

Group Income Protection

Technical Guide

Aviva

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Our size and efficiency give us the strength to deliver an extensive range of value for money, quality products – investments, retirement, protection and healthcare – designed to meet your needs, both now and in the future.

This Technical Guide has been produced based on the standard format recommended by the Group Risk Development group (GRiD) and The Association of British Insurers (ABI).

This Technical Guide will tell you the main features and benefits about our Group Income Protection policies. It should be read alongside the illustration with which it was issued. **It does not form part of the policy contract.** Full details of the contract terms can be found in the Policy Wording which is available at www.healthcarezone.co.uk

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Please note

Throughout this document certain words are shown in **bold** type. These are defined terms and have specific meanings when used in this technical guide. The meanings of these words are set out in the Definitions section in the back of this document.

Policy Aims

- To provide cover for a proportion of regular income promised in a contract of employment, or agreed in a partnership deed, if a **member** is unable to work and is suffering loss of **earnings** because of illness or injury.
- To provide a reduced replacement of income in proportion to their loss of **earnings** if, because of illness or injury, a **member** has to take a part-time or lower paid job.
- To offer **you** a choice of how soon and for how long this income is paid.
- The option of a **lump sum** at the end of the **limited payment term** to help the **employer** meet the costs involved in the early retirement, redundancy, and / or a replacement.

Your commitment

- **You** must provide **us** with all the information **we** ask for when **you** apply for **your policy**, at **anniversary dates**, or when **you** make a claim.
- **You** must pay premiums when requested or as agreed.
- **You** must abide by the terms and conditions of the **policy**.
- **You** must tell **us** about any claims promptly.
- **You** must tell **us** if there is a change in the employment status of any **member**.

Risk Factors

- Cover may stop if **you** don't comply with **policy** terms and conditions or if **you** stop paying premiums. This will mean **you** have no cover in place with **us** for future **benefits** and may result in an uninsured liability. Any **benefits** already in payment, and entitlement to any **benefits** that have not already been paid, will continue to be paid by **us** on the terms already confirmed to **you**.
- **Benefits** paid under **your policy** may be reduced if the **member** is receiving other regular income because of their **incapacity**. Receiving benefits may affect a **member's** entitlement to some state benefits.

- **Members** may not be covered or may have their **benefits** restricted where relevant **medical information** is not provided.
- **We** usually guarantee the rate(s) and terms for two years after the **start date** of the **policy**.

The guarantee and terms may not apply if:

- the total salary roll or total benefit roll that we are covering changes by 25% (50% of the total benefit roll for policies with 19 or fewer **members**) or more. If this happens **we** reserve the right to cancel the **policy**;
- the number of **members** falls below five; or
- there is a change to the
 - **benefit** basis;
 - **eligibility**;
 - nature of business; or
 - companies included within the **policy**
- a new **employer** joins or an existing **employer** leaves the policy; or
- **We** may change the terms to respond, in a proportionate manner, to changes in taxation, the law or interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which we intend to comply.
- **We** reserve the right to change the **policy** terms and conditions after two years. **We** will tell **you** if **we** do.
- **We** recommend that a lawyer considers the content of **your employees'** contracts for **you** in light of this **policy**, and any requirements **you** may have for offering the **benefits** to **your employees**.
- Payments of claims may be delayed or rejected if **you** do not provide the information **we** ask for.

Your questions answered

1 How does the policy work?

- **We** will need at least five people to be covered under a **policy**, and where a **lump sum** is to be insured the minimum number of lives is 20.
- **You** decide what level of **benefit you** need, how soon it will start and for how long **you** need it to be paid, and whether the **benefit** is to increase each year when a claim is being paid.
- **We** provide cover no matter how many valid claims **you** make, and in many circumstances continue to admit and pay claims where **incapacity** started before the **policy** was cancelled.
- **Employers** must pay all of the premiums, and the cost is usually treated for tax purposes as an allowable business expense. Premiums are not normally taxed as a benefit in kind for **employees**.
- **You** tell **us** when illness or injury has stopped or may stop one of the **members** working.
- **You** provide **us** with the information **we** need to assess and monitor the validity of the claim.
- **We** pay **benefits** monthly in arrears from the end of the **deferred period** for as long as the claim is valid.
- **We** normally pay all **benefits** to the **employer**.

2 What factors should be considered in deciding what benefits to provide?

Group Income Protection **policies** offer a wide range of options, allowing **you** to design **your** cover to meet **your** organisation's needs and budget.

2.1 Who can be covered?

Employees with a current UK contract of employment or **equity partners**, who meet the **eligibility** conditions and satisfy the **actively at work** criteria. The **eligibility** conditions are laid out in section 2.5 and also apply to increases in cover for existing **members** of the **policy**.

2.2 Can cover be provided for members who are not in the UK?

Yes. However, **employees** will need a current UK contract of employment and **we** will need full details of any **employees** travelling or seconded **overseas** before **we** can agree to cover them. Special terms and conditions may apply.

Members are expected to follow the British Foreign & Commonwealth Office's travel advice, which can be found at

www.fco.gov.uk/en/. There are some high risk areas that **we** will not be able to provide cover for.

2.3 Are members covered whilst on maternity or paternity leave?

We will maintain cover whilst a **member** is on maternity or paternity leave, as long as they remain employed with the **employer**.

If **you** need to make a claim for a **member** on maternity or paternity leave, the **deferred period** will start from the date of **incapacity**, and **benefit** payments will start from the later of the end of the **deferred period** or the agreed return to work date.

