

# Group Life Registered Benefits

Technical Guide

# Aviva

By choosing Aviva, part of the UK's largest insurance group, you benefit from our financial strength. Together with millions of customers worldwide you can feel certain of your choice whether you invest for the future, provide against the unexpected, or protect the things that are important to you.

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 Life Insurance policies for Registered Benefits. It should be read alongside the quotation 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](http://www.healthcarezone.co.uk)

# Contents

| Section   | Page   |           |
|-----------|--|-----------|
|           | <b>Policy aims</b>   | <b>4</b>  |
|           | <b>Your commitment</b>   | <b>4</b>  |
|           | <b>Risk factors</b>  | <b>4</b>  |
|           | <b>Your questions answered</b>   | <b>5</b>  |
| <b>1</b>  | <b>How does the policy work?</b>   | <b>5</b>  |
| <b>2</b>  | <b>What factors should be considered in deciding what benefits to provide?</b>                     | <b>5</b>  |
|           | 2.1 Who can be covered?  | 5         |
|           | 2.2 Can cover be provided for an employee not in the UK?   | 5         |
|           | 2.3 What are the eligibility conditions?   | 5         |
|           | 2.4 Can different Group Life policies be linked?   | 5         |
|           | 2.5 What are our requirements to be 'actively at work'?  | 5         |
|           | 2.6 When will cover stop for a member?   | 6         |
|           | 2.7 What types of cover are available?   | 6         |
|           | 2.8 Can benefits in payment be inflation protected?  | 7         |
|           | 2.9 What happens if someone is temporarily absent?   | 7         |
|           | 2.10 Can cover be extended?  | 7         |
| <b>3</b>  | <b>How is the policy set up?</b>   | <b>7</b>  |
|           | 3.1 What do we need in order to set up the policy?   | 7         |
|           | 3.2 Does any evidence of health have to be provided before members are covered?                    | 8         |
|           | 3.3 What happens if a claim arises before an underwriting decision has been made?                  | 8         |
| <b>4</b>  | <b>What premiums will be charged for the cover?</b>  | <b>8</b>  |
|           | 4.1 How will premiums be calculated?   | 8         |
|           | 4.2 Will there be any unexpected extra premiums?   | 9         |
|           | 4.3 What commission is included within the premium?  | 9         |
|           | 4.4 Is there a discount for good claims experience?  | 9         |
| <b>5</b>  | <b>How does the policy accounting work?</b>  | <b>9</b>  |
|           | 5.1 What information is required for accounting purposes?  | 9         |
|           | 5.2 How are accounts adjusted for members to join, leave or have benefit rises during the year?    | 10        |
| <b>6</b>  | <b>How are claims made?</b>  | <b>10</b> |
|           | 6.1 How are claims submitted?  | 10        |
|           | 6.2 When and for how long will a dependant's pension benefit be paid?                              | 10        |
|           | 6.3 What might be needed to assess a claim?  | 10        |
|           | 6.4 To whom can payments be made?  | 11        |
| <b>7</b>  | <b>When can the policy be cancelled?</b>   | <b>11</b> |
|           | 7.1 Does the policy have a surrender value?  | 11        |
|           | 7.2 If the policy is cancelled during a policy year (not at renewal) will you refund any premiums? | 11        |
|           | 7.3 What happens if the policy is cancelled before a claim is paid?                                | 11        |
|           | 7.4 What happens to pensions in payment if the policy is cancelled?                                | 11        |
| <b>8</b>  | <b>What is not covered?</b>  | <b>11</b> |
| <b>9</b>  | <b>What are the tax considerations?</b>  | <b>11</b> |
|           | 9.1 What are the tax considerations for payment of premiums?                                       | 11        |
|           | 9.2 What are the tax considerations for payment of benefits?                                       | 11        |
| <b>10</b> | <b>Is there a continuation option?</b>   | <b>12</b> |
| <b>11</b> | <b>How might Auto Enrolment affect my policy?</b>  | <b>12</b> |
|           | <b>Further information</b>   | <b>13</b> |
|           | <b>Definitions</b>   | <b>14</b> |

## 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 booklet.

## Policy aims

- To provide insurance to cover **lump sum benefits** and/or **dependants' pension benefits** to the **employees** in the event of their death subject to the requirements of a **registered scheme**.
- To offer **you** a choice of benefits to meet **yours** and the **employees'** needs.

