

Group Income Protection

Technical Guide

Reference: GR02004 – 02/2020

This policy is intended for schemes with 5 or more members.

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 aviva-for-advisers.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

This non-complex **policy** is designed 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.
- 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.
- offer **you** a choice of how soon and for how long this income is paid.
- provide 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 agree to inform **us** straight away:

- about any **discretionary entrants**;
- if **you** want to change the cover of a category;
- if **you** want to change the **eligibility** criteria for membership; or
- about any claims.

You agree to:

- pay premiums when requested or as agreed; and
- comply with 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**; or
- when **you** make a claim;

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

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**.

- **Members** must satisfy the **actively at work** requirements
- **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** recommend that a lawyer considers the content of **your members** contracts for **you** in light of this **policy**, and any requirements **you** may have for offering the **benefits** to **your members**.
- Payments of claims may be delayed or rejected if **you** do not provide the information **we** ask for.
- **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
- there is a change to the (or any new) legislation, regulation or taxation affecting the **policy**
- **We** reserve the right to change the **policy** terms and conditions after two years. **We** will tell **you** if **we** do.

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** can choose whether to insure all of the **employees** or a category only and select the **cease age**
- **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** normally pay **benefits** monthly in arrears from the end of the **deferred period** to the **employer**, for as long as the claim is valid.

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

2.1 Who can be covered?

Employees with a current UK, Channel Islands or Isle of Man contract of employment who meet the **eligibility** conditions and satisfy the **actively at work** criteria.

If an **employee** is not **actively at work** on the working day prior to the **start date** of the **policy**, they will be deemed **actively at work** once they make a full and active return to their **job role** (with their GP's approval) for one whole day

For previously uninsured **single premium policies**:

If an **employee** is not **actively at work** on the working day prior to the **start date** of the **policy**, they will be deemed **actively at work** once they make a full and active return to their **job role** (with their GP's approval) for five consecutive days.

If **you** have any individuals on a zero-hour contract, **we** may be able to provide cover if;

- the definition of **earnings** takes account of the variation in **earnings**, and

- in the event of a claim for the purposes of the occupation assessment, it will be possible for **us** to establish the number of hours worked in the 12 months prior to **incapacity** in order to ascertain the average number of hours worked each week.

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

Yes. **We** will cover **members** who are travelling or working **overseas**, or those seconded to another organisation in a different country as long as:

- they still have a contract of employment with a UK, Channel Islands or Isle of Man company covered under this **policy**
- the premium to cover those **members** is paid in sterling by **you**, and
- they are still eligible for cover on the **policy**

You must tell us about any **members** who are working **overseas** at the **policy start date** or **rate guarantee date**. **You** must also tell us their nationalities and the countries that they will be working in.

Special terms and conditions may apply for cover to **overseas members**.

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** or remain as an **equity partner**.

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, Channel Islands or Isle of Man 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 earnings** 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 **members** 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 dependent 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 **deferred 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 What are the requirements to be 'actively at work'?

Members must be **actively at work** in addition to the other **eligibility** conditions, before they are covered under the **policy**.

They must be **actively at work**:

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

If the **member** is not **actively at work**, **we** will not provide cover until that person has made a full and active return to their **job role**.

2.8 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 currently either **SPA** or a fixed age lower than 70, and **you** want to cover **members** who choose to work beyond the current **cease age** up to a maximum age of 70, then the **cease age** has to increase for the whole **policy** or applicable category.

In addition, **members** will need to be **actively at work** when they reach the current **cease age** and must not have been absent from work due to illness or injury for five or more consecutive working days in the previous three months.

If a **member** is not **actively at work** at the current **cease age**, unless agreed and confirmed in writing by **us**, they will be deemed **actively at work** once they make a full and active return to their **job role** (with their GP's approval) for an uninterrupted period of 20 working days.

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
- is no longer **eligible** for the **policy**
- is no longer employed by the **employer** or if an **equity partner**, leaves the partnership
- reaches the **cease age**
- receives a **lump sum benefit** (if covered) at the end of a **limited payment term**, or
- dies.

2.9 What types of cover are available?

Gross pay policies

You choose the **benefits** as a percentage of the **member's** gross earnings before **incapacity**. You select the **benefit** level depending on **your** budget, as a percentage of the **member's earnings** before **incapacity**. The maximum **benefit** you can choose is:

- 80% of **gross taxable earnings** for **employees**; or
- 50% of **equity partner earnings**.

Limited payment term

You can choose for **benefit** payments to be limited to a period of 2,3,4 or 5 years.