2.4 Can cover be provided for members that are on a sabbatical?

We will maintain cover for a **member** whilst they are on a sabbatical if:

- the duration of the sabbatical is no longer than 1 year, and
- a UK contract of employment is maintained.

If **you** need to make a claim for a **member** who is on a sabbatical, the **deferred period** will start from the date of **incapacity**, and **benefit** payments will start from either the end of the **deferred period** or the agreed return to work date, whichever is later. **We** will calculate the **benefit** based on the **member's** salary at the start of the sabbatical.

2.5 What are the eligibility conditions?

The **eligibility** conditions will need to be agreed and should include:

- the minimum and maximum entry ages,
- any service qualifications that apply,
- the categories of **employees** to be covered,
- the date that new entrants can join the **policy** (for example, monthly), and
- details of when existing **members** can increase **benefits** (for example, annually).

If cover is dependant upon membership of a pension scheme, **you** must tell **us** the pension scheme's current eligibility terms, along with the take up rate of **eligible members**.

Membership must be compulsory for all **eligible members** within a defined category or categories.

Eligibility conditions covering entry ages, entry dates and waiting periods must be the same for each **member** within a defined category.

2.6 Can different Group Income Protection policies be linked?

It is possible to link different Aviva Group Income Protection **policies** taken out by **you** or a parent/subsidiary of **you**. This will be for the purpose of sharing the **free cover limit** and unit rate and is subject to prior agreement by **us**.

2.7 When will cover stop for a member?

You choose the **policy cease age**, which can be **state pension age (SPA)** (maximum age of 68) or any fixed age up to a maximum of 70. If the **cease age** is linked to **SPA**, the **cease age** will be the latter of either 65 or the **member's SPA**. **SPA** is the maximum **cease age** permitted for a fully integrated **policy**.

If the **cease age** is currently either **state pension age** or a fixed age lower than 70, and **you** want to include **members** beyond the current **cease age** up to a maximum age of 70, then the **cease age** has to increase up to age 70 for the whole **policy** or applicable category, and **we** will apply **our actively at work** definition to all **members**.

Cover will stop when the **policy** is cancelled, premiums are not paid within 30 days of the due date, or when a **member**:

- leaves **your** service
- reaches the **cease age**
- receives a **lump sum benefit** (if covered) at the end of a **limited payment term**, or
- dies.

2.8 What types of cover are available?

Income benefit

The maximum amount of **income benefit** **we** will pay is:

- 80% of **earnings** for **employees**, and
- 50% of **earnings** for **equity partners**

up to a maximum annual amount of £350,000.

Gross pay policies

You choose the **benefits** as a percentage of the **member's** gross **earnings** before **incapacity**. The normal maximum **benefit** for each **member** is 80% of normal **earnings**. **You** can select the **benefit** level depending upon **your** budget, up to that maximum.

Lump sum

You choose the **benefits** as per gross pay policies, but **benefit** payments are limited to a period of 2, 3, 4 or 5 years with a **lump sum** of up to £1 million payable at the end of that period.

Equity partners and **employees** on a fixed-term contract cannot be covered for a **lump sum**.

Fully integrated policies

You can choose to have the **Employment and Support Allowance (ESA)** deducted from the **income benefit** on a fully integrated basis. This means that **we** only deduct the **ESA** that the **member** is eligible for.

Fully integrated **benefits** are only available for unit rated **policies** and are not available to **equity partners**. The minimum **deferred period** is 28 weeks and **state pension age** is the maximum **cease age** permitted.

What can be included in the definition of earnings?

For an employee:

An **employee's** annual gross salary or wage from his or her employer before the deduction of tax.

We can also include **fluctuating emoluments** such as:

- profit related pay,
- overtime,
- commission,
- shift or region allowances,
- taxable bonuses, or
- the P11D value of benefits in kind

in the definition of **earnings**, but to calculate the **benefit**, **we** will use the average of the total of any **fluctuating emoluments** over the last 3 years (or such lesser period as the **member** has been in receipt of **fluctuating emoluments**) added to the **member's** normal annual salary.

For an equity partner:

The average of the **equity partner's earnings** from his or her business over the previous three years (or such lesser period as the partner has been a partner of the partnership), less:

- any amount allowable against income tax as expenses, where applicable, and
- before the deduction of tax.

Optional benefits

Employer's pension scheme contributions

We can cover employer's pension scheme contributions either for fixed amounts, or based on a percentage of **pensionable salary**, up to a maximum annual amount of £75,000.

This means that **benefits** payable under the pension **policy** can be maintained, provided that the absent **employee** remains in the pension **scheme**.

Employer pension contributions paid via salary sacrifice will be treated as **employee** pension contributions.

Employee's pension scheme contributions

Employee's pension contributions (including pension **benefit** paid via salary sacrifice) can also be covered either for fixed amounts or, based on a percentage of **pensionable salary**, but will be included within the overall maximum of 80% of **earnings** up to £350,000.

Where **employee** pension contributions are covered and the personal maximum **benefit** of £350,000 is exceeded, these will be reduced to adjust the total personal **benefit** to the maximum amount.

Where age or service related pension contributions are covered, the contribution payable in the event of a claim will be the contribution at the date of the **member's** first absence. **We** will not allow increases as a result of a birthday or a service milestone where this occurs after the first date of absence.

Employer's national insurance contributions

The employers' national insurance contributions can also be insured, and will be based on the **income benefit**. For defined benefit pension scheme members, the level of contributions depends on whether the employer is contracted-out of the state pension or not.

Lump sum

The employer can choose to insure a **lump sum** of up to 5 times the **employee's** salary or up to 9 times the annual **income benefit**.

