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## **SICK PAY POLICY**

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### **TERMS AND CONDITIONS**

In consideration of You paying the Premiums to Us and complying with these terms and conditions, We agree to pay the Benefits when they become payable under the terms of this Policy.

Signed for and on behalf of Ellipse

By:

A handwritten signature in black ink, appearing to be "A. P. Smith" or similar, written in a cursive style.

Chief Executive Officer

Ellipse is a trading style of AIG Life Limited. Registered in England and Wales. Number 6367921. Registered address: The AIG Building, 58 Fenchurch Street, London EC3M 4AB.

AIG Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The registration number is 473752.

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## SECTION A – INTERPRETATION

### 1. INTERPRETATION

#### 1.1 In this Policy:

- a) save where the context otherwise requires, a reference to a statute or statutory provision shall include a reference:
  - i. to that statute or provision as from time to time consolidated, modified, re-enacted or replaced by any statute or statutory provision; and
  - ii. any subordinate legislation made under the relevant statute;
- b) unless otherwise specified, references to Clauses are clauses of this Policy;
- c) references to a party, where appropriate, shall include the contracting party or its successors in title from time to time;
- d) references to any of the masculine, the feminine and the neuter shall include the other genders;
- e) references to the singular shall include the plural, and vice versa; and
- f) the words **“include”**, **“includes”** and **“including”** shall be construed as if they were followed by the words **“without limitation”**.

#### 1.2 The following terms used in this Policy are defined and where used shall have the meaning set out below:

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| “Accounting Period” | the periods in respect of which data is provided by You on the Data Refresh Dates and in respect of which Premium is paid;                                                                                                                                                                                                                                                                                                                                                                                   |
| “Actively At Work”  | in relation to an individual, an individual who: <ul style="list-style-type: none"><li>(a) is either actively performing their normal occupation or is taking leave (other than sick leave) that has been authorised by their Employer;</li><li>(b) is working the normal number of hours required by their contract with their Employer, either at their normal place of employment, a location as agreed with their Employer or at a location to which they are required to travel for business;</li></ul> |

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|                              | <p>(c) is mentally and physically capable of performing all the duties normally associated with their job; and</p> <p>(d) is not acting against medical advice in meeting any requirements of (a) to (c);</p>                                                                       |
| “Additional Benefits”        | Your obligation to pay Employer National Insurance Contributions, and/or pension scheme contributions up to a maximum of 35% of a Member’s Salary up to a maximum of £75,000 per annum;                                                                                             |
| “Adviser”                    | a firm regulated by the Financial Conduct Authority (or other recognised professional body) who acts on behalf of You;                                                                                                                                                              |
| “Authorised Countries”       | any member state of the European Union, Andorra, Australia, Canada, Channel Islands, Hong Kong, Iceland, Isle of Man, Gibraltar, Liechtenstein, Monaco, New Zealand, Norway, San Marino, South Africa, Singapore, Switzerland or USA;                                               |
| “Automatic Acceptance Limit” | the maximum level of Benefit specified in the Policy Schedule which will be provided in respect of a Member without the need to undergo an Individual Assessment provided they have joined the Scheme when first eligible to do so and satisfied Our Actively At Work requirements; |
| “Basic Benefit”              | the basic benefit applicable to a Member as specified in the Policy Schedule;                                                                                                                                                                                                       |
| “Benefit”                    | the sum payable under the terms of this Policy, in the event of a successful claim as set out in the Policy Schedule subject to the Maximum Benefit, plus any Additional Benefit;                                                                                                   |

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| “Business Day”             | a calendar day other than a Saturday, Sunday or other statutory holiday in London, England;                                                                                                                                                                                                                                                                                                                                  |
| “Category”                 | a class of Member as stated in the Policy Schedule;                                                                                                                                                                                                                                                                                                                                                                          |
| “Commission Rate”          | the amount of commission payable to Your Adviser as set out in the Policy Schedule;                                                                                                                                                                                                                                                                                                                                          |
| “Data Refresh”             | the provision of data in accordance with Clause 2.4;                                                                                                                                                                                                                                                                                                                                                                         |
| “Data Refresh Date”        | the dates on which You will give Us the data We require to calculate the Premium;                                                                                                                                                                                                                                                                                                                                            |
| “Data Refresh Frequency”   | the agreed frequency at which You will give Us the data We require to calculate the Premium;                                                                                                                                                                                                                                                                                                                                 |
| “Date Cover Ceases”        | the date You have agreed with Us being the date at which a Member ceases to be eligible for cover under this Policy as stated in the Policy Schedule;<br><br>For some occupations (such as pilots) We will impose a lower Date Cover Ceases;                                                                                                                                                                                 |
| “Deferred Period”          | as regards a Member who suffers an Incapacity and is unable to work as a result, the period of time starting on the first day that that Member is unable to work due to that Incapacity and ending after the period of time You have agreed with Us. The agreed length of the Deferred Period will be stated in Your Policy Schedule. A Deferred Period in respect of any Member may not start before the Policy Start Date; |
| “Definition Of Incapacity” | the definition as stated in the Policy Schedule and defined in Clause 12;                                                                                                                                                                                                                                                                                                                                                    |

