

Key Features

Your questions answered

Income Protection | **Executive Income Protection**

Key Features - your questions answered

Executive Income Protection

Important

You should ensure you have a full understanding of the plan before making a purchase.

This key features document gives you the main points about the income protection plan you're considering. It is therefore important that you read it carefully together with any illustration of the benefits and costs. Please keep them with your other Plan documents.

This key features document follows the Association of British Insurers' Statement of Best Practice for Income Protection Insurance.

Aims

- To provide an employee or director with a regular monthly benefit if they suffer illness or injury limiting their ability to work and leading to a loss of earnings. The benefit is intended to replace their lost earnings.

Your commitment

- To ensure that you give us all the information we ask for when applying for your Plan and when claiming benefit. If you don't do this we may not pay the benefit.
- To pay all the premiums we need for the length of the Plan.
- To tell us if the employee or director protected under the plan takes a career break or if they become unemployed.
- To tell us of any claim within the time limits we set.
- To select an appropriate level of cover and review it regularly to make sure it is enough to meet your needs but not more than we will pay under the terms and conditions of the Plan.
- To inform us of any change in the employee's/director's health between the date of your application and notification that we have issued your Plan.

Risk factors

- The employee/director won't be covered if you don't pay premiums on time. However, you don't need to pay premiums when you're receiving benefit.
- The cover may be less than is needed if you don't review it regularly to keep it in line with the individual's earnings. However, if their cover is more than you are allowed to claim under the Plan, then we will reduce your benefit. We won't refund any premiums if this happens.
- The benefit we pay under the Plan which you then pay to the individual may affect claim to some means-tested State benefits. However, their entitlement to State Incapacity Benefit won't currently be affected.
- State benefit rules may change.
- You may choose between reviewable and guaranteed premiums. If you choose reviewable premiums we may change your premiums in the future because of factors such as our claims costs (see "Premiums" in Section 3 of the Plan's terms and conditions).
- If you do not provide any information we ask for, or if the information you provide is untrue, incomplete or misleading, we may not pay out benefit.
- Certain causes of claim will not be covered (see "When will the Plan not pay out?" on page 7).
- Your Plan has no cash-in value at any time.

Key Features - your questions answered

Executive Income Protection

Questions and answers

What is Unum Executive Income Protection?

A Plan that provides employees or directors of a company with a monthly benefit if they suffer illness or injury limiting their ability to work and leading to a loss of earnings.

- You decide:
 - the amount of benefit you need
 - how soon you would like the benefit to start
 - how long you want the cover to last
 - how long you need the benefit to be paid
 - whether to pay guaranteed or reviewable premiums.
- You pay regular premiums to keep the cover in force.
- We provide cover until your Plan ends no matter how many claims you make (but see also "Claiming again after returning to work" on page 6).
- You tell us when illness or injury limits the employee's/director's ability to work.
- We pay you a monthly income for as long as the claim is valid. This may be verified by regular assessments of the individual's fitness for work.
- You tell us when the individual's illness or injury no longer prevents them from working.

How do I select the Plan's features so that it meets my needs?

This section deals with the choices you make when setting up your Plan.

The amount of benefit that can be paid

You choose the amount of benefit you will need to fund your financial commitment to the employee/director during their incapacity.

You can select any amount of cover up to 80% of the individual's earnings as the benefit you want them to receive during their incapacity.

This is subject to a maximum initial level of cover of £300,000 per year.

When choosing the amount of cover, remember that, if you claim, benefit will be restricted if the total of:

- the income they continue to receive (including the taxable value of certain non-cash benefits or benefits in kind you provide if you ask us to insure them at outset)
- the long term benefit payments received from us and all other insurance providers during their incapacity
- any early retirement pension payments paid to them

exceeds 80% of their pre-tax earnings assessed under Pay As You Earn (PAYE) in the 12 months before their ability to work was restricted due to illness or injury.

You can also protect the additional costs associated with continuing to pay them during incapacity. You can insure the employer's National Insurance contributions you would have to pay. The amount you choose should be based on the amount you expect to pass on to the individual through PAYE, not their current salary or fees.

You can also insure the pension and life assurance premiums in respect of the individual that you will continue to make during their incapacity. The amount you select should be no more than a third of their current earnings and no more than £50,000. Employer's National Insurance contributions can also be covered up to £40,000.

Key Features - your questions answered

Executive Income Protection

The earnings upon which to base your cover

This is the combined value of pre-tax income paid under PAYE and the taxable value of selected non-cash benefits received as benefits in kind in the twelve months before the individual's ability to work is affected by illness or injury. If the individual is a shareholding director of the business, we are also able to take into account dividends that they might also receive from the business.

