

GROUP INCOME PROTECTION INSURANCE POLICY

Issued by **Unum** to the **policyholder** named in the **schedule**.

Preamble

The **policy** comprises the **policy conditions**, the **schedule** (including any **endorsements**) and any **special provisions** or **notices** specified in writing by **Unum**.

The **policy** is issued on the basis of the information provided in the quotation request or specification and the application form completed by the **policyholder**, in addition to any **member** disclosures, and any proposal or supplementary proposal made by or on behalf of the **policyholder** to **Unum**.

In consideration of the **policyholder** paying the **premiums** to **Unum** as described herein, and complying with all of the other terms, conditions and provisions of the **policy**, **Unum** agrees to pay the **benefit** as described in the **policy**, when it becomes payable.

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(introduced 11/12/2014)

POLICY CONDITIONS

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1. INTERPRETATION

- 1.1 The **schedule** (including any **endorsements**) and any **special provisions** or **notices** specified in writing by **Unum** form part of this **policy** and shall have effect as if set out in full in the body of the **policy**. In the event that the terms set out in the **schedule** (including any **endorsements**) and any **special provisions** or **notices** specified in writing by **Unum** differ from, or contradict, anything in these **policy conditions**, then the terms in the **schedule** (including any **endorsements**) and any **special provisions** or **notices** specified in writing by **Unum** shall prevail, with the sole exception to this being the **continuation option**, where the **policy conditions** shall prevail over anything stated in the **schedule**.
- 1.2 Unless the context clearly requires otherwise, any term in the singular may be read to include the plural, and vice versa.
- 1.3 Where it is stated that **Unum** will notify the **policyholder**, **Unum** may alternatively notify the **policyholder's** authorised agent, if previously agreed between **Unum** and the **policyholder** in writing.
- 1.4 Where these **policy conditions** contain alterations or amendments to existing **policy conditions**, then these **policy conditions** supersede them from the **effective date**.
- 1.5 A **member** immediately prior to the **effective date** shall remain a **member** even if they do not fulfil any age or **service** requirements as specified in the **eligibility category**, provided that they:
- (a) continue to meet all the other provisions of the **eligibility conditions**, and
 - (b) do not exceed the **terminal age**
- 1.6 Once a **member** is **incapacitated**, the applicable terms and conditions of the **policy** in respect of that **member** will be those in force at the date the **member** became **incapacitated**, and those terms and conditions will continue to determine the **benefit** for the duration of any related claim.
- 1.7 Section headings and paragraph headings are for convenience only and are not terms or conditions of this **policy**, nor shall they have any effect on the interpretation of this **policy**.
- 1.8 Except as may be expressly and specifically set out in this **policy**, or as may be required by statute, in no circumstances whatsoever shall **Unum** be responsible or liable for, or in connection with the payment, collection or accounting of any tax due from or in respect of the **policyholder** or any **member**.

2. DEFINITIONS

Certain terms used in this **policy** are expressly defined and the meanings of these terms are given below. To help identify these terms, they are shown in bold print throughout this **policy**. Where definitions relate to a particular selection made by the **policyholder** (for example, the **benefit**), the general definition of the term is given in this section and the specific element of the definition is also given in the **schedule**.

Actively working (or **actively at work**) means that a **member**:

- (a) has not received medical advice to refrain from work and is actively undertaking the **material and substantial duties** of the **insured occupation**, and
- (b) is working the normal number of hours required by the **employer**, either at their normal place of work, or at a location to which they are required to travel for business

A **member** will be regarded as meeting the **actively at work** requirements if fully capable of so doing but either they are on annual paid leave, previously authorised by the **employer**, or because the **actively at work** requirement falls on a day the **member** is not expected to work.

Additional benefit means **benefit** in addition to **basic benefit** which the **policyholder** may choose to insure under this **policy** as described in paragraph 6.2 ("**Additional benefit**").

Additional benefit covered in respect of each **eligibility category** is specified in the **schedule**.

Adjusted pre-incapacity earnings means the amount based on the **member's** pre-incapacity **insured earnings** increased as described in paragraph 5.3.2 ("**Calculation of proportionate benefit**").

Associated policies means any other policy or policies issued by **Unum** and designated as such in the **schedule**.

Auto-enrolled means the **auto-enrolment** of an **employee** as a member of a qualifying workplace pension arrangement of which they remain a member.

Auto-enrolment means a legal obligation on **employers** to automatically enrol **employees** into a qualifying workplace pension arrangement if they are not already a member of one, and to make a required level of contribution on the **employee's** behalf.

Auto-enrolment event means an event specified by law where **auto-enrolment** is required to take place.

Basic annual salary means for a **member** the annual rate of their basic pay from the **employer** prior to any salary sacrifice

made by the **member** in respect of employment related benefits.

If a **member** is paid by the **employer** on an hourly basis, the annual rate of the **member's** basic pay shall be calculated as 52 times their weekly rate for a standard working week. Pay in respect of any hours worked in excess of the **member's** standard working week shall be disregarded for the purposes of calculating their **basic annual salary**.

Basic benefit means **benefit** intended to partially replace earnings lost through **incapacity**. The **basic benefit** applicable to each **eligibility category** is specified in the **schedule**.

Benefit means any monetary amounts paid or payable in respect of a **member** under the **policy**. There may be specific types of **benefit**, such as **basic benefit** and **additional benefit** which will be listed in the **schedule**.

Business day means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Candidate member means an individual in an **employment relationship** who may become a **member** on meeting the **eligibility conditions**.

Commencement date means the date **Unum** first assumed risk for the **policy** and is specified in the **schedule**.

Consumer price index (CPI) means the United Kingdom Consumer Price Index.

Continuation option - This option is not available from 24th November 2012, even though the **schedule** may specify it is applicable.

Current earnings means the **member's** level of annual earnings at the effective date of a **proportionate benefit** calculation (or re-calculation). This will be based on the market rate of pay for any work which the **member** performs either without being paid, or which the **member** performs for less than the market rate of pay.

Deferred period means the period or periods of time during which a **member** is, and remains, **incapacitated** from the date that a **member** first becomes **incapacitated** until the date that **benefit** becomes payable. The **deferred period** applicable to each **eligibility category** is specified in the **schedule**.

Discretionary entrant means an individual who does not satisfy the **eligibility conditions**, but is included as a **member** (but excludes an **early entrant** and a **late entrant**), subject to the conditions of paragraphs 4.1.3 and 4.6.6 ("**Discretionary entrant, early entrant or late entrant**").

Early entrant means an individual whose **service** period has not yet surpassed the duration set by the **policyholder** as an **eligibility condition**, but who is included as a **member** having satisfied the conditions of paragraphs 4.1.3 and 4.6.6 ("**Discretionary entrant, early entrant or late entrant**"). If a minimum **service** period is an **eligibility condition**, this is stated in the **schedule**.

Earnings loss means the difference between the **member's current earnings** and the **adjusted pre-incapacity earnings**. **Earnings loss** does not include any loss of potential earning capacity.

Effective date means the date from which the terms and **policy conditions** shown in the **schedule** apply and is specified in the **schedule**.

Eligibility category means those entry criteria chosen by the **policyholder** (and agreed by **Unum**) that a **candidate member** must satisfy to be considered for the **benefit** associated with the relevant category terms, as specified in the **schedule**.

Eligibility conditions are the conditions set out in paragraph 4.1.1 ("**New member**") together with the various criteria as specified for an **eligibility category** which a **candidate member** must satisfy to become a **member**.

Employee means, for the purpose of this **policy**, an individual who is in an **employment relationship** with an **employer** as evidenced by a contract of employment, or other document acceptable to **Unum** such as a partnership deed or similar, and, except in the case of an **incapacitated member**, is **actively at work** in their usual occupation.

Employer means, for the purpose of this **policy**, the **policyholder** and any other company, corporation, firm or organisation which is directly or indirectly controlled by, or associated with the **policyholder**, and which, with the written approval of the **policyholder** and **Unum**, is participating in this **policy**, and in respect of whom such approval has not been withdrawn by **Unum**.

Employment and Support Allowance means the state Employment and Support Allowance payable in the **United Kingdom** to people with an illness or disability.

Employment relationship means a relationship involving financial reward for **service** between an **employer** and a **member** who is an **employee**. For the purposes of this **policy**, an **equity partner** or **LLP member** will be regarded as in an **employment relationship** with their firm, as may be specified in the **schedule**, whereupon employment, “employer”, **employee**, **employer** and **service** shall be construed accordingly.

Endorsement means an amendment to the **schedule** issued by **Unum** to the **policyholder** after the **commencement date** and may concern an amendment to the **policy conditions**.

Entry date means the date on which a **candidate member** may become a **member** after fulfilling the **eligibility conditions** in accordance with paragraph 4.1.2 (“**Entry date**”). The **entry date** applicable to each **eligibility category** is specified in the **schedule**.

Equity partner means a full profit-sharing partner or a fixed-share partner or member (but not an **LLP member**) who shares the profits of a firm, (which shall be referred to for convenience as the **employer**) as evidenced by a partnership or similar agreement, or such other person (including a practicing barrister, in whose case their chambers or their chambers administrator will be treated for the purposes of this **policy** as the **employer**) as may be so specified in the **schedule** (who is **actively working** in

this capacity, except in the case of an **incapacitated member**).

ESA basic means the standard amount payable as a main phase benefit under **Employment and Support Allowance**, excluding any additions that may also be payable in terms of the work-related activity component or support component. **Unum** will deduct the current value of this benefit as at the **policy accounting date** that coincides with or occurs immediately before the date of **incapacity**. In the case of the Channel Islands or Isle of Man, **Unum** will deduct the long term state incapacity benefit or any subsequent equivalent. Where selected by the **policyholder** as a deduction, **Unum** will deduct the value of this, regardless of whether or not an individual **member** actually receives it.

ESA wrac means the full annual rate of the work-related activity component paid by the state as a main phase benefit under **Employment and Support Allowance** (**ESA wrac** does not include **ESA basic**). **Unum** will deduct the current value of these benefits as at the **policy accounting date** which coincides with or occurs immediately before the date of **incapacity**. In the case of the Channel Islands or Isle of Man, **Unum** will deduct the long term state incapacity benefit or any subsequent equivalent. Where selected by the **policyholder** as a deduction, **Unum** will deduct the value of

this, regardless of whether a **member** actually receives it.

ESA support means the full annual rate of the support component paid by the state as a main phase benefit under **Employment and Support Allowance** (**ESA support** does not include **ESA basic**). **Unum** will deduct the current value of these benefits as at the **policy accounting date** which coincides with, or occurs immediately before, the date of **incapacity**. In the case of the Channel Islands or Isle of Man, **Unum** will deduct the long term state incapacity benefit or any subsequent equivalent. Where selected by the **policyholder** as a deduction, **Unum** will deduct the value of this, regardless of whether a **member** actually receives it.

ESA benefits means the amount of benefit that an **incapacitated member** receives from the state in terms of **Employment and Support Allowance**.

Escalation rate means the rate of annual increase which may apply to **benefit** in payment in accordance with paragraph 6.4 (“**Escalation of benefit**”).

Extended cover member means a **member** who is in **service** with the **employer** past the **terminal age**, but is included as a **member** subject to the conditions of paragraphs 4.1.4 and 4.6.7 (“**Extended cover member**”).

Free cover limit means the maximum **benefit** that **Unum** will provide for any **member** without the need for **medical underwriting**.

Full benefit means the maximum **benefit** payable at a given time in the event of the **incapacity** of a **member**.

Gainful occupation means an occupation that is providing, or can be expected to provide, the **member** with an income within 12 months of their return to work:

- (a) which exceeds 2/3rds of their gross earnings from the **employment relationship** immediately prior to **incapacity**, increased in line with any percentage increase in the **RPI** since the date of **incapacity**, and
- (b) for working the same number of hours the **member** worked in the course of the **employment relationship** immediately prior to the **incapacity**

Illness means ill-health or disease as evidenced by a significant or objectively determined deterioration in physical or mental health.

Incapacity (or **incapacitated**) means the state or condition described in whichever definition (or definitions) in paragraph 5.2 (“Definitions of **incapacity**”) that have been selected by the **policyholder** and agreed by **Unum**. The definition applicable to each **eligibility category** is specified in the **schedule**.

Incapacitated member means a **member** who is **incapacitated** under the definition (contained in paragraph 5.2 (“Definitions of **incapacity**”)) as specified in the **schedule**.

Injury means a trauma to the body from any cause.

Insured earnings means earnings, as chosen by the **policyholder** and agreed by **Unum**, on which **benefit** is calculated, and is specified in the **schedule**.

If **insured earnings** (in part or in total) refers to a specified period and the **member** has not been actively working for the whole of the period, their **insured earnings** shall be taken as the annualised value of the earnings they have received or such amount as shall be reasonably estimated by the **employer**.

Insured earnings are limited to the **member’s** remuneration from the **employer** for their performance of the **material and substantial duties** of their **insured occupation**.

Insured earnings change date means the date on which changes to **insured earnings** are applied to the calculation of **benefit**. The **insured earnings change date** applicable to each **eligibility category** is specified in the **schedule**.

For a new **member**, their **insured earnings** are taken at the last **insured earnings change date** or their date of joining **service** if later.

Insured occupation means the trade, profession or general role that the **member** was actively undertaking for, or at, the **employer** immediately prior to **incapacity**.

Where:

- (a) a **member** has returned to work for, or at, the **employer** after a period of **incapacity** and
- (b) payment of **benefit** (including **proportionate benefit**) has ceased for a period of 52 weeks

insured occupation shall mean the occupation that the **member** was following for, or at, the **employer** immediately prior to any further period of **incapacity**.

Where the **insured occupation** includes working in excess of 48 hours per week, an **incapacitated member** will be considered able to perform that requirement if they are working, or have the capacity to work, 48 hours per week.

Late entrant means an individual who satisfies the **eligibility conditions** and who was admitted to membership under the **policy** more than 12 months after their first opportunity (and not at an **auto-enrolment event** if the **eligibility category** requires membership of a pension arrangement of the **employer**), but is included as a **member**, subject to the conditions of paragraphs 4.1.3 and 4.6.6 (“**Discretionary entrant, early entrant or late entrant**”) and has been confirmed as such in writing by **Unum** to the **policyholder**.

Limited benefit cover means that payment of **benefit** in respect of an **incapacitated member** is limited to a maximum payment period from the end of the **deferred period**. If **limited benefit cover** is applicable to an **eligibility category** the **schedule** will specify the maximum payment period.

