

# Group income protection

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FLEX GIP 11-17

# Contents

**3 Group income protection policy**

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**4 PART 1. Premiums**

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- 1 Payment of premiums
- 2 Calculation of premiums
- 3 Change in unit rate or premium rates

**5 PART 2. Group income protection benefit**

---

- 1 Eligibility
- 2 Amount of benefit

**7 PART 3. Disablement of insured members**

---

- 1 Benefit payable
- 2 Payment of benefit
- 3 Payment of benefit direct
- 4 Duration of benefit
- 5 Termination of benefit
- 6 Recurrent disablement
- 7 Partial benefit
- 8 Increases in benefit
- 9 Related expenses
- 10 Additional requirements for disabled members based overseas
- 11 Exclusions

**11 PART 4. Commencement and termination of insurance and related provisions**

---

- 1 Commencement of insurance
- 2 Termination of insurance
- 3 Absence from employment
- 4 Parental leave

**13 PART 5. Discontinuance**

---

- 1 Total discontinuance
- 2 Financial crime risk management
- 3 Partial discontinuance

**14 PART 6. General conditions**

---

- 1 Provision of information and evidence
- 2 Provision of insurance and policy changes

**17 PART 7. Evidence of health and insurability**

---

- 1 Introduction
- 2 Providing medical evidence
- 3 Full medical evidence
- 4 Eligible entrants
- 5 Early entrants
- 6 Late entrants
- 7 Discretionary entrants
- 8 Increases in respect of insured members
- 9 Temporary cover

**20 PART 8. Definitions**

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# Group income protection policy

This **policy** granted by Legal and General Assurance Society Limited, whose main office for the purpose of this **policy** is at Knox Court, 10 Fitzalan Place, Cardiff, CF24 0TL, witnesses as follows:

1. This **policy** together with the **schedule** and any revised **schedules**, **policy** terms or endorsements made to the **policy**, form the contract under which this **policy** is issued.
2. Any revised **policy** terms and **schedules** will apply from the **effective date** of the revised **schedule**. Any **policy** terms and **schedules** superseded by later **policy** terms and **schedules** will no longer apply from the **effective date** of the revised **schedule**.
3. Where appropriate, words in the singular include the plural and vice versa and words referring to males include females. Words that appear in bold are defined in Part 7 of this **policy**.
4. **We** will pay to **you** or to anyone to whom **benefit** becomes payable under this **policy** the **benefit** shown in the **schedule** when it becomes due, subject to the terms of this **policy**.
5. All payments made to or by **us** under this **policy** will be in UK sterling at **our** main office shown above.
6. The receipt of **benefit** by **you** or anyone to whom **benefit** may become payable under this **policy** will discharge **us** from any further liability. **We** do not need to see the application of such **benefit**.
7. The **benefit** provided and **eligibility terms** under this **policy** may be changed at **your** request subject to acceptance by **us** and to the terms that **we** set.
8. This **policy** will be governed by and subject to the laws of England and Wales and all communication in relation to this **policy** will be in English.
9. It is agreed and confirmed by the parties to this contract that none of its terms shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to the contract and as a consequence the parties shall have no obligations to any such person in relation to the variation or rescission of the contract or otherwise.

# PART 1. Premiums

## 1 PAYMENT OF PREMIUMS

**You** will pay all premiums to **us** at the frequency and on dates agreed between **you** and **us**. The premiums **you** pay will include any portion of premiums for any:

- i. **flexible benefit**, and
  - ii. **employers**,
- included in this **policy**.

If **you** do not pay all premiums due under this **policy** by the due date, or within a period thereafter that **we** allow, **we** reserve the right by giving **you** at least 14 days' written notice to end the insurance under this **policy** on expiry of such period of notice. All outstanding premiums due to the end date shall become payable immediately.

If **you** do not pay a premium which is due under this **policy** during an **accounting period**, then **we** will not have any liability to pay **benefit** with respect to an **insured member** who becomes a **disabled member** during that **accounting period**.

If **you** wish to stop paying future premiums under this **policy** **you** must give **us** written notice prior to the date from which **you** want payment of premiums to stop. The insurance under this **policy** shall end on that date.

## 2 CALCULATION OF PREMIUMS

- a) For each **accounting period**, the **accounting method** will be used to calculate premiums in respect of this **policy**. **We** will agree with **you**, before a premium is due, if **you** need to work out and tell **us** the premium for any part of the **benefit**.

**We** can change the **accounting method** with effect from any **annual renewal date** provided it does not fall within a **guarantee period**. Any change to the **accounting method** will be effective from that **annual renewal date** regardless of there being any delay by **you** in complying with **our** requirements in Part 6, Section 1.

If **you** comply with **our** requirements in Part 6, Section 1 with respect to the **annual renewal date** at least four months in advance, **we** will notify **you** of an **accounting method** change at least three months before it takes effect.

- b) If a premium hasn't been worked out before the day it's due, **we** may first work out an approximate premium for payment. Following subsequent calculation of the premium, if the approximate premium for any **accounting period** proves to be:

- i. too large, **we** will refund the excess to **you**;
- ii. too small, **you** will need to pay **us** the shortfall.

**We** won't charge premiums for an **insured member** who is receiving **benefit**.

## 3 CHANGE IN UNIT RATE OR PREMIUM RATES

**We** can change the **unit rate** or **premium rates** with effect from any **annual renewal date** provided it does not fall within a **guarantee period**. Any change will be effective from that date regardless of there being any delay by **you** in complying with **our** requirements in accordance with Part 6, Section 1.

If **you** comply with **our** requirements in Part 6, Section 1 with respect to changing **premium rates** for **flexible benefit** at least four months before the **annual renewal date** following the **guarantee expiry date**, **we** will tell you the changes to the **premium rates** at least three months before that **annual renewal date**.

**We** can change the **unit rate** with effect from any **annual renewal date** if the number of **insured members** or the **total core benefit** at such **annual renewal date** differs by more than 25 per cent from the number of **insured members** or the **total core benefit** over all the policies on which the **unit rate** was calculated.

# PART 2. Group income protection benefit

## 1 ELIGIBILITY

- a) An employee of the **employers** will be included in this policy on the **entry date** as an **insured member**, subject to any **overriding provisions** and providing the following conditions are met:
- he is normally resident and working in the United Kingdom; and
  - he satisfies all the **eligibility terms** for a **category**; and
  - he is included in this **policy** on the date that he first meets the **eligibility terms**; and
  - he meets the **actively at work** requirements applying under this **policy**; and
  - you** have provided all the information requested by **us**.
- b) In respect of an **insured member** whose eligibility for this **policy** is subject to him being a member of the **employer's retirement benefits arrangement**:
- unless **we** have agreed with **you** otherwise, **we** will regard his **retirement benefits arrangement** membership as continuous if he crystallises some or all of his benefit from the arrangement, and applies to immediately restart contributions to a **retirement benefits arrangement**.
  - unless **we** have agreed with **you** otherwise, **we** will regard his **retirement benefits arrangement** membership as continuous if he stops regular contributions and keeps an entitlement to retirement benefits under that arrangement.
  - if he subsequently withdraws from membership for those benefits, he will immediately cease to be an **insured member**.
- c) An employee who does not satisfy the **eligibility terms** may, at **your** discretion and subject to **our** prior agreement and terms, including but not limited to those outlined in Part 7 of the **policy**, be included as an **insured member**.
- d) Where there is more than one **category**, the **category terms** that apply to an **insured member** are those for which he has met the **eligibility terms** for that **category**. An **insured member** cannot be included in more than one **category**.

- e) If an **insured member** becomes eligible for a different **category**, transfer to that **category** will take effect immediately.
- f) If a person insured under this policy didn't confirm his level of cover at his first **entry date**:
- Provided he confirms his Income Protection benefit choice in advance, he can start cover from one of the two **monthly accounting dates** immediately following his first **entry date**.
  - The **flex limits** will apply to any changes relating to Income Protection cover choices after the second **monthly accounting** following his first **entry date**.
- g) **We** will treat a person choosing no cover as if they had chosen the **core benefit**.