Please refer to our 'Earnings Guide for Executive Income Protection policyholders' for further details, or ask for a copy of our product terms and conditions.

Increasing your cover

Your cover will increase automatically each year in line with the Retail Prices Index up to a maximum of 12%.

Your cover can increase each year until it reaches a maximum level of £600,000 a year in relation to your basic earnings and if applicable, £180,000 a year to cover employer's National Insurance contributions and pension and life assurance costs.

We will increase your premium when your cover goes up (regardless of whether you have selected guaranteed or reviewable premiums - see "Changes to your premium payments in the future" on page 8).

We'll write to you beforehand to tell you about the increase and confirm the revised premium. You can choose not to accept any increase. If you decide not to take up two consecutive increases, we won't write to you again offering this. You may ask us later to increase your cover but we'll need new information about the individual's health, occupation and finances before we agree to do so.

You may also choose to increase your cover on special occasions under the Guaranteed Insurability Option (see "What other features are there?" on page 7).

You can apply to increase your cover at any other time, but you would need to give us information about the individual's work and hobbies, together with satisfactory evidence that they are still in good health, before we agree to make changes to your cover.

Automatic increases to your benefit payments

You may choose at the start of your Plan for the benefit you receive to increase each year from the anniversary of the date on which any claim becomes payable. You can choose for your benefits to increase by 5% each year or in line with the Retail Prices Index (up to a maximum of 12%). Your premium will be higher if you select this option.

When your claim payments stop, your cover and premiums will go back to what they were before your claim was accepted.

When benefit payments start

There will be a period following the start of the individual's illness or injury, which limits their ability to work, for which we don't pay benefit. This is known as the "deferred period". You can choose from 4, 8, 13, 26 or 52 weeks. The longer the deferred period, the lower the cost of your Plan will be.

Your choice should allow for any earnings that they expect to continue after they stop working, such as sick pay.

How long the cover should last

You choose for your Plan to end when you think the individual will no longer need the benefits, but no later than their planned retirement date. Your Plan is designed to last at least five years and your cover must end by the time they reach age 70.

Medical and other details we may need

Your application will include questions about the individual's health, finances and other personal circumstances. At our expense, we may also ask for a report from their doctor or for tests to check their current state of health.

Key Features - your questions answered

Executive Income Protection

What other benefits can I choose

Extra benefit with Disability Plus

You can choose the Disability Plus Option at the start of your Plan.

This provides 20% more benefit once a claim has been paid for two years and their illness or injury stops the individual doing a number of specified activities that they have to perform in their work and daily life. We describe these activities in the Plan's terms and conditions - see "Disability Plus" in Section 4.4. The maximum benefit rule (limiting payments to 80% of pre-incapacity earnings) would no longer apply in these circumstances.

How flexible is it?

This section deals with choices you can make once your Plan has started.

Regular review of your cover

You should consider how the individual's earnings and living costs have changed since you last reviewed your cover.

If you wish to increase your cover by more than any automatic options provided by your Plan, we will need new information about their health, occupation and finances before we agree to change your cover. Your premiums to us will increase.

You should also contact us if you wish to reduce your cover. Tell us how much you want to reduce your cover by and we will reduce your cover and the amount you pay.

Suspending your cover

Career break

If the individual stops working or takes a career break you can suspend your cover for up to one year provided we agree beforehand. Your cover and premium payments will stop until you re-start your Plan. They won't have to give us any further medical information when your cover starts again (see "Periods of unemployment – Career break" in Section 4.6 of your Plan's terms and conditions).

Change of occupation

After the Plan starts you don't need to tell us if the individual changes the type of work they do unless they are claiming benefit. You should tell us if they have a new employer (see also the section "What other features are there?" on page 7).

When will the Plan pay out?

When to claim

You can claim benefit when the individual's ability to work is limited due to illness or injury and this results in a loss of earnings.

Benefit payments will not start before the end of the deferred period (see "When benefit payments start" on page 4). But it is important that you do not wait until then to let us know about the individual's illness or injury. Please let us know as soon as you think their illness or injury might result in a claim. We will then be able to start the assessment process (see page 6) and ensure we are in a position to start your benefit payments on time.

How to claim

Contact us to ask for a claim form at:

**Unum,
Milton Court,
Dorking,
Surrey RH4 3LZ.**

Telephone: 01306 887766

The deadline for claiming

Tell us as soon as possible but:

- for 4 week deferred periods, 2 weeks from when they are first incapacitated
- for 8 and 13 week deferred periods, 4 weeks from when they are first incapacitated
- for deferred periods of more than 13 weeks, tell us 10 weeks from when they are first incapacitated.