The **lump sum** will only be paid if the **employee** continues to meet the definition of **incapacity** at the end of a **limited payment term**.

We will not pay a **lump sum** of more than:

- 9 times the annual **income benefit**; or
- £1 million,

whichever is lower.

All **employees** in a particular category must be covered for the same multiple of salary or **income benefit**.

We will not pay a **lump sum** where the period of time between a **employee's** first date of **incapacity** and the **cease age**, is less than the **limited payment term** plus the **deferred period**.

We will not pay a **lump sum** which is higher than the regular **income benefit** in payment at the point the **lump sum** is payable, multiplied by the number of complete months to the **cease age**.

We will not pay a **lump sum** to **employees** whose cover is extended beyond the normal **policy cease age**.

2.9 What types of benefits will be paid?

Total benefit

We will pay total **benefit** if immediately before the start of **incapacity** the **member** was following their **normal occupation** and, after the start of **incapacity** they are not following any **other occupation**, and the **deferred period** has finished.

Proportionate benefit

We will pay a proportionate **benefit** if, before **incapacity**, the **member** was following their **normal occupation** and as a result of the illness or injury they:

- are following their **normal occupation** on a part-time basis; or
- are following any **other occupation**,

and as a result are experiencing a reduction in **earnings**.

2.10 When will benefit payments start?

Benefit will be paid once the **deferred period** has finished. The **deferred period** starts on the first date of **incapacity** and can be 13, 26, 28, 41, 52 or 104 weeks. The **deferred period** will be shown on **your policy schedule**.

Where a **lump sum** is covered, **you** can choose either a 13, 26 or 28 week **deferred period**.

2.11 For how long will benefits be paid?

You choose whether **benefits** are paid up to the **policy cease age**, which can be **SPA** or any fixed age from 50 to 70, or whether **benefit** is paid to the earlier of the **policy cease age** or a limited period of two, three, four or five years. **SPA** is the maximum **cease age** permitted for a fully integrated **policy**.

Reducing the **benefit** payment term reduces the cost of the **policy**.

If the **cease age** is currently either **SPA** or a fixed age lower than 70, and **you** want to include **members** beyond the current **cease age**, the **cease age** has to increase for the whole **policy** or applicable category, and **we** will apply **our actively at work** requirements to all **members**.

2.12 Can benefit payments be inflation protected?

Yes. **You** can choose a claims escalator which will mean that **benefit** payments increase whilst a claim is being paid.

You can choose for **benefits** to increase by a fixed percentage of 3 or 5% or in line with the **Retail Price Index** (RPI) with increases capped at either 2.5 or 5%. The **benefits** will increase by the chosen level after they have been paid for 12 consecutive months.

3 How is the policy set up?

3.1 What do we need to set up the policy?

If a **policy** starts within 3 months of the illustration, and any additional requirements of the illustration have been met, **we** will start cover once **you** have asked **us** to, in writing, and **we** will require:

- a fully completed **application form** together with any additional information required within 60 days of the start of the **policy**, and
- the deposit premium or completed direct debit mandate returned within 30 days of the start of the **policy**; and
- details of each **member's**:
 - gender;
 - date of birth;
 - salary;
 - occupation;
 - workplace location (including postcodes); and
 - country of residence (if outside the UK).

If the **policy** has previously been insured, **we** will also need full details of:

- previous medical underwriting decisions (if any);
- previous scheme history; and
- previous claims history.

If any of these details (or any assumptions **we** have made) differ from those on the illustration or cannot be supported, the illustration may be revised or withdrawn.

We agree to start cover whilst this information is being provided. If **you** do not send **us** everything **we** need within the time periods given, **we** reserve the right to cancel cover and **we** may not pay any claims that are made whilst cover was being agreed.

We reserve the right to review the terms of this **policy** or to cancel cover from the **start date** if:

- the total salary roll or total benefit roll that **we** are covering changes by 25% (50% of the total **benefit** roll for policies with 19 or fewer **members**) or more to the illustration; or
- **you** give **us** further information which affects the terms offered by **us**; or
- the number of **members** at the **start date** falls below 5 lives or below 20 lives if the premium has been calculated on a unit rate basis, or
- the premium, **application form** or illustration requirements are not met.

We will provide cover based on the information in the **policy schedule** and set out in the policy wording. Where there are any differences, the **policy schedule** takes precedence over both the illustration and the policy wording.

3.2 Does any evidence of health have to be provided before members are covered for their full benefit?

Policies with 5 or more **members** will normally be offered a **free cover limit**. This means that **medical information** may only be required for benefits above the **free cover limit**, provided that the **member**:

- has not had any of their **benefit** previously declined, restricted (as a result of incomplete medical underwriting), or postponed, by **us** or any other insurer.
- joins within the **eligibility** conditions
- meets **our actively at work** requirements
- is not a **discretionary entrant**; and
- joins within 12 months of their earliest opportunity to join.

If **our** medical underwriting requirements are not met for a **member** who needs underwriting, their **benefit** will be restricted to the **free cover limit** (if any), or previously accepted **benefit** (if any), whichever is higher.

Medical information will be required for a **discretionary entrant's** total **benefit** and **we** will tell the **policyholder** if cover is provided and/or any additional premiums need to be paid.

Once Only medical underwriting

For **policies** with 20 or more lives, **members** will, in most circumstances, only be medically underwritten once.

Our 'once only' medical underwriting process can be offered even if special terms have been applied to individual **members**.

No worse terms

For **policies** that are currently insured with another insurer who wish to switch to **us** on the same basis, **we** will not normally apply worse medical underwriting terms than those applied by the previous insurer providing **we** are given full information regarding all previously underwritten **members**.