|                          |                                                                                                                                                                                                                                                                                                         |
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| “Deposit Premium”        | a sum calculated by Us which is an estimate of the Premium for the current Accounting Period based on information provided by You, the Premium Rates and any other relevant matters which is payable at the beginning of each Accounting Period in circumstances where the Premium is payable annually; |
| “Discretionary Entrant”  | an Employee who does not satisfy all of the Eligibility Conditions or is being offered a different basis of cover to the majority of the rest of the Scheme Membership but is included as a Member by You and confirmed by Us in accordance with Clause 6.11;                                           |
| “Effective Date”         | the date from which the Premium Rates and terms of the Policy apply;                                                                                                                                                                                                                                    |
| “Eligibility Conditions” | the conditions that an Employee must satisfy in order to be a Member of the Scheme, as described in each Category outlined in the Policy Schedule;                                                                                                                                                      |
| “Employee”               | an individual who is <ul style="list-style-type: none"> <li>(i) gainfully employed either permanently or for a fixed term by an Employer as evidenced by a contract of employment;</li> <li>or</li> <li>(ii) an Equity Partner in the business of the Employer;</li> </ul>                              |
| “Employer”               | an Employer listed in the Policy Schedule, whether it is the Principal Employer or a Participating Employer;                                                                                                                                                                                            |
| “Equity Partner”         | a partner in a partnership who is a part owner of the business and is entitled to a proportion of the distributable profits of the partnership;                                                                                                                                                         |

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| “Escalation”            | <p>the rate at which Benefits in payment under the Policy are increased as specified in the Policy Schedule. The increase shall occur at each anniversary of the end of the Deferred Period. Where Escalation is linked to an index, the index rate used will be the latest available at the date the Escalation applies.</p> <p>Where necessary the Escalation will be restricted such that the Basic Benefit does not exceed the Maximum Benefit;</p> |
| “Gainful Occupation”    | <p>any occupation that the Member engages in that results in the Member receiving compensation or money in return for the services performed;</p>                                                                                                                                                                                                                                                                                                       |
| “HMRC”                  | <p>HM Revenue &amp; Customs;</p>                                                                                                                                                                                                                                                                                                                                                                                                                        |
| “Incapacity”            | <p>a Member's inability to perform their occupation in relation to the Definition Of Incapacity chosen for the applicable Category as set out in the Policy Schedule ("<b>Incapacitated</b>" shall have the corresponding meaning);</p>                                                                                                                                                                                                                 |
| “Individual Assessment” | <p>an assessment carried out by Us consisting of medical and other lifestyle questions via a secure website, requests for further medical tests and where necessary information from the individual's professional medical advisers;</p>                                                                                                                                                                                                                |
| “Late Entrant”          | <p>where Eligibility Conditions are linked to membership of a workplace pension scheme, an Employee who joins the pension scheme more than twelve months after first becoming eligible or who joins the workplace pension scheme within twelve months of first becoming eligible but was not Actively At Work when they joined the workplace pension scheme, but is included as a</p>                                                                   |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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|                             | Member by You and confirmed by Us in accordance with Clause 6.9;                                                                                                                                                                                                                                                                                                                                                                                                  |
| “Limited Payment Period”    | the maximum defined time period for which You have elected for Benefit payments to be paid by Us;                                                                                                                                                                                                                                                                                                                                                                 |
| “Maximum Benefit”           | <p>the Maximum Benefit available under the Policy in relation to a Member being 80% of that Member's Salary (inclusive of employee pension scheme contributions) subject to a maximum of £350,000 per annum, excluding any other Additional Benefit;</p> <p>the Maximum Benefit available to Equity Partners is 50% of their pre-Incapacity income as defined in the Policy Schedule, up to a maximum of £350,000 per annum excluding any Additional Benefit;</p> |
| “Member”                    | an Employee who is a Member of the Scheme;                                                                                                                                                                                                                                                                                                                                                                                                                        |
| “Minimum Membership Number” | two Members;                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| “Parent Company”            | the legal entity that owns or controls AIG Life Limited as defined by the laws applicable to the jurisdiction within which the legal entity resides;                                                                                                                                                                                                                                                                                                              |
| “Participating Employer”    | an Employer stated as such in the Policy Schedule;                                                                                                                                                                                                                                                                                                                                                                                                                |
| “Payment Period”            | the maximum period in which Benefits are paid to You in respect of valid claim, as stated in the Policy Schedule;                                                                                                                                                                                                                                                                                                                                                 |

|                                         |                                                                                                                                               |
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| “Policy”                                | this document and the Policy Schedule;                                                                                                        |
| “Policy Anniversary Date”               | the date stated as such in the Policy Schedule;                                                                                               |
| “Policy Schedule”                       | at any given date, the latest Policy Schedule which We have posted in the Policyholder area on Our secure website or otherwise issued to You; |
| “Policy Start Date”                     | the Policy Start Date as stated in the Policy Schedule;                                                                                       |
| “Policy Terms and Conditions Reference” | the reference to the version of the Terms and Conditions that should be read in conjunction with the Policy Schedule;                         |
| “Policyholder”                          | the legal owner of the Policy, as stated in the Policy Schedule;                                                                              |
| “Premium”                               | the sums payable by or for You pursuant to Clause 2;                                                                                          |
| “Premium Payment Frequency”             | the frequency stated in the Policy Schedule with which Premiums will be paid by You;                                                          |
| “Premium Rates”                         | the annual rates used to calculate the Premium which are set out in the Policy Schedule;                                                      |
| “Principal Employer”                    | the Participating Employer who arranged this insurance contract;                                                                              |