## 2 AMOUNT OF BENEFIT

- a) Subject to the terms of this **policy**, the amount of **benefit** payable under this **policy** in respect of each **insured member** will be equal to the total of:
- the **member's benefit** in respect of him,
  - the **additional benefit** (if any) in respect of him, and
- calculated on the day before he became a **disabled member**.
- b) If the **schedule** shows a **lump sum** being payable, this will be paid in the event that an **insured member** is still a **disabled member** at the **benefit termination date**. The **lump sum** paid will be payable as either a **standard lump sum** or an **enhanced lump sum** as shown in the **schedule** for the **category**.
- c) If the **schedule** states that **statutory sick pay** is payable, **we** will also pay to **you** when **member's benefit** becomes payable in respect of a **disabled member** a lump sum equal to 28 weeks' **statutory sick pay**. The amount payable will be at the rate applicable throughout a period of 28 weeks starting on the first day of the **deferred period**. Payment of this sum will be made at the end of such period or at the date payment of **member's benefit** starts if later.

## Flexible group income protection

We reserve the right to be use **notional statutory sick pay** in place of **statutory sick pay** when calculating the lump sum payable if there is any change in legislation or new legislation which affects the operation of **statutory sick pay**.

- d) **Member's benefit** is restricted in accordance with **maximum insured benefit**, the **maximum scheme benefit**, and where applicable the **maximum benefit**.
- e) **Additional benefit** in respect of contributions to a **retirement benefits arrangement** or similar arrangement is restricted to a maximum of £75,000 each year for each **insured member** or such other amount as agreed between **you** and **us** from time to time.
- f) Subject to the terms of this **policy** an **insured member** cannot choose insurance that is less than the **core benefit**.
- g) In respect of **flexible benefit** (including extensions of the **benefit termination date** where available):
- i. an **insured member** can only choose from the **flexible benefit** options shown in the **category terms**,
  - ii. unless **we** agreed with **you** otherwise, for a person who satisfies the **eligibility terms** and included in this **policy** when first eligible, **we** will cover their chosen **flexible benefit** from the day they become an **insured member**,
  - iii. **we** will not retrospectively change **flexible benefit** for an **insured member**,
  - iv. **we** will only increase **flexible benefit** for an **insured member** at a **flex date**,
  - v. **we** will limit any increase to the **flexible benefit** level for an **insured member** to the maximum increase allowed at a **flex date** shown in the **category terms**,
  - vi. **we** will not increase **flexible benefit** at a **flex date** for a **member**:
    - who receives partial benefit (see Part 3 Section 7), or
    - is in the **deferred period**, or
    - is a **disabled member**.
  - vii. if the **flexible benefit** options include a choice of **benefit termination date**, an **insured member** cannot improve their **benefit termination date** and increase their level of **member's benefit** at the same **flex date**.
  - viii. **we** will only decrease **flexible benefit** at a **monthly accounting date**.

# PART 3. Disablement of insured members

## 1 BENEFIT PAYABLE

Subject to the terms of this **policy**, the **benefit** will be paid in respect of an **insured member** from the **benefit start date** provided he is a **disabled member**. The **benefit** becoming payable will be equal to the **benefit** provided in respect of him under Part 2 of this **policy** at the day before he becomes a **disabled member**.

If **member's benefit** is worked out with a deduction for one or more components of **employment and support allowance**, **we** will always deduct the value of these even if the **disabled member** isn't receiving them. However, this won't apply to **member's benefit** worked out on the **integrated** basis.

If **member's benefit** is worked out on the **integrated** basis **we'll** take off the value of **basic allowance** for the first 52 weeks following the **benefit start date**. This amount won't be deducted if the **disabled member** applies, but does not qualify for **employment and support allowance**.

If there is any change in legislation or new legislation which affects the operation of the state welfare system **we** reserve the right to use:

- i. **notional employment and support allowance** in place of **employment and support allowance**; and
- ii. **notional basic allowance** in place of **basic allowance**; and
- iii. **notional support component** in place of **support component**; and
- iv. **notional work-related activity component** in place of **work-related activity component**

when calculating the **benefit** payable.

If **maximum scheme benefit** changes **we** will apply the new amount to the **member's benefit** that **we** pay.

## 2 PAYMENT OF BENEFIT

The **benefit** described in Part 3, Section 1 will become payable from the **benefit start date**

(unless an earlier date applies in accordance with Part 3, Section 6) in respect of any **insured member** who is a **disabled member** and is in **employment** at the **benefit start date**.

Payment of this **benefit** will be subject to **us** receiving all of the following:

- i. An absence notification in the format required by **us** not later than the **benefit start date**.

If this requirement is not met and the date of notification in the format required by **us** is after the end of the **deferred period**, **benefit** will be payable from the date on which the notice is received by **us**.

If the application for **benefit** in the format required by **us** is received more than 90 days after the end of the **deferred period**, **we** reserve the right to not pay **benefit** in respect of such application.

- ii. Evidence satisfactory to **us** that an **insured member** is a **disabled member**. For this purpose, no **benefit** will be payable if **your** consent or that of the **insured member** is required and such consent is not given.
- iii. If **member's benefit** is worked out on the **integrated** basis, **we** will need evidence of the **insured member's** application for **employment and support allowance** and of the outcome of the application.

If **we** do not receive evidence of the **employment and support allowance** application and outcome, **we** will deduct the **basic allowance** from the **member's benefit**.

The **benefit** will be payable to **you** by monthly instalments in arrears. A proportionate payment will be made in respect of any period of less than one month.

Part 1, Section 1 outlines circumstances in which **we** will not have liability to pay **benefit** with respect to an **insured member** who becomes a **disabled member** if **you** have not paid **premiums** which are due under this **policy**.

## Flexible group income protection

### 3 PAYMENT OF BENEFIT DIRECT

Unless **we** agree to the contrary **we** will immediately end payment of **benefit** if the **disabled member's employment** is ended. **We** may at **our** discretion agree to a written request from **you** to continue paying **member's benefit** directly to a **disabled member** after his **employment** has been ended. **We** will only consider requests to continue paying **member's benefit** in this way if:

- i. **you** make the request in writing before his **employment** is ended; and
- ii. the **disabled member** has remained in **employment** for the whole of the **deferred period**; and
- iii. **benefit** payments in respect of the **disabled member** have been made to **you** after the **benefit start date**.

Where **we** agree to pay **member's benefit** directly to a **disabled member** after his **employment** has been ended **we** will deduct and account for any tax that **we** are responsible for on the **member's benefit**.

**Benefit** payments will stop at the same time and in the same circumstances that would have applied if the **disabled member** had remained in **employment**.

Cover for the **disabled member** will stop when **member benefit** payments in respect of him stop and no new claims will be considered for that former employee. However, the Recurrent Disablement provisions outlined in Part 3, Section 6 will continue to apply.

### 4 DURATION OF BENEFIT

- a) Subject to production to **us** of evidence of the **insured member's** entitlement to **benefit**, in such format and at such times as **we** may reasonably require, and to the remaining provisions of this Section, payment of **member's benefit** will continue so long as the **insured member** is a **disabled member** but not in any event after the **benefit termination date** or, if earlier, the death of the **insured member**.

Payment of **additional benefit** (if any) relating to contributions to a **retirement benefits arrangement** will continue as long as contributions are paid or deemed to be paid under the provisions of this **policy** to such arrangement.

Unless **we** have agreed to the contrary, payment of **additional benefit** will end at the time the **employment** of a **disabled member** is ended.

- b) If the **category terms** include a choice of **benefit termination dates**:

- i. for the purpose of this Part 3, **we** will use the in-force **benefit termination date** for the **insured member** before the **benefit start date**,
- ii. **we** will not change the insured **benefit termination date** for an **insured member** receiving partial benefit (see Part 3 Section 7), or who is in the **deferred period**, or is a **disabled member**,
- iii. an **insured member** can only choose from the **benefit termination date** options shown in the **category terms**,
- iv. unless **we** agreed with **you** otherwise, for a person who satisfies the **eligibility terms** and included in this **policy** when first eligible, **we** will cover their chosen **benefit termination date** from the day they become an **insured member**,
- v. **we** will not retrospectively change the insured **benefit termination date** choice for an **insured member**,
- vi. **we** will only improve the **benefit termination date** for an **insured member** at a **flex date**,
- vii. an **insured member** cannot improve their **benefit termination date** and increase their level of **member's benefit** at the same **flex date**,
- viii. an **insured member** can only shorten their **benefit termination date** at a **monthly accounting date**.