Members with exclusions, loadings or restrictions applied to their **benefit** by previous insurers will not benefit from any increase in the **free cover limit**.

3.3 What if a claim happens before an underwriting decision has been made?

We will provide cover for full **benefits**, excluding any **pre-existing conditions**, for a period of up to 90 days or until **our** underwriting decision is made if sooner. Cover will start from the date of joining the **policy**, or the effective date of an increase in **benefits**. It will not apply to any **member** who has previously had any **benefit**:

- declined
- postponed by **us** or another insurer
- restricted by **us** or another insurer
- who has declined to provide full **medical information**.

4 What premiums will be charged for the cover?

The premium/unit rate calculated depends on several factors which include, but are not limited to:

- the level of **benefits** insured
- the **cease age**
- **eligibility** and entry conditions
- annual increase in **benefit** payments (if any)
- **deferred period**
- the age of **members**
- the gender of **members**
- occupations
- locations of the **members**
- claim history if the **policy** has been insured before.

A minimum premium of £750 applies and will be shown on the illustration. All premium payments are to be made in the currency of the United Kingdom.

4.1 How will premiums be calculated?

Polices with between 5 and 19 members: single premium basis

Premiums will be calculated for each **member** using **our** current premium rates. These underlying rates are guaranteed for two years. **We** will calculate premiums each year, and the rates are dependent upon the age and gender of the **members** at the **anniversary date**. Premium rates generally increase with age.

Policies with 20 members or more: unit rated basis

Premiums will be calculated on a unit rate:

- this is usually shown per £100 of salary at the **start date** or **anniversary date**.
- if the number of lives falls below 20, the premium may be calculated on a single premium basis.

4.2 Will there be any unexpected extra premiums?

We usually guarantee the rate(s) for two years after the **start date** of the **policy**. A new unit rate may apply at the **rate guarantee date**.

Premium loadings may be applied for **members** who have been medically underwritten. Any loadings will reflect their medical condition or any hazardous pursuits they undertake. These loadings will apply immediately but become payable at the next **anniversary date**.

Terms and conditions

We can change the rates, and any other term or condition of the **policy**, if:

- the total salary roll or total **benefit** roll that **we** are covering changes by 25% (50% of the total **benefit** roll for policies

with 19 or fewer **members**) or more. If this happens **we** reserve the right to cancel the **policy**; or

- the number of **members** falls below five; or
- there is a change to the (or any new) legislation, regulation or taxation affecting the **policy**;
- there is a change to the:
 - **benefit** basis;
 - **eligibility**;
 - nature of business; or
 - companies included within the **policy**.

We also reserve the right to change the terms and conditions at the **rate guarantee date**.

4.3 What commission is included?

Commission payments to **your** intermediary (if applicable) are a percentage of the premium. The illustration will show the rate of commission **we** pay on **your policy**.

4.4 Is there a discount for good claims experience?

Claims experience is a factor in assessing a unit rate and premium for a **policy**, so a good claims history will usually be reflected in the rate and premiums charged.

5 How does the policy accounting work?

The **policy** runs on one year accounting periods. The premium must be paid annually (in advance) by direct debit, cheque or BACS, or half-yearly, quarterly or monthly by direct debit.

We will charge a 2.5% loading each year to cover **our** extra administration costs where the premiums are not paid to **us** on an annual basis.

5.1 What information is needed for accounting purposes?

Single premium policies

A list of all **members** will be required at each **anniversary date** showing their:

- name;
- gender;
- date of birth;
- salary or **benefit**;
- occupation and work location (including postcodes);
- **policy** category (if more than one is covered);
- date of joining (for any new **member**);
- date of leaving for any **member** who has left the **policy** or are leaving the **policy**; and
- any other relevant information.

Unit rated policies

At each **anniversary date** we will need the following information for each **member**:

- name;
- gender;
- date of birth;
- salary or **benefit**;
- occupation and work location (including postcodes);
- **policy** category (if more than one is covered);
- date of joining (for any new **member**);
- date of leaving for any **member** who has left the **policy** or are leaving the **policy**; and
- any other relevant information.

For both single premium and unit rate policies, six weeks prior to the **anniversary date** we will request the information needed to recalculate the premium for the **policy**. We will regularly remind **you** for this up to 90 days after the **anniversary date**. If the information needed is not received after 90 days we will process the recalculation of premium and benefits based on the latest information we hold. This could result in an uninsured liability.

5.2 How are accounts adjusted for members who join, leave or have benefit increases during the policy year?

Single premium policies

We will calculate a premium adjustment to make sure that we charge the correct premium for the amount and length of the cover that we actually provided.

Any premium adjustment for people who join, leave or have changes in **benefit** will be payable at the end of the **policy year**. The premium adjustment will be from the relevant date to the next **anniversary date**. Where the period is not a complete year, the premiums will be adjusted accordingly.

Any premium adjustment for **employees** who join, leave or have changes in **benefit** will be payable at the end of the **policy year**.

Unit rate policies

We will calculate a premium adjustment based on the average sum insured for all **members** of the **policy** during the previous year. What this means is that the salary and staff changes are treated as if they happened midway through the **policy year**.

5.3 What happens to premiums if the policy is cancelled mid-year?

We will produce a final account based on the cover we provided up to the date **you** cancel the **policy**. We will pay **you** a refund if **you** have made any overpayments or request payment for any premiums due.

6 How are claims made?

If **you** need to make a claim **you** must give **us** written notice as soon as possible, either:

- before the period of **incapacity** has lasted two months; or
- for **deferred periods** of 13 weeks, before **incapacity** has lasted one month.