## Your commitment

**You** agree to inform **us** straight away:

- about the pension scheme tax reference (PSTR) for the **scheme**;
- about any **discretionary entrants**;
- when a **TUPE** or group employment transfer takes place;
- if **you** want to change the cover of a category; or
- if **you** want to change the eligibility criteria for membership;
- about any changes to the **employer** or **trustees**; and
- about any claims

**You** agree to:

- pay premiums when requested or as agreed;
- comply with the **scheme rules** and the terms and conditions of the **policy**.

**You** also agree to provide **us** with all of the information **we** need:

- when **you** apply for the **policy**;
- at **anniversary / rate guarantee dates**;
- when **you** make a claim;

and tell **us** if these details change.

## Risk factors

- Cover may stop if **you** don't comply with the terms and conditions of the **policy** or if **you** stop paying premiums. This will mean **you** will have no cover in place with **us** for future lump sum benefit and/or pension death in service benefits and may result in an uninsured liability. Any pensions 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**.
- **Employees** may not be covered or may have their benefits restricted where **medical information** is not provided.
- Payment of claims may be delayed if **you** do not provide the information **we** ask for.
- **We** recommend that a lawyer considers the content of the **employees'** contracts for **you** in the light of this **scheme**, and any requirements **you** may have for offering the benefits to the **employees**.
- **We** usually guarantee the rate(s) for two years after the start of the **policy**.

The guarantee may not apply if:

- the sum insured we are covering changes by 25% (50% for policies with 19 or fewer employees) or more;
- the number of **employees** who are covered falls below five (if this happens **we** reserve the right to cancel the **policy**); or
- there is a change to the (or any new) legislation, regulation or taxation affecting the **scheme**;
- there is a change to the:
  - benefit basis;
  - eligibility;
  - nature of business; or
  - companies included within the **scheme**.

# Your questions answered

## 1 How does the policy work?

- **You** decide the level of benefits **you** need and, if applicable, whether any **pension benefits** will increase each year.
- **You** can choose whether to insure all of the **employees** or a category only and select the **cease age**.
- **Employers** normally 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** provide **us** with the information **we** require to assess any claims.
- **We** will pay **lump sum benefits** as advised by the **trustees**. The **lump sum** is normally tax-free.

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

### 2.1 Who can be covered?

**Employees** with a current UK contract of employment who meet the **eligibility** and **actively at work** conditions. Details of **eligibility** and **actively at work** are in 2.3 and 2.5.

### 2.2 Can cover be provided for an employee who is not in the UK?

Yes. **We** are prepared to offer cover to **members** travelling, working or seconded **overseas**. However, they will need a current UK contract of employment and **we** will need full details of any **members** 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/](http://www.fco.gov.uk/en/).

Any **overseas employee** will need to be categorised separately in the **scheme**. If they do not pay UK taxes then no tax relief should be claimed in respect of premiums paid for the **member**.

The tax treatment of any benefit paid out for an **overseas employee** will depend on whether or not they have been treated as non-resident for tax purposes at any time when covered under the **policy**. **We** recommend that **you** seek professional tax advice for guidance in this area.

### 2.3 What are the eligibility conditions?

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

- minimum and maximum entry ages
- any service qualification periods
- the categories of **employees** to be covered
- the date that new entrants will enter the **scheme** (for example, monthly).

Membership must be open to all **eligible employees** within a defined category or categories.