- c) Part 3, Section 5 shows more circumstances where **we** can end payment of **benefit**.



## 5 TERMINATION OF BENEFIT

We will immediately end payment of **benefit** if:

- i. if the **insured member** ceases to be a **disabled member**, or
- ii. if the **disabled member** reaches the **benefit termination date**, or
- iii. if the **disabled member** dies, or
- iv. if the **employment** of the **disabled member** is ended unless **we** have agreed to continue to pay **member's benefit** directly to a **disabled member** as outlined in Part 3, Section 3, or
- v. if in **our** opinion the **disabled member** retires from **employment**, or
- vi. if in the event that **we** offer to meet the full cost of specified **rehabilitation programme** or **work reintegration programme** under Part 3, Section 9, the **disabled member** is not willing to consult or fails to follow the advice given to him by the appropriate therapist, doctor or nurse concerned, or
- vii. where there is delay on **your** part or that of the **disabled member** in producing satisfactory evidence of entitlement to **benefit** which in **our** opinion is prejudicial to **our** consideration of such entitlement:

We will also, for claims occurring after the insurance **policy** has ended that are accepted as a result of the **deferred period** being completed due to linked absences, immediately end payment of **benefit** the earlier of:

- a) the new insurer becoming liable for paying benefit; or
- b) a period equal to the **deferred period** insured under this **policy** passing since the insurance ended.

In respect of ii. above, if the **category terms** include a choice of **benefit termination date**, for the purpose of this clause **we** will use the in force **benefit termination date** for an **insured member** on the day before he becomes a **disabled member**. **We** will not change the insured **benefit termination date** for a **member** receiving partial

benefit (see Part 3 Section 7), or who is in the **deferred period**, or is a **disabled member**.

## 6 RECURRENT DISABLEMENT

If an **insured member** for whom **benefit** has been paid under this **policy** returns to **employment** with any of the **employers** and subsequently again becomes a **disabled member** from the same or related cause within a period of 52 weeks, then payment of the **benefit** in respect of him will immediately start again subject to the other terms of this **policy**.

The amount of **benefit** payable:

- i. will be at the same level that would have applied if he had not stopped being a **disabled member**, and
- ii. will not allow for any changes to **flexible benefit** an **insured member** may have chosen during his return to **employment** between the absences.

Where payment of **benefit** is for a **limited term**, in addition to the above, the **limited term** will be extended to allow for the time the **disabled member** was back at work.

For linked claims under an **integrated policy we** will continue to deduct the amount equivalent to **employment and support allowance** until the claim has been paid for a total of 52 weeks. The amount equivalent to **employment and support allowance** will not be deducted if the **disabled member** applies for but does not qualify for **employment and support allowance**.

## 7 PARTIAL BENEFIT

A **disabled member** who, on or at any time after **benefit start date**, either

- i. returns to his occupation on a part-time basis, or
- ii. takes up another occupation

but, as a direct result of the illness or injury giving rise to the incapacity at the start of the **deferred period**, suffers a loss of earnings compared to when he was following his occupation will continue to be regarded as a **disabled member**.

## Flexible group income protection

In this case partial **member's benefit** and partial **additional benefit**, if any, will be payable.

The amount of **benefit** will be determined by **us** taking into account relevant factors at that time and at any time thereafter, including the reduction in earnings, the hours worked and the capacity of the **disabled member** to undertake his occupation on any other basis or to take up any other occupation.

**We** will not increase **flexible benefit** at a **flex date** for a **member** who receives partial benefit.

### 8 INCREASES IN BENEFIT

The **benefit** (or part thereof) payable in accordance with this Part of the **policy** will be increased on the **benefit increase date** by the **benefit increase rate** as shown in the **schedule**.

### 9 RELATED EXPENSES

Subject to Part 3, Section 10, the cost of any medical or other reports requested by **us** in connection with the incapacity of an **insured member** will be met by **us**. Any travelling expenses which may be incurred by the **insured member** in connection with such reports will not be met by **us**. However, **we** may at **our** discretion make a payment towards such expenses if **we** consider it to be appropriate to do so.

**We** may also at our discretion offer to meet or make a payment towards the cost of facilitating the return to work of a **disabled member**, including private medical treatment, a **rehabilitation programme**, **work reintegration programme** or the provision of special equipment or training.

### 10 ADDITIONAL REQUIREMENTS FOR DISABLED MEMBERS BASED OVERSEAS

The provisions of Part 3 will apply to **disabled members** who are based overseas. In addition **we** will:

- i. need medical evidence in English and in a format that is satisfactory to **us**; and

- ii. contribute to the cost of any medical or other reports requested by **us** in connection with the incapacity of an **insured member** up to the amount that would reasonably be expected to be paid in the United Kingdom for a similar medical or report.

**You** will need to pay for English translations and any additional costs for the overseas medicals and reports **we** may reasonably require to confirm if an **insured member** is, and continues to be a **disabled member**.

### 11 EXCLUSIONS

The **definition of incapacity** applicable to an **insured member** whose occupation requires the holding of a licence (such as an HGV or pilot's licence) will be a **suited occupation** except where the **incapacity definition** is:

- i. **progressive**. In such cases, **suited occupation** will apply until the date four years after the **benefit start date**.
- ii. **activities of daily working**. In such cases **activities of daily working** will apply.

# PART 4. Commencement and termination of insurance and related provisions

## 1 COMMENCEMENT OF INSURANCE

The insurance under this **policy** starts at the **inception date** and continues until the date notified by **you** or **us** in accordance with this **policy**.

## 2 TERMINATION OF INSURANCE

- a) Regardless of anything in these **policy** terms to the contrary the insurance under this **policy** of an **insured member** will end:
- i. immediately in the event that they stop being in **employment**, or
  - ii. immediately in the event that they no longer meet the **eligibility terms**, or
  - iii. immediately in the event that they reach the **benefit termination date**, or
  - iv. on the date of expiry of any period of notice given by **you** or **us** in accordance with the terms of this **policy**.
- b) For the purposes of Section 2 a) i. of this Part of the **policy**, the transfer of an **insured member** from **employment** with one of the **employers** to **employment** with another of the **employers** will not be viewed as termination of his **employment**.
- c) For the purposes of Section 2 a) iii. of this Part of the **policy**, in the event that the **benefit** in respect of an **insured member** has ceased at a **benefit termination date** based on a **limited term**, the insurance under this **policy** in respect of him will, subject to any evidence of health and insurability requirements outlined in Part 7, recommence should he subsequently:
- i. fully return to full active **employment**, and
  - ii. still meet the **eligibility terms**, and
  - iii. meet the **actively at work** requirement applying under the **policy** on the date that cover in respect of him is due to recommence.

## 3 ABSENCE FROM EMPLOYMENT

- a) The insurance in respect of an **insured member** will be continued throughout any period during which he is temporarily absent, other than by reason of illness or injury, from active **employment** (but remains in **employment**), subject to the following:
- i. the absence being for a period defined at the start of the absence, but not longer than one year,
  - ii. the **insured member** having an absolute right to resume the job in which he was engaged immediately prior to the absence,
  - iii. the **insured member** not engaging in any work or activity which, in **our** opinion, is a greater risk than that associated with his job with the **employer** immediately before the period of absence, and
  - iv. **you** giving **us** written notice of such absence not later than one month following the start of the absence.
- b) For the purposes of Section 3 a) of this Part of the **policy**, in the event of the incapacity of an **insured member** that starts during the period of temporary absence, the **deferred period** is completed:
- i. during the period of temporary absence, **benefit** will not become payable until the end of the period of absence defined in accordance with Section 3 a) i. above.
  - ii. after the period of temporary absence, **benefit** will not become payable until the end of the **deferred period**.
- c) For the purposes of this section, the **incapacity definition** will apply to the job that he was doing immediately before the temporary absence started. Any **benefit** becoming payable will be worked out as if the **insured member** had become a **disabled member** on the day before the absence started. **We** will not insure an upgrade to **flexible benefit** for an **insured member** chosen at a **flex date** during the absence.