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| “Quotation”                   | the Quotation provided to You by Us prior to the Policy Start Date on the basis of detailed information submitted by You and confirmed by Us in Our standard application form;                                                                                                                                                                                                                                      |
| “Rate Review Date”            | the date We review Our Premium Rates and terms as stated in the Policy Schedule;                                                                                                                                                                                                                                                                                                                                    |
| “Relevant Income”             | income from any source paid as a result of the Incapacity, including, but not limited to, occupational sick pay; ill-health early retirement pensions; and accident, sickness or income protection policies where the payment period is more than two years. Any payment to the Member which may be taken as cash or income shall be included as income at the highest rate it is possible for the Member to elect; |
| “Salary”                      | a fixed annual amount of money or compensation, as defined in the Policy Schedule, paid to an Employee by an Employer in return for work performed;                                                                                                                                                                                                                                                                 |
| “Scheme” and “Scheme Benefit” | shall have the meaning provided in Clause 4.1 of this Policy;                                                                                                                                                                                                                                                                                                                                                       |
| “Temporary Cover”             | shall have the meaning provided in Clause 6.5 of this Policy;                                                                                                                                                                                                                                                                                                                                                       |
| “TUPE”                        | Transfer of Undertaking (Protection of Employment) Regulations 2006;                                                                                                                                                                                                                                                                                                                                                |
| “We”, “Us” and “Our”          | AIG Life Limited; and                                                                                                                                                                                                                                                                                                                                                                                               |

|                             |                                                                                                                                  |
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| <p>“You” and<br/>“Your”</p> | <p>the Employers for the time being of the Scheme as provided in the application form and identified in the Policy Schedule.</p> |
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## SECTION B – PREMIUM

### 2. CALCULATION AND PAYMENT OF PREMIUM

- 2.1 We will calculate the Premium in respect of each Accounting Period on the basis of the information You provide to Us and the Premium Rates.
- 2.2 We will ask You for a list of all Members as at the Policy Start Date and You must provide Us with this information within fourteen days of Our request. The list should contain in respect of each Member the following details:-
- a) name;
  - b) National Insurance number or unique identifier (whichever We have agreed with You will be provided);
  - c) gender;
  - d) date of birth;
  - e) Scheme Salary and, if requested by Us, Benefit amount;
  - f) Benefit Category;
  - g) normal working location (postcode if in the United Kingdom or country if overseas);
  - h) email address for Employees who require Individual Assessment; and
  - i) copies of terms of acceptance for any Members who have been individually assessed by the previous insurer.

You must ensure that the data You give us accurately reflects any Salary basis or limitations that You have agreed with Us or apply to Your Scheme. The duty of fair presentation of risk applies to the provision of the data to Us.

- 2.3 If We do not receive complete data within fourteen days of Our request We will request payment based on the estimated annual premium in the Quotation. For annual payment policies which pay Premiums by bank transfer We will issue an invoice for the estimated annual premium and payment must be made within fourteen days. For quarterly payment policies who are temporarily paying Premiums by bank transfer We will issue an invoice for 25% of the estimated annual premium and payment must

be made within fourteen days. For quarterly payment policies which pay Premiums by direct debit We will request a payment for 25% of the estimated annual premium. For monthly payment policies who are temporarily paying Premiums by bank transfer We will issue an invoice for 1/12th of the estimated annual premium and payment must be made within fourteen days. For monthly payment policies which pay Premiums by direct debit We will request a payment for 1/12th of the estimated annual premium.

2.4 On each Data Refresh Date You must provide to Us the following:

- a) a list of all Members as at the Data Refresh Date. The list should include in respect of each Member the following details:-
  - i. name;
  - ii. National Insurance number or unique identifier (whichever We have agreed with You will be provided);
  - iii. gender;
  - iv. date of birth;
  - v. Scheme Salary and, if requested by Us, Benefit amount;
  - vi. Benefit Category;
  - vii. normal working location (postcode if in the United Kingdom, or country if overseas); and
  - viii. the dates on which individuals who have become Members since the last Data Refresh Date, joined the Scheme;
- b) the date on which any individual ceased to be a Member;

You must ensure that the data You give Us accurately reflects any Salary basis or limitations that You have agreed with Us or apply to your Scheme. The duty of fair presentation of risk applies to provision of the data to Us.

2.5 For Policies where the Premium is paid on an annual basis, the terms and conditions of payment are set out in Clauses 2.6 – 2.15. For Policies where the Premium is paid on a monthly or quarterly basis, the terms and conditions of payment are set out in Clauses 2.16 – 2.24.