What can be included in the definition of earnings?

For an employee:

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

We can also include **fluctuating emoluments** 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 **employee** has been in receipt of **fluctuating emoluments**) added to the **employee's** normal annual salary.

For an equity partner:

The average of the **equity partner's earnings** from their 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.

We can also cover other supplementary benefits that **you** continue to pay to an incapacitated **member** such as company car allowances and insurance premiums. However, these will be included within the employer pension contributions overall maximum annual amount of £75,000.

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 £425,000.

Where **employee** pension contributions are covered and the maximum **benefit** of £425,000 is exceeded, these will be reduced to adjust the **total 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**.

Lump sum

If **you** have chosen a **Limited payment term**, you can opt to cover 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
- 5 times salary; or
- £1.6 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 an **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**.

Employees on a fixed term contract and **equity partners** cannot be covered for a **lump sum**.

2.10 What types of benefits will be paid?

Total benefit

We will pay **total benefit** if:

- immediately before the start of **incapacity** the **member** was **actively at work** and following their **job role**; and
- after the start of **incapacity** the **member** is 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 **actively at work** and following their **job role** and;
- if **incapacity** has lasted for at least five consecutive working days; and as a result of illness or injury the **member** is either;
- following their **job role** on a part-time basis; or
- following any **other occupation**

in either case with a reduction in **earnings**.

2.11 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 or 52 weeks. The **deferred period** will be shown on **your policy schedule**.

2.12 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.

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

2.13 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:

- by a fixed percentage of 3% or 5% or;
- in line with the **Retail Prices Index (RPI)** with increases capped at either 2.5%, 3% or 5%, or;

- in line with **Consumer Prices Index (CPI)** with increases capped at either 2.5%, 3% or 5%.

The **benefits** will increase by the chosen level after they have been paid for 12 consecutive months.

We will not reduce the **benefit** if **RPI** or **CPI** falls below 0% per annum.

3 How is the policy set up?

3.1 What do we need 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, taxable earnings from a partnership;
- 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 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 application 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** are above the **free cover limit** (shown on the illustration)
- for existing policies, 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.

We will provide cover based on the information in the **policy schedule** and set out in 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
- fulfils the **actively at work** conditions
- 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.

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 **members**;
- existing **members** 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 **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 by **us** or another insurer
- postponed by **us** or another insurer
- restricted by **us** or another insurer, or;
- who has 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
- the **cease age**
- **eligibility** and entry conditions
- annual increase in **benefit** payments (if any)
- **deferred period**
- the age of **members**
- the gender split of **members**
- occupations of the **members**
- locations of the workforce; and
- 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 pounds sterling.

4.1 How will premiums be calculated?

Policies 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 usually 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.

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

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 **members** 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**.

Additional premiums may be payable for **members** who have been medically underwritten because of their health or any hazardous pastimes. Any additional premiums 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**.

In addition to any commission, the premium could also reflect the fact that **our** staff are salaried and may receive an annual bonus based upon the overall performance of the Aviva Group. Some members of staff may also receive an additional bonus, a proportion of which relates to their sales performance.

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 1% 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?

For both **single premium** and **unit rated** policies a list of all **members** will be required at each **anniversary date** showing their:

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

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.

Unit rate policies

We will calculate a premium adjustment to allow for changes during the previous **policy year**. The adjustment will take into account new **members**, leavers and any changes in **benefit** and will be payable at the end of 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.aviva-for-advisers.co.uk or by contacting **our** claims team by email at groupipclaims@aviva.com 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 **member**, these will be paid to the **member** in the pounds sterling, and into a UK bank account in the **member'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** 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** is no longer eligible for **benefit** or ceases to be a **member**; or
- the **member** reaches the end of a fixed term contract; or
- 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, supplementary 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 will only be eligible for **benefit** for the remainder of the contract in place as at the date of **incapacity**, 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 at **our** reasonable discretion 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 removing that **employee** from the payroll.

Any pension, supplementary and national insurance **benefits** will stop. Where **we** pay the **benefit** to a **member** directly, and the definition of **incapacity** is 'own' occupation, this will change to the 'suited' occupation (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 an **employee** 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?

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.

What happens if incapacity is from a different cause?

If **we** have already paid **benefit** for a **member**, and they then suffer from a different cause of **incapacity** (lasting at least 30 consecutive days) 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.

For **limited payment terms** **we** will only link the claim if the **member** suffers from the same cause of **incapacity**.