### 4 PARENTAL LEAVE

The insurance will continue for an **insured member** during any period in which he or she is away from work on:

- i. maternity leave,
- ii. paternity leave,
- iii. adoption leave,
- iv. shared parental leave, or
- v. any other similar statutory right

and is entitled under any statutory or contractual provision to the **benefit** under the terms and conditions of his or her **employment**.

The terms of this **policy** will continue to apply as if the **insured member** was actively engaged in such **employment**.

# PART 5. Discontinuance

## 1 TOTAL DISCONTINUANCE

a) If **you** stop paying or are no longer entitled to pay premiums under this **policy** the insurance in respect of all **insured members** will end on the expiry date of any period of notice given in accordance with the terms of this **policy** and all payments by **us** to **you** under this **policy** will stop from that date except as specifically provided in this Part of the **policy**. **We** will be under no obligation to notify the **insured members** of such cessation but reserve the right to do so.

b) Subject to the terms of this **policy**, the cessation of premium payments will not prejudice:

- i. the continued payment of **benefit** under the **policy** in respect of a **disabled member** for whom **benefit** is in payment immediately before the date the **policy** discontinues, or
- ii. the admission and payment of a claim for **benefit** under the **policy** in respect of an **insured member**

- whose insurance under the **policy** is terminated because of the **policy** discontinuing, and
- who was a **disabled member** at the date of discontinuance, and
- who continues to be a **disabled member** and remains in **employment** until his **benefit start date**.

Any such **benefit** will be paid to the **employer** except as provided in the next paragraph.

- iii. In the event that the **employer** to whom **benefit** is payable is no longer in existence or if an order is made or an effective resolution is passed for the winding-up of such **employer**, **we** will pay **member's benefit** direct to the **insured member** if his contract of **employment** with the **employer** has terminated. If he has died, **we** will pay it to his estate, subject to the deduction of any tax that **we** may be required to make in respect of such payments. **Additional benefit** (if any) will cease to be payable.

iv. Despite Section 9 on page three of the **policy** **you** have agreed that an **insured member** described in the preceding paragraph may enforce the terms of the **policy** in accordance with the provisions of Section 1 (1) of the Contracts (Rights of Third Parties) Act 1999 provided that **you** and **we** may cancel or change the **policy** without the consent of such **insured member** or any other third party.

c) **We** will work out the final **policy** account on the **policy's** expiry. Either **we** will refund any overpayments, or **you** will immediately pay **us** any premiums **you** owe.

If **we** don't receive the expiry information **we** need for the final account within 30 days after the **policy** expiry date, **we** will work out the final **policy** account in accordance with Part 6, Section 2 i).

## 2 FINANCIAL CRIME RISK MANAGEMENT

**We** have the right by giving **you** written notice to:

- i. cancel this **policy**; and
- ii. stop payment of **benefit**; and
- iii. take other reasonable action

in order to comply with laws, regulations, sanctions regimes, international guidance and/or demands from any authorities, relating to Financial Crime Risk Management Activity.

## 3 PARTIAL DISCONTINUANCE

If payment of premiums under this **policy** stop in respect of the employees of any **employer** other than the **principal employer** the terms of Section 1 of this Part of the **policy** will apply but only for those **insured members** who are in the **employment** of such **employer**.

# PART 6. General conditions

## 1 PROVISION OF INFORMATION AND EVIDENCE

a) **You** will provide **us** with all data, information and evidence as stated in this **policy** or as **we** reasonably require in connection with this insurance. This includes, but is not restricted to data, information and evidence in respect of statutory benefit provision and other comparable benefits or income which are to be taken into account for the purpose of working out **maximum scheme benefit**.

**We** will not be liable for any errors or omissions on **our** part that arise solely from any errors in or omissions from any data, information or evidence provided by **you**. Examples include, but are not limited to:

- i. **We** will only consider paying **benefit** for an **insured member** who is missing from data they should appear on, if the **insured member's** absence from the data was not a deliberate or reckless omission on **your** part. In the event that **we** make a payment in respect of an **insured member** in such circumstances, **we** may apply a proportionate reduction to the **benefit** to reflect the amount of premium that would have been charged had such **insured member** been included in the data.
- ii. **We** will not pay **benefit** for a person included in the data who is not an **insured member**.
- iii. **We** will restrict **benefit** if the data is understated.
- iv. **We** will not pay amounts in excess of the **benefit** if the data is overstated.

**We** are under no obligation to pay any additional amount of **benefit** claimed by reference to information or evidence requested by **us**, which was not provided within a reasonable period stated by **us**.

**We** will recover from **you** or, if payment was made directly to any person or persons directed by **you**, from such person or persons, any overpayment of **benefit** arising from errors in, or the failure to disclose, data, information or evidence.

- b) In the event that **you** breach **your** duty of fair presentation prior to the inception of this insurance, or prior to any variation to this **policy** (including, without limitation, when updating the insured person data for this **policy**); and
- i. the breach is not deliberate or reckless; and
  - ii. **we** can show that **we** would have charged a higher or additional premium had **you** complied with such duty,

then **we** may at **our** discretion, agree to pay **benefit** to **you** if **you** agree to pay an additional premium that **we** decide is appropriate. It is agreed that in these circumstances **we** will have no right whatsoever to reduce proportionately any amount to be paid on a claim. **We** won't do this if the additional premium is more than the additional amount claimed.

The phrases 'duty of fair presentation' and 'deliberate or reckless' in this clause shall have the same meanings as given to them in the Insurance Act 2015. It is not intended that this clause shall amend or vary any other provision of this **policy**.

- c) Evidence of the age of an **insured member**, satisfactory to **us**, will be required before any **benefit** is paid under this **policy** in respect of that **insured member**. If the date of birth notified to **us** in respect of that **insured member** proves to be incorrect, **we** reserve the right to adjust the amount of **benefit** payable under this **policy** in respect of that **insured member** as **we** reasonably consider appropriate.
- d) **You** shall provide **us** in respect of each person for whom cover is required, such evidence of his health and insurability as **we** may at any time reasonably require in accordance with Part 7 of the **policy**. If:
- i. this evidence is not provided when required by **us**, or
  - ii. **we** receive evidence from any source that his health is below the standard acceptable to **us** for the purposes of insurance under this **policy** on normal terms, or

iii. evidence from any source discloses any special risk or hazard,

the insurance in respect of him (or the part of the insurance for which evidence is required) will be subject to terms, conditions and restrictions (including declination) that **we** may state.

e) **You** shall tell **us** in writing in the event of:

- i. any of the **employers** other than the **principal employer** no longer participating in this **policy**, or
- ii. a change in the identity of the **principal employer**, or
- iii. an additional employer wishing to participate in this **policy** after the **inception date**, or
- iv. any change in, or addition to, the nature of the business, undertaking or constitution of any of the **employers**.

**We** reserve the right to vary the terms and provisions of this **policy** on the happening of any of the above events. In respect of Section 1 e) iii. of this Part 6 of the **policy**, the insurance of any **benefit** will not commence until notification has been given to **you** by **us**.

## 2 PROVISION OF INSURANCE AND POLICY CHANGES

- a) If the insurance of any person under this **policy** has at any time been terminated, declined or subject to **special terms**, any subsequent insurance or continuation of insurance under this **policy** in respect of them (whether or not arising on that person fulfilling or having fulfilled the **eligibility terms**) may be declined or be subject to terms, conditions and restrictions specified by **us**.
- b) Any alteration or addition to the insured basis is subject to terms that **we** set and will not start until **we** give **you** written notification of **our** acceptance.
- c) The terms and conditions applying to a **disabled member** will be the terms and conditions in force at the date he became a **disabled member** and these will continue to apply for as long as he remains a **disabled member**. The **policy** terms and conditions in force at the date he

becomes a **disabled member** will determine the **benefit** payable for any resulting claim.

