

# Income Protection Solutions From Aviva



## Handy Underwriting Guide

This Guide is for use by intermediaries and insurance advisers submitting an Income Protection Solutions application to Aviva and The Guide summarises the information we require on your client's application and how this may affect our assessment of their application. For further details of plan terms and conditions please refer to the Income Protection Solutions Technical Guide available to download on [www.aviva.co.uk/healthcarezone/incomeprotection](http://www.aviva.co.uk/healthcarezone/incomeprotection).

The Guide has been written to assist you during the application process with your client and to prevent common submission errors.

**It is extremely important that the client is advised that the answers they give within their application are complete. Non-disclosure may result in us declaring the policy invalid, an amendment to the original underwriting terms or the non-payment of a claim.**

**It is equally important that all application answers are completed in BLOCK CAPITALS.**

**The application form will form part of your client's contract of insurance with us.**

## Occupation

### Your client's occupation

Occupation forms a fundamental part of the underwriting of Income Protection. It is important to gain full details of your client's occupation, and in turn accurately describe their duties. This is of particular importance when the job title provides little explanation as to what the job actually entails, e.g. Manager, Engineer, Company Director.

To give an example of the importance of accurate descriptions, see how quickly the premium can change in the following example: 30 year old, non smoking male project manager, who wished to cover £1,000 per month, until they are 65 after a 13 weeks deferment period.

- Originally quoted as an office worker (Occupation class 1) - **£22.80 per month**
- Visits a number of sites approximately 22,000 miles a year (Occupation class 2) - **now £36.90 p.m**
- Makes site inspections and takes part in some construction work, about 15% of his time (Occupation class 4) – **now £88.60 p.m**

### Unacceptable occupations

Some occupations, due to the degree of occupational risk involved, are unlikely to be accepted by us for Income Protection. This risk could be due to exposure to the elements, work in confined spaces, with hazardous materials, or significant foreign travel to at risk countries. Other reasons could be that specific occupations have higher than normal propensity for mental illness, or higher than average accident or injury rates.

Examples of occupations where we would be unable to offer cover, include:

- |  |                                    |                                |
|--|------------------------------------|--------------------------------|
| ■ Armed forces<br>(including Navy and Air force) | ■ Heavy Plant Machinery Operatives | ■ Professional Divers          |
| ■ Bomb Disposal Work                             | ■ Jockeys                          | ■ Professional Sportsmen/women |
| ■ Demolition Workers                             | ■ Labourers                        | ■ Road Construction Workers    |
| ■ Dockers  | ■ Market Traders                   | ■ Roofers                      |
| ■ Dustmen  | ■ Miners                           | ■ Scaffolders                  |
| ■ Fishermen                                      | ■ Motorcycle Couriers              | ■ Students                     |
|  | ■ Police Officers                  | ■ Tarmac/Asphalters            |

## Manual work

Realistically everyone has some element of manual activity in their job. We define manual work as a duty (or duties) forming all or part of an individual's occupation, that requires the individual to use physical skill and/or energy to undertake that task(s). Most job titles give an indication of the degree of physical involvement in the job for example carpenters, or bricklayers, however other job titles do not and therefore it is important to describe your client's duties during the application process.

## Driving

Whilst many people drive as part of their job, high business mileage, or driving specialist vehicles such as forklifts, or tractors can increase the risk of injury. It is important that the client not only provides an accurate business mileage figure but also specifies the vehicle they drive. For example fork lifts, HGV's or even van driving can present a different risk.

## House persons/Part-time workers (less than 16 hours per week)

Maximum cover is £1,250 per month with a minimum deferred period of 13 weeks, and a maximum termination age of 60. The definition of incapacity is the ability to satisfy the Personal Capability Assessment.

## Financial Limits

Financial Underwriting is important as it helps identify those cases where an applicant applies for inappropriate amounts of cover. This prevents disappointment at the point of claim should the benefit be reduced in line with the policy terms and conditions.

It is important to establish a stable pattern of earnings (especially for the self-employed), and that any seasonal fluctuations are detailed. For benefits over £40,000 per annum regardless of age, financial evidence will be required:

- for employed applicants this will be your client's latest P60 and last four pay slips (and PAYE Coding notice if covering Benefits in Kind)
- for self-employed applicants this will be your client's last year's audited accounts

It is important to deduct any continuing earned income or existing benefits from the total allowable benefit. If the income reduces in stages, the Income Protection benefit should be staggered to match the proportion of this reduction.

Some unearned income (dividends or rental income for example) are permitted to be insured but some are not. Please contact the Aviva Underwriting department with any specific queries in this area.

## Sports and Pastimes

Most sports and pastimes are acceptable, but the following are likely to attract either an increased premium or exclusion from cover:

- Motor sports
- Aviation (other than as a fare paying passenger) but including Micro lights, hang-gliding or parachuting.
- Scuba diving (other than occasional holiday dives at shallow depths)
- Mountaineering or Outdoor rock climbing
- Caving/pot-holing
- Horse sports (other than private hacking)
- Ocean yachting
- Full contact martial arts, boxing or "latest craze/extreme" sports

Underwriters may examine other sports participated in connection with medical and occupational risks. An example might be that a recurrent back complaint sustained through playing squash may have a severe effect on a builder carrying out his occupation as opposed to a bank manager.