Linked benefit claim means a claim where a period of **incapacity** is linked with a previous period of **incapacity** in accordance with the conditions of paragraph 5.4 (“**Linked benefit claims**”).

LLP member means a member, as defined by section 4 of the Limited Liability Partnerships Act 2000, of an **employer** which is a limited liability partnership (who is **actively working** in this capacity, except in the case of an **incapacitated member**).

Material and substantial duties means:

- (a) In relation to an **insured occupation**, the duties that are normally required for the performance of the **member’s insured occupation** and which cannot be reasonably omitted or modified. It is those duties required for the performance of the occupation at their, or any other employer.

The **insured occupation** does not include:

1. work activities, contractual or not, which the **member** undertook for, or at, the **employer** prior to **incapacity** which are not a common feature of the **member’s** trade, profession or general role
2. the specific manner in which the **member** was expected to complete work tasks for a specific **employer** or at a specific location
3. any trade, profession or general role undertaken by the **member** other than for the **employer**
4. the journey between the **member’s** normal residence and the **member’s** normal place of work

- (b) In relation to **gainful occupation**, the duties that are normally required for the performance of the **gainful occupation** as it is performed for, or at, their, or any other employer and which cannot reasonably be omitted or modified

Medical practitioner means a person who is currently registered as such by the General Medical Council or by an appropriate equivalent national body if resident outside the **United Kingdom**.

Medical underwriting means the process whereby **Unum** assesses whether there is an increased risk of a **member** or **candidate member** becoming **incapacitated** in the circumstances of, and using, the information described in paragraph 4.6 (“**Medical underwriting requirements**”) and **medically underwritten** shall be construed accordingly.

Member means a **candidate member** who has been admitted to membership under the **policy**, and who remains a **member** in accordance with the **eligibility conditions**.

Minimum number of members means 5 **members** (or 3 **members** if this **policy** was quoted for through UnumOnline) or such other number of **members** as **Unum** may from time to time specify by **notice in writing** to the **policyholder**.

Minimum premium means the minimum amount of **premium** which will be charged for a **policy accounting period**. The **minimum premium** applicable to this **policy** shall be £750 per annum or such other amount as **Unum** shall specify by **notice in writing** to the **policyholder**.

Net pay means the **insured earnings** of the **member**, less the following amounts:

- (a) An amount representing PAYE income tax which would have been paid on the **member's insured earnings** (less the amount of any pension contribution under (c) below). This amount shall be calculated on the basis of the **member's insured earnings** on the date they became **incapacitated**, and will take into account the income tax personal allowance
- (b) National Insurance contributions payable by the **member** on the **insured earnings** at the applicable rate
- (c) Any contributions payable by the **member** toward any pension scheme or pension arrangement during the year immediately before the **member** became **incapacitated**

Net taxable earnings means for a **member** the average annual amount of their total net taxable earnings from the **employer** as taken into account for personal tax purposes for the specified period of time (or such shorter period as the **member** has actively worked for the **employer**).

Notice or **Notice in writing** means notice given in accordance with paragraphs 9.5 ("**Notices**") and 1.3.

Notional LtSIB means the annual rate of state long term incapacity benefit payable in the **United Kingdom** to a single person, under **state pension age**, under the state long term incapacity benefit provisions prior to the introduction of **Employment and Support Allowance**, at the **policy accounting date** which coincides with, or occurs immediately before, the date on which the **incapacity** commenced.

For the purpose of calculating **benefit**, the state long term incapacity benefit will be deemed to continue to apply and will be updated each April by **Unum** based on the previous year's value increased by the percentage increase in the **RPI** since the previous April (unless the Department for Work and Pensions issues communications updating the value of the state long term incapacity benefit - in which case the figure contained in those communications will apply).

In respect of an **incapacitated member** who is resident in the Isle of Man or the Channel Islands, **notional LtSIB** shall mean the level of state long term incapacity benefit payable to a single person in that location.

When **notional LtSIB** is selected by the **policyholder** as a deduction, **Unum** will deduct the value of this, regardless of whether or not an individual **member** receives, or is eligible to receive, state long term incapacity benefits.

P60 earnings means for a **member** the average annual amount of their total earnings from the **employer** for the specified number of tax years ending on the 5th April (or such shorter period as the **member** has actively worked for the **employer**) prior to any salary sacrifice made by the **member** in respect of employment related benefits.

PAYE taxed member means a **member** whose **insured earnings** are chargeable to tax as employment income under Part 2 of the Income Tax (Earnings and Pensions) Act 2003.

A **member** whose **insured earnings** are not chargeable to tax in the **United Kingdom** will be treated as a **PAYE taxed member** or a **schedule D taxed member** depending which would be most appropriate to their circumstances if they were chargeable to tax in the **United Kingdom**.

Pension member means an **employee** who is a member of a pension arrangement to which the **employer** contributes.

Policy means these **policy conditions**, the **schedule** (including any **endorsements**) and any **special provisions** or **notices** specified in writing by **Unum**.

Policy accounting date means the anniversary of the **commencement date** each year, or such other date as may be agreed from time to time, as specified in the **schedule**.

Policy accounting period means whichever of the following three periods is applicable:

- (a) from the **commencement date** of the **policy** up to the first **policy accounting date** or
- (b) from one **policy accounting date** up to the next or
- (c) from the last **policy accounting date** up to, and including, the date of termination of the **policy**

Policy conditions means this document and any amendments to this document.

Policy number is the number allocated to the **policy**. This is for reference purposes only and should be quoted on all correspondence. The **policy number** for the **policy** is specified in the **schedule**.

Policy review date means the day on which **Unum** may revise the **premium rate** applied to this **policy** in accordance with paragraph 3.5 ("**Premium rate** revision") and vary the **policy** terms and conditions in accordance with paragraph 8.1 ("**Amendments by Unum**"). The **policy review date** applicable at the **effective date** of this **policy** is specified in the **schedule**. When the **premium rate** and/or the **policy** terms and conditions are revised, a new **policy review date** will apply and these will be notified to the **policyholder** in writing.

Policyholder means the representative or organisation named as the policyholder in the **schedule**.

Premium means the monies charged by **Unum** to the **policyholder** in return for the insurance provided in this **policy**.

Premium rate means the annual rate of **premium** for each £100 of **insured earnings** covered under the **policy**. Where **Unum** and the **policyholder** have agreed to calculate **premiums** based on **benefit**, **premium rate** shall mean the annual rate of **premium** for each £100 of **benefit**.

Proportionate benefit means **benefit** which is paid for an **incapacitated member** in accordance with paragraph 5.3 ("**Proportionate benefit**").

Reduced basis means either that the **incapacitated member** is performing the **material and substantial duties** of the **insured occupation** with reduced hours, or that the **incapacitated member** is performing some, but not all, of the **material and substantial duties** of their **insured occupation**. This will be assessed by **Unum** on a case-by-case basis.

Restricted person means a person or entity subject to national, regional or multilateral trade or financial sanctions under applicable laws and regulations, including, but not limited to, persons designated as a Politically Exposed Person as described in the Money Laundering Regulations 2007, or high risk individual or entity or persons designated on the United States Department of the Treasury, Office of Foreign Assets Control (OFAC) List of Specifically Designated Nationals and Other Blocked Persons (including terrorists), United States State Department Non-proliferation Sanctions Lists, United States Department of Commerce Denied Parties List, Entity List or Unverified List, United Nations Financial Sanctions Lists, or the European Union or United Kingdom Bank of England Consolidated Lists of Financial Sanctions Targets, in force from time to time.

Retail prices index (RPI or index) means the United Kingdom General Index of Retail Prices.

Schedule means the **schedule** of the **policy** which comprises General Terms, Overriding Provisions and Category Terms in respect of each **eligibility category** and **endorsements**. The **schedule** sets out certain selections the **policyholder** has made concerning the options available for matters such as, for example, the level of **benefit** and the definition of **incapacity**.

Schedule D taxed member means a **member**, part of whose **insured earnings** are taxable under Schedule D Cases I and II as set out in section 18 of the Income and Corporation Taxes Act 1988 (or any re-enactment or modification thereof).

A **member** whose **insured earnings** are not chargeable to tax in the **United Kingdom** will be treated as a **PAYE taxed member** or a **schedule D taxed member** depending which would be most appropriate to their circumstances if they were chargeable to tax in the **United Kingdom**.

Service means the **employment relationship** between the **member** and an **employer**. For the purposes of the **policy**, a transfer of **service** from one **employer** to another **employer** in the **policy** shall not be taken as termination of **service**.

Social security benefit where referred to in the **schedule** has the same meaning as **ESA benefits**.

Special provision means an agreement between **Unum** and the **policyholder** for cover that differs from that shown in the **schedule** and/or the **policy conditions** to be provided by **Unum** on a temporary basis until an agreed date, as specified in writing by **Unum**.

State long term incapacity benefit where referred to in the **schedule** has the same meaning as **notional LtSIB**.

State Pension Age (SPA) means the age at which the **member** is first entitled to receive the basic state pension or any benefit that may replace it.

Terminal age means for each **member** the age at which they will cease to be a **member**, and the **terminal age** applicable for each **eligibility category** is specified in the **schedule**.

If a **member** is on a fixed-term contract or engagement, they will cease to be a **member** on whichever of the following first occurs:

- (a) attaining the **terminal age**, or
- (b) the conclusion of the fixed-term contract

The renewal or extension of a **member's** fixed-term contract during a period of temporary absence (as described in

paragraph 4.7 ("Temporary absence from work")) or **incapacity** will not qualify the **member** for continued cover under this **policy**.

Total earnings means for a **member** the average annual amount of their total earnings from the **employer** for the specified period of time (or such shorter period as the **member** has actively worked for the **employer**) prior to any salary sacrifice made by the **member** in respect of employment related benefits.

TUPE employee means an **employee** whose contract of employment was transferred to the **employer** under TUPE regulations on the date the **employer** acquired the business of the **employee's** previous employer, and:

- (a) prior to the transfer the **employee's** contract of employment provided Income Protection Cover with the same parameters as set out under the relevant Category Terms in the **schedule**
- (b) the **employee** has remained in the continuous **service** of the **employer** since the transferral of their contract of employment

Membership under an **eligibility category** for **TUPE employees** precludes membership under any other **eligibility category**.

Unit rate means a single **premium rate** which is applied to all **insured earnings** (or the sum of all **benefits**, if appropriate) covered under the **policy** to calculate the **premium** due.

United Kingdom (UK) means for the purpose of this **policy**, England, Northern Ireland, Scotland, Wales, the Channel Islands and the Isle of Man.

Unum means the company called Unum Limited, incorporated under the laws of England and Wales, with its registered and head office at Milton Court, Dorking, Surrey, RH4 3LZ.

3. PREMIUMS

3.1 Calculation of premium

3.1.1 Calculation basis

Unum will calculate the **premium** due for each **policy accounting period**, taking into account all relevant factors, including:

- (a) The **insured earnings** of all **members** on the first day of the **policy accounting period** (or the **benefit** of all **members**, if appropriate), not including **members** in respect of whom **benefit** is on that day in payment under the **policy**
- (b) Any non-standard **premium** loading
- (c) The **premium rate** or **premium rates** then in effect
- (d) The **minimum premium**

Unum will notify the **policyholder** in writing of the **premium**.

3.1.2 Information required for premium calculation

The **policyholder** shall, upon **Unum's** request, provide such information as **Unum** reasonably requires as at the **policy accounting date** and the day immediately preceding the **policy accounting date**.

The information provided as at the day immediately preceding the **policy accounting date** shall be used to calculate the **premium** payable in respect of the **policy accounting period** ending on that date.

The information provided as at the **policy accounting date** shall be used to calculate the **premium** payable in respect of the **policy accounting period** commencing on that date.

Failure to provide the requested information within 2 months after the **policy accounting date** (or, if later, within 1 month after receipt of **Unum's** request for the same) shall give **Unum** the right to:

- (a) vary the terms and provisions of this **policy**, and/or
- (b) terminate the **policy**, and/or
- (c) take such other action as **Unum** determines to be appropriate including varying the level of **benefit**, the definition of **incapacity**, altering the eligibility of an individual to be a **member**

by giving 30 days **notice in writing** to the **policyholder**.

3.2 Payment of premium

Premium is due at the **commencement date** and at each subsequent **policy accounting date** and at such other times as **Unum** may specify in accordance with paragraph 3.3 ("Deposit **premium**") and/or paragraph 3.4 ("Adjustment of **premium**") and/or paragraph 3.5.1 ("Changes allowing early revision of the **premium rate**").

Premium must be paid from a **United Kingdom** bank account in pounds sterling (or, if different, the lawful currency of the **United Kingdom**) by the **policyholder**.

3.3 Deposit premium

If the complete information required by **Unum** for any **policy accounting period** is not available to it, **Unum** may use its reasonable discretion to calculate and invoice for a deposit **premium** until such information is available. The deposit **premium** will be based on such information as **Unum** may have or the **policyholder** can reasonably provide, including **Unum's** estimate of the total **benefit** in respect of all **members** and prospective **members**, the appropriate **premium rate** applicable to the **policy**, and any other relevant matters. Use of any estimate or assumption by **Unum** will not prevent **Unum** using a different figure or rate when it finally establishes the **premium** due.

After the calculation of the actual **premium** for this **policy**, then:

- (a) if the deposit **premium** for any **policy accounting period** proves to have been more than the **premium**, **Unum** will refund the excess to the **policyholder**, or
- (b) if the deposit **premium** for any **policy accounting period** proves to have been less than the **premium**, **Unum** will provide the **policyholder** with an invoice detailing the amount of the deficit and of the date or dates of payment

Where a refund of **premium** is payable, **Unum** may offset the refund against premiums due under another policy of the **policyholder** with **Unum**, after **Unum** has given 14 days **notice in writing** to the **policyholder**.

3.4 [Adjustment of premium](#)

Unum may at any time (but normally at the next **policy accounting date**) calculate an adjustment to the **premium** to take account of any changes which occurred during any previous **policy accounting period**. Such changes would include, for example, any change in the **benefit** in respect of any **member**, or the number of **members**.

The **policyholder** must notify **Unum** in writing as soon as reasonably practicable of any such changes. **Unum** will notify the **policyholder** of any additional **premium** to be paid or of any refund to be made to the **policyholder**.