Additionally, the **flexible benefit** applying to a **disabled member**, if any, will be the **flexible benefit** in force at the date he became a **disabled member** and this will continue to apply for as long as he remains a **disabled member**.

d) **We** can change:

- i. the **accounting method** in accordance with Part 1, Section 2; and,
- ii. the **unit rate** or **premium rates** in accordance with Part 1, Section 3; and
- iii. the **free limit** in accordance with Part 7 Section 1; and
- iv. any other **policy** terms from the day immediately following a **guarantee expiry date** as long as **we** give **you** at least 30 days' notice in writing.

e) As long as **we** give **you** at least 30 days' notice in writing **we** can change the terms and provisions of this policy (including the **unit rate**) at any time if there is:

- i. a variation in Tax or National Insurance related legislation and such variation would, in **our** opinion, affect this **policy** or the operation of this **policy**, or
- ii. a change in the state welfare system which, in **our** opinion, directly or indirectly affects this **policy** or the operation of this **policy**. This will include but not be limited to changes to the criteria for entitlement to, the duration of payment of, the amount of or the withdrawal or replacement of any element of **employment and support allowance**.

f) **We** can amend the terms of this **policy** or terminate it with immediate effect in the event of an amendment or termination of any **associated policy**.

g) If **you** don't meet the requirements of Part 6, Section 1 in relation to any **annual renewal date** within four weeks after that date, **we** can:

- i. restrict **benefit** to the last data **you** gave us, or
- ii. restrict **benefit** to the levels you last provided data increased by a reasonable amount.

## Flexible group income protection

**We** will give **you** written notice if **we** do this.

**We** will remove this **benefit** restriction if you subsequently meet all the requirements of Part 6, Section 1 before the earlier of the next **annual renewal date**, and a **benefit** payment starting in respect of the next **disabled member**.

- h) If **you** don't meet the requirements of Part 6, Section 1 in relation to the **policy's** expiry date within 30 days after that date, **we** can work out the final **policy** account based on the information **you** gave **us** for the previous account. **We** will not update the final account after it's sent if **you** later meet these requirements.
- i) **We** can cancel this **policy** or change the terms of this **policy** by giving **you** 30 days' written notice if:
- at any time the number of **insured members** under this **policy** falls below five, or
  - the requirements of Part 6, Section 1 in relation to any **monthly accounting date** are not met within the three months following that date, or
  - the requirements of Part 6, Section 1 in relation to any **annual renewal date** are not met within the three months following that date, or
  - the requirements of Part 6, Section 1 in relation to the **inception date** are not met within the three months following that date. In this event, **we** reserve the right to terminate the **policy** from the **inception date** and refund any premium paid after deducting an amount for expenses incurred.
- j) **We** can change the terms of this **policy** to reflect any levy, charge or imposition made under the Financial Services Compensation Scheme or other statutory or regulatory provision which affects directly or indirectly the insurance under this **policy**.
- k) **We** can change the terms of this **policy** or terminate it if there is:
- any change in the law or practice affecting the taxation or operation of Legal & General, **our** assets or this **policy**, or
  - any change in circumstances which, in **our** opinion, makes it impossible or impracticable to carry out one or more of the conditions of this **policy**.
- l) **We** can deduct from any amount payable under this **policy** any tax, duty, or other obligation for which **we** may be accountable in respect of such payments.
- m) Unless **we** have agreed with **you** otherwise, **we** will treat the **benefit** shown for a **category** without **flexible benefit** options as **core benefit**.
- n) **You** must include all eligible persons in this **policy**. If **you** don't, **we** will change the **policy** terms and conditions, or cancel the **policy**.
- o) **We** will change the **policy** terms and conditions, or cancel the **policy** if:
- you** don't include all eligible persons who meet the eligibility conditions for this **policy**; or
  - any **insured member** improves their **flexible benefit** at a time other than a **flex date**, or decreases their **flexible benefit** at a time other than a **monthly accounting date**, or
  - any **insured member** improves their level of **member's benefit** at any one **flex date** by more than the maximum level increase shown in the **category terms**, or
  - any **insured member** improves their **benefit termination date** (where the **flexible benefit** options include a choice for this) and increase the level of **member's benefit** at the same **flex date**.



# PART 7. Evidence of health and insurability

## 1 INTRODUCTION

This Part of the **policy** describes when **we** need details about an employee's health and hobbies before **we** can consider cover in respect of them.

**We** can ask for details about the health and hobbies of employees in other circumstances and formats that aren't shown in this Part before **we** consider cover in respect of them. If **we** do, **we** will tell **you** these additional terms and conditions:

- i. in the quote **you** accepted to set up this **policy**; or
- ii. in a quote **you** accept to revise the **policy**.

In the event of a conflict, **our** in-force quote terms and conditions relating to the health and hobbies of employees will take precedence over this Part of the **policy**.

Terms within this Part refer to an amount of cover known as the **free limit**. **We** can change the value of the **free limit** from time to time and will tell **you** if **we** do.

## 2 PROVIDING MEDICAL EVIDENCE

**You** are the first to know about new employees needing cover and **benefit** increases. **You** must identify and tell **us** about any employees who need to give **us** details of their health and hobbies.

**We** can ask for details in the form of:

- i. **full medical evidence**; or
- ii. a **discretionary entrant application for cover** form; or
- iii. an **actively at work** requirement; or
- iv. another format described in a quote **you** accept.

In respect of i. and ii. of this Section 2 of Part 7 of the **policy**, **we** can provide temporary cover shown in Section 9 of this Part of the **policy** for a limited period while details of health and hobbies are supplied to **us**, and **we** consider full cover.

In respect of iii. of this Section 2 of Part 7 of the **policy**, if an employee doesn't meet **our actively at work** requirement, **we** will delay the start of

the cover to which this requirement relates until the day they next meet the **actively at work** requirement.

In respect of i., ii. and iv. of this Section 2 of Part 7 of the **policy**, if **you** don't tell **us** in writing about an employee who needs to give **us** details of their health and hobbies, **we** will not cover the **benefit** to which these requirements relate.

## 3 FULL MEDICAL EVIDENCE

a) **We** will need **full medical evidence** before **we** will consider full cover for:

- i. **benefit** above the **free limit**; and
- ii. **benefit** where **we** needed a **discretionary entrant application for cover** form to consider, but couldn't accept because of the answers given on this form; and
- iii. any **benefit** the accepted quote describes as being subject to medical evidence or a Member's Declaration.

b) **We** will assess the **full medical evidence** and notify **you**:

- i. if **we** can provide cover for; and
- ii. if **we** will apply any **special terms** to;

the **benefit** for which **full medical evidence** was supplied.

c) If **we** accept cover for **benefit** for which **full medical evidence** was supplied:

- i. any **special terms** set by **us** will apply to that **benefit**. The new **special terms** will not apply to previously agreed cover,
- ii. if **you** do not agree to any **special terms** set by **us**, then **you** must write to **us** within 30 days of **us** setting the **special terms** to cancel the cover to which the **special terms** relate.

## 4 ELIGIBLE ENTRANTS

**We** will provide cover in respect of a new **eligible entrant** up to the **free limit** if he is **actively at work**.

The terms outlined in Section 3 of this Part of the **policy** will apply to any **benefit** above the **free limit**.

### 5 EARLY ENTRANTS

We will provide cover in respect of an **early entrant** up to the **free limit** if:

- i. he is **actively at work**; and
- ii. his cover starts on the first day of his **employment**, or within the following three months.

All other **early entrants** need to fill in and return a **discretionary entrant application for cover** form before **we** can consider cover in respect of him up to the **free limit**.

The terms outlined in Section 3 of this Part of the **policy** will apply to all **benefit** above the **free limit** and cover **we** cannot accept using a **discretionary entrant application for cover** form.

### 6 LATE ENTRANTS

Paragraphs a), b) and c) of this Section 7 of this Part of the **policy** apply where eligibility for this **policy** is subject to an employee being a member of a **retirement benefits arrangement**.

- a) In respect of a **late entrant** who joins **your retirement benefits arrangement** within six months of first meeting the eligibility conditions for that arrangement:
  - i. **we** will provide cover up to the **free limit** if he is **actively at work**; and
  - ii. **we** will need **full medical evidence** in accordance with Section 3 of this Part of the **policy** in respect of cover above the **free limit**.
- b) In respect of a **late entrant** who joins **your retirement benefits arrangement** at an **auto-enrolment event**:
  - i. **we** will provide cover up to the **free limit** if he is **actively at work**; and
  - ii. **we** will need **full medical evidence** in accordance with Section 3 of this Part of the **policy** in respect of cover above the **free limit**.