## **Policies where Premium is paid on an annual basis**

- 2.6 The Deposit Premium payable in respect of the first Accounting Period will be the amount set out in the Quotation. We will issue an invoice to You and it will be payable by bank transfer within fourteen days of the date on which the invoice was issued.
- 2.7 We will then use the information given to Us pursuant to Clause 2.2 to check the calculation of the Deposit Premium for the first Accounting Period. If it is different to the amount stated in the Quotation and paid by You then We will make an adjustment.
- 2.8 We will notify You within thirty days of receiving the information of any adjustment made.
- 2.9 Any additional Premium required must be paid by You within fourteen days of the date of Our notification pursuant to Clause 2.8.
- 2.10 Any refund due to You will be refunded to You within fourteen days of the date of Our notification pursuant to Clause 2.8.
- 2.11 Subsequent Deposit Premiums will be based on the final premium agreed for the previous Accounting Period. We will issue an invoice for subsequent Deposit Premiums thirty days before the Policy Anniversary Date and this will be payable by bank transfer within fourteen days of Our request.
- 2.12 We will use the information given to Us pursuant to Clause 2.4 to:-
- a) confirm that You have paid the correct Premium for the Accounting Period which is about to expire; and
  - b) re-calculate the Deposit Premium payable for the next Accounting Period.
- 2.13 We will notify You within thirty days of receiving the data required under Clause 2.4 of:
- a) any additional Premium payable by You in respect of the Accounting Period which expired on the Data Refresh Date in question or any refund of Premium due to You in respect of that Accounting Period; and
  - b) the actual Deposit Premium payable in respect of the Accounting Period commencing on the Data Refresh Date. This will be based on the revised Premium

Rates notified to You pursuant to Clause 3.9 where the Deposit Premium is payable in respect of an Accounting Period commencing on a Rate Review Date.

- 2.14 We will add any additional Premium payable by You to the Deposit Premium payable in respect of the next Accounting Period.
- 2.15 We will deduct any refund of Premium due to You from the Deposit Premium payable in respect of the next Accounting Period.

**Policies where Premium is paid on a monthly or quarterly basis**

- 2.16 We will use the information given to Us pursuant to Clause 2.2 to calculate the Premium for the first Accounting Period.
- 2.17 We will notify You within thirty days of receiving the information of the amount of Premium payable in respect of the first Accounting Period. This amount will be collected by Us by direct debit at regular intervals in accordance with the terms of the Policy Schedule.
- 2.18 The same amount of Premium will be payable for subsequent Accounting Periods until notice is given by Us pursuant to Clause 2.19 or Clause 3.2 or Clause 3.9.
- 2.19 We will use the information given to Us pursuant to Clause 2.4 to:-
  - a) confirm that You have paid the correct Premium for each Accounting Period to date; and
  - b) calculate the Premium payable for subsequent Accounting Periods.
- 2.20 Where the information You provide to Us shows that You have paid too much or too little Premium in respect of any Accounting Period We will notify You of the relevant amount and, where additional Premium is owed by You, details of when We will collect payment from You pursuant to Clause 2.19.
- 2.21 Any additional Premium required will be collected by Us by direct debit.
- 2.22 Where the information You provide to Us shows that You have paid too much Premium, We will normally reduce the Premium We will collect at the next payment date.

- 2.23 We will notify You within fourteen days of receiving the data pursuant to Clause 2.4 of the amount of Premium payable in respect of subsequent Accounting Periods. This will be based on the revised Premium Rates notified to You pursuant to Clause 3.9 where the Premium is payable in respect of an Accounting Period commencing on a Rate Review Date. This amount will be collected by Us by direct debit.
- 2.24 The same amount of Premium will be payable in the same manner for each subsequent Accounting Period until notice is given by Us pursuant to Clause 2.23.

### **3. VARIATION TO THE TERMS AND CONDITIONS OF THIS POLICY**

- 3.1 We reserve the right to revise at Our discretion (prospectively or retrospectively) the terms and conditions of this Policy and the Premium Rates at any time if:
- a) the total number of Members or the total of all Member's Salaries is changed by more than 30% from that notified to Us prior to the Policy Start Date or prior to the last Rate Review Date whichever is the later; or
  - b) there are fewer Members than the Minimum Membership Number; or
  - c) with Our agreement an organisation becomes an Employer or We agree to cover a TUPE transfer; or
  - d) the disposal of an Employer or closure of part of an Employer's business; or
  - e) We agree to cover a new Member Category; or
  - f) We agree to change the terms of this Policy following a request from You; or
  - g) there is a change in the nature of the business carried on by any Employer; or
  - h) more than 30% of the total number of Members or total Salary change location; or
  - i) there is no longer an Adviser acting for You in connection with this Policy; or
  - j) there is a change in legislation, regulation, HMRC practice or taxation which affects the treatment of this Policy; or
  - k) You did not make a fair presentation of the risk when setting up the Policy or at any subsequent review of the terms.

These matters define the risk as a whole.

- 3.2 In the event that We wish to change any of the terms and conditions of this Policy or the Premium Rates pursuant to Clause 3.1 We will give You one calendar month's

notice of the change in writing. At the end of the one calendar month period We will issue an amended version of the Policy and a new Policy Schedule. The notice period will not affect the effective date of the change.

- 3.3 Where there has been a delay in You providing the information We need to review the terms and conditions or Premium Rates of this Policy We will backdate any change to the appropriate date.
- 3.4 In addition, the terms and conditions of this Policy and the Premium Rates may be varied by Us at any Rate Review Date.