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

### 2.4 Can different Group Life policies be linked?

It is possible to link different Aviva Registered Group Life, Excepted Group Life or Supplementary Relevant Life Policies taken out by the **employer** or parent/subsidiary of the **employer**. This will be for the purpose of sharing the **Free Cover Limit** and premium rates and is subject to prior agreement by **us**.

#### Important Note

It is recommended that **employers** consult their own advisers to ensure that their proposed policy arrangement and **scheme** set up does not breach equality and discrimination laws.

### 2.5 What are our requirements to be 'actively at work'?

**Employees** must be **actively at work** to be covered under the **policy** on:

- the **start date**; or
- from their **scheme eligibility date** if they joined the **scheme** after the **start date**; or
- from the date an **employee's** benefit basis increases, such as through a switch in category or the category benefit basis changes.

If the **employee** is not '**actively at work**', **we** will not offer cover until that person has made a full and active return to their normal occupation for 5 consecutive working days.

### Exceptions to 'actively at work'

We will in most circumstances waive our 'actively at work' conditions for any members of schemes with 50 or more members if immediately before the start of this policy, those members' benefits were covered by another insurer and we have been informed about any long term absentees, and also members who have been medically rated, declined, or had cover restricted or postponed. This is provided there has been no break in cover or increases in benefit level.

For these schemes we will also waive our 'actively at work' conditions for any new employees.

You do not usually need to tell us about new entrants during the policy year who have met the eligibility conditions, provided that the members benefits, including the lump sum equivalent of any dependant's pension benefits (if covered), are not above the scheme free cover limit.

Actively at work conditions will apply:

- where a category of membership has less than five members.

### TUPE transfers

In order to consider cover, we require the following information in respect of the TUPE or other group employment transfer membership.

Where a scheme is less than 50 lives:

- Actively at work conditions will apply;
- we require details of any member who has had their benefit loaded, declined, restricted, postponed or accepted at special terms under a previous scheme.

Where a scheme is 50 lives or more, we require:

- long term absentee information;
- details of any member who has had their benefit loaded, declined, restricted, postponed or accepted at special terms under a previous scheme.

If the information provided is acceptable, we may consider cover under the existing Aviva scheme, or alternatively, advise any additional requirements.

### 2.6 When will cover stop for a member?

You choose the policy cease age, which can be state pension age or any fixed age up to a maximum of 75. If the cease age is linked to a state pension age (SPA), the cease age will be the later of either 65 or the member's SPA.

If the cease age is currently either SPA or a fixed age lower than 75, and you want to include members beyond the current cease age up to a maximum age of 75, then the cease age has to increase for the whole policy or applicable category.

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

- is no longer employed by the employer (including redundancy where there is no redundancy cover)
- is no longer eligible for the scheme;
- reaches the cease age; or
- dies.

### 2.7 What types of cover are available?

#### Lump sum benefit

Cover can either be for a fixed amount, or a multiple of salary and is payable when a member dies.

This can vary from one category to another, and providing reinsurance can be arranged, there is no limit to the level of cover we can insure.

You can also use all or part of the lump sum to provide a dependant's pension.

#### Spouse's, Dependant's and Children's pensions

A specific amount of pension can apply based on a proportion of the deceased member's own prospective pension or a percentage of their salary. The amount can vary from one category to another.

The pension can be either a spouse's pension, dependant's pension or a children's pension.

A spouse's pension is payable to a spouse only, whereas a dependant's pension is payable to a financial dependant of the member.

A spouse's or dependant's pension can be paid to an orphan in the event there is no surviving spouse or dependant at the date of the member's death, or it can continue to an orphan following the spouse's or dependant's death.

Dependent on the cover you have selected, benefits can be paid to:

- a spouse;
- dependent children; or
- any other person financially dependent on the member who satisfies the definition of a 'dependant'.

Where a spouse's pension, dependant's pension or children's Pension is paid, it will be provided by Aviva Annuity UK Limited.