- c) In respect of a **late entrant** who joins **your retirement benefits arrangement** at any other time:
  - i. **we** will provide cover up to the lower of the **free limit** and £50,000 **benefit** if he is **actively at work**; and
  - ii. he will need to fill in and return a **discretionary entrant application for cover** form before **we** consider cover for **benefit** above £50,000, and within the **free limit**.
  - iii. **we** will need **full medical evidence** in accordance with Section 3 of this Part of the **policy** in respect of cover above the **free limit**.

All other **late entrants** need to fill in and return a **discretionary entrant application for cover** form before **we** can consider cover in respect of him up to the **free limit**.

The terms outlined in Section 3 of this Part of the **policy** will apply to all **benefit** above the **free limit**, and cover **we** cannot accept using a **discretionary entrant application for cover** form.

### 7 DISCRETIONARY ENTRANTS

All **discretionary entrants** need to fill in and return a **discretionary entrant application for cover** form before **we** can consider cover in respect of them up to the **free limit**.

The terms outlined in Section 3 of this Part of the **policy** will apply to all **benefit** above the **free limit**, and cover **we** cannot accept using a **discretionary entrant application for cover** form.

### 8 INCREASES IN RESPECT OF INSURED MEMBERS

An **insured member** must be **actively at work** for any proposed increase in **benefit** on the day of that increase, including benefit increases resulting from a **scheme earnings** increase and **flexible benefit** choices.

We will tell you in writing of any additional terms and conditions we will apply in respect of insured members if:

- i. benefit is above the free limit; or
- ii. special terms apply to any part of the benefit; or
- iii. cover for any part of the benefit has been subject to full medical evidence.

## 9 TEMPORARY COVER

- a) If we have asked for full medical evidence or a discretionary entrant application for cover form to help us consider full cover, we can provide temporary cover in respect of that benefit for up to 90 days starting from the later of:
  - i. the day you need the cover to start; and
  - ii. the day we were first aware of the need for medical evidence.

We will apply the limits described in Section 9 b) of this Part of the policy.

- b) Temporary cover limits:
  - i. we will not pay benefit for an employee whose injury or illness is caused by any medical condition they were diagnosed with, or displaying symptoms of, within the five years before temporary cover starts,
  - ii. we will restrict temporary cover so the total value of the employee's benefit is not more than the maximum scheme benefit,
  - iii. we will not give temporary cover to any employee whose cover has been refused or already has special terms attached unless the disablement was caused by an accident,
  - iv. we will not give temporary cover to any employee who has refused to give details of his health or hobbies to allow consideration of cover, either now or in the past, unless the disablement was caused by an accident,
  - v. we will end the temporary cover when we send our decision letter.

# PART 8. Definitions

## Accident

Means an unforeseen and undesigned casualty or mishap caused by violent accidental external and visible means which both occurs, and is the exclusive and immediate cause of disablement of the **member** during the temporary cover period described in Part 7, Section 9.

An accident does not include disablement:

- i. caused directly or indirectly in whole or in part by alcoholic intoxication, the influence of narcotics or drugs and medical or surgical treatment (except as made necessary because of the accident); or
- ii. caused by, or happening through, attempted suicide or intentional self-injury.

## Accounting method

Means the method or methods for calculating premiums due under this **policy** as specified in the **schedule** and defined in this Part 8 of the **policy**.

## Accounting period

Means the period starting on the **inception date** and ending on the day before the first **annual renewal date** and thereafter any period starting on an **annual renewal date** and ending on the day before the next **annual renewal date**.

## Actively at work

Means the employee is in full active employment, and physically and mentally able to perform all the duties associated with their normal job on the day the cover is due to start.

## Activities of daily working

Means the **insured member** is incapacitated by an illness or injury so that he meets (with or without aids or adaptations) at least three of the criteria in Section A or one of the criteria in Section B below:

### Section A

- i. Walking: cannot walk more than 200 metres on a level surface without stopping due to breathlessness, angina or severe pain elsewhere in the body.

NOTE: a claim under this section should be supported by evidence that the **insured member** has been prescribed and is taking appropriate medication.

- ii. Rising/Sitting: is unable to rise and sit using a raised chair with arms without the help of another person.
- iii. Dexterity: is unable to write legibly with a pen or pencil or use a keyboard with either hand.
- iv. Communication: cannot (a) clearly hear (with a hearing aid or other aid if normally used) conversational speech in a quiet room in his first language, or (b) understand simple messages in his first language; or (c) speak with sufficient clarity to be clearly understood in his first language.
- v. Eyesight: visual ability is reduced to the extent that functional abilities are affected and independent functioning without physical assistance from another person in a workplace is impossible, even with the use of assistive devices.

### Section B

- i. Severe mental illness means the diagnosis by a Specialist Consultant Psychiatrist of one of the following
  - Schizophrenia, Bipolar Affective Disorder, Paranoid (delusional) psychosis, schizo-affective disorder or
  - Severe depressive illness which:
    - has chronic unremitting symptoms; and
    - has not responded to comprehensive management and treatment which the individual has complied with for a period of greater than 12 months; and
    - has resulted in an inpatient admission to a psychiatric ward for more than seven consecutive nights.

The **insured member's** ability to think, communicate and behave appropriately must be so impaired as to significantly interfere with his ability to deal with the ordinary demands of life.

- ii. Organic brain disease or injury: suffers from chronic organic brain disease or brain injury (confirmed by neurological investigation or imaging techniques) affecting the **insured member's** ability to reason and understand to the extent that they require continual supervision by another person 24 hours a day.

#### **Additional benefit**

Means at any date the annual rate of additional benefit in respect of an **insured member** calculated in accordance with the **schedule** as the amount relating to National Insurance contributions and/or to contributions payable to a **retirement benefits arrangement** in respect of him as if he had become a **disabled member** at such date.

Additional benefit will not appear in the **schedule** for **categories** where it is not insured.

#### **Annual renewal date**

Means the annual renewal date shown in the **schedule**.

#### **Associated policy**

Means any policy associated to this **policy** as shown in the **schedule**.

#### **Auto-enrolment event**

Means the day **you** start pension scheme auto-enrolment. It's also the day every three years when **you** automatically re-enrol the employees to the pension scheme who had previously decided to opt out.

#### **Basic allowance**

Means the annual rate of the **prescribed amount**, which may be payable after the assessment phase, of the **employment and support allowance**.

#### **Basic annual salary**

Means for each **insured member** the annual rate of his basic pay from the **employers**.

If an **insured member** is paid on an hourly basis, the annual rate of his basic pay shall be taken as 52 times the weekly rate for the **employer's**

standard working week which is appropriate to the nature of his **employment**. Pay in respect of any hours of work in excess of the **employer's** standard working week shall be ignored for the purposes of working out the weekly rate.

#### **Benefit**

Means **member's benefit** and **additional benefit** (if any).

#### **Benefit alteration date**

Means the benefit alteration date shown for the relevant **category** in the **schedule**.

#### **Benefit increase date**

Means the benefit increase date shown for the relevant **category** in the **schedule**.

#### **Benefit increase rate**

Means the benefit increase rate shown for the relevant **category** in the **schedule**.

#### **Benefit start date**

Means for an **insured member**, the day immediately after the last day of the **deferred period**.

#### **Benefit termination date**

Means the benefit termination date shown for the relevant **category** in the **schedule**.

#### **Category**

Means the **category terms** applicable to an **insured member**.

#### **Category terms**

Means the terms shown in the **schedule** for the relevant **category**.

#### **Core benefit**

Means the core benefit and any **additional benefit** shown for the relevant **category** in the **schedule**. If the **flexible benefit** options include a choice of **benefit termination dates**, core benefit also means the shortest **benefit termination date** option or an **insured member**.

## Flexible group income protection

### Consumer Price Index

Means the rate of increase measured by the Consumer Price Index published by the Office for National Statistics (or, should it be discontinued, such other Index considered by **us** to be an appropriate replacement) for the period of twelve months ending at that date.

### CPI

Means the **Consumer Price Index**.

### Deferred period

Means for each **insured member** the period of consecutive weeks shown for the relevant **category** in the **schedule** starting with the first day that he was:

- unable to work;
- only able to work reduced hours; or
- only able to work in a reduced capacity;

because of an injury or illness that resulted in him becoming a **disabled member**.