If **you** do not tell **us** about a claim within these time limits, **benefits** that were due before **we** were told will not be backdated to the end of the **deferred period**.

If, due to the delay in telling **us**, **we** are unable to confirm **incapacity** or if **our** ability to intervene has been compromised, payment of **benefit** may be affected

If **you** don't tell **us** about a claim within six months from the end of the **deferred period** we may not accept the claim

6.1 How are claims submitted?

We will need fully completed employer and **employee** claim forms to be sent to **us**. These are available at www.healthcarezone.co.uk or by contacting **our** claims team by email at groupipclaims@aviva.co.uk or by calling 0800 1422377.

6.2 What might be needed to assess a claim?

In addition to the employer and **employee** claim forms, **we** will also need evidence of the **member's** medical condition, including:

- its severity,
- how long it has existed, and
- how it affects them.

We will also need to know that they are continuing to receive medical advice and treatment when appropriate.

We may also ask for:

- evidence that the **member** is covered under the **policy**
- details of the **member's** insured job **duties** and **earnings**
- the **member's** passport, drivers licence with photo or birth certificate
- details of any other income which the **member** is entitled to during **incapacity**.

If **we** ask for a medical report or tests, **we** will pay for them (different arrangements may apply in the case of **members** based **overseas**).

The **member** must take reasonable steps to assist in their recovery. This includes allowing access by disability counsellors and/or advisers appointed by **us**.

If **you** make a claim for a **member** who is based **overseas**, or if a **member** who was based in the UK at the start of **incapacity** or when **benefit** payment started subsequently moves **overseas**, **we** will only consider paying **benefit** if **we** can obtain satisfactory medical evidence in English. **We** will not be responsible for any costs incurred in translation.

To assess their **incapacity**, we may need a **member** who is based **overseas** to go for a medical examination or test(s). If **we** do, **we** will pay an amount towards the cost of the examination or test(s) up to the amount of an equivalent cost in the UK.

If **we** have agreed to pay any benefits directly to a former **employee**, these will be paid to the former **employee** in the currency of the UK, and into a UK bank account in the former **employee's** name.

6.3 When is a claim paid?

We will pay **benefit** when a **member** satisfies the definition of **incapacity**, and their **incapacity** lasts beyond the end of the **deferred period**. The definition of **incapacity** will be stated in the **policy schedule**.

6.4 Can rehabilitation help?

You can help minimise the costs of **incapacity** to **your** organisation by ensuring that rehabilitation and reintegration programmes are investigated and used wherever appropriate.

Working conditions, physical features and other arrangements can often be adjusted quite reasonably so that an ill or injured person can continue to work.

Our medical staff, claims visitors and claims assessors can work with **you** and **your** medical advisers to draw all this information together so that the claims process runs as smoothly as possible.

How will rehabilitation work for lump sum benefits?

If the **member** who is claiming is covered for a **lump sum**, they must participate in the treatment or rehabilitation programme proposed by a relevant **medical practitioner**, unless medical evidence proves that they are unable to do so.

Failure to participate in the treatment or rehabilitation programme may mean that **we** will not pay the **lump sum**.

6.5 For how long will the benefit be paid?

We will pay **benefit** until:

- the end of **incapacity**,
- the **limited payment term** is completed,
- the **member** reaches the **cease age**,
- the **member** leaves service,
- the **member's** normal pension age,
- the **member** is remanded in custody (the **benefit** will be retrospectively paid if the **member** is not convicted of the offence) or receives a custodial sentence,
- the **member** dies,

whichever is sooner.

If **you** stop trading (due to insolvency or otherwise) **we** will consider making continued **benefit** payments direct to **members** who are in claim, subject to:

- agreement between **you**, the **member** and **us** at that time
- obtaining consents and further documentation as **we** may reasonably require; and
- taxation rules at the time of payment.

Where **we** do pay **benefit** directly to a **member**, any pension and national insurance **benefits** will stop.

What happens to members that have short term contracts?

Any **member** who is receiving **benefit** and has a fixed term contract of less than four years will only be **eligible** for **benefit** for the remainder of the current contract period (if any), whether this is extended or not.

What happens if the member's illness or injury means that the member is working on a part-time basis, or in a lower paid job?

We will cover **members** for a proportionate **benefit**. This is a **benefit** that is paid in proportion to the reduction in their **earnings**, with an allowance for inflation.

What happens if a member receiving benefit is dismissed?

If **you** remove a **member** from **your** payroll who is claiming **benefit**, **we** will consider paying **benefit** to that **member** where:

- **you** have requested **us** to do so, and
- **you** have been **eligible** to receive **benefit** for that person under this **policy** for a continuous period of more than six months before that **employee** being removed from the payroll.

Any pension and national insurance **benefits** will stop. Where **we** pay the **benefit** to a **member** directly, and the definition of **incapacity** is A, this will change to definition B (please see the definition of **incapacity**).

We will not pay a **lump sum** at the end of the **limited payment term** where **we** have been paying the **benefit** directly to a **member**.

What happens to claims if the policy is cancelled?

You may cancel the **policy** at any time, but all claims in payment at that time will continue in line with the terms and conditions of the **policy**. Also, new claims will be considered, as long as **incapacity** started before the date the **policy** was cancelled and that all premiums due were paid up to that date.

If **we** cancel the **policy** due to non-payment of premiums, new claims will only be considered up to the date the last premium covered. Claims in payment at that time will continue in line with the terms and conditions of the **policy**.

What happens to a claim if the member leaves the company under TUPE?

