculated on the basis of the data you provide and are expressed as a rate per £100 of your annual payroll or per £100 of the annual benefit to be provided. Premiums are recalculated at each ***Plan Review Date*** to account for the actual benefit insured during the preceding year.

Work
Any work a ***Plan Member*** does, whether under an ***Employee Contract*** or on a self-employed basis, whether done for remuneration or otherwise and "***Work***" and "***Working***" shall be construed accordingly.

IMPORTANT NOTE

This document provides generic product information that is not intended to constitute advice. We recommend that you take advice from an appropriately qualified financial adviser and your other business advisers about the suitability of our plans for you.

It does not contain the full terms and conditions of your plan. These can be found in the terms and conditions of the plan ("the plan terms and conditions"), which accompanies and should be read in conjunction with our *Offer* and the *Rules*. In the event that the content of the *Offer* differs from that of this document or the plan terms and conditions then the *Offer* will take precedence.

AIMS

- To provide you the employer with regular benefit so that you can continue to pay a proportion of an employee's gross income if he or she is unable to ***Work*** because of ***Incapacity***.
- To provide other optional insurance cover for employer's pension contributions and other benefits that you are contractually obliged to continue to pay when an employee cannot ***Work*** because of ***Incapacity***.
- To provide you with the option to insure the employers' NIC liability on the benefit you will pay to an employee during a claim.

YOUR COMMITMENT

- To give us all of the ***Material Facts*** and other information we ask for when you apply for your plan and throughout its life and to tell us promptly, as required, of any changes to that information.
- To assist in ensuring that your employees give us all of the information we might ask them for when they become ***Plan Members*** and when they are the subject of a claim.
- To define and to abide by the ***Eligibility Criteria*** whereby your employees can be enrolled as ***Plan Members*** and to notify us in writing if you wish to amend those criteria.
- To pay premiums as they become due.
- To pass on benefit received to the relevant ***Plan Members*** or, where applicable, to apply it to the credit of any other benefits insured.
- To notify us promptly, as soon as you become aware of them (or as prescribed by the agreed administrative requirements of your plan) of any change(s) in circumstances affecting your business or your employees that you might reasonably be expected to assume might also affect your plan.
- To notify us of any potential claim within the time limits specified on page 14 under the heading *"What Is The Claims Process?"*.
- To abide by the ***Rules*** and the plan terms and conditions as notified to you in our ***Offer***. This includes the requirement to provide us with the home address for all ***Plan Members***, to enable us to meet our obligation to maintain a register of Society members in accordance with the Friendly Societies Act 1992.
- To regularly review your plan to make sure that it remains adequate for your needs and that you are not over-insuring your employees.

RISKS

- You and your employees must let us know truthfully, accurately and fully all of the information we ask for. If you or they do not, we have the right in the future to review our ***Offer*** to provide you with a plan or to accept a particular employee as a ***Plan Member*** and, if we consider it necessary, to amend our decision to make that ***Offer*** or accept that employee and to vary the terms applied. This might have the effect of reducing the amount of benefit you can claim, cause the rejection of a future claim or in extreme circumstances result in the cancellation of your plan as a whole or the cover provided in respect of an individual employee.

  The requirement for true, accurate and full information will also apply in the future when you ask to amend your plan or an employee's cover under it, when a claim is submitted and when you or an employee provide further information.

- You are responsible for establishing your needs and requirements and deciding whether or not the Society's plans and the variant and features you select are suitable to meet those needs and requirements. You should consider also whether or not you should take advice from an appropriately qualified financial adviser and/or the other advisers to your business before deciding.

- You are responsible for establishing and meeting any contractual obligations associated with providing your plan to employees and for notifying them about it. You are also responsible for ensuring that the provision of your plan to employees and your ***Eligibility Criteria*** are not discriminatory and that you comply with relevant employment and other legislation. You should take appropriate professional advice about this. For the avoidance of doubt, the Society cannot provide such advice and does not warrant that your plan is compliant with such legislation.

- If you fall behind in your premiums:-
  - payment of benefit may be delayed, the total amount paid may be reduced or you may lose your entitlement to make a claim; and
  - if your arrears persist your plan may be cancelled.

- You will be unable to claim benefit not justified by your employees' actual earnings. You must ensure that you only select and maintain levels of cover justified by their average ***Total Earnings*** during the period prior to any claim. Please see "*What Benefit Can Be Insured?*" on page 10.

- Benefit may be reduced if an employee also receives benefit from another income replacement plan, whether arranged personally or otherwise. You should therefore seek to identify employees who already have another such plan and to ensure that their cover under your plan takes this into account properly. We recommend that you take advice from an appropriately qualified financial adviser.

- Benefit will not be paid at all if an employee is carrying out another ***Occupation***, whether remunerated or not (except for rehabilitation purposes with our prior agreement or if he or she is eligible to receive proportionate benefit).

- If benefit levels are not reviewed and increased regularly, inflation will reduce, in real terms, the value of amounts claimed in the future.

- If we believe there is a significant change to the risk profile of your business during a ***Plan Year***, of which you have not notified us, we reserve the right to refuse or to amend a claim or claims and to amend the terms of your plan accordingly. Please see *"How Is The Plan Administered?"* on page 13.

- Claims may be delayed or not allowed if you do not notify us of any potential claim within our time limits and will normally not be paid if submitted after an employee has returned to ***Work***.

- If the number of ***Plan Members*** drops below our minimum of 5 we reserve the right to cancel your plan at the next ***Plan Review Date***.

- Tax legislation may change in the future and this could affect the tax treatment of your plan.

How Does It Work?

- You need at least 5 ***Plan Members*** to be able to apply for a plan or to continue it beyond the next ***Plan Review Date***.

- You select the features needed to ensure the plan is right for your business and its employees.