If a **disabled member** returns to work during the deferred period, but becomes unable to work again because of his injury or illness, **we** will link the separate periods of absence together as long as:

- each absence is for at least five consecutive working days;
- each absence is because of the same or a related injury or illness; and
- all the absences **we** link have been within the last 52 weeks.

### Disabled member

Means an **insured member** who at any time,

- i. meets the **incapacity definition**, and
- ii. is not engaged in any other occupation, other than one which causes payment of a partial benefit in accordance with Part 3, Section 7 of this **policy**.

### Discretionary entrant

Means an employee who does not meet the **eligibility terms**, but **you** want **us** to include for cover under the **policy**.

### Discretionary entrant application for cover

Means a short form an employee completes that asks questions about their health. **We** use the details given by the employee to assess if **we** can give full cover, or if **we** need **full medical evidence** before **we** can consider full cover.

### Early entrant

Means an employee **you** want **us** to include for cover under the **policy** before they complete the qualifying service or reach the first **entry date**.

### Effective date

Means the effective date shown in the **schedule**.

### Eligible entrant

Means an employee included in accordance with Part 2, Section 1 of this **policy** at his first **entry date**.

### Eligibility terms

Means the terms set out in the **schedule** for inclusion as an **insured member**. This includes the description under the category terms as well as the criteria set out under eligibility terms.

### Employer

Means collectively the **principal employer** and any other employer whose employees have been included for cover under this **policy**. Inclusion of an employer in this **policy** after the **inception date** will be subject to our agreement and to such changes to the terms and conditions of this **policy** that **we** specify. In respect of any **insured member** 'employer' means one of the employers by which he is for the time being employed.

### Employment

Means in respect of each **insured member** (including a **disabled member**) being in the employment of the **employer** and within an eligible **category** for membership of the **policy** as described in the **eligibility terms**.

**Employment and support allowance**

Means one or more of the parts of the employment and support allowance payable by the Department for Work and Pensions under statutory provisions at the date the member becomes a **disabled member**. However, where **member's benefit** under this **policy** is calculated on an **integrated** basis the value of the employment and support allowance used for working out the amount of **member's benefit** will be an amount equal to the annual rate of benefit payable following the assessment phase.

**Enhanced lump sum**

Means a **lump sum**, if shown in the relevant **category** in the **schedule** will be paid if an **insured member** is still a **disabled member** at the **benefit termination date**. To calculate the **lump sum** the last 12 months of **member's benefit** will be increased by the **benefit increase rate** if applicable.

**Entry date**

Means the entry date as set out for the relevant **category** in the **schedule**.

**Essential duties**

Means the duties that are normally required for the performance of the **insured member's** insured occupation and which cannot reasonably be omitted or amended.

**Exact cost accounting**

Means that premiums payable under this **policy** for each **accounting period** will be calculated by **us** using the **scheme earnings** and **premium rates** for each **insured member** at the first day of such **accounting period**. The premium calculated will be subject to adjustment to take account of:

- i. any changes in **scheme earnings** for each **insured member** occurring during the **accounting period**, and
- ii. any changes in the number of **insured members** under this **policy**.

**We** will notify **you** of any extra premium needed or of any refund to be made arising from such adjustment.

**Flexible benefit**

Means any insurance that is above the **core benefit**.

**Flex date**

Means the flex date shown for the relevant **category** in the **schedule**.

**Free limit**

Means the free limit shown in the **schedule** or the in-force quote, being the maximum amount of cover **we** will provide to an **insured member** without the need for medical evidence or details of their hobbies. **We** will tell **you** the free limit as a level of **benefit** or **scheme earnings**.

**Full medical evidence**

Means a completed Member's Declaration form and any other details about an employee's health and hobbies **we** may subsequently ask for to help **us** consider full cover. This may include a medical examination and or blood and other tests.

**Guarantee expiry date**

Means the guarantee expiry date shown in the **schedule** and any subsequent date **we** tell **you** in writing.

**Guarantee period**

Means the period starting on the **inception date** and ending on the **guarantee expiry date** and thereafter any period ending on a **guarantee expiry date** notified to **you** by **us**.

**Incapacity definition**

Means that shown for the relevant **category** in the **schedule**.

**Inception date**

Means the inception date shown in the **schedule**.

**Insured member**

Means a person who is accepted for insurance under this **policy**.

**Integrated**

Means the **member's benefit** for the **category** in the **schedule** is shown as an amount of **scheme earnings** less, where payable, the **basic allowance**.

## Flexible group income protection

### Late entrant

Means an employee **you** want **us** to include for cover under the **policy** at a date after they first met the eligibility conditions.

### Lifestyle event

Means a lifestyle event shown for the relevant **category** in the **schedule**.

### Limited term

Means payment of **benefit** is restricted to a period of months or years as shown in the relevant **category** in the **schedule**. If a limited term applies, it will be shown under **benefit termination date** in the **schedule**.

### Lump sum

Means the amount of **lump sum** benefit shown for the relevant **category** in the **schedule** that is paid at the end of a **limited term**. If insured, the lump sum will be shown for the relevant **category** in the **schedule**.

### Maximum benefit

Means the maximum benefit payable in respect of an **insured member** as shown for the relevant **category** in the **schedule**.

### Maximum insured benefit

Means the maximum insured benefit shown for the relevant **category** in the **schedule**.

### Maximum scheme benefit

Means for a **disabled member**, 90% of his **total remuneration** less (the **basic allowance** and other regular income commencing after the start of the **deferred period**).

**We** will restrict maximum scheme benefit so it's not more than the **maximum insured benefit**.

Other regular income does not include the **member's benefit** or any component of the **employment and support allowance** not used in the calculation of **member's benefit**. It also does not include any regular income or lump sums received from a registered pension scheme or any other income **we** consider appropriate to exclude.

**We** will not take account of any increase in **member's benefit** given in accordance with Part 3, Section 8 of the **policy**, or any regular inflation related increase to any other regular income.

### Member's benefit

Means the annual rate of benefit in respect of an **insured member** calculated in accordance with relevant **category** in the **schedule** as if he had become a **disabled member** at such date.

**Member's benefit** will be restricted, if necessary, so that it does not exceed **maximum insured benefit**.

### Monthly accounting date

Means the **inception date** and thereafter the day of the month the **annual renewal date** corresponds to in each following month. If the day doesn't occur in a month, it will be the last day of that month.

### Monthly change accounting

Means premiums payable under this **policy** will be worked out at the start of the **accounting period** and at each following **monthly accounting date** during that **accounting period**.

**We** will have agreed with **you** if premiums will be worked out using the in force:

- i. **unit rate**, or
- ii. **premium rates**, or
- iii. **unit rate** and **premium rates**.

If both the **unit rate** and **premium rates** are used, **we** will have agreed with **you** the part of the insurance the **unit rate** is used to work out premiums for, and the part of the insurance the **premium rates** are used to work out premiums for.

The **unit rate** is an annual premium rate. Therefore to work out a month's premium, the **unit rate** will be multiplied by one-twelfth in the premium calculation.

If the period for which a premium is due for is less than one calendar month, it will be proportionately reduced.



### No change accounting

Means **we** will work out premiums payable under this **policy** for each **accounting period** by multiplying the **total scheme earnings**, or an amount of insured **member's benefit** agreed between **you** and **us**, at the first day of such **accounting period** by the **unit rate** then in force.

### Notional basic allowance

Means the annual rate of the **prescribed amount**, at the day immediately before the implementation of any change in legislation or new legislation which affects the operation of the state welfare system.

For the purposes of calculating **member's benefit**, **basic allowance** will be deemed to continue to apply and will be increased each year in line with and at the same time as the Department of Work and Pensions uprates similar working age benefits.

### Notional employment and support allowance

Means one or more of the parts of the **employment and support allowance** payable by the Department for Work and Pensions under statutory provisions at the day immediately before the implementation of any change in legislation or new legislation which affects the operation of the state welfare system.

For the purposes of calculating **member's benefit**, **employment and support allowance** will be deemed to continue to apply and will be increased each year in line with and at the same time as the Department of Work and Pensions uprates similar working age benefits.