If a **member** who is eligible for **benefit** transfers to a different employer under **TUPE** **we** will:

- pay the **benefit** to the new employer under the same terms and conditions, and
- treat the claim as if there had been no break in employment, subject to the completion of relevant documents that **we** require.

6.6 If a member returns to work after a claim, can another claim be made for that member if the incapacity is from a different cause?

Yes, as long as **we** haven't paid a **lump sum** for that **member**.

What happens if incapacity is from the same cause?

If **we** have already paid **benefit** for a **member**, and they then suffer from the same cause of **incapacity** within 12 months of their last **benefit** payment, **we** will not re-apply the **deferred period**. This is known as a linked claim.

This also applies where the **policy** has been cancelled, unless the former **member** is **eligible** for, and is receiving **benefit** for **incapacity** (other than state benefit) from another source.

6.7 Does other income the member receives affect the benefit from this policy?

Any other income which is paid during or as a consequence of **incapacity** is likely to affect the amount of **benefit** payable from this **policy**. The **policy** is designed to ensure that **members** do not receive a greater income than they received when working. The normal maximum is 80% of their gross **earnings** before **incapacity**.

Some of the other types of income that **we** will take into account include:

- continuing income from an **employer** (such as occupational sick pay)
- income from a pension first paid after **incapacity**
- continuing income from a partnership
- regular income from other insurance policies (unless the maximum **benefit** payment period of those policies is 2 years or less) including:
 - income protection / permanent health insurance
 - mortgage payment protection
 - loan protection.

Payments from Group Income Protection may also affect a **member's** entitlement to means tested state benefits.

7 When can the policy be cancelled?

There is no cooling off period and **you** may cancel the **policy** at any time. Cover for all **benefits** under the **policy** will stop on the agreed date, and a premium will be due for the time on cover.

The **policy** will be cancelled if **you** do not pay the premium within 30 days of when it is due.

Subject to **our** requirements, **we** may reinstate cover if the premium is subsequently paid within a reasonable period.

We will not backdate cancellations.

7.1 If the policy is cancelled during the policy year (not at the anniversary date) will you refund any premiums paid in advance?

Yes. **We** will produce a final account based on the cover **we** provided up to the date when **you** cancelled the **policy** and the appropriate refund will be paid.

8 What is not covered?

There are no exclusions under this **policy**. However, exclusions may be applied to **member's benefits** that are above the **free cover limit** or subject to **discretionary entrant** terms.

9 What are the tax considerations?

All references to taxation are based on **our** understanding of current tax law and HM Revenue and Customs (HMRC) practice. Tax law and practices could change in the future. **You** should get professional advice from **your** own tax advisers.

Employee policies

The **policy** is paid for by an employer with no contribution from **employees**. **Benefits** are payable as salary continuance. In this situation the cost to the employer is normally allowed as a trading expense and **benefits** are normally taxed under the PAYE system. HMRC does not normally allow tax relief on premiums paid for any **policy members** who have any ownership rights in the company.

However, they may sometimes allow tax relief if a high number of other **employees** are entitled to similar **benefits**. **You** should seek clarification of the tax position from **your** local Inspector of Taxes.

Partnerships

Under current HMRC practice, **benefit** payable to **equity partners** will not be taxed. The cost of premiums for **equity partners** is not an allowable expense. Premiums and **benefits** for **employees** of a partnership will be treated in the same way as under an **employee policy**.

10. Is there a continuation option?

You can add this option to **your policy** for an additional premium, providing it already has this option in place with another provider, or if it's a new **policy**.

If a **member** leaves **your** service for any reason other than:

- **incapacity**
- retirement
- dismissal; or
- redundancy

they can use the continuation option to switch their cover (for basic **benefits** only) to an individual **policy** on **our** standard terms at the time, without providing **medical information**.

The **member** can use this option providing:

- they take the option within 30 days after they leave **your policy**
- their new occupation and residence is acceptable under the terms and conditions of **our** individual income protection policy
- they are not within five years of the **cease age**
- the new **policy** provides the same (or less) basic **benefit** than they were covered for under this **policy** (excluding pension and national insurance contributions), subject to the individual income protection policy benefit maximum
- their **benefit** was accepted at ordinary rates with no restrictions or exclusions
- the **deferred period** is not shorter than covered on this **policy**
- the escalation level is not higher than covered on this **policy**
- the **cease age** is not higher than covered on this **policy**.

11 How might Auto Enrolment affect my policy?

If **eligibility** for **your** Group Income Protection **policy** is linked to Pension Scheme membership (either for all **members** or a category of membership), then auto-enrolment can affect the membership and/or the salary roll/benefit roll insured under the **policy**. The employer will need to decide whether **employees** joining as a result of Auto Enrolment should be covered under the Group Income Protection **Policy**.

How do we treat employees joining under auto-enrolment?

If an **eligible jobholder** joins the qualifying pension scheme at any time other than:

- **Your auto-enrolment date** or re-auto-enrolment date;
 - the standard eligibility period for joining the **policy** as set out in the policy wording
- our **discretionary entrant** terms will apply.

If an **employee** who does not meet the **eligible jobholder** criteria chooses to join **your** auto-enrolment pension scheme at any time other than:

- the standard eligibility period for joining the **policy** as set out in the policy wording
- **our discretionary entrant** terms will apply.

What are our data requirements for auto-enrolment?

We will require total number of lives and the total salary roll or benefit roll;

- the day before the **auto-enrolment date**;
- on the **auto-enrolment date**; and
- on the **stabilisation date**.