- You decide:-
  - the plan ***Eligibility Criteria***;
  - what proportion of your employees' contractual remuneration you wish to cover and the amount of benefit that you wish to provide in proportion to their ***Total Earnings*** - the maximum proportion is 75% which is also subject to an upper monetary limit. Please see *"What Benefit Can Be Insured?"* on page 10;
  - the ***Deferred Period***;
  - for how long you wish benefit to be paid ("claim duration");
  - the ***Plan Member Retirement Age***.
  - whether you wish us to provide cover for ***Incapacity*** on the ***Own Occupation Basis*** or on the ***Alternative Occupation Basis*** and, in which case, the initial benefit payment period which may be either 12 months or 24 months.

- You may choose from the following types of plan:-
  - **Plan 260** – the maximum claim duration is 5 years, benefit remains at the insured level throughout a claim;
  - **Plan 156** – the maximum claim duration is 3 years, benefit remains at the insured level throughout a claim;
  - **Plan 104** – the maximum claim duration is 2 years, benefit remains at the insured level throughout a claim;
  - **Plan 52** – the maximum claim duration is 1 year, benefit remains at the insured level throughout a claim; or
  - **Plan 26** – the maximum claim duration is 6 months, benefit remains at the insured level throughout a claim.

  For all the above plans, claims are paid until the claim cessation criteria apply. These are set out on pages 15 and 16 under the heading *"For How Long Will Benefit Be Paid?"*.

- You will need to appoint a named plan administrator with the authority to deal with matters relating to your plan.

- Your plan will be reviewed annually on the ***Plan Review Date***.

- Under the terms of your plan you must enrol all ***Eligible Employees*** as soon as they first meet the agreed ***Eligibility Criteria***.

- If you have 20 or fewer ***Plan Members*** your plan will be ***Single Premium Rated*** and you will need to notify us on each occasion a ***Plan Member*** is added to or removed from your plan and when their ***Total Earnings*** change - your premiums will be amended on each occasion to reflect the change.

- If you have greater than 20 ***Plan Members*** your plan may be ***Unit Rated***, in which case you will only have to notify us at the next ***Plan Review Date*** of any changes in ***Plan Members*** and their ***Total Earnings***. Your premiums will be adjusted retrospectively for the preceding ***Plan Year*** and the current employee data will be used to set the premiums for the following ***Plan Year***.

- There are certain other changes to your business or employees about which you must notify us immediately. These are set out on page 13 under the heading *"How Is The Plan Administered?"*.

- You must notify us promptly, within our time limits, when an employee is unable to ***Work*** because of ***Incapacity*** and provide us with the information we need to assess, accept and monitor your claim.

- As employer you pay the premiums and you also submit any claims for which, when validated and accepted, we pay benefit directly to you until the claim cessation criteria apply. These are set out on pages 15 and 16 under the heading *"For How Long Will Benefit Be Paid?"*.

- Under the terms of your plan you must pass on all benefit to ***Plan Members*** through your normal payroll processes. If we have also provided additional cover in respect of employer pension contributions and other benefits, these must also be credited to the benefit of the employee concerned.

- We continue to provide cover no matter how many valid claims you might make.

What Decisions Must Be Made Before A Plan Is Set Up?

1) Employee Eligibility

- You define the ***Eligibility Criteria*** whereby employees become and then remain ***Plan Members***. Once you have done so it is a condition of your plan that all current and future employees are enrolled immediately they meet those criteria.

  To optimise the cover to be provided by your plan you might like to categorise your employees. You may feel this to be necessary where employment conditions differ from one group to another and you wish to arrange cover to reflect those differences. For example, shop floor workers who may have overtime available, office staff who are on a basic salary and sales staff who may receive a performance related element of their pay, such as commission.

  The minimum number of ***Plan Members*** that can make up a separate category is 5, except where an employee carries out a specialised ***Occupation*** requiring a specific retirement age on legally acceptable grounds. In such cases there can be fewer members in that category but all such employees must be included.

  For example you may decide to provide cover for:-
  - all employees as a single category with the same type and value of benefit provided for each;
  - employees grouped under separate categories where the benefit might differ between categories; and/or
  - certain other employees whose cover is dependent on other specific criteria defined by you – such as employees whose ***Occupation*** requires mandatory retirement from that ***Occupation*** before their state pension age ("SPA").

- You will also need to decide the ***Plan Member Retirement Age***. You may specify age 60, ages from 65 to 68 or their SPA. If you specify the latter we will calculate premiums based upon the current forecast SPA for each ***Plan Member***, but the maximum age up to which we will provide cover in any case is 68.

- For employees who are required to cease their ***Occupation*** at a pre-determined age we will not provide cover beyond that age and therefore we may set a mandatory ***Plan Member Retirement Age*** for all such employees. We may review their cover and, where necessary, amend it if they continue to be employed by you in a different capacity, but we will not be obliged to do so.

- For employees whose ***Employee Contract*** is of a fixed duration, cover will cease on the day that their contract terminates. If they are subsequently re-hired they will be treated as a new ***Plan Member***.

- There are also mandatory conditions that will apply to all employees:-
  - they must be employed by an employer trading in the United Kingdom ("UK") and, unless otherwise agreed by us, they must be working and paid in the UK;
  - they must be employed under an ***Employee Contract***;
  - unless we agree otherwise, they must have attained the minimum age of 18;
  - subject to the selected ***Plan Member Retirement Age*** the maximum age for an employee to be added to your plan is 66 but there must be a minimum of 12 months plus the ***Deferred Period*** remaining before they reach the ***Plan Member Retirement Age***;
  - they must be ***Actively At Work*** when they first become ***Plan Members*** and also at the time that any future increase in their cover is effected;
  - we may, at our sole discretion, agree to provide cover for employees working outside the UK ("working abroad"). If we agree to cover an employee whilst working abroad, our agreement must be given in writing and we may apply special terms and conditions which, in any case, will include the following:-
    - employees working abroad must continue to meet the plan ***Eligibility Criteria***;
    - cover will be based on their ***Total Earnings*** expressed in pounds sterling; non-sterling amounts of pay will be converted to pounds sterling at rates prevailing at the time of calculation. Any benefit claimed will be paid only in pounds sterling;
    - the date on which the employee is to return to the UK should be specified, we will not provide cover for employees required to work abroad on a permanent basis, for greater than 3 years on any one occasion or for aggregate periods of greater than 3 years in any 4 year period;
    - in the case of employees required to ***Work*** in other countries of the European Union ("EU") you will be required to demonstrate that you hold adequate arrangements for their local medical care and treatment throughout the entire period they are working abroad;