### **Rate Review**

- 3.5 At least twelve weeks before each Rate Review Date We will ask You to provide Us with the information We reasonably require to assess whether any changes should be made to the terms and conditions of the Policy or the Premium Rates. The duty of fair presentation of risk applies to provision of the information to Us.
- 3.6 You must provide this information to Us within six weeks of Our request.
- 3.7 Where We have not received the requested information, We will base any changes We intend to make to the terms and conditions of the Policy or Premium Rates on the Rate Review Date on the information available to Us.
- 3.8 Where there has been a delay in You providing the information We require to review the terms and conditions or Premium Rates of this Policy We will backdate any change to the appropriate date.
- 3.9 In the event that We wish to change any of the terms and conditions of this Policy or the Premium Rates pursuant to Clause 3.4 We will give You one calendar month's notice of the change in writing. We will issue an amended version of the Policy and a new Policy Schedule when the Rate Review is completed. This notice period will not affect the effective date of the change.

## SECTION C – THE INCOME PROTECTION COVER

### 4. COVER FROM THE POLICY START DATE

- 4.1 In respect of the scheme (the “**Scheme**”) under which You promise and are obliged to pay a proportion of a Member’s income no greater than the Maximum Benefit in the event that a Member is Incapacitated (the “**Scheme Benefit**”), and in consideration of the Premium, We agree to insure, upon the terms of this Policy, such proportion (as recorded in the Policy Schedule) of Your obligation to Members to pay the Scheme Benefit. You may also elect to insure Your obligation to pay corresponding Employer National Insurance contributions, and/or pension scheme contributions up to 35% of the Member’s Salary to a maximum of £75,000 per annum as Additional Benefits. Any such election must be recorded in the Policy Schedule.
- 4.2 Subject to Clause 4.6 each Member is covered under this Policy up to the Automatic Acceptance Limit on and from the Policy Start Date provided that
- a) for newly insured Schemes the Member was Actively At Work on the Policy Start Date; or
  - b) for Schemes that were insured immediately prior to the Policy Start Date, the Member was Actively At Work on the day immediately prior to the Policy Start Date.
- 4.3 Cover in respect of any Member who is not Actively At Work as set out in Clause 4.2 will commence on the first date thereafter that they are Actively At Work.
- 4.4 Subject to Clauses 4.5 and 4.6, in respect of any Member in respect of whom cover in excess of the Automatic Acceptance Limit is sought We shall be entitled in Our sole discretion to require an Individual Assessment of the Member to enable Us to consider whether to grant the requested excess cover (for the avoidance of doubt, such Member will be covered up to the Automatic Acceptance Limit – or their previously accepted level of cover – regardless of the decision made by Us following the Individual Assessment). While the Individual Assessment is being conducted the cover provided will be as set out in Clause 6.

- 4.5 If, immediately prior to the Policy Start Date, the Members were insured under a group income protection policy, any Member whose cover was limited to below Our Automatic Acceptance Limit following assessment or for non-provision of medical evidence will have their cover under this Policy limited to match the terms of the cover under the previous policy. Benefits in excess of this limited level of cover will be subject to an Individual Assessment.
- 4.6 If, immediately prior to the Policy Start Date, the Members were insured under a group income protection policy with an identical benefit structure to this Policy and there has been no material change in the number of Members or the Eligibility Conditions, then We will accept the previously insured level of Benefit in respect of each Member, up to the Automatic Acceptance Limit subject to Clause 4.5. Any previously insured level of Benefits in excess of the Automatic Acceptance Limit will be accepted subject to:
- a) You providing satisfactory evidence of the accepted level of cover and the details of any special terms and conditions to Us; and
  - b) Our right to conduct an Individual Assessment pursuant to Clause 6 and to impose special terms where We consider it appropriate to do so;
  - c) Our overall maximum benefit limits.

## **5. INDIVIDUALS BECOMING MEMBERS OF THE SCHEME AFTER THE POLICY START DATE**

- 5.1 Subject to Clause 6, cover in respect of individuals who become Members after the Policy Start Date, but as soon as they meet the Eligibility Conditions will commence on the date they joined the Scheme if they are Actively At Work on that date or on the first date that they return to being Actively At Work.

## **6. INDIVIDUAL ASSESSMENTS AND TEMPORARY COVER**

- 6.1 In circumstances where:-
- a) You seek cover in excess of the Automatic Acceptance Limit in respect of any Member; or
  - b) You seek cover in respect of a Late Entrant; or
  - c) You seek cover in respect of a Discretionary Entrant; or

- d) You seek cover in respect of a Member wishing to work beyond the Date Cover Ceases; or
- e) You ask Us to change the terms of the Policy and We have identified Members whose increase is subject to Individual Assessment

the Employee in question must undergo an Individual Assessment and We reserve the right to refuse to provide the cover sought.