It is also possible to provide a separate children's pension to be paid from the date that the member dies, irrespective of whether a spouse's or dependant's pension is payable.

Cover is based on a percentage of the employee's salary, or on a proportion of the member's pension (which could be a proportion of the dependant's pension).

The children's pension can be split between pensionable children but the amount cannot exceed the dependant's death in service pension and can only be accommodated on unit rate schemes.

## 2.8 Can benefits in payment be inflation protected?

Yes. **Pension benefits** in payment can be:

- changed in line with the **Retail Prices Index** and capped at an agreed percentage; or
- increased at various levels agreed with **us**.

## 2.9 What happens if someone is temporarily absent?

Where a **member** is off work due to illness or injury, the cover can continue up to the **cease age** providing premiums continue and a contract of employment is maintained.

Where absence is due to any other reason (for example, maternity or Armed Forces Reserves call up), then cover may continue to be provided for a maximum of 36 months.

Any increases in benefit during this period will need to be in line with standard company pay awards and will normally be limited to a maximum of 7% per year.

For existing **schemes** temporary absence cover may be adjusted in line with the **scheme's rules**.

## 2.10 Can cover be extended?

### Redundancy

For schemes with a minimum of 250 lives, if requested (and agreed by Aviva) **we** can cover all **members** or a category of **members** for redundancy;

- for up to 2 years after the **employee** has left the insured company; or
- until they find alternative employment, whichever is sooner.

### Early Retirement

For schemes with a minimum of 250 lives, if requested (and agreed by Aviva) **we** can cover all **members** or a category of **members** for death benefits during early retirement:

- from the day of their early retirement.
- up to the **cease age** of the **policy**/category.

The benefit covered will be the total benefits covered the day prior to early retirement.

## 3 How is the policy set up?

### 3.1 What do we need in order to set up the policy?

To ensure the premium and quote details can be confirmed before the **policy** starts, **we** need full details of **members**:

- gender;
- dates of birth;
- salaries;
- benefit basis/level;

- occupations;
- work locations; and
- countries of residence (if outside the UK).

**We** will also need full details of any:

- **long term absentees**;
- previous underwriting decisions;
- previous scheme history; and
- previous claims history.

If any of these details or assumptions **we** have made differs from those on the illustration, the illustration may be revised or withdrawn.

To complete the set up of the **policy**, **we** need:

- a fully completed trustee proposal and scheme details form;
- a deposit premium or direct debit mandate;
- a completed membership schedule, or confirmation that membership details shown in the illustration are correct;
- individual details of any **member** whose total benefits (including the lump sum equivalent of any **dependant's pension benefits**) are above the **free cover limit** (shown on illustration);
- the **scheme** to be registered with **HMRC** under Part 4 of the Finance Act 2004. **We** can only accept cover after this has happened. Online registration is available at [www.hmrc.gov.uk](http://www.hmrc.gov.uk);
- the **scheme's** existing or new **HMRC** Registration Number;
- signed and dated **scheme rules** (incorporating the trust provisions). Existing **schemes** that transfer cover to Aviva may continue to use their existing trust and rules. It is the responsibility of the **trustees** to ensure that the rules are updated to reflect future changes. **We** will require a copy of the existing rules and trust for **our** file.
- for existing **schemes**, written confirmation from the previous Insurer that any **members** above the **free cover limit** have previously been underwritten, the amount underwritten, the underwriting decision and the date of acceptance.

**We** agree to start cover whilst this information is being provided. If **you** do not send **us** everything **we** need within 30 days of the start of cover, **we** reserve the right to cancel cover and **we** may not pay any claims that are made whilst cover was being agreed.

### 3.2 Does any evidence of health have to be provided before members are covered?

**Policies** with 5 or more **members** will 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 person

- fulfils any **actively at work** conditions; and
- is not a **discretionary entrant**.

If normal terms apply following medical underwriting, then no further information is needed, provided that any increases do not take benefits above the amount confirmed and agreed by **us**. This is known as advance underwriting.