No refund of **premium** will be due to the **policyholder** for the non-coverage of any **member** who has acted in breach of the **policy** provisions or who has not provided information as reasonably required by **Unum**.

Where a refund of **premium** is payable, **Unum** may offset the refund against premiums due under another policy of the **policyholder** with **Unum**, after **Unum** has given 14 days **notice in writing** to the **policyholder**.

3.5 [Premium rate revision](#)

The **premium rate** is guaranteed from the **effective date** until the **policy review date**, except as provided in paragraph 3.5.1 (“Changes allowing early revision of the **premium rate**”). On or after this date, **Unum** may revise the **premium rate**.

In accordance with paragraph 8.1 (“Amendments by **Unum**”), **Unum** reserves the right to vary the terms and conditions of this **policy** at any time the **premium rate** is revised.

3.5.1 [Changes allowing early revision of the premium rate](#)

Unum reserves the right to revise the **premium rate** at any time if:

- (a) the number of **members** or the total **benefit** in respect of all **members** is changed by more than 30% from that notified to **Unum** for the **effective date** or the **policy accounting date** at which the **premium rate** was determined, and/or

- (b) a new **employer** is approved by **Unum** and the **policyholder** or an existing **employer** ceases to be approved by **Unum** (under the definition of **employer**), and/or
- (c) there has been a significant overall change in the occupations of the **members** or where they work

The **policyholder** must notify **Unum** in writing as soon as reasonably practicable of any such changes.

If there has been a material change in the data provided at inception from the data that was provided for the quotation for this **policy**, then **Unum** reserves the right to change the **premium rate** at the **commencement date**.

Unum further reserves the right at the **policy accounting date** on which, or next following which, the number of **members** covered under the **policy** falls below 20, to:

1. cease calculating the **premium** using a **unit rate**, and
2. start calculating **basic benefit** as a percentage of **insured earnings** (with or without a deduction in respect of the **Employment and Support Allowance**), where **basic benefit** is currently calculated as a percentage of **net pay** or where **basic benefit** offsets all **ESA benefits** received

In the case of any such revision, **Unum** will give **notice in writing** to the **policyholder**.

3.5.2 The revised premium rate

At any date that a revised **premium rate** is due, the information provided in accordance with paragraph 3.1.2 (“Information required for **premium** calculation”) shall be applied by **Unum** to determine the **premium rate** and any revised **premium** will take effect from that date. The revised **premium rate** will be guaranteed for such period, if any, that **Unum** may decide.

If a revised **premium rate** results in a revised **premium**, any amount payable will be calculated taking into account any **premium** already paid.

The **policyholder** may provide **Unum** with data as at a date no more than 3 months prior to the **policy review date** or the date that any revision under paragraph 3.5.1 (“Changes allowing early revision of the **premium rate**”) takes effect, for the sole purpose of calculating the revised **premium rate**.

3.6 Non-payment of premiums

In the event of the **policyholder**:

- (a) not paying **premiums** or part of a **premium**; and/or
- (b) not paying interest applicable; and/or
- (c) not paying any other sum which is due

then in addition to paragraph 7.4.4 (“Unpaid **premium**”), **Unum** shall have the right to terminate this **policy** upon giving 14 days **notice in writing** to the **policyholder**.

The **policyholder** ceasing or failing to pay **premiums** does not automatically terminate this **policy**.

In respect of a **policy** where **premiums** have not been paid from the **commencement date**, **Unum** shall have the right to terminate this **policy** with effect from the **commencement date** and no cover will be deemed to have been provided.

If payment of **premium** is not forthcoming, **Unum** reserves the right to commence debt collection proceedings against the **policyholder**.

Unum reserves the right to charge interest (of the Bank of England base rate plus 3%) and a reasonable administrative charge for late payment of any **premium**, or part **premium**, whether or not **Unum** has terminated the **policy**.

4. MEMBERSHIP

4.1 [Eligibility for membership](#)

4.1.1 [New member](#)

A **candidate member** becomes a **member** on the **effective date** if all the following conditions, as well as those set out in the **eligibility category** within the **schedule**, are met:

- (a) They satisfy the requirements of paragraph 4.8 ("Overseas cover and secondment") if applicable
- (b) The **policyholder** has provided in full to **Unum's** satisfaction the information described in paragraph 4.2 ("Membership information to be provided")

Provisions relating to the **medical underwriting** of a new **member** are set out in paragraphs 4.6.1 ("New **member** – **benefit** does not exceed **Unum's free cover limit**") and 4.6.2 ("New **member** – **benefit** exceeds **Unum's free cover limit**").

If the **eligibility category** requires membership of a pension arrangement of the **employer**, then the **candidate member** must have joined the pension arrangement either within 12 months of first being able to do so, or at a subsequent **auto-enrolment event**, to satisfy that eligibility requirement. A **candidate member** who joins the pension arrangement more than 12 months from first being eligible to do so and not at an **auto-enrolment event** will be a **late entrant** and treated in accordance with paragraph 4.6.6

("Discretionary entrant, early entrant or late entrant").

4.1.2 [Entry date](#)

Unless otherwise agreed in writing with **Unum**, a **candidate member** who did not meet all the conditions set out in paragraph 4.1.1 ("New **member**") on the **effective date** will become a **member** on the **entry date** coinciding with, or immediately following, the date on which they meet the **eligibility conditions**.

The **entry date** applicable to each **eligibility category** is shown within the **schedule** as follows:

entry date	meaning
daily	the day
monthly	the first day of a month
quarterly	the policy accounting date or the date 3, 6, or 9 months thereafter
half-yearly	the policy accounting date or the date 6 months thereafter
annual	the policy accounting date
closed	no further individual shall become a member after the date specified in the schedule

4.1.3 [Discretionary entrant, early entrant or late entrant](#)

A **discretionary entrant, early entrant or late entrant** may be covered if each of the following conditions are met:

- (a) The **policyholder** requests, and **Unum** has agreed in writing, that cover can be provided under the **policy** in respect of the individual; and
- (b) The **policyholder, employer** and either the **discretionary entrant, early entrant or late entrant**, as appropriate, meets all of the special conditions, special terms and **medical underwriting** requirements specified in writing by **Unum**

Unum's free cover limit will not apply to any part of the **benefit**.

Provisions relating to the **medical underwriting** of a **discretionary entrant, an early entrant or a late entrant** are set out in paragraph 4.6.6 ("Discretionary entrant, early entrant or late entrant").

4.1.4 Extended cover member

An **extended cover member** may be covered if the **policyholder** has requested, and **Unum** has agreed in writing, that cover can be provided under this **policy** in respect of such individuals.

Provisions relating to the **medical underwriting** of an **extended cover member** are set out in paragraph 4.6.7 (“**Extended cover member**”).

An individual who joins **service** after the **terminal age** may become an **extended cover member**. In this case, reference to being **actively at work** on the **terminal age** is construed as being **actively at work** on the date of joining **service** after the **terminal age**.

An **extended cover member** with a fixed-term contract or engagement which ceases before age 70 may remain an **extended cover member** if they have a new fixed-term contract of employment or engagement to a later date. In this position, the individual is treated as joining **service** after the **terminal age**.

An **extended cover member** will automatically cease to be a **member** and all **benefit** for such a **member** will automatically cease on their attaining age 70, without further notice, if such **benefit** has not already ceased.

Extended cover members may be administered by **Unum** under a separate policy record, which does not represent a separate contract.

4.2 Membership information to be provided

The **policyholder** shall notify **Unum** in writing, in such form and at such times as **Unum** may request, of all **candidate members** who meet the **eligibility conditions**. Failure to do so shall give **Unum** the right to:

- (a) vary the terms and provisions of this **policy**, and/or
- (b) terminate the **policy**, and/or
- (c) take such other action as **Unum** determines to be appropriate, which may include reducing **Unum’s free cover limit**, and/or varying the level of **benefit**, and/or the definition of **incapacity**, and/or altering the eligibility of individuals to be **members**, and/or
- (d) withhold payment of any new claim notified while the requested information remains outstanding

by giving 30 days **notice in writing** to the **policyholder**.

The **policyholder** should notify **Unum** immediately a **member’s benefit** exceeds the **free cover limit** so **medical underwriting** can be arranged.

If the information provided is incomplete or inaccurate or misleading, then **Unum** shall have the above rights and in addition, **Unum** may limit or refuse to consider or pay a claim and/or revise the **premium** charged for a **candidate member** who is not accurately declared in the information.

4.3 Free cover limit

Unum’s free cover limit will be provided for a **member**, except in the following particular circumstances in this **policy** where it is said that **Unum’s free cover limit** will not apply:

- (a) 4.3 (“**Free cover limit**”)
- (b) 4.1.3 (“**Discretionary entrant, early entrant, or late entrant**”)
- (c) 4.5.1 (“**Members** who were insured with a different basis of cover immediately prior to the **commencement date**”)
- (d) 4.5.2 (“**Members** who were insured on the same basis of cover immediately prior to the **commencement date**”)
- (e) 4.6.6 (“**Discretionary entrant, early entrant or late entrant**”)

The level of **Unum’s free cover limit** may change from time to time if **Unum** so determines and any change will be notified to the **policyholder** in writing. **Unum** may also withdraw the **free cover limit** if the **policyholder** does not adhere to the **eligibility conditions** of the **policy**.

Unum’s free cover limit is automatically removed if there are fewer than the **minimum number of members**.

If **Unum** determines that the **free cover limit** shall be reduced or withdrawn, the level of **benefit** which applied to a **member** before the reduction or withdrawal became effective shall continue to apply to that **member**.

If **Unum** increases the **free cover limit**, the increased level will apply to all **members** who are **actively at work** on the date of the increase (and in the case of a **member** not **actively at work**, when they subsequently return to work and are **actively working**). Any **premium** loading in respect of such a **member** will be calculated on any **benefit** in excess of **Unum's** increased **free cover limit**, and a **member** already subject to restricted terms will automatically have cover increased to the lower of their restricted **benefit** and **Unum's** new **free cover limit**, unless specifically stated otherwise by **Unum**.

When assessing whether the **benefit** exceeds **Unum's free cover limit**, all **benefit** in respect of the **member** under this **policy** and any **associated policies** will be taken into account.

Unum's free cover limit does not apply to any **member** in an **eligibility category** with fewer than 3 **members**, except where otherwise agreed in writing by **Unum**.

4.4 [Temporary cover pending medical underwriting](#)

Where provided for under paragraphs 4.5 (“**Members** previously insured with another insurer”) and 4.6 (“**Medical underwriting** requirements”), temporary cover for **benefit** (or any part of **benefit**) in the process of being **medically underwritten** by **Unum** will be provided in respect of a **member's incapacity** which is not related to any medical condition for which the **member** received treatment, care or services (including diagnostic measures), or took prescribed drugs or medicines during the 12 months prior to the date they are eligible to become a **member** or are eligible for a **benefit** increase, as appropriate. The temporary cover is provided for a period of 3 months (or, if earlier, until the completion of **medical underwriting**) from the date the **member** is eligible to become a **member** or is eligible for a **benefit** increase, as appropriate, subject to the following conditions:

- (a) **Unum's free cover limit** is greater than nil, and
- (b) The **member** is **actively at work**, and
- (c) The **member** is not a **discretionary entrant, early entrant, late entrant** or **extended cover member**, and
- (d) The **member** is not already subject to any special or restricted terms

4.5 [Members previously insured with another insurer](#)

4.5.1 [Members who were insured with a different basis of cover immediately prior to the commencement date](#)

If immediately prior to the **commencement date**, a **member** was, in **Unum's** reasonable opinion, insured under a group income protection policy with a different basis of cover to this **policy**, they will be covered as follows:

- (a) Where a free cover limit was applied to the **member** by the previous insurer, they will be treated as a new **member** in accordance with either paragraph 4.6.1 (“**New member - benefit** does not exceed **Unum's free cover limit**”) or 4.6.2 (“**New member - benefit** exceeds **Unum's free cover limit**”), as appropriate. **Unum's free cover limit** will apply to a **member** even where the previous insurer declined or restricted the benefit or postponed acceptance of benefit, unless **Unum** specifically states otherwise
- (b) Where a free cover limit was not applied to the **member** by the previous insurer and that **member** did not have benefit declined or restricted or acceptance of their benefit postponed by the previous insurer, they will be treated as in (a) above

- (c) Where a free cover limit was not applied to the **member** by the previous insurer and that **member** had benefit declined or restricted or acceptance of their benefit postponed by the previous insurer, **Unum** will accept the previously insured level of benefit on underwriting terms that are no worse than those provided by the previous insurer. While **Unum** will accept cover on the same terms, the monetary amount of **premium** may differ. Any increase over the previously insured level of benefit will be **medically underwritten** in accordance with paragraph 4.6.5 (“**Benefit** increase and the existing **benefit** exceeds **Unum’s free cover limit**”) but temporary cover pending **medical underwriting** does not apply

4.5.2 [Members who were insured on the same basis of cover immediately prior to the commencement date](#)

If immediately prior to the **commencement date** a **member** was, in **Unum’s** reasonable opinion, insured under a group income protection policy with the same basis of cover as this **policy**, then **Unum** will accept the previously insured level of benefit in respect of each **member**, subject to the following provisions:

- (a) Where the **member** did not have benefit declined or restricted or acceptance of their benefit postponed by the previous insurer:
- Unum** will cover **benefit** up to **Unum’s free cover limit** at ordinary rates and any

previously insured level of benefits in excess of **Unum’s free cover limit** will be covered on underwriting terms that are no worse than those provided by the previous insurer. While **Unum** will accept cover on the same terms, the monetary amount of **premium** may differ

Any increase over the previously insured level of benefit will be underwritten in accordance with paragraph 4.6.3 (“**Benefit** increase where the total **benefit** does not exceed **Unum’s free cover limit**”), 4.6.4 (“**Benefit** increase so it exceeds **Unum’s free cover limit** for the first time”) or 4.6.5 (“**Benefit** increase and the existing **benefit** exceeds **Unum’s free cover limit**”), as appropriate

- (b) Where the **member** had benefit declined or restricted, or acceptance of their benefit was postponed by the previous insurer and a free cover limit was applied to the **member** by the previous insurer:

Unum will cover **benefit** up to **Unum’s free cover limit** at ordinary rates and any previously insured level of benefits in excess of **Unum’s free cover limit** will be covered on underwriting terms that are no worse than those provided by the previous insurer. While **Unum** will accept cover on the same terms, the monetary amount of **premium** may differ

Any increase over the previously insured level of benefit will be **medically underwritten** in accordance with paragraph 4.6.3 (“**Benefit** increase where the total **benefit** does not exceed

Unum’s free cover limit”), 4.6.4 (“**Benefit** increase so it exceeds **Unum’s free cover limit** for the first time”) or 4.6.5 (“**Benefit** increase and the existing **benefit** exceeds **Unum’s free cover limit**”), as appropriate, but temporary cover pending **medical underwriting** does not apply in respect of the increase which exceeds **Unum’s free cover limit**

- (c) Where the **member** had benefit declined or restricted, or acceptance of benefit was postponed by the previous insurer and a free cover limit was not applied to the **member** by the previous insurer:

Unum will cover the previously insured level of benefit on underwriting terms that are no worse than those provided by the previous insurer. While **Unum** will accept cover on the same terms, the monetary amount of **premium** may differ

Any increase over the previously insured level of benefit will be **medically underwritten** in accordance with paragraph 4.6.5 (“**Benefit** increase and the existing **benefit** exceeds **Unum’s free cover limit**”), but temporary cover pending **medical underwriting** does not apply

4.6 [Medical underwriting requirements](#)

Where **benefit** in respect of a **member** is to be **medically underwritten**, **Unum** will consider the terms (if any) upon which the **member** and any **benefit** are to be covered. **Unum** reserves the right to decline or postpone cover, and/or impose special terms or restrictions.