We may refuse to pay a claim if you don't tell us within 90 days following the end of the deferred period.

Key Features - your questions answered

Executive Income Protection

The extent of incapacity

Benefit is usually paid where the individual is “unable by reason of illness or injury to perform the material and substantial duties of their occupation”.

Material and substantial duties are those normally done in your employee’s/director’s occupation and which cannot reasonably be left out or changed by either them or the business.

Please note that occupation is not restricted to one place of work.

If you keep your cover going while the individual is not working, we will pay benefit if they are unable to do certain physical tasks or if they suffer serious mental illness (see “Cover while not in occupation” on page 8).

How we assess your claim

We’ll look at the duties of the individual’s occupation, their ability to do them, and whether adjustments can be made to help them. We’ll also ask for evidence of their loss of earnings.

We’ll need evidence that they are under the care of a registered Medical Practitioner. We’ll also need confirmation that all suitable treatment options have been investigated. We might ask them to have an examination or undergo tests. Depending on the definition of incapacity which applies to them we may need evidence of their relevant education, training and work experience to assess their ability to do another occupation.

You’ll qualify for benefit if the individual meets the definition of incapacity described in “The extent of incapacity”.

How long the benefit is paid

Your benefit will be paid until the first of the following happens:

- the individual recovers or their illness or injury no longer prevents them working
- the individual no longer has a loss of earnings
- your Plan ends
- you have received benefit over a single period, or combination of shorter periods (relating to the same condition), up to the maximum benefit period you have selected of either 2, 3 or 5 years. It is possible to claim again for a previously unrelated condition where the individual has returned to work after the end of the limited benefit term and you have resumed payment of premiums. Should they not return to work at the end of the limited benefit period you may use the plan’s Career Break facility for up to a 12 month period. If they do not return to work and you do not recommence premiums within this 12 month period, the policy will lapse (see the Career Break Section on page 5)
- the individual dies.

Claiming again after returning to work

There is no limit to the number of claims you can make unless you have chosen cover that provides a specific number of benefit payments. In that case, once the cumulative total of the benefit payments reaches the limit you have chosen, you will not be able to make another claim for a recurrence of the same condition or a related condition. However, providing the individual has returned to work and you have recommenced premiums you may submit a new claim where their subsequent illness or condition is unrelated to any other that has previously led you to claim and where it is not a continuation of an earlier claim. Future claims for unrelated conditions will be tested against their ability to perform their new occupation.

Please note that on returning to work, your cover and premiums will revert to the same level prior to your claim.

The deferred period will not apply if you need to claim again for the same cause within 12 months of returning to work.

Key Features - your questions answered

Executive Income Protection

Returning to part-time or less well paid work

If, because of the individual's illness or injury, they can only return to work part-time or on a lower salary, we'll pay you a lower benefit, which takes account of their reduction in earnings. The maximum number of benefit payments that can be paid on this basis may be restricted where a limited benefit term has been selected. Future claims for unrelated conditions will be tested against their ability to perform their new occupation.

How benefits are paid

Benefits are payable at the end of each month and will start from the end of the deferred period.

Premium payments when claiming

You should continue to pay premiums until we accept your claim. However, you don't need to pay premiums to us while benefit is being paid.

Other income which may reduce your benefit

We'll reduce your benefit if any of the following takes them over the maximum we will allow (which is explained in "The amount of benefit that can be paid" on page 3):

- continuing payments from their employment - such as sick pay
- pension payments - unless they would have received them if they were still working
- other insurance benefits - if they are payable for more than two years and arise because of their incapacity and either provide regular payments to them or make regular payments on their behalf - such as mortgage payments.

If the benefit is reduced we won't refund any of your premiums.

We won't reduce the benefit if the individual receives

- Social Security benefits
- Income Support or other means-tested State benefits. However, benefit payment from your Plan may affect their eligibility for, or the amount of, means-tested State benefits
- investment income from savings and investments.

When will the Plan not pay out?

We do not apply standard exclusions but we may apply special terms in some cases. If so we'll tell you before you start your Plan.

You cannot claim if the individual wasn't in paid work when they became incapacitated, unless you notified us in writing that you wish to effect the "Cover while not in occupation" option (see page 8).

You cannot claim just because the employee/director no longer works for you.

What other features are there?

The individual can arrange with you to transfer this Plan to a new employer, or take out their own policy for income replacement, if they leave you and have another job to go to. They don't need to give us any medical information if they apply for the same or less cover within 28 days of leaving. Their cover will then be based on the terms and conditions we then offer.