This will ensure that **we** are charging the correct premiums for the cover provided, and also ensure that **employers** do not get unexpected premium requests.

When will any change in rate guarantee apply?

If there is a change in the salary roll or **benefit** roll of 25% (50% of the total benefit roll for policies with 19 or fewer **members**) or more where **you** become subject to the auto-enrolment duties, we will:

- review changes in the total salary roll or benefit roll insured on the **stabilisation date** and any change in rate will be effective from the **stabilisation date** until the end of **your** existing **rate guarantee date**.

Further information

Please contact **your** usual financial adviser or call **us** on 0800 1455684.

Third Party Rights

Only **we** and the **employer** taking out this **policy** will have any rights under this **Policy**. Any person or persons who are not a party to these **policies** shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms under this **policy**. Reference to, or the consent of, any person who is not a party to the **policy** is not required for any changes to it or its rescission.

Compensation

The Financial Services Compensation Scheme (FSCS) may cover **your policy**. It will cover **you** if Aviva becomes insolvent and **we** are unable to meet **our** obligations under the **policy**.

For this type of **policy**, the FSCS will cover **you** for 90% of the total amount of an existing claim. The FSCS will also provide a refund of 90% of the premiums that have not been used to pay for cover whether **you** are making a claim under the **policy** or not.

For further information, see www.fscs.org.uk or telephone 0800 678 1100.

Currency and jurisdiction

These **policies** are issued in England and subject to English Law.

All payments made to or by **us** under this **policy** will be made in the currency of the United Kingdom.

Insurer

The Group Income Protection **policies** are underwritten by Aviva Life and Pensions UK Limited.

Aviva Life and Pensions UK Limited is a company in the United Kingdom.

The Head Office of Aviva Life and Pensions UK Limited is 2 Rougier Street, York, YO90 1UU, United Kingdom. Aviva Life and Pensions UK Limited is a wholly owned subsidiary of Aviva plc.

If you have any cause for complaint

Our aim is to provide a first class standard of service to **our** customers, and to do everything **we** can to ensure **you** are satisfied. However, if **you** ever feel **we** have fallen short of this standard and **you** have cause to make a complaint, please let **us** know. **Our** contact details are:

Group Risk Complaints
Aviva Health UK Ltd
PO Box 540
Eastleigh
SO50 0ET

Telephone: 0800 404 9541
E-mail: grcomp@aviva.co.uk

We have every reason to believe that **you** will be totally satisfied with **your** Aviva **policy**, and with **our** service. It is very rare that matters cannot be resolved amicably. However, if **you** are still unhappy with the outcome after **we** have investigated it for **you** and **you** feel that there is additional information that should be considered, **you** should let **us** have that information as soon as possible so that **we** can review it. If **you** disagree with **our** response or if **we** have not replied within eight weeks, **you** may be able to take **your** case to the Financial Ombudsman Service to investigate. Their contact details are:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0300 123 9123
Email: complaint.info@financialombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Please note that the Financial Ombudsman Service will only consider **your** complaint if **you** have given **us** the opportunity to resolve the matter first. Making a complaint to the Ombudsman will not affect **your** legal rights.

Definitions

Actively at Work

For unit rated **policies**, actively at work means:

On the relevant date the **member** must have been actively following their normal full **duties** at their place of work and be mentally and physically capable of all the normal **duties** of their **normal occupation**. Unless agreed and confirmed in writing by **us**, the **member** will be deemed to be actively at work once they make a full and active return to their **normal occupation** (with their GP's approval) for one whole day.

For single premium cases, actively at work means:

On the relevant date the **member** must have been actively following their **normal occupation**, full **duties** at their place of work and be mentally and physically capable of all the normal **duties** of their **normal occupation**. They must not have been absent from work due to illness or injury for five or more consecutive working days in the previous three months. Unless agreed and confirmed in writing by **us**, persons will be deemed actively at work once they make a full and active return to their **normal occupation** (with their GP's approval) for an uninterrupted period of 20 working days.

In both cases the 'relevant date' is:

- at the start of a **policy**, the working day prior to the **start date**;
- for joiners after the **start date**, the date when **eligible** to be admitted to the **policy**;
- for **benefit** increases, the date when **eligible** for the increase.

Anniversary/anniversary date

The anniversary of the **start date**, unless **you** have agreed another date with **us**. This date is stated in the **policy schedule**.

Application form

The application accepted by **us** that **we** have based **your** cover on.

Auto-enrolment date(s)

Your staging date and, if different, the staging date for **members** covered under the **policy** or, if the **you** have chosen to use postponement, the date **you** have chosen as **your** deferral date, and if different, the deferral date for **members** covered under this **policy**.

Benefit

The benefit described under the 'benefits' section of this guide and shown on **your policy schedule**.

Cease age

Midnight on the day before the age at which cover for a **member** ceases, as set out in the relevant **policy schedule** applicable to that **member's** category. The maximum age cannot exceed midnight on the day before a **member's** 70th birthday.

Deferred period

The number of consecutive weeks of **incapacity** which must pass before **you** become entitled to receive **benefit**.

Discretionary entrant

An **employee** or **equity partner** who needs cover, but has joined the **policy**:

- before the date they are first **eligible** to join, or
- 12 months or more than 12 months after they were first **eligible** to join,
- not in a category of **member** covered by the policy

Duties

The material and substantial duties of the **member's normal occupation** which cannot reasonably be omitted or modified.

Earnings

As defined by **you** and detailed in the **policy schedule** under 'definition of salary'.

Eligible/eligibility

The factor(s) **we** consider when assessing whether or not a person can be automatically covered by the **policy**. This will be detailed in the **policy schedule**.