### Notional statutory sick pay

Means the weekly rate of **statutory sick pay** at the day immediately before the implementation of any change in legislation or new legislation which affects the operation of **statutory sick pay**. For the purposes of calculating any lump sum benefit linked to **statutory sick pay** it will be deemed that **statutory sick pay** continues to apply and will be increased each year in line with and at the same time that the Department of Work and Pensions uprates working age benefits for those who are unable to work due to illness or injury.

### Notional support component

Means the annual rate of the **support component**, at the day immediately before the implementation of any change in legislation or new legislation which affects the operation of the state welfare system.

For the purposes of calculating **member's benefit**, **support component** will be deemed to continue to apply and will be increased each year in line with and at the same time as the Department of Work and Pensions uprates similar working age benefits.

### Notional work-related activity component

Means the annual rate of the **work-related activity component** at the day immediately before the implementation of any change in legislation or new legislation which affects the operation of the state welfare system.

For the purposes of calculating **member's benefit**, **work-related activity component** will be deemed to continue to apply and will be increased each year in line with and at the same time as the Department of Work and Pensions raises similar working age benefits.

### Own occupation

Means the **insured member** is incapacitated by illness or injury that prevents him from performing the **essential duties** of his occupation immediately before the start of the **deferred period**.

The **insured member's** capacity to perform the **essential duties** of his own occupation will be determined whether or not that occupation remains available to him.

### Overriding provisions

Means the additional provisions which apply to this **policy** which are set out in the **schedule**.

### PAYE earnings

Means for each **insured member** his total earnings from the **employer** (as taken into account for Pay As You Earn purposes before the deduction of any contributions to a **retirement benefits arrangement**) during the year ending on 5 April.

## Flexible group income protection

If his earnings from the **employer** for that period of 12 months is lower than it would otherwise have been because he has been temporarily absent or has not been in the **employment** of the **employer** for the whole of the 12 months, his PAYE earnings in respect of that period shall be taken as such amount as shall be reasonably estimated by the **employer**.

### Permanently disabled

Means the permanent disablement of an **insured member** through illness or injury such that he is, and will remain, unable to engage in any paid employment for more than 16 hours per week.

### Policy

Means this policy and the **schedule** issued by **us** which constitutes the contract between **you** and **us**.

### Premium rates

Means at any given date the rates of premium in use by **us** for calculating premiums under this **policy** when the **accounting method** is **exact cost accounting**. It also means the rates of premium shown in a rate table that we may use to calculate premiums for **flexible benefit**.

### Prescribed amount

Means the annual rate of the amount specified in, or determined in accordance with, regulations made by the Secretary of State for Clause 2(1)(a) and the **basic allowance** part of Clause 4(2)(a) of Part 1 of the Welfare Reform Act 2007.

### Principal employer

Means the **employer** to whom this **policy** is issued as shown in the **schedule**.

### Progressive

Means for an **insured member**, payment of **benefit** under this **policy** is assessed against:

- i. **own occupation** for a period of two years starting on the **benefit start date**, then
- ii. **suited occupation** for the next two years, then
- iii. **activities of daily working** thereafter.

### Retail Prices Index

Means the rate of increase measured by the Retail Prices Index published by the Office for National Statistics (or, should it be discontinued, such other Index considered by **us** to be an appropriate replacement) for the period of twelve months ending two months before the **benefit increase date**.

### RPI

Means the **Retail Prices Index**.

### Rehabilitation programme

Means a comprehensive programme of medical, clinical and vocational support for a **disabled member**, the objective of which is to restore him to his fullest physical, mental and social capability with the intention of reintegrating him to the workplace.

### Retirement benefits arrangement

Means in respect of an **insured member** any pension scheme provided by the **employers**.

### Schedule

Means the schedule to this **policy**.

### Scheme earnings

Means the employee's earnings as shown in the relevant **category** in the **schedule** at the **benefit alteration date**.

Where **scheme earnings** includes fluctuating amounts such as bonus or commission and these have exceeded £10,000 in any of the previous three years, the amount of the fluctuating amounts shall be taken as the average amount received from the **employers** over those three years.

### Special terms

Means the terms that **we** offer for cover which **we** cannot accept at ordinary rates. This will include medical extra premium loadings, exclusions, restrictions, postponements or where cover is declined.

**Standard lump sum**

Means a **lump sum**, if shown in the relevant **category** in the **schedule** will be paid if an **insured member** is still a **disabled member** at the **benefit termination date**. The **lump sum** paid will be the lesser of:

- i. the amount of **lump sum** shown in the relevant **category** in the **schedule** (increased by the **benefit increase rate** if applicable), and
- ii. the **member's benefit** received in the previous month (increased by the **benefit increase rate** if applicable) multiplied by the period in complete months from the end of the **limited term** until reaching the age shown in the **benefit termination date** applicable to that **insured member**.

**State pension age**

Means in respect of the **insured member** the later of his:

- i. state pension age or state pension date shown in the **state pension age vintage table**; and
- ii. 65th birthday.

**State pension age vintage table**

Means the table referred to in the **schedule**.

**Statutory sick pay**

Means the weekly rate of statutory sick pay paid by employers to their employees from the fourth day of sickness absence for up to 28 weeks. Section 151 of the Social Security Contributions and Benefits Act 1992 requires employers to make these payments.

**Suited occupation**

Means the **insured member** is incapacitated by an illness or injury so that he is unable to undertake all occupations which **we** consider appropriate to his experience, training or education.

For the purposes of this definition an occupation will not be considered to be inappropriate to an **insured member's** experience, training or education on the grounds that:

- i. the pay from such occupation may be lower than that paid to the **insured member** prior to the **deferred period** in relation to his own job or lower than the amount of **member's benefit**, or
- ii. such occupation lacks the status or seniority associated with the **insured member's** own job.

For this definition 'own job' means the essential duties required of the **insured member** in his occupation immediately before the start of the **deferred period**.

**Support component**

Means the annual rate of the Support Component, which may be payable after the assessment phase, of the **employment and support allowance** payable by the Department of Work and Pensions under statutory provisions.

**Sweep up accounting**

Means **we** will work out premiums payable under this **policy** for each **accounting period** by multiplying the **total scheme earnings**, or an amount of insured **member's benefit** agreed between **you** and **us**, at the first day of the **accounting period** by the **unit rate** then in force.

The premium calculated will be subject to adjustment to take account of any changes in membership and insured **benefits** occurring during the **accounting period**. **We** will notify **you** of any additional premium required or of any refund to be made to **you** arising from such adjustment.

**Total core benefit**

Means at any date the total **core benefit** of all **insured members**.

## Flexible group income protection

### Total earnings

Means for each **insured member** his total earnings from the **employer** (as taken into account for Pay As You Earn purposes before the deduction of any contributions to a **retirement benefits arrangement**) during the year ending on the day prior to the last **benefit alteration date**.

If his earnings amount from the **employer** for that year is lower than it would otherwise have been because he has been temporarily absent or has not been in the **employment** of the **employer** for the whole of that year, his total earnings in respect of that period shall be taken as such amount as shall be reasonably estimated by the **employer**.

### Total remuneration

Means at any date for an **insured member** the annual rate of his total remuneration from the **employer** at that date (excluding director's fees) on the day immediately before the start of the **deferred period**.

### Total scheme earnings

Means at any date the total scheme earnings of all **insured members** other than any **disabled members** for whom **we** are paying **benefit** under this **policy**.

### Unit rate

Means an annual rate of premium for each £100 of **total scheme earnings** calculated by **us** to be effective from the **inception date** or any subsequent date in accordance with the terms

of this **policy**. If agreed between **you** and **us, we** will base the unit rate on an amount of **member's benefit** instead of **total scheme earnings**.

### We, Us and Our

Means Legal and General Assurance Society Limited.

### Work reintegration programme

Means a specific, structured and documented plan, the objective of which is to gradually reintroduce the **disabled member** to full active employment.

### Work-related activity component

Means the annual rate of the work-related activity component, which may have been payable after the assessment phase of **employment and support allowance**, payable by the Department of Work and Pensions under statutory provisions prior to the 6 April 2017 amendment which withdrew this for new claimants.

### You and Your

Means the **principal employer** to whom this **policy** is issued.

## Contact Us



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