



Understanding **your account**



This simple guide explains
your Unum accounts



Your account will be made up of one or two sections.

Invoice

This shows the payment(s) due. By payment, we mean the total amount of premium due for this policy for the accounting period and how to pay it. The premium is the amount you pay for your insurance.

Statement of account

This shows the ongoing premium and may include details of the benefits and premiums for members, any medical loading and/or any adjustments. This will also include details of any payments that have been received in this invoice period and the overall debt/credit balance due for the policy.

Invoice

Confirmed cover/Policy anniversary/Rate review – Invoice

Once you have sent the final data or have accepted the new rates, we will issue the invoice. Depending on your payment method, the invoice will show:

Direct debit – the payment schedule for the future which could include one or more of the following lines:

- Pending payment to be collected shortly – this is an amount from a previous invoice to be collected according to the Direct Debit Guarantee
- Balance to be collected on or after xx/xx/xxxx – this is the initial collection to bring the policy up to date
- To be refunded shortly - this is usually an adjustment between the previously calculated premium and the most recently calculated premium
- To be collected on or after xx/xx/xxxx and monthly* thereafter – this is the regular collection going forward

*monthly, quarterly or half-yearly according to your payment frequency

Cheque – The amount you need to pay for the invoice period.
(By invoice period, we mean the specific dates that the invoice covers).



Policy number: 11010XXXX
Date: 15/02/2024

Policy anniversary - Invoice

Unum House
Basing View
Basingstoke
Hampshire
RG21 4EQ

Product: Life
Invoice number: G000055868 - 190101
Accounting period: 01/01/2024 - 31/12/2024
Invoice period: 01/01/2024 - 28/02/2024
Policy anniversary: 1 January
Policy non-medical limit: £1,365,000 (benefit)

Payment

Amount	Payment description
£758.98	Balance to be collected on or after 01/03/2024
£260.91	To be collected on or after 01/04/2024 and monthly thereafter

This invoice shows future payments we will collect by Direct Debit

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Statement of account

The statement of account describes your confirmed ongoing premium for the accounting period. (By accounting period, we mean the start date of the cover period for this statement to the day before the next policy anniversary). It may contain details of the benefits for each member and their costed premiums, details of any medical loadings and/or adjustments.

Premium calculation method

The basic premium will either be calculated by using a unit rate or an exact cost method – see the following explanations.

Policy non-medical limit: £1,365,000 (benefit)

Category 1 - All employees

Member	Date of birth/ANB	Gender	Salary	Benefit type	Benefit	Yearly premium
Smith, John	15/06/1984	M	£21,000.00	Sum Assured	£42,000.00	£250.49
Thomas, Henry	20/08/1981	M	£20,000.00	Sum Assured	£40,000.00	£312.15
Jones, Liam	28/06/1980	M	£50,000.00	Sum Assured	£100,000.00	£975.05
Williams, Sally	30/07/1985	F	£45,000.00	Sum Assured	£90,000.00	£626.72
Walker, Jenny	12/12/1982	F	£60,000.00	Sum Assured	£120,000.00	£966.48

Totals

No. of members: 5	Total salary: £196,000.00	Total benefit: £392,000.00	£3,130.89
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1

Exact cost/Single premium calculation

This is the calculation of the basic premium for each individual member.

2

Total salary:	£2,457,600.00
Number of members:	74
Unit rate:	1.10%
Yearly premium:	£27,033.60

Unit rate calculation

This is the calculation of the basic premium by multiplying the salary/benefit by the unit rate.

Monthly premium:	£260.91
Monthly premium due:	£260.91
Invoice period premium due:	£521.82

$£260.91 \times 2 = £521.82$

$(\text{monthly premium}) \times (\text{number of months invoiced}) = \text{premium due}$

Invoice period premium

This is the basic premium charge for the dates in the invoice period.

It could be shown as a pro-rata calculation or a number of months depending on the payment frequency.

Statement of account

1. If an adjustment is made to the policy in the middle of the year, the previous period needs to be recalculated up to the day before the alteration date. We do this by creating a pro-rata* amount of the existing yearly premium between the policy's anniversary and the date of the change. Please note that this adjustment will only be present if there has been a mid-year change.

2. On a unit rated policy, we use an averaging method to simplify administration for any membership changes in the previous period. On a single premium policy, adjustments will be reflected as a cost per individual member.

3. The summary section shows you the total of all of the charged premiums and adjustments in one, at-a-glance place.

4. The balance section will show all premiums due, anything paid already and how much is left to pay. Direct debit policies are paid according to the direct debit guarantee, so the overall balance may not be collected/refunded in one transaction. Please refer to the 'How to pay' section on the invoice for details.

*Following changes in the middle of the year such as new quotations or a change of renewal date, we will accurately charge for the time the cover is in place. As mid-year changes like this result in multiple accounts during the calendar year, you may see two (or more) premiums that have been split across the year. Both/all will result in 365 days (or 366 if it is a leap year) of cover charged.



Policy number: 11010XXXX
Date: 15/02/2024

Previous invoice period summary

As a result of this alteration, the previous invoice period has changed to: 01/01/2023 - 31/03/2023

Invoice period premium due: $(£19,241.78 \times 90 / 365) = £4,744.55$
(Yearly premium due x number of days in invoice period ÷ number of days in full accounting period) = invoice period premium due

Adjustments

Adjustments brought forward: £1,873.95

Adjustments for membership changes during the previous period: 01/01/2023 - 31/03/2023

$(£2,457,600.00 - £2,250,500.00) \times (0.855\% \div 2) \times (90 \div 365) = £218.31$
(Total salary on last day of previous invoice period - total salary on first day of previous invoice period) x (previous period unit rate ÷ 2) x (number of days in proportionate accounting period ÷ number of days in full accounting year) = adjustment

Summary:

Invoice period premium:	£20,367.78
Previous invoice period premium:	£4,744.55
Adjustments brought forward:	£1,873.95
Previous invoice period adjustment:	£218.31
Total:	£27,204.59

Balance:

Premium due:	£27,204.59
Premium paid:	£21,115.73
Balance:	£6,088.86