The **policyholder** must ensure that the evidence and/or information in relation to a **member**, as reasonably requested by **Unum** as detailed below, is provided to **Unum**.

Unum may require information, including the following **member** information where **medical underwriting** is required:

- (a) Proof of age
- (b) Evidence of the average number of hours per week worked in their usual occupation
- (c) Details of their contract of employment or partnership agreement, as appropriate
- (d) Evidence of state of health
- (e) Any other evidence, including lifestyle information (for example participation in hazardous sports), to determine whether there is an increased risk of **incapacity** at any time in the future

The evidence and information required may vary if the **member** was previously insured as set out in paragraph 4.5 (“**Members** previously insured with another insurer”).

If any information provided indicates that there is an increased risk that a **member** may become **incapacitated** in the future, **Unum** will give the **policyholder notice in writing** as to whether the **benefit** in respect of the **member** (or that part of the **benefit** for which the information is required) is declined, or postponed, and/or subject to special terms or restrictions.

The cost of any medical examination and any tests (including blood tests and saliva tests) required by **Unum** will be paid for by **Unum** at the rates charged in the **United Kingdom**. **Unum** shall not be liable for any costs incurred by the **policyholder**, **candidate member** or **member** in connection with attending a medical examination and/or undergoing any tests and/or supplying any other information.

Any evidence and information requested by **Unum** must be provided in the form requested and within the time specified by **Unum**.

[Failure to provide information](#)

If **Unum** does not receive all of the evidence and information required within the time specified by **Unum**, or at the latest within 2 months of it being requested, then **Unum** may (by **notice in writing**) take any action which it determines to be appropriate under the particular circumstances, which may include one or more of the following:

- (a) refuse to admit the **candidate member** as a **member**, and/or

- (b) attach special conditions or terms to the **benefit** or increase in **benefit** sought in respect of the **member**, and/or
- (c) refuse to cover **benefit** in respect of the **member**, and/or
- (d) refuse to cover an increase in **benefit** claimed in respect of the **member**, and/or
- (e) terminate, suspend or vary the **benefit** in respect of the **member**

4.6.1 [New member - benefit does not exceed Unum's free cover limit](#)

Where a new **member's** proposed **benefit** does not exceed **Unum's free cover limit**, **benefit** is provided with no **medical underwriting**, subject to the **member** being **actively at work** on the day they become a **member**.

If not **actively at work** on the day they become a **member**, then the **member's** proposed **benefit** (not exceeding **Unum's free cover limit**) is provided with no **medical underwriting** from the next day they are **actively at work**.

4.6.2 New member - benefit exceeds Unum's free cover limit

Where a new **member's** proposed **benefit** will exceed **Unum's free cover limit**:

- (a) **Benefit** is provided up to **Unum's free cover limit** with no **medical underwriting**, subject to the **member** being **actively at work** on the day they became a **member**
- (b) **Medical underwriting** is required in respect of that part of the **benefit** which exceeds **Unum's free cover limit**, unless **Unum** determines otherwise
- (c) Temporary cover is provided in respect of the part of the **benefit** which exceeds **Unum's free cover limit** for up to 3 months from the date of becoming a **member**, provided the **member** is **actively at work**, subject always to the conditions of temporary cover pending **medical underwriting** as set out in paragraph 4.4 ("Temporary cover pending **medical underwriting**")
- (d) Once **medical underwriting** has been completed and **Unum** has agreed to insure any **benefit** above **Unum's free cover limit**, any restrictions relating to temporary cover will no longer apply
- (e) No cover is provided in respect of that part of the **benefit** which exceeds **Unum's free cover limit** from the date that **Unum** declines to insure any such **benefit**

If not **actively at work** on the day they become a **member**, then the provisions of this paragraph 4.6.2 will apply from the next day they are **actively at work** as if it was the day they became a **member**.

4.6.3 Benefit increase where the total benefit does not exceed Unum's free cover limit

Where a **member's** proposed increase in **benefit** will not result in their total **benefit** exceeding **Unum's free cover limit**:

- (a) The existing **benefit** for that **member** will remain covered
- (b) The proposed increase in **benefit** will be covered provided the **member** is **actively at work** on the day of the proposed increase

If the **member** is not **actively at work** on the day of the proposed increase in **benefit**, then the **member's** proposed increase in **benefit** (not exceeding **Unum's free cover limit**) is provided with no **medical underwriting** from the next day they are **actively at work**. An increase may apply under the provisions in paragraph 4.7 ("Temporary absence from work").

4.6.4 Benefit increase so it exceeds Unum's free cover limit for the first time

Where a **member's** proposed increase in **benefit** will result in their total **benefit** exceeding **Unum's free cover limit** for the first time:

- (a) The existing **benefit** for that **member** will remain covered
- (b) That part of the increase in **benefit** which takes the **benefit** up to **Unum's free cover limit** will be covered provided the **member** is **actively at work** on the day of the proposed increase
- (c) **Medical underwriting** is required in respect of that part of the proposed **benefit** which exceeds **Unum's free cover limit**, unless **Unum** determines otherwise
- (d) Temporary cover is provided in respect of the **benefit** which exceeds **Unum's free cover limit** for up to 3 months from the effective date of the **benefit** increase, provided the **member** is **actively at work** on that day, subject always to the conditions of temporary cover pending **medical underwriting** as set out in paragraph 4.4 ("Temporary cover pending **medical underwriting**")
- (e) Once **medical underwriting** has been completed and **Unum** has agreed to insure any **benefit** above **Unum's free cover limit**, any restrictions solely relating to temporary cover will no longer apply

- (f) No cover is provided in respect of that part of the **benefit** which exceeds **Unum's free cover limit** from the date that **Unum** declines to insure any such **benefit**

If the **member** is not **actively at work** on the day of the proposed increase in **benefit**, then the provisions of this paragraph 4.6.4 will apply from the next day they are **actively at work** as if it was the effective date of the proposed increase in **benefit**. An increase may apply under the provisions in paragraph 4.7 ("Temporary absence from work").

4.6.5 Benefit increase and the existing benefit exceeds Unum's free cover limit

Where a **member** whose existing **benefit** exceeds **Unum's free cover limit** has a proposed increase in **benefit**:

- (a) The existing **benefit** for that **member** will remain covered on the existing terms
- (b) **Medical underwriting** is required for the proposed increase in **benefit**, unless **Unum** determines otherwise
- (c) Temporary cover is provided in respect of the proposed **benefit** increase for up to 3 months from the effective date of the **benefit** increase, provided the **member** is **actively at work** on that day, subject always to the conditions of temporary cover pending **medical underwriting** as set out in paragraph 4.4. ("Temporary cover pending **medical underwriting**")

- (d) Once **medical underwriting** has been completed and **Unum** has agreed to insure the **benefit** increase, any restrictions solely relating to temporary cover will no longer apply

- (e) No cover is provided in respect of the **benefit** increase from the date that **Unum** declines to insure the increase

If the **member** is not **actively at work** on the day of the proposed increase in **benefit**, then the provisions of this paragraph 4.6.5 will apply from the next day they are **actively at work** as if it was the effective date of the proposed increase in **benefit**.

4.6.6 Discretionary entrant, early entrant or late entrant

A **discretionary entrant, early entrant** or **late entrant** may be a **member** if the **policyholder** has requested it and **Unum** has agreed in writing, subject to the following:

- (a) **Medical underwriting** is required for the whole **benefit**, unless **Unum** determines otherwise
- (b) No temporary cover pending **medical underwriting** is provided
- (c) The **policyholder, employer** and the **discretionary entrant, early entrant** or **late entrant** (as appropriate), meet all of the special conditions, special terms, and **medical underwriting** requirements specified in writing by **Unum**

- (d) Any **benefit** and/or restricted terms that **Unum** may decide to insure or apply in respect of the **member** has been notified by **Unum** giving **notice in writing** to the **policyholder**

A proposed increase in **benefit** in respect of a **discretionary entrant, early entrant** or **late entrant** will be treated in accordance with paragraphs 4.6.3 ("**Benefit** increase where the total **benefit** does not exceed **Unum's free cover limit**", 4.6.4 ("**Benefit** increase so it exceeds **Unum's free cover limit** for the first time") or paragraph 4.6.5 ("**Benefit** increase and the existing **benefit** exceeds **Unum's free cover limit**") as appropriate.

4.6.7 Extended cover member

An individual may become an **extended cover member** for whom cover will be provided as follows:

- (a) That part of the **benefit** up to **Unum's free cover limit** is covered provided the **member** is **actively at work** on the **terminal age**
- (b) **Medical underwriting** is required in respect of that part of the **benefit** which exceeds **Unum's free cover limit**, unless **Unum** determines otherwise
- (c) No temporary cover pending **medical underwriting** is provided
- (d) **Benefit** granted by **Unum** is fully covered, unless stated otherwise in **Unum's** acceptance notification

- (e) No cover is provided in respect of any increase in **benefit** which exceed **Unum's free cover limit** from the date that **Unum** declines to insure any such **benefit**

A proposed increase in **benefit** in respect of an **extended cover member** will be treated in accordance with paragraph 4.6.3 ("**Benefit** increase where the total **benefit** does not exceed **Unum's free cover limit**"), 4.6.4 ("**Benefit** increase so it exceeds **Unum's free cover limit** for the first time") or 4.6.5 ("**Benefit** increase and the existing **benefit** exceeds **Unum's free cover limit**") as appropriate.

If the **member** is not **actively at work** on the **terminal age**, then the provisions of this paragraph 4.6.7 will apply from the next day they are **actively at work** as if it was their **terminal age**.

[4.7 Temporary absence from work](#)

[4.7.1 Cover during temporary absence](#)

Subject to paragraphs 4.7.2 ("**Extended cover member** temporarily absent") to 4.7.5 ("Cover ceasing during temporary absence") inclusive, a **member** who is temporarily absent from work will continue to be treated by **Unum** as a **member**:

- (a) for a period of up to 12 months:
 - (i) for any absence due to ill-health commencing from the first day of absence;

- (ii) from what would have been the end of the original **deferred period** for a claim which is declined;
- (iii) from the date a claim in respect of the **member** is ceased

provided the **employer** has given written acknowledgement to the **member** of their absence within a reasonable period of time from the start of the absence

- (b) for the duration of any period of statutory absence including maternity leave, paternity leave, adoption leave or parental leave, where such period of absence is taken in accordance with the relevant legislation
- (c) for a period of up to 3 years for any unpaid leave, including a sabbatical, period of compassionate leave or absence due to any reason other than in (a) or (b) above, as authorised by the **employer**, but only where the **employer** has given written consent to the **member** for the absence within a reasonable period of time from the start of the absence and where such written consent also states the expected date of return to work, or
- (d) for any period the **member** is called up as a regular reservist, a volunteer reservist or seconded to work that **Unum** agree is of national importance

For a **member** on a fixed-term contract or engagement, the renewal or extension of the **member's** contract of employment during a period of temporary absence (as described above) or **incapacity** will not qualify the **member** for continued cover under this **policy**.

[4.7.2 Extended cover member temporarily absent](#)

An **extended cover member** who is temporarily absent from work as set out in paragraph 4.7.1 ("Cover during temporary absence") will continue to be treated by **Unum** as an **extended cover member** for a period not exceeding 1 year, instead of the longer period mentioned in paragraph 4.7.1 (c) ("Cover during temporary absence").

The renewal or extension of an **extended cover member's** contract of employment during a period of temporary absence (as described above) or **incapacity** will not qualify the **extended cover member** for continued cover under this **policy**.

[4.7.3 Incapacity during temporary absence](#)

Should any **incapacitated member** complete the **deferred period** during a period of temporary absence, as described in paragraph 4.7.1 ("Cover during temporary absence"), where temporary absence was:

- (a) due to ill-health, **benefit** will commence following completion of the **deferred period**

- (b) for any reason other than ill-health, **benefit** will not commence until the day the **member** was due to return to work following the period of temporary absence

4.7.4 Insured earnings during temporary absence

During temporary absence under paragraph 4.7.1 (“Cover during temporary absence”), a **member’s insured earnings** will be the **insured earnings** on the day before the start of temporary absence. However, for any period of absence under paragraph 4.7.1 (“Cover during temporary absence”) (a) or (b), the **insured earnings** will be increased during the absence in line with any general pay increases made by the **employer**, up to a maximum of 5.0% per annum compounded annually. The **benefit** will not be increased to a level which exceeds either **Unum’s free cover limit** or, if greater, the **member’s** existing **benefit** accepted by **Unum** as applicable on the day before the start of the **member’s** absence.

If **benefit** is a flat amount, the **benefit** payable is the **benefit** applicable on the day before the start of the **member’s** absence.

4.7.5 Cover ceasing during temporary absence

Cover in respect of a **member** who is temporarily absent from work under paragraph 4.7.1 (“Cover during temporary absence”) or 4.7.2 (“**Extended cover member** temporarily absent”) will be maintained only if the **member** remains in an **employment relationship** with the **employer** during the period of absence.