What Decisions Must Be Made Before A Plan Is Set Up? (Continued)

- for employees working outside the EU you will need to demonstrate that you hold adequate medical insurance including cover that provides for medical evacuation to the UK in the event of a serious medical emergency;
- in the event of claim we must be able to obtain satisfactory medical evidence in English whilst an employee is being treated abroad;
- except at our sole discretion and with our prior written agreement, cover will not be provided under your plan in respect of employees who are required to work outside the countries on the ***Approved Territories List*** and in that event and if a claim is made we will only pay benefit for a maximum of 6 consecutive months if the employee remains in a country which is not included on the ***Approved Territories List***;
- in the event of a breach of the provisions set out above we reserve the right not to admit a claim for any ***Incapacity*** arising whilst an employee is working abroad or to do so only at our sole discretion.

- If you are the proprietor of, or a partner in, an unincorporated business and you are providing cover for at least 5 other ***Plan Members***, you may choose to be included within your plan under a separate category. Cover so provided will be on a personal basis within the overall plan.

- Only ***Plan Members*** can be insured; cover does not extend to their spouses, partners or other family members.

What Decisions Must Be Made Before A Plan Is Set Up? (Continued)

2) Type Of Cover

- You will also need to decide which of the available plans, variants and features are right for your business and those of your employees. If you categorise your employees, you can select a different arrangement for each category. All plans can be set up with the benefit payable as a fixed monetary amount or as a percentage of ***Total Earnings*** which will also be subject to our limits. A summary of the standard plans available are shown below.

	Plan 260	Plan 156	Plan 104	Plan 52	Plan 26
Benefit Payment Terms	Benefit will remain at the insured amount throughout a claim;				
Claim Duration Limit	Limited claim duration - for each separate cause of ***Incapacity***, benefit is paid until the earlier of:- a) the end of the number of weeks shown below following the end of the ***Deferred Period***; or b) the other claim cessation criteria, set out on pages 15 and 16, apply.				
	260 weeks (5 years)	156 weeks (3 years)	104 weeks (2 years)	52 weeks (1 year)	26 weeks
Deferred Period Options	For all plan types benefit is payable after the selected ***Deferred Period***. You may select a ***Deferred Period*** of 4, 8, 13, 26 or 52 weeks.				
Other Standard Features	• Proportionate benefit may be payable if an employee returns to ***Work*** at a lower income, either on a permanently restricted basis because of the ***Incapacity*** or during partial return to ***Work*** during rehabilitation. • Linked Claims - if, following a claim, an employee returns to ***Work*** and within 12 months suffers further ***Incapacity*** because of the same illness or the same accident, we will waive the ***Deferred Period*** and link the new claim to the original claim when determining for how long it should be paid. • Annual premium payment or monthly payment by Direct Debit, BACS, card or cheque. Monthly payments will incur a small additional charge. • Weekly paid employees may have benefit paid weekly or fortnightly provided they form a single category.				
Optional Features	• ***Own Occupation Basis*** – cover is based on the ability or otherwise of ***Plan Members*** to carry out their own ***Occupation*** throughout a claim. • ***Alternative Occupation Basis*** – at lower cost than the ***Own Occupation Basis***, claim eligibility is based on the ability or otherwise of ***Plan Members*** to carry out their own ***Occupation*** for the initial period of a claim following which the claim will continue only on the basis of their ability or otherwise to carry out a ***Suited Occupation***. You may select further cost based options of 12 months or 24 months for the initial period.				

What Decisions Must Be Made Before A Plan Is Set Up? (Continued)

3) Level Of Cover

- You choose the amount of benefit to be provided to your employees. The plan is designed to ensure that the levels of benefit insured do not exceed a pre-determined proportion of their ***Total Earnings***.

- We can provide cover based upon any of the 6 definitions of income set out below. ***Plan Members*** can be insured under different definitions, for example commission earners can be insured under a different definition to employees who receive only a basic salary. It is important you choose a specific definition of earnings for your employees, which is clear and unambiguous:-
  1 **Basic Annual Salary** – provides cover only in respect of employees' basic gross salary which excludes all other payments such as bonus, commission, dividends and other benefits;
  2 **Basic Salary Plus Fluctuating Payments Averaged Over The Last 12 Months** – provides cover in respect of employees' basic gross salary plus specified fluctuating payments averaged over the last 12 months, such as bonus, commission, profit share and other employee benefits added to their pay, for example car allowance, but excluding mileage, travel allowance and any other expense reimbursement;
  3 **Basic Salary Plus Fluctuating Payments Averaged Over The Last 3 Years** – provides cover in respect of employees' basic gross salary plus specified fluctuating payments averaged over the last 36 months, such as bonus, commission, profit share and other employee benefits added to their pay, for example car allowance, but excluding mileage, travel allowance and any other expense reimbursement;
  4 **P60 Earnings** – provides cover based on employees' income during the previous income tax year, as shown on their P60 End Of Year Certificates;
  5 **Partners And Sole Traders** – cover may be provided to partners or business proprietors based upon their personal share of the business profits, averaged over the preceding 3 trading years, after deduction of business expenses;
  6 **Working Directors** – cover for working directors may also include dividends with cover arranged on one of the following bases:-
    - basic salary plus dividends, averaged over the last 3 years; or
    - ***Total Earnings***, including dividends, averaged over the last 3 years.

  As the benefit covers loss of income, dividends would be expected to stop in the event of a claim and if they do not benefit will be limited accordingly.

- We may, at our sole discretion, limit cover for fluctuating payments to a specific proportion of an employee's basic gross salary.