Guaranteed options to increase cover on special occasions.

You have the option to buy further cover at specific times until the individual reaches age 55 when they:

- marry or enter into a civil partnership under the Civil Partnership Act 2004
- have children
- increase their mortgage
- receive a salary increase of at least 10% following a significant promotion or achievement of a professional qualification.

You also have the option of increasing your cover on every third policy anniversary until they reach age 55.

Terms and conditions will apply when using these options to increase cover, but you will not be required to provide further evidence that they are still in good health.

Key Features - your questions answered

Executive Income Protection

A nominal death benefit

If the employee/director dies during the first 12 months of a continuous period of claim and their death is as a result of the same illness or injury, we will pay 12 times the last monthly benefit paid, less the benefit already paid.

Cover while not in occupation

This provides cover while the individual is not in a paid occupation. We will pay benefit if they are unable to do certain physical tasks or if they suffer serious mental illness. You will find details in the Plan's terms and conditions (see "Periods of unemployment – Cover while not in occupation" in Section 4.7 of the Plan's terms and conditions). The maximum payable will be the benefit under the plan immediately before the option was exercised.

Worldwide cover

The Plan is only available to UK residents. But the individual is covered if they decide to live, work or travel anywhere in the world. However, we will only cover their non U.K taxable earnings providing they arise in the currency of one of the following countries:

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

As is the case when residing in the United Kingdom, benefit will be paid only if you provide us with the information we need to assess your claim in a form which is acceptable to us.

The cost of any medical examination and any tests (including blood tests and saliva tests) that we may ask for which are carried out outside the United Kingdom will be paid for by us at the rates reasonably expected to be paid for the same medical examination or test in the United Kingdom. We will not be liable for any costs you incur in their attending medical examinations and any tests or in supplying any other information.

Please note that we will only make benefit payments to a U.K bank account in pounds sterling. Where the individual's usual earnings are expressed in another currency, we will apply the prevailing sterling exchange rate at the date their incapacity started in calculating the amount of benefit that we will pay.

Access to rehabilitation services

When you receive benefit our team of Vocational Rehabilitation Consultants can provide practical solutions to enable the individual to return to work. The Consultants include a range of health and vocational rehabilitation specialists with a wealth of experience and can give you advice about the benefits the individual is entitled to and how they can return to work.

You will find full details of all these other benefits in the Plan's terms and conditions (see "Benefits" in Section 4 and "Claiming benefit" in Section 6).

What will my premium payments be?

Your premiums depend upon factors such as the age, gender, occupation, pastimes, and medical history of the individual employee or director and on the level and features of the cover you choose. They also depend on whether you chosen to pay guaranteed or reviewable premiums.

Your illustration will show the normal cost of the cover you have chosen. We'll confirm the actual cost you'll pay once we have assessed your application.

You must pay premiums by direct debit, either monthly or yearly.

Changes to your premium payments in the future

If you choose guaranteed premium payments, the cost of your cover will only change if you increase your cover in line with the Retail Prices Index, or if you change your cover to meet your changing needs (see "Increasing your cover" in Section 5 of the Plan's terms and conditions).

If you choose reviewable premium payments, we will work out the premium for your Plan based on assumptions about certain factors which we believe are reasonable. We will review these factors and, if our view of these factors differs from the view we took of them at the start of the Plan or at the last review, we may change your premium based on that information. The factors that we take into consideration for Plans of this type are:

- our experience or expectation of claims;
- our experience or expectation of investment returns;

Key Features - your questions answered

Executive Income Protection

- our experience or expectation of expenses;
- our experience or expectation of the amount of time Plans of this type remain in force;
- changes to the taxation, legislation or regulations applicable to the plan.

We will write to you beforehand to tell you of any change. There is no limit by which your premium might change, but any such change will be applied in a fair and reasonable way to all the people who hold a reviewable Plan of this type, not only you.

What happens to the Plan if the employee/director dies?

There is a small death benefit (see “What other features are there?” on page 7). Your Plan will come to an end. We will not refund any premiums.

What are the charges?

The premiums shown in your illustration include all the costs of administration, underwriting, claims and selling expenses, commission paid to your adviser (if any) and the fees payable for any medical examinations in the United Kingdom, which we ask the individual to attend.

What if I stop paying premiums?

You can stop your cover at any time but we can't.

You can stop paying premiums for up to 12 months because your employee or director takes a career break or decides to raise a family. You can start your cover again when the individual returns to work without providing medical information (see “Periods of unemployment – Career break” in Section 4.6 of your Plan's terms and conditions).