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

The **policy** is designed to ensure that **members** do not receive a greater income than they received when working.

The maximum amount of benefit **we** will pay is the lesser of the **income benefit**; or:

- for **employees**, 80% of **gross taxable earnings** less other benefits and
- for **equity partners**, 50% of **equity partner earnings** less other benefits

Other benefits that **we** will take into account include:

- continuing income from an **employer** (such as occupational sick pay)
- 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.

Benefit is subject to an overall maximum of £425,000.

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

7 When can the policy be cancelled?

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 30 days after the 30 days following the due date. This will be subject to prospective **members** being **actively at work** on the working day prior to the reinstatement date.

If a **member** is not **actively at work** on the working day prior to the reinstatement date, they will be deemed **actively at work** once they make a full and active return to their **normal occupation** (with their GP's approval) for one whole day.

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.

We 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 number of **members** covered drops below 5.

Sanction Checking

In order for **us** to help manage **our** exposure to the risk of financial crime, **we** will, from time to time, undertake a sanction check of the company, its directors and its ultimate parent company as well as the country in which the company/ultimate parent company is based. If, as a result of **our** investigations **we** reasonably believe that providing a group protection contract would place Aviva at a high risk to exposure of financial crime, **we** will reserve the right to cancel or amend the **policy** as appropriate.

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.

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 supplementary benefits 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**.

Further information

Please contact **your** usual financial adviser or call **us** on 0800 051 3472.

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 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 or telephone 020 7892 7300.

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 pounds sterling.

Insurer

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

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

The Head Office of Aviva Life & Pensions UK Limited is Wellington Row, York, YO90 1WR, United Kingdom. Aviva Life & 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 Protection Complaints
PO Box 3240,
Norwich,
NR1 3ZF.

Telephone: 01603 680715

E-mail: grcomp@aviva.com

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.

Data Protection

Aviva Life and Pensions UK Limited is the data controller responsible for processing any personal information **you** provide **us**.

As the **policyholder our** understanding is that **you** are not required to obtain individual consent from **employees** before providing **us** with any personal data **we** require to set up, administer and assess any claims under the **policy**. However **you** will need to ensure that **you** comply with data protection law and regulation and ensure that the appropriate information has been provided to data subjects to explain how the information will be processed and shared. If **we** need to obtain personal data from anyone covered under the **policy**, **we** will contact them and if necessary obtain their consent before collecting and using their information.

We will record and store any information provided to **us** accurately and securely.

Details of **our** full Privacy Policy is available at www.aviva.co.uk/privacypolicy or **you** can request a copy by contacting **us** at Aviva, Freepost, Mailing Exclusion Team, Unit 5, Wanlip Road Ind Est, Syston, Leicester, LE7 1PD. If **you** have any questions about how **we** use personal information, please contact **our** Data Protection Officer by writing to them at Data Protection Officer, Aviva, Level 4, Pitheavlis, Perth, PH2 0NH.

Solvency and Financial Condition Report

Every year **we** publish a Solvency and Financial Condition report which provides information about **our** performance, governance, risk profile, solvency and capital management. This report is available for **you** to read on **our** website at www.aviva.com/investors/regulatory-returns/

Paper, braille, large font and audio material

Our literature is available free of charge on paper or in braille, large font and audio format. Just call **0800 051 3472** or email **groupprotection@aviva.com** and tell **us**:

- the format **you** want
- **your** name and address
- the name or code of the document.

The document code is in the bottom left hand corner of the back page of this document.

Calls may be recorded/monitored for **our** joint protection.

Definitions

Actively at Work

Means that the **member** must have been actively following their normal full **duties** and hours at their place of work and have been mentally and physically capable of all the normal **duties** and hours of their **job role**.

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**.

Benefit

The benefit described in 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. If the cease age is **State Pension Age**, in the event of **incapacity** this is the **State Pension Age** that applied as at the first date of **incapacity**.

Consumer Prices Index (CPI)

The monthly index calculated by the government that demonstrates the movement of consumer prices in the UK, or an equivalent replacement of that index.

Deferred period

For **total benefit**, the number of consecutive weeks **incapacity** which must pass before you become entitled to receive **benefit**, as shown in the **policy schedule**.

For **proportionate benefit**, the number of consecutive weeks of illness or injury which must pass before you become entitled to receive **benefit** as shown in the **policy schedule**.

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**.

Where membership of the **policy** is linked to an automatic enrolment pension, an **employee** will be considered a discretionary entrant if they have elected to join the qualifying pension scheme at any time other than;

- the first 12 months of being **eligible** to join the scheme, or
- at their auto enrolment or re-enrolment date.