- 6.2 You must give Us written notice immediately if You are seeking any cover of the type described in Clauses 6.1 a) to e). If You fail to notify Us of individuals who meet the criteria in Clause 6.1 these individuals may not be covered for any or all of their benefits.
- 6.3 The cost of any medical examination and any tests requested by Us will be paid for by Us. We shall not be liable for any costs incurred by You or the Employee in attending a medical examination, undergoing any tests or in supplying any other information.
- 6.4 Where Employees are outside the United Kingdom, and provision of their Benefit is subject to an Individual Assessment, if after this further medical information is required to enable Us to complete Our assessment, the Employee will be responsible for arranging and paying for the tests to be conducted. Examinations, tests or reports may only be arranged/conducted at a centre or provider with prior approval from Us otherwise We will not be liable for any costs and the Employee may also be required to undertake another set of tests with an approved centre or provider. We will reimburse the Employee for the tests We have requested, to a maximum of the amount We would pay for the same test in the United Kingdom. Reimbursement will be in pounds sterling to a United Kingdom bank account and the rate used will be Our banker's rate of exchange on the date of reimbursement. All results and/or reports must be provided in English.

#### **Benefits in excess of the Automatic Acceptance Limit in respect of any Member**

- 6.5 Where You seek cover in excess of the Automatic Acceptance Limit in respect of any Member, then subject to Clauses 6.6 to 6.15, You will have cover in respect of the Member in question until the completion of the Individual Assessment. Subject to Clause 4.4, Your cover will be the **higher** of the Automatic Acceptance Limit and their

previously accepted level of Benefit. In addition, You will receive Temporary Cover equivalent to the additional cover being sought subject to the following:

- a) the Temporary Cover will not provide cover for claims which arise directly or indirectly as a result of any medical condition which the Member has received treatment for, suffered symptoms, sought advice on or was diagnosed with within the last two years immediately prior to receipt by Us of the notice given pursuant to Clause 6.2;
- b) You will not be given Temporary Cover if You have previously had a request for the Benefit You now seek in respect of the Member declined, restricted due to failure to provide medical evidence, postponed or accepted on non-standard terms;
- c) No Temporary Cover will be available for Late Entrants, Discretionary Entrants, Employees wishing to work beyond the Date Cover Ceases or Members We have identified as needing to be Individually Assessed before benefitting from any change to the cover under this Policy.

6.6 The Temporary Cover will commence from the date of receipt by Us of the notice given pursuant to Clause 6.2 and will be in place until the earlier of completion of the Individual Assessment or the expiry of 30 days. If We are unable to complete Our assessment before the Temporary Cover period expires, the individual's cover will be restricted to their previous accepted level of cover.

6.7 The amount of Temporary Cover is limited so that, when added to any existing Benefit the Member may receive, their total Benefit entitlement during the period that Temporary Cover operates shall not exceed the Maximum Benefit offered.

6.8 If the Member's previous accepted level of Benefit was provided by another insurer, You must provide satisfactory written evidence of the level of cover and any special terms and conditions to Us.

#### **Late Entrants**

6.9 Where You seek cover in respect of a Late Entrant, You will have no cover in respect of the Member in question until We have completed the Individual Assessment and confirmed cover.

- 6.10 Once the Individual Assessment is complete We will notify You of Our decision. If We are providing cover for the Member in question We will notify You of the date on which cover commences and any special terms which apply.

#### **Discretionary Entrants**

- 6.11 Where You seek cover in respect of a Discretionary Entrant, You will have no cover in respect of the Member in question until We have completed the Individual Assessment and confirmed cover.
- 6.12 Once the Individual Assessment is complete We will notify You of Our decision. If We are providing cover for the Member in question We will notify You of the date on which cover commences and any special terms which apply.

#### **Employees working past the Date Cover Ceases**

- 6.13 Where You seek cover in respect of an Employee who is working past the Date Cover Ceases You will have no cover in respect of the Member in question until We have completed the Individual Assessment and confirmed cover.
- 6.14 Once the Individual Assessment is complete We will notify You of Our decision. If We are providing cover for the Member in question, We will notify You of the date on which cover commences and any special terms which apply.

#### **Members requiring Subsequent Individual Assessments**

- 6.15 We reserve the right to require a Member who has previously been Individually Assessed to complete a further Individual Assessment if a material change to the benefit basis is proposed. This includes but is not limited to the following:
- that Member's Benefit increases as a result of a change in benefit basis, or
  - there is an increase in the Date Cover Ceases for the Category the Member is allocated to, or
  - there is a change in the Deferred Period for the Category the Member is allocated to, or
  - the Definition Of Incapacity is changed, or

- where cover is linked to the Member's Salary the Member receives an increase in Salary of more than twenty percent in a twelve month period.

## **7. THE AUTOMATIC ACCEPTANCE LIMIT**

- 7.1 The Automatic Acceptance Limit will be reviewed and may be changed by Us at any time. We reserve the right to reduce (including to nil) the Automatic Acceptance Limit if:-
- a) there are fewer Members than three Members; or
  - b) the number of Members reduces by 30% or more from the number of Members at the Policy Start Date or the last Rate Review Date (if later).
- 7.2 We will notify You in writing if We make any changes to the Automatic Acceptance Limit and will provide You with an updated Policy Schedule.
- 7.3 If We determine that the Automatic Acceptance Limit shall be reduced, the level of Benefit which applied to a Member before the reduction becomes effective shall continue to apply on no worse terms.
- 7.4 If We determine that the Automatic Acceptance Limit shall be increased this will, subject to Clause 7.5, make no difference to the cover of Members currently insured hereunder unless and until they apply to increase their Benefit in which case the new Automatic Acceptance Limit will apply providing they are Actively At Work. If they are not Actively At Work they will get the benefit of the increased Automatic Acceptance Limit when they are next Actively At Work.
- 7.5 If We determine that the Automatic Acceptance Limit shall be increased the increased level will not apply to those Members whose cover has been restricted due to failure to provide medical evidence, declined, postponed or accepted on non-standard terms. Their cover shall remain unchanged.
- 7.6 When assessing whether the amount of Benefit exceeds the Automatic Acceptance Limit, Benefit will be the total Benefit in respect of the Member under this Policy.