## Health and Medical Issues

### Automatic medical evidence

Please see the following table for automatic medical evidence requirements. Any further medical evidence required outside of those indicated in the table below will be requested at the discretion of the underwriter depending on the application disclosures.

Age	Monthly Benefit Limit	Required medical information/tests
Under 40	Up to £2,000	Application
	£2,001 - £3,333	Application + PER
	£3,334 - £4,166	Application, MER + Financial Evidence
	£4,167 - £8,333	Application, GPR, MER, LFT, RFT, FBC, LIPIDS, HIV + Financial Evidence
	£8,334+	Application, GPR, MER, LFT, RFT, FBC, LIPIDS, HIV, EXECG + Financial Evidence
41 - 50	Up to £1,500	Application
	£1,501 - £2,500	Application & PER
	£2,501 - £3,333	Application & MER
	£3,334 - £4,166	Application, MER + Financial Evidence
	£4,167 - £6,250	Application, GPR, MER, LFT, RFT, FBC, LIPIDS, HIV + Financial Evidence
	£6,251+	Application, GPR, MER, LFT, RFT, FBC, LIPIDS, HIV, EXECG + Financial Evidence
Over 51	Up to £833	Application
	£834 - £1,666	Application, GPR + PER
	£1,667 - £3,333	Application, GPR + MER
	£3,334 - £4,166	Application, GPR, MER + Financial Evidence
	£4,167 - £5,000	Application, GPR, MER, LFT, RFT, FBC, LIPIDS, HIV + Financial Evidence
	£5,001+	Application, GPR, MER, LFT, RFT, FBC, LIPIDS, HIV, EXECG + Financial Evidence

Key to abbreviations used above:

- MER – Medical Examiners Report
- PER – Nurse Screening
- GPR – General Practitioners Report
- EXECG – Exercise ECG
- Lipids – Blood test for Lipid Readings.
- LFT – Liver Function Test
- RFT – Renal Function Test
- FBC – Full Blood Count
- HIV – HIV Test

### Existing medical conditions

Existing medical conditions may make your client's application for Income Protection unacceptable, and as such you should consider this in your recommendation:

- Active Ankylosing Spondylitis
- Active Rheumatoid Arthritis
- Angina Pectoris
- Any history of Coronary Artery Surgery or Angioplasty
- Chronic Obstructive Airways Disease
- Diabetes under the age of 30
- Gross Obesity
- Heart Attack
- HIV Positive/AIDS
- ME or Chronic Fatigue Syndrome within the past 5 years
- Multiple Sclerosis
- Paraplegia or Tetraplegia
- Polycystic Kidney Disease
- Retro bulbar or Optic Neuritis
- Schizophrenia or Psychotic Mental Illness
- Stroke or Cerebrovascular Accident
- Transient Ischemic Attacks
- Transplant surgery undertaken
- Work related stress within the past year, requiring treatment and more than two months off work

If the client is awaiting the results of medical tests, investigations, referrals or an operation, cover is likely to be postponed until these have been carried out and the client returns to their normal full time occupation without restriction. However you should contact the underwriting department first if the impending surgery, referral or investigation is trivial as cover may still be available. This is also the case if they are currently off work, for any reason.

## Frequently Asked Questions

### How long does it take to underwrite an Income Protection Solutions policy?

A fully complete application, requiring no further medical or financial evidence or information: we anticipate to underwrite the policy within 5 days. We can encounter significant delays if we require further information, particularly when requesting this from GPs. We will keep your client informed of any delays throughout the process.

### How do I calculate how much benefit the client is eligible for?

The maximum benefit payable under Income Protection Solutions is 60% of your client's first £25,000 gross annual earnings and then 50% of the remainder of their gross annual earnings to maximum of £180,000 per annum.

When calculating the maximum benefit you will also need to take into consideration the client's continuation of income from their employers and any other insurances held. These include other Income Protection policies, Mortgage Payment Protection, Loan Protection and Waiver of Premium Insurance. This will affect the amount of benefit and the deferment period they should apply for.

Example:	Annual salary £30,000	Monthly Payment
	60% of £25,000	£1,250
	50% of £5,000 (£30,000 - £25,000)	£208
	<b>Total benefit for application</b>	<b>£1,458 per month</b>

### How do I define my client's occupation class?

We use the following 4 classifications of occupation.

Class 1 – Professional, Managerial or administration, including Accountant, Bank Manager and Office Worker.

Class 2 – Skilled occupations involving a moderate degree of manual duties, including Dentist, Chef, Hairdresser, Waiter and Traffic Warden. Or those professional occupations which also involve a high degree of business mileage

Class 3 – Skilled occupations involving mostly manual duties and semi-skilled occupations with moderate manual duties, including Electrician, Gardener and Nurse.

Class 4 – Skilled heavy manual occupations, Semi skilled occupations that are mostly manual and some unskilled occupations, including Builder, Joiner and Motor Mechanic.

### Do you provide cover for pregnancy?

We should be advised of any expected delivery date and whether there have been any complications. We would not normally postpone cover.

### How do you classify a 'Smoker'

We classify a smoker as someone who has smoked cigarettes in the past 12 months or who is using nicotine replacement. However, we would not class anyone who smokes a cigar, or pipe, takes snuff or chews tobacco as a smoker.

### Do you provide mobile screenings if needed?

Nurse screenings will be carried out at the client's convenience at home or at their place of work. Full medical examinations will be carried out at the examining physicians own practice or health centre.