Eligible jobholders

Employees the **employer** must enrol into their automatic enrolment pension scheme.

Employee

A person employed by **you**, who is covered under the **policy** and is not an **equity partner**.

Employer

A company, partnership, limited liability partnership or other organisation that is participating in the **policy**.

Employment and Support Allowance/ESA

The level of state **benefit** as specified in the **policy schedule**.

- For fully integrated **policies** - the gross level of base employment and support allowance plus either the 'work related activity' or 'support' component, or any additional payment for which the **member** is **eligible**
- For all other **policies** - gross level of base employment and support allowance plus the 'work related activity' component whether payable or not.

In the event of employment and support allowance being modified or replaced, **we** may use the new modified or replacement state **benefit** for the purposes of this definition.

Equity partner

An equity partner (or fixed share partner) in **your** partnership business who (as evidenced by a partnership deed or contract) and:

- is a part owner of the assets of the business,
- participates jointly and severally in the risks and rewards of the business; and
- is treated by HM Revenue & Customs as a self-employed partner for tax purposes.

Equity partner earnings

The average annual **earnings**:

- received in the previous three consecutive years, or
- such lesser period as the partner has been a partner of the partnership, which are liable to tax.

Fluctuating emoluments

Employee earnings not paid on a fixed basis but additional to their basic salary.

Free cover limit

The level of **benefit** (as stated in **your** illustration and **policy schedule**) under which **medical information** is not needed.

Incapacity

Means either A, B or C below as specified in the **policy schedule**.

A. The **member's** inability to perform, on a full or part time basis, the **duties** of his or her **normal occupation**, as a result of their illness or injury.

B. The **member's** inability to perform, on a full or part time basis, the **duties** of his or her **normal occupation**, and **other occupations** for which they are suited by reason of education, training or experience, as a result of their illness or injury.

C. For the first 24 months after the **deferred period** has been completed - the **member's** inability to perform, on a full or part time basis, the **duties** of his or her **normal occupation** resulting from their illness or injury.

After 24 months - the **member's** inability to perform, on a full or part time basis, the **duties** of his or her **normal occupation**, and any **other occupation** for which he or she is suited by reason of education, training or experience, resulting from their illness or injury.

Where a **lump sum** is insured with a 2 year **limited payment term**, definition B will be applied.

Where the **member's** occupation requires a licence (other than an ordinary UK driving licence for Group 1 vehicles) or medical certificate, for example an HGV driver, definition B will be applied to that **member** in all cases'

Income Benefit

The **benefit** payable under this **policy**, not including pension and national insurance contributions.

Limited payment term

The number of years (if any) specified in the **policy schedule** as the limited payment term. **Benefit** for **incapacity** resulting wholly or partly from one illness or injury, or any illness, injury or other condition **related** to it will be limited to this period.

The limited payment term starts when the **deferred period** has finished.

Long term absentee

A **member** who is not **actively at work** and, has been absent from work for more than three continuous months immediately before the **start date** or **anniversary date**.

Lump sum

The total lump sum benefit that would be paid for a **member** in the event of a claim, as shown in **your** illustration and **policy schedule**.

Medical information

Information including but not limited to medical history and lifestyle factors, required to fully assess the **member** and enable **us** to apply an underwriting decision.

Medical practitioner

A medical practitioner registered with the General Medical Council in the UK or, in the case of benefit paid for **overseas** residence, the equivalent body in the relevant country.

Member

An **employee** or **equity partner** covered under the **policy**.

Normal occupation

A **member's** normal occupation at the time **incapacity** starts.

Other occupation

Any occupation performed for profit or reward, other than the **member's normal occupation**.

Overseas

Any country that is not part of the United Kingdom, Channel Islands or the Isle of Man.

Pensionable salary

As defined by **you** and detailed in the **policy schedule**.

Policy

The Aviva group income protection insurance **policy** which covers the **policy** benefits and forms the contract between **you** and **us**. The application, policy wording, all future declarations made and the **policy schedule** form part of the contract.

Policyholder/you/your

The company, partnership or other business entity named as **policyholder** in the **policy schedule**.

Policy schedule

The current schedule (as issued by **us** from time to time) stating details of the **policyholder**, cover provided by this **policy**, and any special terms (if applicable).

Policy year

The period between:

- the **start date** and the first **anniversary date**; or
- two **anniversary dates**.

Pre-existing condition

A condition that is directly or indirectly linked to any medical and/or related condition or complication that the **member** was:

- aware of, or
- suffered symptoms of, or
- had been treated for,

in the previous five years before any cover is provided for under the **policy**.

Rate guarantee date

The date until which rates and are guaranteed to apply, as shown in the **policy schedule**.

Retail Prices Index (RPI)

The rate of **retail prices index** declared by the UK Government for the period from 1 October to 30 September ending in the year before the calendar year of the pension increase date, or any other index which replaces it.

Stabilisation date

The date three months after **your auto-enrolment date(s)** (unless you notify **us** in writing of a lesser period and this is accepted by **us**). This period allows for **your** auto-enrolment pension scheme membership to stabilise following the auto-enrolment process.

Start date

The date the **policy** starts as stated on the **policy schedule**.

State pension age (SPA)

The earliest age at which the **employee** can start to receive the UK State pension, as defined in paragraph 1, schedule 4 of the Pensions Act 1995. The maximum state pension age we will cover is 68.

TUPE

Transfer of undertakings (Protection of employment) Regulations 2006.

We / our / us

Aviva Health UK Limited on behalf of the insurer Aviva Life and Pensions Limited.

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