- Employer's pension contributions and other benefits, for which you remain contractually liable during an employee's ***Incapacity***, may also be included in the cover and will form part of an employee's ***Total Earnings*** when calculating his or her personal insurability limits.

- You may also choose to insure your liability for NIC on benefit payable to employees through your payroll. This will be at the rate of NIC prevailing at the date on which your plan commences or each subsequent ***Plan Review Date***. We will amend cover and premiums to reflect the prevailing rate at each ***Plan Review Date***.

What Benefit Can Be Insured?

- Your plan is designed to ensure that levels of benefit will not exceed a pre-determined proportion of employees' ***Total Earnings*** or remove financial incentives for them to return to ***Work***. Therefore we limit the amount of benefit that can be insured as follows:-
  - the total maximum benefit that you can insure for each employee is the lower of:-
    - £90,000 per annum; or
    - 75% of his or her ***Total Earnings*** which, when aggregated with any NIC covered, cannot exceed a maximum of £120,000 per annum;
  - we will deduct from the calculation of total maximum benefit any part of an employee's ***Total Earnings*** that might continue during ***Incapacity*** and any that an employee insures under other income replacement or protection plans, whether claimed or not during any ***Incapacity***. This will be checked at the time of claim and if a ***Plan Member*** is over-insured we reserve the right to apply the limits set out above when calculating how much benefit we will actually pay.

- Please see page 18 for information about the tax position of your plan.

What Factors Decide The Cost Of A Plan?

- The cost of your plan will partly depend on:-
  - the age profile of your employees;
  - the amount of benefit to be paid when you claim;
  - the ***Deferred Period*** of your plan;
  - the type of plan you choose and the selected maximum claim payment duration;
  - the working location of ***Plan Members***;
  - the duration of any premium or rate guarantee;
  - whether you choose to pay premiums annually or monthly;
  - an employee's ***Occupation*** and gender;
  - whether or not we require additional premiums following assessment of employee medical history or any health and life-style declarations made by the employee or if an employee's cover is restricted to the ***Free Cover Limit*** due to non-provision of medical information;
  - the appropriate rate of NIC if you have chosen to insure this;
  - our experience of providing your plan – we reserve the right to amend premium rates at the next ***Plan Review Date*** or, if later, at the end of any period of premium or rate guarantee.
- There are other more general factors that can influence the cost of the Society's plans. These include the following:-
  - the Society's claims and general expenses;
  - inflation;
  - other economic and environmental factors;
  - legislative and regulatory changes; and/or
  - changes in taxation.
- Normally we will agree premiums to be paid during the subsequent ***Plan Year*** at each ***Plan Review Date*** as follows:-
  - for ***Single Premium Rated Plans*** premiums are based on the number and age of the current ***Plan Members*** at that date and the other factors set out above. The underlying rate table will be guaranteed for at least one year and is then reviewable and we may agree a longer premium guarantee period. Such guarantee will be subject to any changes in the circumstances affecting your business as set out on page 13 under the heading *"How Is The Plan Administered?"*, taxation and/or other legislative changes that might also affect your plan;
  - for ***Unit Rated Plans*** the initial premium (expressed as a percentage of basic gross salary or as a percentage of the benefit insured) is provisional, based upon the salary roll and employee details at the start date of your plan. At each ***Plan Review Date*** a premium adjustment will be payable by us or by you, determined on the actual ***Plan Members*** and their levels of cover during the preceding ***Plan Year***. The rate is guaranteed for each year and we may agree a longer guarantee period.

What Is The Application Process?

- **Quotation:-**
  - when you have decided how you would like your plan to be configured and any employee categorisation, we will provide you with an initial quotation. For us to do so, you or your adviser will need to provide us with the following information, all of which should be provided in a secure electronic format:-
    - details of your business, its industry type and its relevant operating locations;
    - your ***Eligibility Criteria*** and details of any employee categories you wish to apply;
    - a list of eligible employees, their dates of birth, gender, ***Occupation***, nationality, working location, details of any business travel they may undertake and their salary;
    - a list of employees who are working abroad and those who you expect to do so;
    - your selected plan type(s), the ***Deferred Period***, ***Incapacity*** basis and benefit levels for each employee;
    - whether or not you wish to cover NIC and the amounts of employer's pension contributions or other benefits you might wish to cover;
    - if you are or have previously been insured, details of all claims during the most recent 5 policy years and details of any employees who were declined or who attracted special terms together with any other scheme specific underwriting terms;
    - if you have not previously been insured, details of all employee absences because of ***Incapacity*** which lasted longer than 3 weeks during the last 5 years;
  - we will then issue our quotation which will be subject to formal application and our ***Offer*** and will set out the proposed plan configuration and our initial assessment of the terms, the ***Free Cover Limit*** and the premiums we require.

What Is The Application Process? (Continued)

- **Employer's Risk Data Confirmation:-**
  - you will need to:-
    - complete an Employer's Risk Data Confirmation which will formally confirm the details of your business, its employees, the details of past employee absence due to ***Incapacity***, how you wish us to provide cover and the amount to be provided;
    - provide us with a declaration that all employees to be covered are ***Actively At Work*** or otherwise as the case may be; and
    - provide us with a deposit to cover any provisional cover period and a Direct Debit mandate for the collection of future premiums.

- **Free Cover:-**
  - we will calculate and advise you in the ***Offer*** of the ***Free Cover Limit*** we will apply. We will review it from time to time during the life of your plan and will advise you of any changes to be made.

- **Discretionary Entrants:-**
  - ***Discretionary Entrants*** will be required to complete a ***Plan Member Declaration*** of health and lifestyle and we may require them to undertake a telephone interview before they can be added to your plan. And this will apply to both ***Unit Rated Plans*** and ***Single Premium Rated Plans***.

- **Assessment (Underwriting):-**
  - we will assess your application and tell you if we require health and life-style declarations from individual employees. The declarations are designed to provide us with information about an employee's past and current medical history, including any ***Pre-existing Medical Condition***, and details of any participation in sports and leisure activities, including those of a hazardous nature. If we need such declarations they may be in written format, completed by the employee, or obtained by telephone interview conducted by a qualified nurse.