If you pay your premiums yearly and decide to stop part way through the year we will refund part of your premium.

If you pay monthly premiums and stop paying your Plan and cover will end. You won't get any money back.

Does the Plan have a cash-in value?

Your Plan has no cash-in value at any time.

What about tax?

Premiums are not treated as a P11D benefit. The Inland Revenue does not normally grant tax relief on premiums paid for any individual with a proprietary interest in the company. However, they may sometimes grant tax relief provided that a substantial number of other employees are entitled to similar benefits. Clarification of the tax position in such cases should be sought from your local Inspector of Taxes. Alternatively, you may wish to refer to your intermediary for advice.

Can I change my mind?

You have the right to cancel within 30 days of receiving your Plan documentation.

After we accept your application and issue your Plan, we'll send you a Cancellation Notice. If you don't want the Plan, you have 30 days to send this Notice back and get a refund on any premiums you have paid.

If you wish to send us a completed Cancellation Notice please return it to the address which can be found on page 10.

Other Information

How to complain

If you ever need to complain, first write to the Customer Feedback Team at:

**Unum,
Milton Court,
Dorking,
Surrey RH4 3LZ.**

If you're not satisfied with our response, you can complain to:

**Financial Ombudsman Service
South Quay Plaza,
183 Marsh Wall,
London E14 9SR.**

Complaining to the Ombudsman won't affect your legal rights.

Key Features - your questions answered

Executive Income Protection

Terms and Conditions

These key features give a summary of the Unum Executive Income Protection plan. They don't include all the definitions, exclusions, terms and conditions.

If you'd like a copy of the full terms and conditions before you decide to apply for a plan, please ask your financial adviser or contact us direct.

We have the right to change some of the terms and conditions of your Plan because of changes in the law or taxation. We'll write and explain if this happens.

Unum Limited issues the policy.

All our documents and correspondence with you will be in English.

Law

The policy is governed by the laws of England and any dispute is subject to the sole jurisdiction of the English Courts.

Compensation

Compensation may be available under the Financial Services Compensation Scheme (FSCS) if we are unable to pay any monies due. It is designed to help protect you if Unum becomes insolvent.

Compensation for long term insurance contracts is limited to 90% of the benefit due under your Plan with no upper limit - information correct as at 01/01/2010.

Further information is available from the FSCS at www.fscs.org.uk or by calling 020 7892 7300.

Our regulator

Unum Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Our firm reference number (FRN) is: 110408

You can verify these details by contacting the Financial Conduct Authority on: 0845 606 1234 or visit

<http://www.fsa.gov.uk/register/firmSearchForm.do>

ABI Statement of Best Practice

The Association of British Insurers (the ABI) is the trade association for insurance companies in the United Kingdom. Its members account for virtually all of the life insurance and pensions business written in the UK.

This document follows the ABI Statement of Best Practice for Income Protection Insurance. You can get a copy of the ABI Guide to Income Protection from us or from the Association of British Insurers, 51 Gresham Street, London, EC2V 2HQ. Telephone: 020 7600 3333.

www.abi.org.uk

How to contact us

Remember your financial adviser will normally be your first point of contact. We are not allowed to give you financial advice.

If you have any questions at any time, you can phone, send a fax or you can write to us.

Call us on: **0117 910 7600**

Monday - Friday, 8am - 5.30pm

Textphone: **01306 887784**

Monday - Friday, 9am - 5pm

Office address: **Unum,
Milton Court,
Dorking,
Surrey RH4 3LZ.**



About Unum

Unum is one of the UK's leading providers of financial protection with more than 40 years' experience.

Unum helps employers protect their workers by providing access to financial protection, safeguarding employees from the financial consequences of serious illness, injury or death.

At the end of 2012, Unum protected almost 2 million people in the UK and paid claims of £320 million - representing in excess of £6 million a week in benefits to our customers - providing security and peace of mind to individuals and their families.

In the UK, Unum has a financial strength rating of A- (Strong) from Standard & Poor's with a stable outlook.

Its US parent company, Unum Group, traces its history back to 1848 and is one of the leading providers of employee benefits products and services, and the largest provider of group and individual disability insurance in the United States. Premium income for Unum Group and its subsidiaries totaled \$7.7 billion in the year ended 31 December 2012, with reported revenues for the group totaling \$10.5 billion. Total assets were \$62.2 billion at 31 December 2012.

For more information please visit www.unum.co.uk.

[unum.co.uk](http://www.unum.co.uk)

Unum Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
Registered in England 983768.

We monitor telephone conversations and e-mail communications from time to time for the purposes of training and in the interests of continually improving the quality of service we provide.

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