Cover will cease for a **member** who is absent for a period of time longer than applicable under paragraphs 4.7.1 (“Cover during temporary absence”) or 4.7.2 (“**Extended cover member** temporarily absent”) and in such circumstances, any re-admission of a **member** shall be subject to the same rules and conditions applicable to a new **member**.

4.8 Overseas cover and secondment

4.8.1 Overseas cover (outside the United Kingdom)

A **candidate member** or **member** who meets all the conditions for becoming and remaining a **member** and who resides outside the **United Kingdom** and/or whose normal place of employment is outside the **United Kingdom**, is still eligible for membership if either (a) or (b) below is satisfied.

- (a) They are in an **employment relationship** with an **employer** domiciled in the **United Kingdom**
- (b) They are in an **employment relationship** with an **employer** domiciled outside the **United Kingdom** and the **employer** is not the **policyholder** (but is participating in this **policy** with the written approval of **Unum** and is controlled by the **policyholder** who is domiciled in the **United Kingdom**)

A **candidate member** or **member** who resides outside the **United Kingdom** and/or has their normal place of employment outside the **United Kingdom**, is not eligible for membership if their **employer** is resident outside the **United**

Kingdom and their **employer** is the **policyholder**.

4.8.2 Secondment

A **candidate member** or **member** who meets all the conditions for becoming and remaining a **member** and who is seconded from their **employer** is still eligible for membership if:

- (a) the **employer** retains control over where and for whom they will work, and
- (b) there is written confirmation between the **employer** and the **candidate member** or **member** that at the end of the secondment the **candidate member** or **member** will resume work with the **employer** in the **United Kingdom** or will be retiring (if the period of secondment is expected to extend beyond the **candidate member** or **member’s** retirement date)

Individuals who are seconded to an **employer** are not eligible for membership under this **policy**.

4.8.3 Employment and Support Allowance

A **member** who is overseas is treated for the purposes of this **policy** as being in receipt of **Employment and Support Allowance** benefits where this is ordinarily taken into account under the **policy** and specified in the **schedule**.

[4.8.4 Non-sterling](#)

Benefit and **premium** in respect of a **member** who is overseas are payable in pounds sterling (or, if different, the lawful currency of the **United Kingdom**). Where a **member's insured earnings** are not paid in pounds sterling, any **benefit** will be calculated using the pounds sterling equivalent of the **member's insured earnings** using the same exchange rate used by the **policyholder** at the preceding **policy accounting date**.

[4.8.5 Re-admission](#)

Re-admission of a former **member** after their ceasing to meet any of the conditions prescribed under paragraph 4.8.1 ("Overseas cover (outside the **United Kingdom**)") or 4.8.2 ("Secondment") shall be subject to the same rules and conditions applicable to a new **member**.

[4.9 Termination of membership](#)

[4.9.1 Ceasing to be a member](#)

A **member** ceases to be a **member** on the earliest of the following:

- (a) The date they cease to be in an **employment relationship** with the **employer**, subject to paragraph 7.7.2 ("Paying Direct – Subject to **Unum** agreement"), or
- (b) The date the **member** ceases to meet the **eligibility conditions** (other than any maximum entry age or **service** requirements), or
- (c) The date the **member** attains the **terminal age**, or
- (d) The date they cease to satisfy the requirements in paragraph 4.8 ("Overseas cover and secondment") if overseas or on secondment, or
- (e) The date the **policy** is terminated, or
- (f) In the case of an **incapacitated member**, the date they undertake any alternative work (whether unpaid or not) without the knowledge and consent of the **policyholder**, or
- (g) The date the **member** fails to return to **actively working** following a period of temporary absence as per paragraph 4.7 ("Temporary absence from work"), or
- (h) The date the **member** dies

[4.9.2 Continuing as an extended cover member](#)

On ceasing to be a **member** by attaining the **terminal age**, a **member** may become an **extended cover member** subject to the conditions of paragraphs 4.1.4 ("**Extended cover members**") and 4.6.7 ("**Extended cover member**").

[4.9.3 Ceasing during deferred period](#)

No **benefit** is payable in respect of a **member** who is in an **employment relationship** with an **employer**, who becomes **incapacitated** and who ceases to be in that **employment relationship** before the end of the **deferred period**, except where the **member** is an **equity partner** or **LLP member**.

5. ELIGIBILITY FOR BENEFIT

5.1 [Entitlement for payment of benefit](#)

5.1.1 [Benefit payments start](#)

Benefit will be paid when a **member**:

- (a) becomes an **incapacitated member**; and
- (b) has been **incapacitated** throughout the entire **deferred period**; and
- (c) has not attained the **terminal age** during the **deferred period**

Subject to paragraph 4.7.3 (“**Incapacity** during temporary absence”) payment of **benefit** will begin on the first day after the end of the **deferred period** and will continue to be paid for the duration of the **incapacity** until **benefit** ceases under paragraph 7.7.1 (“**Benefit** payments cease”).

For **Unum** to treat a **member** as **incapacitated**, the evidence provided in accordance with paragraph 7.2 (“Evidence required for a claim”) must enable **Unum** to reasonably conclude, according to accepted medical principles, that as a result of an **illness** or **injury**, the **member** satisfies the definition of **incapacity** at the relevant time.

Data periodically provided by the **policyholder** to **Unum** must accurately declare the **member’s** details. If data provided is not accurate, **Unum** is entitled to consider a claim on the lower of the **member’s** declared details or on the correct details of the circumstance.

Receipt by a **member** of medical advice to refrain from work and/or the receipt of state benefits does not, in itself, mean the **member** is **incapacitated**.

The concern or belief that a **member** may become **incapacitated** in the future does not satisfy the definition of **incapacity**.

5.1.2 [Alternative working during a deferred period](#)

As long as the **member** is **incapacitated** throughout the entire **deferred period**, **Unum** will consider the **deferred period** to have been completed where the **incapacitated member** is working during the **deferred period** for or with the **employer** either in:

- (a) an occupation other than the **insured occupation**, or
- (b) the **insured occupation** on a **reduced basis**

5.1.3 [Linked absences](#)

Although the **deferred period** is normally required to be a period of continuous absence due to **incapacity**, **Unum** will allow linking of two or more separate periods of absence, each of at least two weeks’ duration, due to **incapacity** arising from the same cause, to complete a **deferred period**, provided that this accumulated absence is no longer than twice the length of the **deferred period** as defined in the **schedule**.

If the **employer** has terminated this **policy** and has continued group income protection cover with another insurer without any gap in cover, then this linked absences provision will continue to apply. However, if the individual has satisfied the new insurer’s ‘actively at work’ requirements, **benefit** payments will cease when the individual has satisfied the new insurer’s deferred period or any earlier date when **benefit** payments cease as provided in paragraph 7.7 (“Ceasing and/or adjusting of **benefit** payments”).

5.2 [Definitions of incapacity](#)

The **schedule** specifies which definition of **incapacity** is applicable to each **eligibility category**.

The definitions of **incapacity** which may apply according to the **schedule** are as follows:

Definition A **Insured occupation** cover (**gainful occupation** cover applies for licence holders)

Definition B Combined cover – **insured occupation** cover for 24 months; **gainful occupation** cover thereafter (**gainful occupation** cover applies for licence holders)

Definition C **Gainful occupation** cover

Definition A:

- (i) If a **member** is not required by the terms governing the **employment relationship**, to hold a licence or certificate which is issued only when the **member** meets required medical standards;

the **member** is **incapacitated** if Unum is satisfied that the **member** is:

- (a) unable, by reason of their **illness or injury**, to perform the **material and substantial duties** of the **insured occupation**, and is
- (b) not performing any occupation, except as provided under paragraph 5.3 ("**Proportionate benefit**")
- (ii) If a **member** is required by the terms governing the **employment relationship**, to hold such a licence or certificate;

the **member** is **incapacitated** if Unum is satisfied that the **member** is unable, by reason of their **illness or injury**, to perform the **material and substantial duties** of:

- (a) the **insured occupation**, and of
- (b) any **gainful occupation** with any employer for which they are reasonably fitted by reason of training, education or experience, and

the **member** is not performing any occupation, except as provided under paragraph 5.3 ("**Proportionate benefit**").

Please note that for the purposes of Definition A, the term "licence" does not include a licence to drive ordinary cars, vans or motorcycles.

Definition B:

- (i) If a **member** is not required by the terms governing the **employment relationship**, to hold a licence or certificate which is issued only when the **member** meets certain medical standards then:

- (1) for the **deferred period** and the first 2 years following the completion of the **deferred period**;

the **member** is **incapacitated** if Unum is satisfied that the **member** is:

- (a) unable, by reason of their **illness or injury**, to perform the **material and substantial duties** of the **insured occupation**, and is
- (b) not performing any occupation, except as provided under paragraph 5.3 ("**Proportionate benefit**")

- (2) beginning immediately after the first 2 years following the completion of the **deferred period**;

the **member** is **incapacitated** if Unum is satisfied that the **member** is unable, by reason of their **illness or injury**, to perform the **material and substantial duties** of:

- (a) the **insured occupation**, and of
- (b) any **gainful occupation** with any employer for which they are reasonably fitted by reason of training, education or experience, and

the **member** is not performing any occupation except as provided under paragraph 5.3 ("**Proportionate benefit**")

- (ii) If a **member** is required by the terms governing the **employment relationship** to hold such a licence or certificate;

the **member** is **incapacitated** if Unum is satisfied that the **member** is unable, by reason of their **illness or injury**, to perform the **material and substantial duties** of:

- (a) the **insured occupation**, and of
- (b) any **gainful occupation** with any employer for which they are reasonably fitted by reason of training, education or experience, and

the **member** is not performing any occupation, except as provided under paragraph 5.3 ("**Proportionate benefit**").

Please note that for the purposes of Definition B, the term "licence" does not include a licence to drive ordinary cars, vans or motorcycles.

Definition C:

A **member** is **incapacitated** if **Unum** is satisfied that the **member** is unable, by reason of their **illness or injury**, to perform the **material and substantial duties** of:

- (a) the **insured occupation**, and of
- (b) any **gainful occupation** with any employer for which they are reasonably fitted by reason of training, education or experience, and

the **member** is not performing any occupation, except as provided under paragraph 5.3 (“**Proportionate benefit**”).

5.3 Proportionate benefit

Benefit may be paid in respect of a **member** who, although **incapacitated**, is working in their normal occupation on a **reduced basis**, or working in a different and less well paid occupation.

5.3.1 Conditions for proportionate benefit

Proportionate benefit is payable if the following conditions are met:

- (a) The **member** is **incapacitated**, but is performing the **insured occupation** on a **reduced basis**, or
- (b) The **member** is **incapacitated** and is performing a different occupation

and in either case, the **member’s adjusted pre-incapacity earnings** are higher than the **member’s current earnings**.

There is no requirement that **full benefit** should have been in payment prior to **proportionate benefit** becoming payable.

5.3.2 Calculation of proportionate benefit

Proportionate benefit is based on the **member’s** percentage income loss, taking account of inflation, as measured by the percentage change in **RPI**, calculated as follows:

$$\text{percentage income loss} = \frac{\text{adjusted pre-incapacity earnings} - \text{current earnings}}{\text{adjusted pre-incapacity earnings}}$$

The **proportionate benefit** is calculated by multiplying the percentage income loss by the **full benefit**. Where **full benefit** is calculated taking into account **ESA benefits, ESA benefits** will not be deducted from the **full benefit** for these purposes (since it is assumed these will not be payable because the **incapacitated member** is working).

Proportionate **additional benefit** payable in respect of **employer’s** National Insurance contributions is calculated by multiplying it by the **member’s** percentage income loss. It is not calculated based on the **member’s proportionate basic benefit**.

Proportionate benefit is recalculated each year or when the **member’s current earnings** change (ignoring any change as a result of currency fluctuations), whichever is sooner.

Proportionate benefit can never exceed the amount of **full benefit** which would be payable in respect of the **member**.

Adjusted pre-incapacity earnings are calculated on the first occasion **proportionate benefit** becomes payable. The **member’s insured earnings** on that day are increased by the percentage increase in the **RPI** over the period commencing 3 months prior to the month in which the **member** became **incapacitated** and ending 3 months prior to the date **proportionate benefit** becomes payable.

On each further occasion **proportionate benefit** is calculated, any change in **adjusted pre-incapacity earnings** will be based on the change in **RPI** since the last calculation or the change in **current earnings**, whichever is the smaller change at that time.

For the calculation of **current earnings**, the following will apply:

1. **Benefit** and **premium** in respect of a **member** who is overseas are payable in pounds sterling (or, if different, the lawful currency of the **United Kingdom**). Where a **member's insured earnings** are not paid in pounds sterling, any **benefit** will be calculated using the pounds sterling equivalent of the **member's insured earnings** using the same exchange rate used by the **policyholder** at the preceding **policy accounting date**
2. Where an **incapacitated member** continues to receive a regular income which was in payment prior to **incapacity**, which is not provided by the **member's employer**, then should that income increase, the new increased level of income will be included in **current earnings** only to the extent which it exceeds the level received before **incapacity** (but changed in line with the **RPI** since the **incapacity**)

5.4 [Linked benefit claims](#)

Subject to paragraph 4.9.1 ("Ceasing to be a **member**") and 7.7 ("Ceasing and/or adjusting of **benefit** payments"), upon having first returned to **actively working** with the **employer** following **incapacity**, if a **member** suffers further periods of **incapacity** greater than 2 weeks (whether arising from the same cause or not), there will be no requirement for a further **deferred period** in respect of such further periods of **incapacity**, if both the following conditions are met:

- (a) **Benefit** was paid in respect of the **member** for the first period of **incapacity**, and
- (b) The **member** is absent from work for any subsequent period of **incapacity** within 52 weeks from their return to work from the previous period of **incapacity** greater than 2 weeks

In such a case, subject to paragraph 5.5 ("**Limited benefit cover**"), if applicable, **benefit** payment will be resumed from the date of commencement of the further **incapacity** at the same level as was previously paid.

However, for these purposes, if;

1. the **member's insured earnings** increased, or
2. the cover under the **policy** has been revised during the period the **member** was no longer **incapacitated** and had returned to **actively working**, then

any increase in **benefit**, which would otherwise have been appropriate according to the **member's** circumstances at the start of their further **incapacity**, will only begin to be paid after the end of the **deferred period**, which would have applied under the **policy** at the start of the **member's** further **incapacity** had there been no provision for a **linked benefit claim** under the **policy**.