- There are four possible outcomes from our assessment of each individual employee:-
  1. **Acceptance On Standard Terms** - we will insure the employee for the cover you have requested.
  2. **Exclusion** ("exclusion(s)") - we will exclude from the cover to be provided any ***Incapacity*** that arises because of a specified medical condition(s) or hazardous pursuit(s).
  3. **Acceptance On Special Terms** - we will insure the employee for the cover you have requested but we need to apply one or more of the following:-
     - higher monthly premiums; and/or
     - a longer ***Deferred Period*** than that requested; and/or
     - a shorter claim duration than that applicable to the type of cover selected.
  4. **Decline** - the employee's medical history represents a significant and unacceptable future risk to the Society and so we will be unable to provide any cover above the ***Free Cover Limit***.

When Will The Plan Commence?

- For full cover to commence, we must have considered your application and provided you with our ***Offer*** which will inform you of any specific terms and conditions that we might need to apply to your plan. Also, you must have provided us with a Direct Debit mandate and paid the first premium. Payment of premiums also may be made by electronic transfer, credit/payment card or cheque.

- To enable us to set up your plan quickly and allow your employees time to complete any declarations we need we can provide you with provisional cover once you have submitted your application and Direct Debit mandate.

- **Provisional Cover:-**
  - to arrange provisional cover you need to complete your application, provide us with a Direct Debit mandate and tell us that you would like us to provide provisional cover on the basis of our initial quotation;
  - the maximum period of provisional cover is 60 days and we will provide you with our ***Offer*** at the earlier of when we have completed our acceptance process or that time-limit is reached.

- **Terms And Conditions Of Provisional Cover:-**
  - during the period of provisional cover, all ***Eligible Employees*** will be provided with cover at the level you requested at the time of your application. This will be subject to the plan terms and conditions and will include the following specific terms:-
    - provisional cover will commence when you pay an initial premium at the quoted rate for the first 60 days of cover and provide a Direct Debit mandate for the payment of future premiums;

When Will The Plan Commence? (Continued)

- you do not have another plan running concurrently;
- employees to be insured must be ***Actively At Work*** on the date provisional cover commences;
- in the event of a claim, benefit payable will be reduced by any continuing income and other income replacement benefit an employee might also receive under a personal income replacement or protection plan;
- we will exclude from cover any ***Incapacity*** that arises during the provisional cover period when it is caused by a ***Pre-existing Medical Condition*** and/or other condition(s) that previously had affected an employee;

- if employees do not return their declaration or fail to take part in a telephone interview within the provisional cover period we will limit their cover to the ***Free Cover Limit*** applied to your plan. We will not be obliged to review this before the next ***Plan Review Date*** but we may consider providing cover in excess of the ***Free Cover Limit*** on receipt of their completed declaration. If we agree to this, cover above the ***Free Cover Limit*** in respect of such employees will be subject to any terms of which we notify you in writing and will only commence on the effective date contained within that notification.

How Is The Plan Administered?

- Immediately your plan has been set up or, if later, when an employee is added, we will request you to provide us with the private addresses of the ***Plan Members***. This is because under the ***Rules*** all ***Plan Members*** are automatically enrolled as members of the Society and we are required by the Friendly Societies Act 1992 to maintain a register of members.

- Your plan will be reviewed annually on the ***Plan Review Date***. The purpose of this is to enable you and your adviser to ensure your plan continues to meets the needs of your business and employees. It also provides an opportunity to make sure the Society has up-to-date information, to correct any errors or omissions that were not dealt with during the previous ***Plan Year*** and to review the progress of any claims.

- To make sure that your plan continues to meet the needs of your business and those of your employees, it is important to keep us informed of any changes in circumstances that may affect it. The following will apply:-
  - ***Single Premium Rated Plans***:-
    - you must notify us within 5 working days about employees that are not ***Plan Members*** who have become eligible to join your plan. We will need their basic details so that we can add them to your plan at the appropriate level of cover up to the ***Free Cover Limit***. For cover above that limit we will follow the same process as that during initial plan set up. Premiums will be amended with immediate effect;
    - when the contract between you and an employee is terminated, their cover under your plan automatically ceases. You should notify us within 5 working days when employees leave your employment as they may be eligible to maintain cover as a personal member of the Society.
  - ***Unit Rated Plans***:-
    - if you have greater than 20 ***Plan Members*** and your plan is ***Unit Rated***, we will only require notification of plan joiners and leavers when we carry out the annual plan review. These will be accounted for as at the ***Plan Review Date*** when any underpaid or overpaid premiums for the preceding ***Plan Year*** will be settled. There are some exceptions to this and these are set out below.

- In both cases the following circumstances must be notified to us within 5 working days of the earlier of their occurrence or you becoming aware that they might occur. If you do not, we reserve the right not to pay benefit above the insured level prevailing at the commencement of your plan or, if later, the previous ***Plan Review Date***, as the case may be:-
  - an employee leaves your employment whilst a claim is in progress;
  - your business changes because of its acquisition by a third party, it is wound up, enters into an arrangement with its creditors or otherwise ceases to trade;
  - you acquire another business and wish to provide cover to its employees;
  - you wish to change the ***Eligibility Criteria*** of your plan or in respect of any employee categorisation;
  - if the following variations that might affect your plan occur;
    - the income of ***Plan Members*** reduces by greater than 20%;
    - for ***Unit Rated*** plans, the income of ***Plan Members*** increases by greater than 20% or you add employees to your plan for whom you require cover above the ***Free Cover Limit***;
    - if you have greater than 20 ***Plan Members*** at the beginning of any ***Plan Year*** and that number falls to 20 or fewer or increases by greater than 15% during the year; or
    - the number of ***Plan Members*** falls to below 5.