If any increase does take benefits above this agreed amount then further medical underwriting will be required.

Should **we** apply special terms, advance underwriting may not apply. The **member** will be notified if further **medical information** is required. Any additional premiums for special terms will be paid in addition to the 'normal terms' premium paid in a **scheme** year.

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

The **free cover limit** will not apply if at any **anniversary date** there are less than 5 **members** covered under the **policy**. In such cases **we** will need **medical information** for:

- all new **member's**;
- existing **member's** if benefits are increased.

**We** will reapply the **free cover limit** if the number of **members** returns to 5 or more.

#### 'Once Only' medical underwriting

For **schemes** of 20 or more lives, **members** will, in most circumstances, only be medically underwritten once, unless the **member's** total benefit exceeds £5m. **Our** policy of only medically underwriting once can apply even if special terms have been applied to individual **members**.

Once medical underwriting is concluded **we** will tell the **trustees** if cover is provided and/or any additional premiums need to be paid.

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

**We** will provide cover for full benefits (subject to the limits detailed in the next paragraph), 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 **scheme**, or the effective date of an increase in benefits.

Cover will be subject to a maximum of £1million of benefit insured above the greater of the **free cover limit** or previously underwritten benefit. It will not apply to any **member** who has previously:

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

## 4 What premiums will be charged for the cover?

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

- level of benefits insured;
- **eligibility** and entry conditions as shown in the **policy schedule**;
- rate at which **pension benefits** increase in payment;
- age of **members**;
- gender split of the **members**;
- occupations of the **members**;
- locations of the workforce; and
- claims history if the **scheme** has been insured before.

The minimum premium **we** will charge is £750. All premium payments are to be made in pounds sterling.

### 4.1 How will premiums be calculated?

#### Schemes with between 5 and 19 members: Single Premium Rate Basis

Premiums will be calculated for each **member** using **our** current premium rates (these underlying rates are guaranteed for two years). This means premiums are recalculated each year and are dependent upon the age and benefit of each **member** at the beginning of each **policy** year. Premium rates generally increase with age.

**We** also need to know the amount of benefit needed for each **member** at the **anniversary date**.

### Schemes with 20 members or more: Unit Rate Basis

Premiums will be calculated based on a unit rate:

- for **lump sum benefit**, this is shown per £1,000 of benefit; and
- for a **dependant's** pension, this is shown per £100 of pension.

The premium is calculated based upon the total benefits for **members** at the **start date** or **anniversary date**.

If the number of **members** in an existing **scheme** falls below 20, the **policy** may be costed on a single premium rate basis.

### 4.2 Will there be any unexpected extra premiums?

**We** usually guarantee the rate(s) for two years after the start 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 loading will reflect their medical condition or hazardous pursuits they may undertake. These loadings 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 sum insured covered changes by 25% (50% for policies with 19 or fewer employees) or more;
- the number of **employees** who are covered falls below five (if this happens **we** reserve the right to cancel the **policy**); 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 in the premium?

Commission payments to **your** intermediary are usually 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 in advance monthly, quarterly, half yearly or annually by direct debit, or any other method agreed with us.

**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 required for accounting purposes?

#### Single premium rate policies

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

- name;
- gender;
- date of birth;
- salary or benefit;
- **policy** category (if more than one is covered);
- dates of joining for any new **members**
- date of leaving for any **members** who have left the **scheme** or are leaving the **scheme**.

**We** will also need details of any new **members** who are not **actively at work** and any existing **members** who are **long term absentees**.

#### Unit rate policies

The only information **we** normally need at each **anniversary date** will be the total number of **members** and total salary or benefits at the **anniversary date**, and on the day before the **anniversary date**.

**We** will need individual data for any **members** whose benefits are above **free cover limit**, or those joining outside of the normal **eligibility** conditions.