This **linked benefit claims** provision only applies as long as the **policy** remains in force. However, if the **policyholder** immediately continues group income protection cover with another insurer (which is provided, in **Unum's** reasonable opinion on the same basis as this **policy**) then the **linked benefit claims** provisions continue to apply in respect of any former **member** who suffers any further period of **incapacity** prior to satisfying the new insurer's deferred period requirement. However, if the individual has satisfied the new insurer's 'actively at work' requirements, **benefit** payments will cease immediately when the individual has satisfied the new insurer's deferred period, or the earlier date when **benefit** payments cease as provided in paragraph 7.7 ("Ceasing and/or adjusting of **benefit** payments").

5.5 Limited benefit cover

If a **member** becomes **incapacitated** and completes the **deferred period**, **benefit** will be subject to the selected **limited benefit cover** (if any).

The **schedule** specifies whether **limited benefit cover** applies.

However, should such a **member** return to being **actively at work** with the **employer** before the **limited benefit cover** period ends, and they then suffer a further period of **incapacity**, the following provisions shall apply in these circumstances.

Where the **member** had been **actively working** for a period of:

- (a) less than 4 weeks, then the **linked benefit claims** provisions will apply but the resumed payment of **benefit** will be limited so that the total period over which **benefit** is paid will not exceed the **limited benefit cover** period, or
- (b) between 4 weeks and 52 weeks, then the **linked benefit claims** provisions will apply and for the purposes of the resumed payment of **benefit** the previous period under which **benefit** was paid will be ignored and the entire **limited benefit cover** period will restart from the commencement of the further period of **incapacity**, or
- (c) 52 weeks or more, the **linked benefit claims** provisions will not apply

6. AMOUNT OF BENEFIT

6.1 Basic benefit

The annual **basic benefit** for each **eligibility category** is specified in the **schedule**.

If the **policyholder** has selected an **escalation rate** provision for the **basic benefit**, **basic benefit** shall change as provided in paragraph 6.4 (“Escalation of **benefit**”) and specified in the **schedule**.

Where the annual **basic benefit** takes into account the actual level of **ESA benefits** received by the **incapacitated member** the following will apply:

- **Unum** will deduct the gross annual rate of **ESA benefits** except where the **basic benefit** is calculated as a percentage of **net pay**, whereupon **Unum** will deduct the net annual rate of **ESA benefits**
- **Unum** begins to take account of the actual **ESA benefits** received by a **member** on completion of the relevant **deferred period** for the **incapacitated member’s eligibility category**
- During the **member’s** assessment phase for **Employment and Support Allowance**, **Unum** will calculate the **basic benefit** deducting the relevant age-related rate of basic allowance.
- **Basic benefit** after the assessment for **Employment and Support Allowance** will depend on the outcome of the assessment, as appropriate:

- (a) No further **ESA benefits** are payable; **basic benefit** is calculated with no deduction for all subsequent payments
- (b) **ESA basic** and **ESA wrac** are payable; **basic benefit** is calculated deducting the combined value of the **ESA basic** and **ESA wrac** for the maximum period that this is payable on a National Insurance contributory basis, then recalculated with no deduction for all subsequent payments
- (c) **ESA basic** and **ESA support** are payable; **basic benefit** is calculated deducting the combined value of the **ESA basic** and **ESA support** for all subsequent payments

- Unless **Unum** is advised otherwise, **Unum** will assume that the **incapacitated member** is receiving the relevant age-related amount of basic allowance while being assessed and thereafter the combined value of the **ESA basic** and **ESA support**
- Where the **incapacitated member** is resident in the Channel Islands or the Isle of Man, the equivalent **ESA benefits** deduction will be the state long term incapacity benefit applicable in that location

- Where the **incapacitated member** was resident overseas and not paying National Insurance contributions in the **United Kingdom** immediately prior to **incapacity**, then **Unum** shall assume that they are receiving the maximum level of **Employment and Support Allowance**

6.2 Additional benefit

During any period in which **benefit** is being paid in respect of a **member**, **Unum** will pay any **additional benefit** (as specified in the **schedule**) to the **policyholder**. Payment of the **additional benefit** shall cease on the date the **employment relationship** between the **member** and the **employer** ceases.

The **additional benefit** (if any) in respect of National Insurance contributions shall be insured at either the appropriate contracted-out rate or the not contracted-out rate, as applicable, based on the amount of **basic benefit** and the National Insurance contribution rates for an individual under the **State Pension Age** appropriate at the commencement of **benefit** payments (except as provided for in paragraph 5.3.2 (“Calculation of **proportionate benefit**”).

If contracting out is discontinued in relation to salary-related pension schemes, then any **additional benefit** in respect of National Insurance contributions will continue to be calculated on the basis applicable on the day prior to the discontinuance.

Any other **additional benefit** shall be insured as shall be agreed from time to time between the **policyholder** and **Unum** and specified in the **schedule**.

If the **policyholder** has selected an **escalation rate** provision for the **additional benefit**, **additional benefit** payable under this paragraph shall change as provided in paragraph 6.4 (“Escalation of **benefit**”) and specified in the **schedule**.

6.3 Benefit limits

- (a) The total of the **basic benefit** and all (if any) **additional benefit** in respect of **employee** pension contributions which is payable in relation to a **member** is limited to £350,000 per annum per **member**
- (b) The total of any **additional benefits** in relation to a **member**, excluding those in respect of **employee** pension scheme contributions and **employer’s** National Insurance contributions, is limited to 60% of **insured earnings** or, if smaller, to £120,000 per annum per **member**
- (c) **Additional benefit** in respect of **employer’s** National Insurance contributions shall be calculated using **basic benefit** after the limit in sub-paragraph (a) above has been applied

Initial **benefit** levels are limited to the above. However, where an **escalation rate** has been selected the above limits will increase (but only during payment of **benefit**) in line with the applicable **escalation rate**.

In addition to and/or in replacement of the above limits, **Unum** may introduce new limits from time to time (by **notice in writing** to the **policyholder**) and such limits will be applied to the **policy** with effect from the **policy review date** which first follows the date on which **Unum** introduced the new limit(s), but will not apply to any **benefit** which are already in payment on that date.

6.4 Escalation of benefit

If the **policyholder** has selected an **escalation rate**, as shown in the **schedule**, **benefit** will increase on the first day of the month following each anniversary of the date **benefit** first became payable in line with the **escalation rate**. If the **escalation rate** calculation indicates a reduction in **benefit**, the **benefit** will not change.

In the event of a **linked benefit claim** being accepted by **Unum** under paragraph 5.4 (“**Linked benefit claims**”), the date from which the **escalation rate** is applied to **benefit** shall be deferred by the length of time the **member** had returned to work.

The **schedule** specifies whether an **escalation rate** applies to **benefit**. The **escalation rates** available for selection by the **policyholder** are as follows:

- 6.4.1 Fixed **escalation rate** - the annual rate of any **benefit** being paid will be increased by the fixed **escalation rate**, shown in the **schedule**.
- 6.4.2 **RPI maximum of 12%** - the annual rate of any **benefit** being paid will be increased by the percentage increase in the **RPI** since the previous anniversary of the day when **benefit** became payable. The maximum annual increase permitted under this **escalation rate** is 12%.

6.4.3 RPI capped at 5% - the annual rate of any **benefit** being paid will be increased by the percentage increase in the **RPI** since the previous anniversary of the day when **benefit** became payable. The maximum annual increase permitted under this **escalation rate** is 5%.

6.4.4 RPI capped at 2.5% - the annual rate of any **benefit** being paid will be increased by the percentage increase in the **RPI** since the previous anniversary of the day when **benefit** became payable. The maximum annual increase permitted under this **escalation rate** is 2.5%.

6.4.5 CPI capped at 5% - the annual rate of any **benefit** being paid will be increased by the percentage increase in the **CPI** since the previous anniversary of the day when **benefit** became payable. The maximum annual increase permitted under this **escalation rate** is 5%.

6.4.6 CPI capped at 2.5% - the annual rate of any **benefit** being paid will be increased by the percentage increase in the **CPI** since the previous anniversary of the day when **benefit** became payable. The maximum annual increase permitted under this **escalation rate** is 2.5%.

The percentage increase in the **RPI** or the **CPI**, as appropriate, used for these calculations is the percentage change in the relevant index between the figure for the month three months prior to the date on which escalation is calculated, as compared with the figure 12 months prior to that. Should any escalation index be discontinued or in the opinion of **Unum** be materially altered, **Unum** reserves the right to substitute what is, in **Unum's** reasonable opinion, another comparable index.

6.5 Deduction of income from other sources

Up to the date on which **Unum** determines that an **incapacitated member** is totally and permanently unable by reason of **illness** or **injury** to follow their own or any other occupation, but not thereafter, **Unum's** payments of **basic benefit** in respect of such an **incapacitated member** will be reduced by the amount of certain types of benefits received by the **incapacitated member**, including, but not limited to, the total value of payments which the **member** receives as income from other sources as follows:

- (a) Benefits paid in respect of the **member's** own **injury** or **illness** from any other accident, sickness or income protection insurance policy where the maximum benefit period is greater than 2 years

- (b) Any retirement pension received by the **member**, but excluding:
 1. any standard increases in such pension which occur in the period when **benefit** is payable
 2. any pension which was already in payment at the date they became an **incapacitated member** and any subsequent standard increases in such pension, and
 3. any pension paid because the **incapacitated member** has attained the age at which the pension automatically starts, and any subsequent standard increases in such pension
- (c) Any uninsured sickness payments or benefits received by the **member** from their **employer**, ignoring all contractual sickness payments payable during the first 12 months of the **member's incapacity**
- (d) Any form of income which is included in **insured earnings** and which continues to be received by the **member**

Any payment which the **incapacitated member** can choose to take as cash or as income, in part or as a whole, shall be regarded as income from other sources at the highest level that income could be taken.

Unum shall assume for a **Schedule D taxed member** that any income from other sources is not assessable to income tax. However, where **Unum** accepts that such income is assessable to income tax, **Unum** will reduce the gross amount of such income by one-third for the purpose of deducting the income from **basic benefit**, as described above and determining the applicable limit in paragraph 6.5.1 (“Total **basic benefit** and income from other sources”) regardless of the actual level of income tax payable by the **member**.

Unum shall assume for a **PAYE taxed member** that any income from other sources is assessable to income tax. However, where **Unum** accepts that such income is not assessable to income tax, **Unum** will gross up such income by 50% for the purpose of deducting the income from **basic benefit** as described above and for determining the applicable limit in paragraph 6.5.1 (“Total **basic benefit** and income from other sources”) regardless of the actual level of income tax payable by the **member**.

6.5.1 Total basic benefit and income from other sources

In respect of any **incapacitated member**, the total of **basic benefit** payable by **Unum** (excluding any increases by reason of escalation of **benefit** under paragraph 6.4 (“Escalation of **benefit**”)) plus all income from other sources (as defined in 6.5 (“Deduction of income from other sources”) above) shall not exceed:

- (a) for a **Schedule D taxed member**, 50% of the greater of **insured earnings** and their gross earnings immediately prior to **incapacity** (to the extent that such earnings have ceased as a result of **incapacity**)
- (b) for a **PAYE taxed member**, 80% of the greater of **insured earnings** and their gross earnings immediately prior to **incapacity** (to the extent that such earnings have ceased as a result of **incapacity**)

However, during the first 12 months of a **member’s incapacity** (but not thereafter) any contractual sickness payments made by their **employer** and paid to the **member** in addition to the **basic benefit** will be ignored for the purposes of calculating income from other sources under this sub-paragraph.

7. CLAIMING BENEFIT

7.1 Notification required for a claim

The **policyholder** is required to notify **Unum** in writing of the absence of a **member**, due to **illness** or **injury**, immediately where the **member** has been absent from work for 14 weeks or for half the **deferred period**, whichever is shorter.

No **benefit** shall be payable for, or in respect of, any period of time before such written **notice** of the absence and **Unum's** claim form documentation, fully completed by the **policyholder**, is received by **Unum**.

If neither written **notice** of the **member's** absence nor **Unum's** fully completed claim form documentation is received within 90 days from the end of the **deferred period**, **Unum** shall have no liability whatsoever to pay **benefit** in respect of the **member**. If fully completed claim form documentation is received by **Unum** after 90 days from the end of the **deferred period**, **Unum** shall in its sole discretion determine whether to consider the claim received, but **Unum** shall be under no obligation to do so, nor to pay any **benefit**.

The **policyholder** may contact **Unum's** Customer Care department for the appropriate claim forms on telephone number 01306 873243 or through such other contact details as **Unum** may advise.

Claim forms are also available at www.unum.co.uk/claims.

7.2 Evidence required for a claim

In order for any **benefit** to be payable in respect of a **member's incapacity**, the **policyholder** must provide (and must ensure that the **member** provides) sufficient evidence, information and access to information, including, but not limited to, that set out in paragraphs 7.2.1 ("Information required") and 7.2.2 ("Medical evidence required") to satisfy **Unum** that a claim is valid and continues to be valid, in accordance with the requirements imposed and/or requests made by **Unum** from time to time. Failure to provide or unreasonable delay in providing such evidence, information or access to information will entitle **Unum** to decline and/or cease payment of **benefit** in respect of any claim.

Unum is not obliged to provide evidence that a **member** is not **incapacitated** to decline or cease payment of **benefit** in respect of a claim.

Unum is not responsible for any errors or omissions from any information or evidence provided to it from any source and the **policyholder** is solely responsible for any errors or omissions in the information or evidence it provides.

7.2.1 Information required

Unum may at any time or times request all and any information as it sees fit which is to be provided to **Unum** within any reasonable period specified by **Unum** in order for **Unum** to properly assess a claim. Such information may include, but is not limited to:

- (a) Proof of membership
- (b) Evidence of the **member's** job title and job description in their contract of employment (including their personnel file) to determine the **insured occupation** and the **material and substantial duties**
- (c) The **member's** employee/personnel file, medical records and occupational health records held by the **employer**
- (d) Evidence of the **member's** earnings both before and during **incapacity**
- (e) The **member's** original birth certificate or an original Association of British Insurers Birth Certificate Verification Form (unless the **policyholder** provides satisfactory written confirmation that they have verified the **member's** date of birth for employment or pension scheme purposes)
- (f) Information relevant to the claim from any person the **member** has consulted in connection with any **incapacity**

- (g) **Unum's** claim form documentation, fully completed, including the signed consent of the **member** which provides **Unum** with the authority to gain access to medical reports and records concerning the **member's** mental and/or physical health

Paragraph 7.8 ("Declining a claim or adjusting **benefit** after failure to comply") shall apply in the event of any failure by the **policyholder** or **member** to comply with the foregoing.