Dividends

The dividends paid to the **employee** instead of wages or salary averaged over the 3 years prior to **incapacity**.

Dividends are only covered if they cease in the event of **incapacity**.

Duties

The material and substantial duties that:

- are normally required to perform the **job role** for the **policyholder** and;
- perform a significant and integral part of the performance of the **job role** for the **policyholder** and;
- cannot be reasonably omitted or modified by the **member** or the **policyholder**.

Duties do not include the journey as part of a regular commute to and from a normal place of work.

Earnings

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

The definition of salary will indicate if **fluctuating emoluments** or **dividends** are included.

We will use the earnings that applied as described on the **policy schedule** as at the date of **incapacity**. Increases in earnings that apply after the date of **incapacity** will not be included in the benefit calculation.

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

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**.

Equity partner

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

- 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.

This can include items such as:

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

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).

Free cover limit

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

Gross Taxable Earnings

Gross taxable earnings including any **fluctuating emoluments** relating to the **employee's job role** with the **policyholder**.

Incapacity

Means either own, suited or switched below as specified in the **policy schedule**.

Own. The **member's** inability to perform, on a full and part time basis, the **duties** of their **job role**, as a result of their illness or injury.

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

'Switched'. For the first 24 months after the **deferred period** has been completed - the **member's** inability to perform, on a full and part time basis, the **duties** of their **job role** resulting from their illness or injury.

After 24 months - the **member's** inability to perform, on a full and part time basis, the **duties** of their **job role**, and any **other occupation** for which they are 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**, a 'suited' definition 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 a HGV driver, a 'suited' definition will be applied to that **member** in all cases.

Absence caused by workplace matters, such as a relationship breakdown, workplace demands or failure to make reasonable adjustments are not covered.

Absence caused by a lifestyle choice or family requirement such as the need to care for a dependant are not covered.

Income Benefit

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

Job role

A **member's** job role with the **policyholder** at the time **incapacity** starts

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.

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 make an underwriting or claims 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**.

Other occupation

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

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 agreed by **us** and detailed in the **policy schedule**.

Policy

The Aviva group income protection insurance **policy** (including the **policy schedule** together with any endorsements) which covers the **policy** benefits and forms the contract between **you** and **us**.

Policyholder

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

Policy schedule

The current policy schedule (as issued by **us** from time to time), or in the case of a claim for **benefit** the policy schedule that applied as at the date of **incapacity** 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**
- two **anniversary dates**; or
- an **anniversary date** and the date of termination of the **policy** (if termination occurs before the next **anniversary 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
- experienced symptoms of, or
- received medication, advice or treatment for,

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

Proportionate benefit

A proportion of **total benefit**. The proportion will be the percentage reduction in the **member's earnings**.

For example: If a **member's earnings** are reduced by 70%, **we** will pay 70% of the **total benefit**. When paying proportionate benefit, **we** will not reduce **your benefit** due to increases in **earnings**, as long as those increases are not higher than the increase in the **retail prices index**. To calculate proportionate benefit when it is first paid, **we** will use the **member's earnings** at the start of **incapacity**, adjusted in line with the movement in the **retail prices index**.

If the **income benefit** amount stated in the **policy schedule** includes an automatic deduction, **we** will ignore that deduction as long as the amount payable as proportionate benefit is not more than would be paid under **total benefit**.

To calculate proportionate benefit when it is first paid, **we** will use the **member's earnings** at the start of **incapacity**, adjusted in line with the movement in the **retail prices index**.

Rate guarantee date

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

Retail Prices Index (RPI)

The monthly index used by the Government that shows the movement of retail prices in the UK, or any replacement of that index which is acceptable to us.

Single premium

The premium notified by **us** to **you** for each **member**.

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. The maximum state pension age **we** will cover is 68.

Total benefit

The **benefit** calculated as described in the **policy schedule**. This is normally shown as **income benefit** and where applicable **employer** and **employee** pension contributions, other supplementary benefits and **employer** national insurance contributions.

TUPE

Transfer of undertakings (Protection of employment) Regulations 2006.

Unit Rate

The rate of premium specified in the **policy schedule** as the unit rate as changed from time to time being the amount payable for every £100 of salary or **benefit** (dependent on **policy** basis) covered under the **policy**.

We/our/us

Aviva Life & Pensions UK Limited.

You/Your

The current **policyholder** of the **policy** as stated in the **policy schedule**.