How Is The Plan Administered? (Continued)

- Employees who leave your employment whilst a claim is in progress, for reasons that are medically justified, may continue to receive their benefit, paid directly to them, until the claim cessation criteria outlined on pages 15 and 16 are met. In such circumstances we will arrange to deduct the appropriate tax from the benefit payments before remitting the net amount to them.

Can I Alter My Plan Later?

- Your plan can be altered at any time to ensure that it remains up to date and suited to the needs of your business and its employees. You might, for example, wish to increase the amount of benefit to be provided, change the ***Deferred Period*** or change the duration for which benefit might be paid. Premiums may increase or decrease as a result of any such change.
- Any increase in cover above your plan ***Free Cover Limit*** will be subject to individual employee health and life-style declarations, which may result in additional terms or premiums being applied.

Can Cover Be Maintained When An Employee Is Temporarily Absent?

- Cover for a ***Plan Member*** can be maintained during a leave of absence ("the leave") that is not related to ***Incapacity***.
- Maintenance of cover in such circumstances is subject to the following terms:-
  - the leave and the intended date on which the employee is to return to ***Work*** ("the return date") must be notified to us and our written agreement to continue cover obtained. This process must be completed no later than the date on which the leave is to commence. If you fail to do so and, as a consequence, our agreement is not given within this timescale we reserve the right not to provide cover and not to meet any claim submitted during the leave or in respect of any ***Incapacity*** that occurs or first arises after the leave has commenced, as the case may be;
  - when we are notified of the leave, you or the employee concerned must inform us if he or she is to pursue any activity of a hazardous nature or carry out any ***Work*** during the leave. For the avoidance of doubt this includes voluntary and unpaid ***Work***;
    - if, during the leave the employee intends to pursue any activity which, in our sole opinion, is considered to present a greater degree of risk than other activities we consider to be of standard risk ("higher risk activity or activities"), we reserve the right to decline to maintain cover during the leave or to apply special terms;
    - if during the leave the employee intends to carry out any ***Work*** which, in our sole opinion, is considered to present a greater degree of risk than that of their normal ***Work*** under the terms of their ***Employee Contract***, we reserve the right to decline to maintain cover during the leave or to apply special terms;
    - if during the leave the employee pursues higher risk activities or carries out any ***Work***, without first having obtained our agreement, we reserve the right not to admit any claim for any ***Incapacity*** that might arise as a consequence of having done so;
    - if we have declined to maintain cover during the leave or you or the employee have failed to notify us of such ***Work*** or higher risk activity and, as a consequence of that ***Work*** or higher risk activity, the employee has suffered ***Incapacity*** we will not resume normal cover until the employee is again ***Actively At Work*** and, in such circumstances, we reserve the right to apply special terms before resuming normal cover;
  - the duration of the leave is to be no greater than 1 year;
  - the employee remains subject to his or her ***Employee Contract*** throughout the leave;
  - the employee has the right to return to the same job when the leave ends; and
  - the amount of income insured will be based on the employee's ***Total Earnings*** immediately before the leave commenced.
- If you submit a claim in respect of the employee during the leave, the ***Deferred Period*** will start from the date the ***Incapacity*** commences. Payment of benefit will begin after the expiry of the ***Deferred Period*** or, if later, from the return date.

What Is The Claims Process?

- **Step 1 – Notification:-**
  - you must notify us as soon as you become aware that an employee suffers an ***Incapacity*** that may result in a claim. This can be done by telephone, post or email;
  - irrespective of the ***Deferred Period*** applying to your plan, you must let us have the notification within 4 weeks of the commencement of the employee's ***Incapacity*** or, if later, the date on which he or she is no longer ***Actively At Work*** as a consequence;
  - normally we will not accept claims for employees who have returned to ***Work*** before the notification is received.

What Is The Claims Process? (Continued)

- **Step 2 – Claim Processing:-**
  - when you notify us of a claim, the employee concerned will be asked to complete a claim questionnaire or he or she may be contacted by a qualified nurse who will complete the questionnaire over the telephone;
  - if the questionnaire is completed by telephone interview the employee will be provided with a written transcript and will be asked to check if it is accurate and to notify us immediately of any errors or omissions. We may also ask the employee for consent to obtain further medical information from his or her doctor, other health professionals involved in his or her care and/or any other relevant professional;
  - if you submit a claim for an employee who, for any reason, is abroad at the time, we may require him or her to return to the UK before we will assess the validity of that claim. If we agree that the assessment can take place whilst the employee is abroad any report we require must be submitted in English;
  - payment to medical or other professionals used in the assessment of a claim will be paid or reimbursed at the rate payable to UK professionals of similar type;
  - unless we agree otherwise, we will also require copies of any medical certificate(s) you have received. If you are unable to provide these we may request them directly from your employee;
  - we will ask you to certify the employee's average ***Total Earnings*** since the last ***Plan Review Date*** or since your plan commenced, as the case may be.

- **Step 3 – Acceptance:-**
  - we will check the information provided to make sure the claim is valid, within the agreed income and benefit limits and there are no special terms that might affect payment.

- **Step 4 – Payment:-**
  - when we have validated and accepted your claim, benefit will become payable from the beginning of the week after the end of the ***Deferred Period*** and will continue until the claim cessation criteria set out below are met. Payment will be made 4 weekly in arrears, unless otherwise agreed;
  - benefit will only be paid in pounds sterling.

Please note:- We will not disclose to you medical details about an employee's claim without his or her prior written consent, which he or she is not obliged to give.

For How Long Will Benefit Be Paid?