## **8. TEMPORARY ABSENCE FROM WORK**

8.1 If a Member is temporarily absent from work for any reason other than illness or injury We will continue to provide cover:

- a) for as long as the Member remains employed by the Employer whilst the Member is on maternity, paternity or adoption leave; or
- b) for up to one year providing the Member remains employed by the Employer and has the right to return to the same job when the absence ends; or
- c) cover ceases pursuant to Clause 15.

You must continue to pay premiums in respect of such Members.

8.2 If a Member being covered during periods of temporary absence becomes ill or injured during this time the Deferred Period will start from the date they become Incapacitated. The Benefit payments will become payable on the later of:

- a) the end of the Deferred Period; or
- b) the day the temporary absence ends.

We will base the Member's cover on their Salary when the temporary absence started unless statutory increases apply.

## **9. MEMBERS WORKING OUTSIDE THE UNITED KINGDOM**

9.1 Each Member working outside the United Kingdom temporarily or on a secondment will be covered under this Policy provided:

- a) they remain a Member of the Scheme; and
- b) they have a contract of employment or for services with a Participating Employer; and
- c) that the country of secondment is declared for each Member at the Policy Start Date and at each Data Refresh Date.

9.2 Where a Member is temporarily seconded outside the United Kingdom the amount of Salary (or Benefit) advised at each Data Refresh Date must be expressed in pounds sterling, using an appropriate Bank of England exchange rate. The exchange rate will be based on the Bank of England exchange rate and will be fixed at each Data Refresh Date. Therefore in the event of a claim for a Member who is not paid in pounds

sterling, Benefit will be calculated based on the exchange rate agreed at the most recent Data Refresh Date before the date of Incapacity.

- 9.3 In the event of a claim for a Member who is domiciled outside of an Authorised Country, claim payments will be made for a maximum of six months.
- 9.4 We shall not provide cover for individuals permanently based outside the United Kingdom.

## SECTION D – BENEFITS

### 10. REGULAR PAYMENT BENEFIT

- 10.1 In the event of the Incapacity of a Member, and where the Eligibility Conditions are met, and, where applicable, the Deferred Period is served, We will pay You the Benefit as set out in the Policy Schedule.
- 10.2 Any Benefit will normally be paid monthly, in arrears on the first day of each month and a proportionate payment will be made for any period of less than one month, in pounds sterling.
- 10.3 The Maximum Benefit paid in respect of a Member, is an amount that, when added to other Relevant Income, does not exceed 80% of the Member's pre-Incapacity income (inclusive of employee pension scheme contributions). The Maximum Benefit available to Equity Partners is an amount that, when added to their other Relevant Income, does not exceed 50% of their pre-Incapacity income.
- 10.4 No Benefit will be payable during or for the Deferred Period.
- 10.5 Where stated in the Policy Schedule, the amount of Benefit which has become payable may be increased on the basis of Escalation set out in the Policy Schedule. In no circumstances will the Benefit be reduced in the event that the basis of Escalation set out in the Policy Schedule results in a rate of Escalation below 0% per annum.
- 10.6 The amount of the Benefit and the period over which payments will be made is outlined in the Policy Schedule.
- 10.7 Where a Member for the purpose of any conditions of their work has to hold a licence or certificate that is dependent on them being certified as medically, physically or mentally fit to perform their occupation, the loss of such a licence or certification is not sufficient grounds alone on which to make a claim.
- 10.8 Subject to Clause 10.1, where a Member who is Incapacitated but works either in their own occupation for a reduced level of earnings or adopts an alternative occupation with a lower income, We may pay You a proportion of the Benefit set out in the Policy

Schedule. Any Benefit payable will be in proportion to the reduction in the Member's earnings.

## **11. INCREASES TO BENEFITS**

- 11.1 Where cover is linked to a Member's Salary any increase made to the level of cover provided as a result of an increase in the Member's Salary will only take effect in respect of the Member if they are Actively At Work on the date the increase applies. If they are not Actively At Work on that date, the increase will take effect on the next day that they are Actively At Work.

## **SECTION E – INCAPACITY DEFINITIONS AND ASSESSMENTS**

### **12. DEFINITIONS OF INCAPACITY UNDER THE POLICY**

#### **12.1 Types of cover**

There are four Definitions Of Incapacity which may be applied to the Scheme or to a Category of Members within the Scheme. The definition selected will be set out in the Policy Schedule and claims will be assessed against that definition. These definitions and related definitions are set out in Clauses 12.2 and 12.3.