**We** will need more detailed information at the **rate guarantee date** including:

- **long term absentees;**
- name;
- gender;
- date of birth;
- salary or benefit;
- **policy** category (if more than one is covered);
- dates of joining for any new **members;**
- date of leaving for any **members** who have left the **scheme** or are leaving the **scheme**.

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 changes during the year?

### Single premium rate 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.

### Unit rate policies

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

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

## 6 How are Claims made?

If **you** need to make a claim **you** must give **us** written notice as soon as possible after a **member's** death. **You** must provide **us** with any documents and information that **we** may need to process **your** claim.

### 6.1 How are claims submitted?

There are two ways **you** can submit a claim;

- by fully completing an on-line claim form at [www.healthcarezone.co.uk](http://www.healthcarezone.co.uk); or
- by fully completing a paper claim form.

#### Please note

**We** will not pay any claims made more than 2 years after the earlier of:

- the day the **scheme administrator** first knew of the **member's** death; or
- the day on which the **scheme administrator** could reasonably have known of the **member's** death.

### 6.2 When and for how long will a dependent's pension be paid?

**Pension benefits** are paid into a bank account advised by the **trustees**, monthly in advance, and backdated to the date of the **member's** death.

The **pension benefits** payable to a **spouse** or other adult **dependant** will be paid until they die.

**Children's** and orphan's pensions will be paid to a **child** if they were financially **dependant** on the **member** and up to the age of:

- 23; or
- if dependent because of disability, for the remainder of their lifetime.

### 6.3 What might be needed to assess a claim?

**We** may be able to validate deaths electronically in some circumstances. However, where this is not possible **we** will require the **member's** original death certificate or coroner's interim certificate.

**We** may also ask for:

- medical records of the **member**.
- any necessary employment records.
- a copy of any relevant authorisation showing who is empowered to sign for and act on behalf of the **trustees**.
- evidence of membership and earnings.
- the **members** birth certificate.

If **your** claim is for a **pension benefit**, **we** will also require:

- the marriage/ civil partnership certificate and birth certificate for the **member's spouse**, if **you** are claiming a **spouse's** pension.
- the birth or adoption certificate for any **eligible dependant** or **eligible child**, if **you** are claiming a **dependant's, children's** or orphan's pension.

## 6.4 To whom can payments be made?

**Lump sum** and **pension benefits** are payable to the **trustees**. **We** will consider, where requested, payments elsewhere to a UK bank account.

If **you** have any questions about making a claim, write to **us** at:

Aviva Group Risk  
PO Box 3240  
Norwich  
Norfolk  
NR1 3ZF.

**You** can also call **us** on 01603 680715, or email **us** at [grouplifeclaims@aviva.co.uk](mailto:grouplifeclaims@aviva.co.uk). Calls may be monitored and/or recorded.

## 7 When will the policy be cancelled?

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

**We** will also reserve the right to cancel the **policy** if **you** do not give **us** the information and documentation that **we** need to administer the **policy** or if the scheme drops below 5 lives.

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

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

### 7.1 Does the policy have a surrender value?

There is no surrender value if the **policy** is cancelled and **we** will not backdate cancellations.

### 7.2 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.

## 7.3 What happens if the policy is cancelled before a claim is paid?

All valid claims for **members** who died whilst the **policy** was in force with **us** (and premiums paid up to the cancellation date) will continue to be assessed subject to the criteria detailed in Sections 6.1 and 6.3.

## 7.4 What happens to pensions in payment if the policy is cancelled?

Any pensions that are being paid before the cancellation date will continue to be paid.

## 8 What is not covered?

All causes of death are covered under this **policy**. **We** may however, apply an **event limit** if there is an event that affects the **policy**.

## 9 What are the tax considerations?

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

### 9.1 What are the tax considerations for payment of premiums?

An **employer** normally pays the whole premium for the **policy**. In this situation **HMRC** will generally agree to this being allowed as a business expense.