- Benefit, including proportionate benefit, will cease altogether in accordance with the following claim cessation criteria:-
  - if the claim is subsequently found to be invalid;
  - when the claim duration limit applicable to the type of cover is reached;
  - if earlier, when the employee:-
    - is ***Actively At Work***;
    - is objectively and medically adjudged by us as having recovered to full fitness and no longer meets the definition of ***Incapacity*** that applies to your plan - whether or not he or she returns to ***Work***;
    - no longer loses income as a consequence of the ***Incapacity*** that gave rise to the claim;
    - takes up an alternative ***Occupation***, whether for reward or otherwise, or becomes eligible to receive proportionate benefit;
    - attains the ***Plan Member Retirement Age***; or
    - dies;
  - in the case of an employee employed on a fixed term contract, on the contract termination date which applied on the date on which the employee first became aware of the ***Incapacity*** for which the claim has been made;
  - if an employee is working abroad whilst benefit is being paid and remains outside the countries on the ***Approved Territories List*** payment of benefit will cease after it has been paid for a maximum period of six consecutive months; or
  - immediately your plan is cancelled and the employee has no right under it to continue to receive benefit.

For How Long Will Benefit Be Paid? (Continued)

- Payment of benefit will cease and may be replaced by a lower level of benefit ("proportionate benefit") if an employee:-
  - acting on medical advice, returns to ***Work*** for you on a part-time basis during a period of recuperation; or
  - is medically and objectively assessed, to our satisfaction, as unlikely to recover sufficiently to be able to carry out his or her own ***Occupation*** and you provide an alternative ***Occupation*** at a lower level of income; and

    in both circumstances, if such benefit is payable:-
    - the amount of benefit originally payable will be reduced in inverse proportion to the actual reduction in the employee's relevant pre-***Incapacity Total Earnings***;
    - benefit paid for a period of part-time working during rehabilitation will cease when the employee returns to his or her original ***Occupation*** on a full time basis, irrespective of his or her ***Total Earnings*** at the time;
    - when an employee returns to an alternative ***Occupation***, provided by you at a lower income, benefit paid will reduce proportionately as the employee's income rises and will cease when that income exceeds the level originally insured and in such circumstances, if an employee's income falls other than for reasons directly associated with his or her ***Incapacity***, proportionate benfit will not increase;
    - if an employee who is in receipt of proportionate benefit suffers a different Incapacity to that for which proportionate benefit is being paid and a further claim is submitted, it will be treated as a new claim. When that claim ceases, and if appropriate, the proportionate benefit originally being paid will recommence; and
    - if an employee leaves your employment whilst proportionate benefit is being paid, the Society will only continue to pay that proportionate benefit for such period and in such proportion as it, in its sole discretion, shall decide.
- If your plan terminates because you have switched it to another insurer and benefit is being paid at the time, it will continue for as long as the employee continues to meet the necessary claim criteria. If an employee returns to ***Work*** following a period of ***Incapacity*** after cover has been switched to another insurer, payment of benefit will cease as soon as the employee meets the ***Actively At Work*** conditions of the new insurer. Any future claims will be the responsibility of the new insurer. However, if a further period of absence occurs as a result of the same ***Incapacity*** within 12 months of returning to ***Work*** we will consider this as a linked claim (see below) and pay benefit for a period of no longer than the new insurer's ***Deferred Period***.

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

- There is no limit to the overall number of claims you can make in respect of the same employee, whether for the same ***Incapacity*** or otherwise.
- If, following a claim, an employee returns to ***Work*** and within 12 months suffers further ***Incapacity*** caused by the same illness or the same accident, we will waive the ***Deferred Period*** and link the new claim to the original claim when determining for how long it should be paid ("linked claim").

  For plans providing a specific benefit payment duration this assessment may be based on the aggregate monetary value of benefit actually paid. Therefore such claims may be payable over a longer time period than the specified limit of such plans.
- In all cases, if a claim in respect of further ***Incapacity*** caused by the same illness or the same accident occurs more than 12 months after payment of benefit has ceased on the original claim, it will be treated as a new claim and the ***Deferred Period*** of your plan will apply.

What Are The Circumstances In Which A Claim Will Be Disallowed?

There are circumstances which, if they occur, may affect your right to make or continue a claim. We will not accept a claim or we may amend a claim and/or benefit being paid in any of the following circumstances:-

- The claim relates to an ***Incapacity*** that occurs after your plan has been terminated for any reason.
- An employee does not lose income as a consequence of his or her ***Incapacity***.
- Premiums are more than 30 days in arrears. You will not be able to submit a claim until all arrears are cleared. For any claim submitted whilst you are in arrears, the plan ***Deferred Period*** will not commence (or, in the case of a linked claim, payment of benefit re-commence) until they are cleared.

What Are The Circumstances In Which A Claim Will Be Disallowed? (Continued)

- You or an employee fail to let us know truthfully, accurately and fully all the information we asked for when he or she was added to your plan, or subsequently when the employee's cover was amended, when submitting other information or when submitting a claim. In such circumstances a claim may be disallowed or the amount payable reduced and, if a claim is already being paid, the amount payable may be reduced or the claim cancelled.

- An employee carries out another ***Occupation***, whether remunerated or not, except for rehabilitation purposes with our prior agreement or, if he or she is eligible to receive proportionate benefit.).

- An employee refuses to take part in the claims questionnaire process or withholds or withdraws consent for us to seek information from you the employer and/or any relevant professional, including any medical practitioner involved in his or her care and treatment.

- When required to do so by the Society, an employee does not agree to participate in, or having done so fails to attend, an independent assessment of his or her ***Incapacity*** or ability to ***Work***.

- An employee does anything that prolongs his or her ***Incapacity*** or omits to do anything that that may reduce the time required for his or her recovery.

- The duration of an employee's ***Incapacity*** is, in the sole opinion of our medical advisers, inconsistent with, or unreasonable in the context of, any diagnosis or prognosis given.

Important note:- The Society reserves the right to reclaim any benefit that is paid incorrectly or overpaid.

What Is Not Insured

- The Society does not apply standard general exclusions to its group income replacement plans. Exclusions from cover are applied only on an individual employee basis following our assessment of a health and life-style questionnaire. The following are conditions for which exclusions might be applied individually to an employee's cover:-
  - any medical condition for which we told you and the employee concerned we would not provide cover when the employee was added to your plan or at the time of any subsequent amendment to his or her cover;
  - any ***Pre-existing Medical Condition*** and/or other condition that previously had affected an employee when he or she was first added to your plan or at the time of any subsequent amendment to his or her cover, which the employee and/or if appropriate you did not tell us about when required or requested to do so;
  - during an initial period of provisional cover pending full acceptance of your plan, any ***Pre-existing Medical Condition*** and/or other condition that previously had affected an employee;
  - any ***Incapacity*** arising from hazardous activities carried out by an employee that we tell you we cannot cover or which the employee and/or if appropriate you, did not tell us about when required or requested to do so.