7.2.2 [Medical evidence required](#)

Unum may request all and any medical evidence or information as **Unum** from time to time sees fit, to be provided to **Unum** within any reasonable period specified by **Unum**, in order for **Unum** to properly assess a claim and to substantiate the **member's incapacity** and continuing **incapacity**. Such evidence may include but is not limited to:

- (a) Evidence of the presence of an impairment of sufficient severity and duration to satisfy the definition of **incapacity**; and
- (b) Medical records, laboratory tests, x-rays, original consultation notes (not restricted to summaries thereof) from **medical practitioners**, health professionals and any other person the **member** has consulted regarding their mental or physical wellbeing; and

- (c) Evidence of continuing attendance by the **member** at a **medical practitioner** or health professional whose training and speciality are appropriate to the **member's** impairment as frequently as such a **medical practitioner** or health professional would reasonably recommend; and
- (d) Evidence obtained by **Unum** or its representative through contacting the **member** directly by telephone to obtain fuller details of their circumstances; and
- (e) Evidence which demonstrates the **member** has adopted a reasonable approach to the therapeutic measures, treatment options and advice offered to them by a **medical practitioner** or health professional; and
- (f) Medical reports by one or more **medical practitioners** or health professionals selected by **Unum**, and in this regard, the **member** may be required to undergo a medical examination by such **medical practitioners** or health professionals at such times and places as **Unum** or the **medical practitioners** or health professionals may require and the **member** will provide appropriate samples as are required for any tests, including, but not limited to, blood tests and saliva tests; and
- (g) any other information, evidence, test, evaluation or report that may be requested at any time by **Unum** or by the **medical practitioners** or health professionals or consultants

The cost of any medical examination and any tests (including blood tests and saliva tests) which are required by **Unum** will be paid for by **Unum** at the rates charged in the **United Kingdom**. **Unum** shall not be liable for any costs incurred by the **policyholder** or **member** in connection with attending a medical examination or undergoing any tests or in supplying any other information, unless and except where reasonable costs have been agreed in advance by **Unum** with consideration to the **incapacitated member's** circumstances.

The **policyholder** must ensure that the **member** attends any examination when notified to do so, and that the **member** provides any other information requested under this paragraph 7.2.2 within 28 days of the date of a request for the same made by **Unum** to the **policyholder**.

Paragraph 7.8 ("Declining a claim or adjusting **benefit** after failure to comply") and/or paragraph 7.7.3 ("**Members** failing to follow reasonable advice") shall apply in the event of any failure by the **policyholder** or **member** to comply with requests set out in this paragraph 7.2.2.

[7.3 Evidence of reasonable adjustment](#)

In respect of an **incapacitated member**, **Unum** may from time to time request, and the **policyholder** shall provide, evidence that the **employer** has, within a reasonable time specified by **Unum**:

- (a) investigated and implemented any reasonable adjustments to the working conditions, the physical features and any other arrangements relating to the **member's** occupation which would enable the **member** to continue working for the **employer**, and
- (b) investigated and, where appropriate, made reasonable efforts to implement any rehabilitation and reintegration programmes designed to enable the **member** to return to work with the **employer**

Paragraph 7.8 ("Declining a claim or adjusting **benefit** after failure to comply") shall apply in the event of any failure by the **policyholder** to comply with the foregoing.

[7.4 Payment of benefit](#)

[7.4.1 When benefit is to be paid and other adjustments](#)

Benefit becomes payable as set out in paragraph 5.1.1 ("**Benefit** payments start") and will be paid in equal calendar monthly instalments, in arrears. A proportionate payment will be made for any period of less than a month.

Benefit payments will continue in respect of the **member** until **benefit** is no longer payable under this **policy**. Any adjustments to the amount of the **benefit** payments under this **policy** will take effect immediately they are determined, unless some other time is given in this **policy**.

[7.4.2 Payee](#)

The **basic benefit** payable under this **policy** shall be paid:

- (a) in respect of a **member** who is an **employee**, to the **policyholder**
- (b) in respect of a **member** who is an **equity partner**, to the **equity partner**, and
- (c) in respect of a **member** who is an **LLP member**, to the **LLP member**

unless otherwise specifically provided in this **policy** (and each of the above shall be referred to as appropriate as the "recipient").

Any **additional benefit** which is payable by **Unum** under this **policy** shall be paid to the **policyholder** unless otherwise specifically provided in this **policy**.

If the **policyholder** is not the **employer** of the **member** at the time a payment is made, the **policyholder** shall receive and hold the payment to the order of the **employer**.

To the extent permitted by regulations the receipt by the recipient (or with the agreement of **Unum** by any person, persons or corporation authorised by the recipient, none of which shall acquire any rights in respect thereof against **Unum**, whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise) of any monies paid by **Unum** under this **policy** shall be a good and sufficient discharge of **Unum** in respect of such monies and in no circumstances will **Unum** have any liability to any other person in respect of such monies. **Unum** has no duty or obligation to any person to oversee, direct or advise upon the application of any monies so paid.

[7.4.3 Sterling payment by direct credit](#)

Benefit is payable in pounds sterling or, if it is different, the lawful currency of the United Kingdom. Payment shall be made by direct credit to an account of the recipient (which must be held in the **United Kingdom**) as designated by the recipient in writing to **Unum**.

[7.4.4 Unpaid premium](#)

If the **policyholder** fails to pay the **premium** which falls due under the **policy** in any **policy accounting period**, in accordance with the provisions of section 3 ("**PREMIUMS**"), then **Unum** shall have no liability to pay any **benefit** under this **policy** with respect to a **member** who becomes **incapacitated** during such **policy accounting period**.

7.5 Notification of other employment or change in condition

The **policyholder** must notify **Unum** immediately of any change in the **incapacitated member's** condition or circumstances which would or might affect **Unum's** liability to pay **benefit**. By way of example only, changes that must be notified to **Unum** would include:

- (a) The **member** undertaking any work or employment, even if the work is unpaid
- (b) Any change in the **member's** health, medical condition or prognosis
- (c) Any change in the **member's** address or residence
- (d) The **member** returning to work with their **employer** (whether or not **benefit** is then in payment)

The **policyholder** must make **incapacitated members** aware (at regular intervals no less frequently than annually) that they must notify any change in their condition or circumstances to the **policyholder**.

Paragraph 7.8 ("Declining a claim or adjusting **benefit** after failure to comply") shall apply in the event of any failure by the **policyholder** to comply with the foregoing.

7.6 Incapacitated member overseas – information and evidence required

The provisions of section 7 ("CLAIMING **BENEFIT**") apply equally in the case of a **member** who is situated overseas as they do for a **member** residing in the **United Kingdom** but:

- (a) all information provided must be in a form satisfactory to **Unum**
- (b) the **policyholder** and not **Unum** will be liable for the cost of any medical examination and any tests (including blood tests and saliva tests) required by **Unum** which are carried out outside the **United Kingdom**, although **Unum** will contribute towards these costs at the rates which would reasonably be expected to be paid in the **United Kingdom**. **Unum** shall not in any circumstances be liable for any costs incurred by the **policyholder** or **member** in connection with attending a medical examination or undergoing any tests or in supplying any other information
- (c) Medical information must be provided to **Unum** in the language in which it was originally written. **Unum** will arrange any necessary translations, the cost for which the **policyholder** will be liable and will be billed

Paragraph 7.8 ("Declining a claim or adjusting **benefit** after failure to comply") shall apply in the event of any failure by the **policyholder** to comply with the foregoing.

7.7 Ceasing and/or adjusting of benefit payments

7.7.1 Benefit payments cease

This paragraph 7.7.1 applies over anything contrary in this **policy**.

All **benefit** payments shall cease and **Unum** will have no further liability to, or in respect of, an **incapacitated member** immediately on, and with effect from, the earliest of the following:

- (a) The date they cease to be **incapacitated**
- (b) The date they cease to be an **employee**, except in the case of an **equity partner** or **LLP member**, or as provided under paragraph 7.7.2 ("Paying direct – subject to **Unum** agreement")
- (c) The date they attain the **terminal age**
- (d) The date they die
- (e) The date they undertake any alternative work (whether unpaid or not) without the prior knowledge and consent of the **policyholder**
- (f) The date they return to work, except as provided under paragraph 5.3 ("**Proportionate benefit**")
- (g) The date on which the **limited benefit cover** maximum payment period ends
- (h) If the **employee** is on a fixed-term contract or engagement, the conclusion of the **employee's** fixed-term contract or engagement which was current on the day before **incapacity**

- (i) The date the **member** fails to attend any examination or to provide requested information in the time provided, as requested by **Unum**
- (j) The date the **member** withdraws or fails to confirm any consent which provides **Unum** with the authority to have access to medical reports and records concerning their mental and/or physical health
- (k) The date upon which the **member** provides information which is not true or is misleading or upon which they are obliged to and fail to provide material information
- (l) For any period in which the **incapacitated member** is in prison

An **equity partner** or an **LLP member** ceasing to be such an **equity partner** or **LLP member** does not affect the payment of **benefit**.

Additional benefit payments in respect of an **incapacitated member** shall cease as follows:

1. For pension contributions - on the earliest of the above dates which is applicable or when the relevant pension contributions cease to be payable
2. For National Insurance contributions - on the earliest of the above dates which is applicable or, if earlier when the **incapacitated member** attains their **State Pension Age** applicable at the commencement of **benefit** payments

7.7.2 Paying direct - subject to Unum agreement

In accordance with paragraph 5.1.1 (“**Benefit** payments start”) and 4.9.1 (“Ceasing to be a **member**”) and save as might be expressly provided in this **policy**, a **member**, who is in an **employment relationship** with the **policyholder**, who becomes **incapacitated**, and who ceases to be in that **employment relationship** after the end of the **deferred period**, ceases to be a **member** and therefore no **benefit** will be payable.

However, and without prejudice to paragraph 8.4 (“Cessation of business of the **policyholder**”), provided that the **policyholder** notifies **Unum** in writing at least 14 days in advance of such a cessation of the **employment relationship**, then **Unum** may agree (but **Unum** is under no obligation to agree) to continue to treat them as a **member** and to pay **basic benefit** directly to the **member**, despite the cessation of the **employment relationship**, for so long as **Unum** sees fit. If **Unum** does agree to pay **basic benefit** directly to such a **member**, then **basic benefit** will continue on such terms as **Unum** shall decide and of which **Unum** shall have given **notice in writing** to the **policyholder**, which may include varying the definition of **incapacity** in the case of that **member**. Despite the foregoing the **member** does not have, and shall not acquire, any right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term of this **policy** and will be treated as a **discretionary member** of the **policy**.

In the event that **Unum** so chooses to make payment of any **benefit** directly to a former **employee** in accordance with the foregoing, **Unum** will deduct from that **benefit** and account for any tax which **Unum** is responsible for on the **basic benefit** payments which are so made directly to the former **employee**.

7.7.3 Members failing to follow reasonable advice

Contrary to any other provision in this **policy**, **Unum** may reduce or cancel any **benefit** in the course of payment on written **notice** to the **policyholder** if a **member** fails to either attend a **medical practitioner** or adopt a reasonable approach to the treatment options, therapeutic measures and advice given to them by a **medical practitioner**, whether pursuant to paragraph 7.2.2 (“Medical evidence required”) or otherwise, where **Unum** reasonably considers that the **member’s** taking such actions and/or following of that advice would have been beneficial to recovery from **incapacity**, in total or in part. For this purpose, **Unum** shall be entitled to assume that all appropriate treatment options have been thoroughly investigated and appropriately explained to the **member**.

7.7.4 Continuation of **benefit** during retraining or vocational rehabilitation

For the avoidance of doubt where, with **Unum's** agreement, an **incapacitated member** undertakes retraining or vocational rehabilitation, **full benefit** or **proportionate benefit** as appropriate will continue to be payable for such period as **Unum** considers reasonably appropriate provided, and for so long as, the **member** remains **incapacitated** and is suffering an **earnings loss**.

7.8 Declining a claim or adjusting **benefit** after failure to comply

Without prejudice to any specific provisions in this section 7 ("CLAIMING **BENEFIT**"), any failure on the part of the **policyholder** (or where appropriate the **member**) to comply with any of the provisions of this section 7 ("CLAIMING **BENEFIT**") shall entitle **Unum** to decline or cease paying a claim or take such other steps as are appropriate in the circumstances, which may include an adjustment of **benefit**, upon **Unum** providing a reasonable period of notice to the **policyholder** of its intention to do so, and giving the **policyholder**, where practicable, the opportunity to remedy the failure within that period. Any such adjustments to the amount of the **benefit** payments will be made immediately, unless some other time is given in the **notice** or in the **policy**.

7.9 Complaint against a claim decision

In the event of any claim decision not being to the **policyholder's** satisfaction, the **policyholder** may refer the matter to **Unum's** Claims Complaints Team. This is a separate department, independent of the Claims Department that will review the claim decision afresh and in line with **Unum's** policy for handling complaints. The Claims Complaints Team will issue **Unum's** final decision on the claim. If the **policyholder** remains dissatisfied, the **policyholder** and/or **member** has the right to refer the complaint to the Financial Ombudsman Service which provides an independent dispute resolution service for eligible complainants. The **policyholder's** legal rights and those of the **member** are not affected if the Financial Ombudsman Service is contacted.

Financial Ombudsman Service,
Exchange Tower,
London, E14 9SR
Telephone 0300 123 9123 or 0800 023 4567
www.financial-ombudsman.org

8. AMENDMENT AND TERMINATION

8.1 Amendments by Unum

Unum may amend the terms and conditions of this **policy** as it sees fit:

- (a) at the **policy review date**, and/or
- (b) at any time the **premium rate** may be revised in accordance with paragraph 3.5 (“**Premium rate** revision”), and/or
- (c) in accordance with paragraph 3.1.2 (“Information required for **premium** calculation”) or 4.2 (“Membership information to be provided”), and/or
- (d) if any change in legislation, or new legislation impacts the **premium rate** and/or the payment of any **benefit**, and/or
- (e) if there is any change in the tax system, including changes in taxation rates which may directly or indirectly affect the **policy**, and/or
- (f) if there is any change in the state welfare system which may directly or indirectly affect the **policy**, including any change in the criteria for receiving state benefit

Such revised terms and conditions will be binding on the **policyholder** upon the expiry of at least 1 months **notice in writing** given by **Unum** to the **policyholder** in advance of the revision of such terms and conditions, unless such **notice** is not practicable, in which case **Unum** will give as much **notice** as is practicable

in the circumstances, and the revised terms and conditions will take effect accordingly.