**Employer's** premiums are not normally treated as a 'benefit in kind' for **employees**.

### 9.2 What are the tax considerations for payment of benefits?

**Lump sum benefits** under Registered Group life Insurance Schemes are usually paid tax-free by the **trustees**.

However, the beneficiaries may need to pay a **lifetime allowance** charge if:

- the total benefits (excluding any death in service pensions) taken by the **member** from all registered pension schemes during their lifetime; plus

- any **lump sum benefits** paid on death;

are in total, above the **member's lifetime allowance**. Any tax payable will be collected by **HMRC**.

Pensions for **dependants** do not count towards the **member's lifetime allowance**, but are subject to income tax which **we** will deduct before payment to the **dependant**.

## 10 Is there a Continuation Option?

This option is not offered to new policies and cannot be added to existing **policies** if it is not already part of the benefit basis. If the **policy** already has a Continuation Option this will be detailed in the **Policy Schedule**.

## 11 How might Auto Enrolment affect my policy?

If **eligibility** for **your** Group Life **policy** is linked to Pension Scheme membership (either for all members or a category of membership), then Auto Enrolment can affect the membership/total sum assured under the **policy**. The **employer**, with the **Trustees**, will need to decide whether **employees** joining as a result of Auto Enrolment should be covered under the Group Life **policy**.

### How do we treat employees joining under auto-enrolment?

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

- the **employer's auto-enrolment date** or;
- eligible jobholders re-auto-enrolment date
- the standard **eligibility** period for joining the **policy**

our **discretionary entrant** terms will apply.

If an **employee** who does not meet the eligible jobholder criteria chooses to join the **employers** auto-enrolment pension scheme on any date, other than;

- the standard **eligibility** period for joining the **policy**

our **discretionary entrant** terms will apply.

### What are our data requirements for auto-enrolment?

**We** will require total number of lives and sum assured;

- 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.

# Further information

Please contact your usual Financial Adviser or call us on 0800 0157518.

## Third Party Rights

Only we and the trustees will have any rights under these policies. 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 100% of the total amount of an existing claim. The FSCS will also provide a refund of 100% 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](http://www.fscs.org.uk) or telephone 020 7892 7300.

## Currency and jurisdiction

The policies are issued in England and subject to English Law.

All payments made to or by us under this policy will be in pounds sterling.

## Insurer

The Group Life Insurance 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](tel:08004049541)

E-mail: [grcomp@aviva.co.uk](mailto: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](tel:03001239123)

Email: [complaint.info@financialombudsman.org.uk](mailto:complaint.info@financialombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://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

Some of the terms and expressions that **we** use in this Technical Guide have a specific meaning for this type of policy. Here are some of the terms explained:

## Anniversary date

An anniversary of the **start date**, unless another date has been agreed with **us**. This date is stated in the **policy schedule**.

## Actively at work

This means that a **member** is actively at work and not working against medical advice. The **member** must be:

- following their normal occupation;
- working their normal number of contracted hours; and
- working at their normal place of business or at a location where business needs them to travel.

## Auto Enrolment date

The **employers** staging date and, if different, the staging date for **members** covered under the **policy** or, if the **employer** has chosen to use postponement, the date the **employer** has chosen as their deferral date, and if different, the deferral date for **members** covered under the **policy**.

## 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 can't exceed midnight on the day before a **member's** 75th birthday.

## Child(ren)

Any child of a **member** who is:

- under age 23; or
- has reached that age and in the opinion of the **trustees** is dependent on the **member** because of physical or mental impairment at the date of the **member's** death.

It includes any natural or adopted child, including unborn children or any other child who was, in the **trustees** opinion financially dependent on the **member**.