Please note:- We will not disclose to you medical details about exclusions we place upon employees' cover without their prior written consent, which they are not obliged to give.

- The insurance under your plan is not designed to provide benefit in respect of:-
  - **Pregnancy** - this is not an illness as such and therefore is not covered. However, claims for ***Incapacity*** arising from complications of pregnancy and childbirth are.
  - **Unemployment** - your plan does not provide cover for unemployment or redundancy

When Will Cover Cease?

- Once terms have been offered by the Society and accepted by you, we are unable in normal circumstances to cancel your plan.
- Your plan or a ***Plan Member's*** cover will cease automatically when:-
  - for a ***Plan Member***;
    - he or she attains the earlier of the ***Plan Member Retirement Age***, his or her SPA or, in any case, the age of 68;
    - he or she no longer meets your ***Eligibility Criteria*** or you cease his or her plan membership for any other reason;
    - his or her ***Employee Contract*** is terminated for any reason;
  - for your plan as a whole;
    - your business ceases to trade or if you assign the plan without our consent;
    - the total number of employees falls below 5 unless we agree otherwise;
    - your premiums are in arrears for greater than 60 days;
    - one clear month has elapsed after we receive written notice by you to cancel it if such notice is given during a ***Plan Year*** and prior to the next ***Plan Review Date***.
- We may terminate your plan or a particular employee's cover if you or they fail to disclose, when requested or required to do so, information which would have caused us to decline to offer cover in the first place. Please see the Risks section on page 5.

What Is The Tax Position Of My Plan?

The following general information is about current UK tax legislation and HMRC practice, which may change in the future. It is not intended as advice, which should be sought from your professional advisers or your local Tax Office.

- **Employees:-**
  - the premium you pay for your plan normally is treated as a business expense for tax purposes;
  - benefit you receive under a claim is treated as business income and is taxable;
  - benefit paid by you to or for an incapacitated employee is treated as a trading expense for tax purposes.

  Thus, a neutral tax position should result.
- **Directors & Certain Other Employees Of Incorporated Businesses:-**
  - HMRC may not allow tax relief on premiums payable in respect of directors and other employees who have a financial interest in the business. You should check with your professional advisers or local Tax Office on the correct treatment of premiums and any benefit received.
- **Partners In Or Proprietors Of Unincorporated Businesses & Members Of Limited Liability Partnerships:-**
  - Premiums are paid by the business but treated as drawings - not a business expense - and therefore are not tax deductible. Any benefit claimed is treated as personal re-imbursement of lost income and although for administrative purposes it may be paid to the business, it is nevertheless not taxable income of the business. You should check with your professional advisers or local Tax Office on the correct treatment of premiums and any benefit received.

PLAN CHARGES

- The premiums you pay will cover all costs. Such costs include; those relating to selling your plan including the fees for any telephone interviews, medical reports or examinations we may ask for; any commissions we might pay for setting up your plan and the cost of underwriting, administration and claims.
- We may pay commission for setting up your plan and reviewing it from time to time. The amount payable will be shown on our quotation and will depend upon the amount of annual premiums you pay. If you engage an independent financial adviser to advise you about and to arrange your plan he or she 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.

CANCELLATION RIGHTS

There are no cancellation rights applying to your plan.

OTHER TERMS

Law

The plan and associated arrangements between an employee, an employer and the Society shall be governed by and construed in accordance with the Laws of England, and any dispute shall be subject to the exclusive jurisdiction of the English Courts.

Third Party Rights

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

Assignment

You may not assign your plan without our consent.

Surrender Or Maturity Value

Your plan will not acquire a surrender or maturity value at any time.

Terms And Conditions

For the full terms and conditions please see the plan terms and conditions, our ***Offer*** and the ***Rules***. In the event the ***Offer*** differs from the plan terms and conditions the ***Offer*** will take precedence.

PRIVACY POLICY

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

Our Privacy Policy will tell you how the Society collects and processes 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 and your employees 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 756783
Claims	01225 756793

- By email: group@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

How To Complain About The Service Provided By The Society

We aim to provide you with the very best service possible. However, if we have fallen short, please do let us know.

If you wish to complain about any aspect of your membership or the service you have received from us, please let us know by any of the means shown above. If you choose to do so by letter please address it to the Governance & Compliance Manager. When we receive your complaint we will acknowledge its receipt and provide you with a copy of our complaints procedure. We will then investigate your complaint and try to resolve it with you. If, when we have completed our procedures and issued you with our final response, you are not satisfied with the outcome, or if after 8 weeks we have failed to issue you with a final response, you may be able to refer your complaint to the Financial Ombudsman Service (FOS) at:

Address:	South Quay Plaza, 183 Marsh Wall, London, E14 9SR
Telephone No:	0800 0 234 567
Website:	www.financial-ombudsman.org.uk
By email:	complaint.info@financialombudsman.org.uk

For commercial clients who are not eligible to refer complaints to FOS; the Society maintains a panel of arbitrators, appointed in accordance with the Friendly Societies Act 1992, to consider disputes. Such appointments are renewed each year at the Society's Annual General Meeting.

Financial Services Compensation Scheme

In the unlikely event that the Society cannot meet its financial obligations you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS). More information is available from the FSCS at:

Address:	10th floor, Beaufort House, 15 St. Botolph Street, London, EC3A 7QU
Telephone No:	0800 678 1100
Website:	www.fscs.org.uk

WILTSHIRE

FRIENDLY

SOCIETY LIMITED

INCOME REPLACEMENT INSURANCE SINCE 1887

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info@wiltshirefriendly.com

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

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