If the **policy** is amended pursuant to the above and once a **member** is **incapacitated**, the terms and conditions of the **policy** in respect of such **incapacitated member** will continue to be those in force at the date the **member** became **incapacitated** and these will continue to determine the **benefit** for the duration of any related claim.

Any revision of terms and conditions will not constitute the formation of a new contract.

8.2 Amendments by the policyholder at any time

The **policyholder** may request that this **policy** be amended at any time and **Unum** may consider so amending the **policy** subject to the **policyholder** providing all related information as is required by **Unum**.

If **Unum** agrees to amend the **policy** in accordance with, or in response to, such a request, then **Unum** will advise the **policyholder** in writing of its revised terms and conditions and **premium rate**, but without prejudice to paragraph 8.1 (“Amendments by **Unum**”). These will not be binding unless the **policyholder** has confirmed their acceptance to **Unum** by **notice in writing**, although any subsequent payment of the required **premiums** by the **policyholder** will be sufficient for this

purpose and will be treated by **Unum** as acceptance of the revised terms and conditions and **premium rate** as advised by **Unum**.

Amendment of the **policy** at the **policyholder’s** request under this paragraph 8.2, for any reason, cannot take effect prior to the date of the **policyholder’s notice in writing** accepting the revised terms and conditions and **premium rate** advised by **Unum**, other than as provided herein or by mutual agreement as evidenced in writing.

If the **policy** is amended pursuant to the above and once a **member** is **incapacitated**, the terms and conditions of the **policy** in respect of such **incapacitated member** will continue to be those in force at the date the **member** became **incapacitated** and these will continue to determine the **benefit** for the duration of any related claim.

8.3 Termination of the policy

The **policyholder** will be entitled to terminate the **policy** at any time by giving **Unum notice in writing** in advance but such termination of the **policy**, for any reason, cannot be effective before the date of receipt of the **policyholder's notice in writing** of termination by **Unum**, except at **Unum's** sole discretion.

Unum is entitled to terminate the **policy** in accordance with the provisions of this **policy**, in particular paragraphs 3.1.2 ("Information required for **premium** calculation"), 3.6 ("Non-payment of **premiums**"), 4.2 ("Membership information to be provided"), 8.4 ("Cessation of business of the **policyholder**"), 8.5 ("Non-assignment"), 8.7 ("Minimum membership under the **policy**"), 8.8 ("Termination or amendment of an **associated policy**") and 8.9 ("Trade sanction controls").

In any event, the **policyholder** is required to provide **Unum** with all requested information as at the date of termination in order for **Unum** to determine the **premium** payable as at termination. If this information is not so provided within 1 month of it being requested, **Unum** shall determine what **premium** is payable having regard to the information then available to it and invoice the **policyholder** accordingly without prejudice to any sum or sums which had been, or may be, payable to **Unum** which shall remain payable.

Any outstanding **premiums** in respect of cover provided up to the date of termination of this **policy** will remain due.

If the **policy** is terminated once a **member** is **incapacitated**, the terms and conditions of the **policy** in respect of such **incapacitated member** will be those in force at the date the **member** became **incapacitated** and these will continue to determine the **benefit** for the duration of any related claim.

8.4 Cessation of business of the policyholder

In the event that the **policyholder**:

- (a) ceases to carry on business, or
- (b) suspends, or threatens to suspend payment of its debts, or
- (c) is unable to pay its debts as they fall due or admits inability to pay its debts, or
- (d) (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or
- (e) (being a partnership) has any partner to whom any of the foregoing apply, or
- (f) in the event that the **policyholder** commences negotiations with all classes or any class of its creditors with a view to rescheduling any of its debts, or
- (g) makes a proposal for, or enters into, any compromise or arrangement with its creditors (other than, in the case of a company, for the sole purpose of a scheme for a solvent amalgamation of the **policyholder** with one or more other companies or the solvent reconstruction of the **policyholder**), or

- (h) in the event that a petition is filed, a notice is given, a resolution is passed, or an order is made, for, or in connection with, the winding up of the **policyholder** (being a company), other than for the sole purpose of a scheme for a solvent amalgamation of the **policyholder** with one or more other companies or the solvent reconstruction of the **policyholder**, or
- (i) in the event that an application is made to court, or an order is made, for the appointment of an administrator, over the **policyholder** (being a company), or
- (j) if a notice of intention to appoint an administrator is given or if an administrator is appointed, over the **policyholder** (being a company), or
- (k) in the event that the holder of a qualifying floating charge over the assets of the **policyholder** (being a company) has become entitled to appoint or has appointed an administrative receiver, or
- (l) in the event that a person becomes entitled to appoint a receiver over the assets of the **policyholder** or a receiver is appointed over the assets of the **policyholder**, or
- (m) in the event that the **policyholder** (being an individual) is the subject of a bankruptcy petition or order, or

- (n) in the event that a creditor or encumbrance of the **policyholder** attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the **policyholder's** assets and such attachment or process is not discharged within 14 days, or
- (o) if any event occurs, or proceeding is taken, with respect to the **policyholder** in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the foregoing events, or
- (p) in the event that the **policyholder** suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business, or in the event there is a change of control of the **policyholder** (within the meaning of section 1124 of the Corporation Tax Act 2010)

then this **policy** shall terminate automatically without notice and the provisions of paragraph 8.3 ("Termination of the **policy**") will take effect.

As at the date of **policy** termination, **basic benefit** in respect of any **incapacitated member** will be paid and will continue to be paid directly to that **member** subject always to the terms and conditions of the **policy** which were in force on the date the **member** became **incapacitated**, but in no circumstances will any **additional benefits** be payable and the **member** shall not have, and shall not acquire, any right under the Contracts (Rights of Third

Parties) Act 1999 to enforce any term of this **policy**, apart from the right to enforce payment of **benefit** in accordance with the foregoing.

8.5 [Non-assignment](#)

This **policy** may not be assigned unless expressly agreed in writing by **Unum** prior to any assignment taking place. Failure to give **Unum notice in writing** in advance will entitle **Unum** to terminate the **policy**.

8.6 [A participating employer ceasing business](#)

In the event that an **employer** other than the **policyholder** ceases to carry on business or otherwise satisfies any of the conditions relating to insolvency etc in paragraph 8.4 ("Cessation of business of the **policyholder**"), then the terms of paragraph 8.4 ("Cessation of business of the **policyholder**") will apply, but only in respect of the **members** employed by that **employer**.

8.7 [Minimum membership under the policy](#)

The **policyholder** must notify **Unum** in writing as soon as reasonably practicable after becoming aware that the number of **members** is to fall, or has fallen, below the **minimum number of members** and **Unum** may at its discretion terminate the **policy** with effect from the **policy accounting date** which next follows the number of **members** falling below the prevailing **minimum number of members**.

8.8 [Termination or amendment of an associated policy](#)

Unum may, upon giving 30 days **notice in writing** to the **policyholder**, terminate this **policy** or vary the terms and conditions and **premium rate** of this **policy** at any time after any **associated policies** are terminated or amended, or if the policyholder of an **associated policy** fails to pay premiums which are due under that **associated policy**.

8.9 [Trade sanction controls](#)

Unum is entitled to terminate the **policy** and cease payment of **benefit** by giving the **policyholder notice in writing** if at any time:

- (a) an **employer** becomes a **restricted person**, or
- (b) beneficial ownership (such as directorships or shareholders) becomes vested in or controlled by a **restricted person**, or
- (c) the **employer**, in any way in the opinion of **Unum**, has exposed or may expose **Unum** to the risk of being or becoming subject to any sanction, prohibition or adverse action in any form whatsoever by the government of the United Kingdom, and/or the United States of America or by the United Nations, European Commission or Council of the European Union

In addition to the foregoing, **Unum** will be entitled to cease payment of **benefit**, in respect of an **incapacitated member** who at any time becomes a **restricted person**.

If **Unum** has elected to terminate this **policy** or cease payment of **benefit** in accordance with the above, the subsequent ceasing of any person to be a **restricted person** does not oblige **Unum** to reinstate the **policy** or to make or continue any payments which ceased or were declined while they were a **restricted person**.

8.10 [Reinstatement of the policy](#)

If the **policy** has been terminated by **Unum** otherwise than under paragraph 8.4 (“Cessation of business of the **policyholder**”), **Unum** may, without any obligation on its part and at **Unum’s** sole discretion, reinstate the **policy**, but the following minimum conditions for **Unum** to consider this must all be met:

- (a) any **medical underwriting** requirements which **Unum** may have imposed have been fulfilled in respect of all **members** whose **benefit** exceeds **Unum’s free cover limit** or who are subject to any special terms or provisions, and
- (b) reinstatement of any **member** shall be subject to their being **actively at work** on the date of reinstatement, and
- (c) **Unum** shall not be liable for any claims whatsoever arising during the period from the date of termination to the date of reinstatement, and
- (d) payment has been made to **Unum** of all **premium** and any other charges which remain unpaid

If **Unum** so agrees to reinstate the **policy**, then **Unum** will advise the **policyholder** in writing of any change to the **premium rate** and/or revised terms and conditions which shall be effective from the reinstatement date, provided that the **policyholder** has confirmed acceptance by **notice in writing**.

For the avoidance of doubt, **Unum** reserves the right to refuse to reinstate a terminated **policy**.

9. MISCELLANEOUS

9.1 Ability to terminate a member's employment

All payments in respect of a **member's incapacity** are made by **Unum** without there being any admission of any legal liability in respect of such **incapacity** on the part of the **policyholder** and/or **employer**. Nothing in this **policy** shall prejudice any right of an **employer** to terminate a **member's** employment nor to create any obligation between the **employer** and **member** to keep the **member** in employment.

9.2 Law

The **policy** is to be construed and governed in accordance with English Law and the **policyholder** accepts that any dispute shall be subject to the exclusive jurisdiction of the English Courts.

9.3 Regulatory

Unum is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It does not give advice on its products and is not authorised to do so. **Unum** has given no advice to the **policyholder** on the suitability of this product for its needs and **Unum** therefore does not accept any responsibility should the product prove to be unsuitable. It is the responsibility of the **policyholder** to take appropriate financial, legal

and tax advice to ensure that this **policy** meets its particular needs.

The **policy** has no surrender value.

It is not intended that any person or company who, or which, is not a party to this **policy** shall have, or acquire, any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this **policy**. For the avoidance of doubt, the **policy** may be amended or terminated in accordance with its terms without the consent of or reference to any third party.

In the event that the **policyholder** has submitted a claim in respect of the **member**, and:

1. the **policyholder** has pursued that claim through **Unum's** internal claim process and complaint handling process, and
2. a final decision letter has been issued by **Unum**

the **member** may only then enforce those terms of the **policy** relating to the **policyholder's** claim for **benefit** in respect of him. The scope of this right is limited to those remedies that remain available to the **policyholder** and **Unum's** Customer Feedback Department will not consider a further complaint in relation to the claim.

9.4 Data Protection Act 1998

- (a) For the purposes of the Data Protection Act 1998 **Unum** is a data controller. Personal data and sensitive personal data are provided by the **policyholder** in order that **Unum** may decide the manner in which this data will be processed to provide and administer a group income protection insurance policy
- (b) **Unum** has the right to request such data as is required to quote for and administer the **policy**. **Unum** will record such information accurately and keep it confidential and secure and will use it solely for the purpose of quoting for, providing and administering the **policy** and for marketing other **Unum** products to the **policyholder**
- (c) The **policyholder** will ensure that the data is correct at the time it is provided to **Unum** and that alterations are notified to **Unum** in reasonable time
- (d) **Unum** shall only process, transfer or permit access to any personal data outside of the European Economic Area in compliance with applicable data protection legislation

9.5 Notices

Subject to paragraph 1.3 any **notice** given to a party under or in connection with this **policy**:

- (a) shall be in writing and in English from an authorised representative of the party giving **notice** to an authorised representative of the other party
- (b) shall be sent by post, email or fax, and
- (c) unless proved otherwise, is deemed received as set out below and prepared and sent in accordance with this paragraph 9.5

A party may change its contact details by giving **notice** in accordance with this paragraph 9.5, the change taking effect for the party notified of the change at 9am on the later of:

- the date, if any, specified in the **notice** as the date upon which the change comes into effect, or
- the date seven days after deemed delivery of the **notice**

The following table sets out:

- (i) delivery methods for sending a **notice** to a party under this **policy**, and
- (ii) for each delivery method, the corresponding delivery date and time when delivery of the **notice** is deemed to have taken place, provided that all other requirements in this paragraph 9.5 have been satisfied

Delivery method	Deemed delivery date and time
Delivery by hand	On signature of a delivery receipt or at the time the notice is left at the address
Prepaid first class post or recorded delivery post or other next working day delivery service providing proof of postage or proof of delivery	9am on the second business day after posting or at the time recorded by the delivery service, whichever is earlier
Prepaid second class post	9am on the third business day after posting
Fax	At the time of transmission
Email	Acknowledgement by the receiving party

For the purpose of the foregoing and calculating deemed delivery:

- (a) all references to time are to local time in the place of deemed delivery, and
- (b) if deemed delivery would occur in the place of deemed delivery not on a **business day**, deemed delivery is deemed to take place at 9am on the next **business day** when business next starts

This paragraph 9.5 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any other method of dispute resolution.

9.6 Non Waiver

No failure or delay by **Unum** to exercise any right or remedy provided under this **policy** or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

9.7 [Complaints](#)

Complaints in connection with this **policy** should be referred initially to the Intermediary who arranged it.

If the matter is not resolved satisfactorily, the complaint should be referred to the Technical Complaints Team at:

Customer Feedback,
Unum Limited,
Milton Court,
Dorking,
Surrey, RH4 3LZ
Telephone 01306
887766 customer.feedback@unum.co.uk

The complaint will be independently reviewed in line with **Unum's** complaint process. If the **policyholder** remains dissatisfied, the matter may be escalated to the Financial Ombudsman Service (if eligible) at the address below. The **policyholder's** legal rights are not affected by contacting this organisation.

Financial Ombudsman Service,
Exchange Tower,
London, E14 9SR
Telephone 0300 123 9123 or 0800 023 4567
www.financial-ombudsman.org