## Dependant

This means:

- 1) a person who was married to, or a Civil Partner of, the **member** at the date of the **member's** death; or
- 2) a **child** of the **member**, if the **child** has:
  - not reached age 23; or

- in the opinion of the **trustees**, was at the date of the **member's** death dependent on the **member** because of physical or mental impairment.

or

3) a person who was not married to, or a Civil Partner of, the **member** at the date of the **member's** death and is not a **child** of the **member**, if in the opinion of the **trustees**, at the date of the **member's** death:

- the person was financially dependent on the **member**, or
- the person's financial relationship with the **member** was one of mutual dependence, or
- the person was dependent on the **member** because of physical or mental impairment.

## Discretionary entrant

An **employee** who needs cover, but has joined the **scheme**:

- before the date they are first **eligible** to join; or
- 12 months or any time after 12 months they are first **eligible** to join, if their benefit (including any lump sum equivalent of a **dependant's** death in service pension) is above £250,000 or they were not **actively at work** on the date they want to join the **policy**.

## 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**.

## Employee

Employees, equity partners and **members** of the **employer**.

## Employer

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

## Event limit

A monetary limit that applies to the total value of claims that can be made following an event.

Where an event limit is applied it will be shown and detailed in **your policy schedule**.

## Free cover limit

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

## HMRC

Her Majesty's Revenue and Customs.

## Lifetime allowance

This is the tax threshold above which benefits become subject to a lifetime allowance charge, and has the same meaning as given in the Glossary to the **HMRC** Registered Pension Schemes Manual.

## 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 benefit

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

## Member

A member of the **scheme** for whom death benefits will be provided under the **policy**.

## Overseas

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

## Pension benefit

The pension benefit that would be paid to a **spouse**, **dependant** or **child** in the event of a claim, as shown in **your** quote and **policy schedule**.

## Policy

The Aviva Group Life Insurance policy which covers the **scheme** benefits and forms the contract between the **scheme trustees** and Aviva. The application, policy wording, all future declarations made, and the **policy schedule** form part of the contract.

## Policy schedule

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

## Policy year

The period between:

- the **start date** and the first **anniversary date**; or
- the **anniversary date** and **rate guarantee date**.

## 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 terms are guaranteed to apply, as shown in the **policy schedule**.

## Registered scheme

An occupational pension scheme set up under discretionary trust (including a stand alone life assurance trust) that is registered with HMRC in accordance with Chapter 2 of Part 4 of the Finance Act 2004.

## Retail prices index

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.

## Scheme

The Registered Scheme named as the scheme in the **policy schedule**.

## Scheme administrator

The person(s) appointed in accordance with the **scheme rules** to be responsible for the day to day running of the **scheme**, as detailed under Part 4 of Finance Act 2004.

## Scheme eligibility date

The earliest date a **member** is **eligible** to join the **scheme**.

## Scheme rules

The rules of the **scheme**.

## Spouse

The legal spouse of the **member** at date of death. Any reference to a spouse also applies to a **member's** Civil Partner registered under the Civil Partnership Act 2004.

## Start date

The date the **policy** starts, and stated as commencement date in the **policy schedule**.

## State Pension Age

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.

## Trustees/you/your

The trustees of the **scheme** as stated in the **policy schedule**.

## TUPE

Transfer of Undertakings (Protection of Employment) Regulations 2006.

## We / our / us

Aviva Life & Pensions UK Limited.

| Retirement | Investments | Insurance | **Health** |

Aviva Health UK Limited. Registered in England Number 2464270. Registered Office 8 Surrey Street Norwich NR1 3NG.  
Authorised and regulated by the Financial Conduct Authority. Firm Reference Number 308139. [www.aviva.co.uk/health](http://www.aviva.co.uk/health)  
This insurance is underwritten by Aviva Life & Pensions UK Limited. Registered in England No 3253947.  
2 Rougier Street, York, YO90 1UU. Authorised by the Prudential Regulation Authority and regulated by the  
Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference Number 185896. [www.aviva.co.uk](http://www.aviva.co.uk)  
Aviva Health UK Limited, Head Office: Chilworth House Hampshire Corporate Park Templars Way Eastleigh Hampshire SO53 3RY.