#### **12.2 Definitions Of Incapacity**

"Own occupation":

A Member is considered to be Incapacitated, measured by their inability to perform, as a result of illness or injury, the Material and Substantial duties of their Usual Occupation, and is not following or engaged in any other Gainful Occupation whether as an Employee or otherwise.

"Suited occupation":

A Member is considered to be Incapacitated, measured by their inability to perform, as a result of illness or injury, the Material and Substantial duties of their Usual Occupation, and any other Reasonable Alternative occupation to which they are suited and is not following or engaged in any other Gainful Occupation whether as an Employee or otherwise.

"Own switching to suited after 2 years":

A Member is considered to be Incapacitated, measured by their inability to perform, as a result of illness or injury, the Material and Substantial duties of their Usual Occupation and is not following or engaged in any other Gainful Occupation whether as an Employee or otherwise. This measure of Incapacity will be used during the first 24 months of claim payments. If the Member's absence continues after this, the measure of Incapacity will be that the Member must be unable to perform, as a result of illness or injury, the Material and Substantial duties of their Usual Occupation and any other Reasonable Alternative occupation to which they are suited and is not

following or engaged in any other Gainful Occupation whether as an Employee or otherwise.

"Activities of daily working (ADW)":

A Member is considered to be Incapacitated, measured by their loss of physical ability through an ill health to do at least three of the six work tasks listed below without the help or supervision of another person:

Walking – the ability to walk more than 200 metres on a level surface.

Climbing – the ability to climb up a flight of 12 stairs and down again, using the handrail if needed.

Lifting – the ability to pick up an object weighing 2kg at table height and hold for 60 seconds before replacing the object on the table.

Bending – the ability to bend or kneel to touch the floor and straighten up again.

Getting in and out of a car – the ability to get into a standard saloon car, and out again.

Writing – the manual dexterity to write legibly using a pen or pencil, or type using a desktop personal computer keyboard.

In the event of mental incapacity, the Member must have a mental incapacity which:

- a) has failed to respond to optimal treatment and requires the need for continuous psychotropic medication; and
- b) is supported by evidence of progressive loss of ability to remember, reason or perceive, understand, express and give effect to ideas, and cause a significant reduction in mental and social functioning, requiring the continuous supervision of the person covered.

The Member is still deemed to be able to perform the task on their own if they can perform the task with the use of special equipment routinely available to help and having taken any appropriate prescribed medication.

### **12.3 Definitions related to Incapacity**

"Material and Substantial" means: duties that are normally required for and form a significant and integral part of the performance of the Member's own occupation and which cannot be reasonably omitted or modified by the Member or the Employer.

"Reasonable Alternative" means: an occupation for which they could do for profit or pay taking into account their employment history, knowledge, transferrable skills, training, education and experience.

"Usual Occupation" means: the occupation for which the Member was employed or engaged to do by the Employer immediately before their Incapacity started.

## **13. LIMITATIONS FOR SPECIFIC OCCUPATIONS**

13.1 The following occupations cannot use the Own Occupation basis of Incapacity:

where a licence is required to discharge their duties (other than a standard United Kingdom driving licence); or

anyone whose main role is to place orders to buy or sell securities, options or futures or instruments creating or acknowledging indebtedness or contracts of difference on their own behalf or for others, may be known as a dealer or trader or similar.

13.2 For those occupations that require a high level of fitness or where certain medical standards must be met (for example, airline pilots, firemen etc.) We reserve the right to impose a lower than standard Date Cover Ceases.

## SECTION F – MAKING A CLAIM

### 14. MAKING A CLAIM

- 14.1 You must notify Us of any Member who has been absent from work due to ill health
- a) by the end of the second week of absence if the Deferred Period is four weeks; or
  - b) by the end of the fifth week of absence for any other Deferred Period
- by telephoning Our claims team on 0203 003 6161 or emailing Us at [claims@ellipse.co.uk](mailto:claims@ellipse.co.uk). We will send You a claim form which You must complete and return to Us.
- 14.2 Once We have been notified of an absence We will assign a vocational rehabilitation specialist who will work with You and the absent Member and their medical advisers to identify the steps, if any, that may help the Member's recovery and subsequent return to work. You and the Member must participate in any rehabilitation programme that have been developed and is supported by the Member's medical advisers. Under no circumstances will any intervention on Our part be taken to mean that a subsequent claim has been or will be automatically accepted.
- 14.3 If We are not notified of the claim before the end of the Deferred Period, We reserve the right not to back date claim payments to the end of the Deferred Period.
- 14.4 You must provide Us with all information requested by Us to investigate the claim properly and subsequently to review the claim from time to time. This information may include any of the following:
- a) completed claim form;
  - b) completed Member's statement (including Access to Medical Records consent);
  - c) proof of the Member's age (the Member's passport or birth certificate, or confirmation that you have seen one of these documents);
  - d) proof of Scheme membership and earnings in respect of the Member;
  - e) a copy of the Member's job description detailing the Member's regular duties;
  - f) details of other income to be taken into account;
  - g) information on the GP and/or consultant;
  - h) occupational questionnaire; and/or

- i) Absence records
  - j) any other information, evidence, test, evaluation or report that may be requested at any time by Us.
- 14.5 We will not accept any claims where a completed Employer claim form and Member's statement have not been received by Us within 90 days after the end of the Deferred Period.
- 14.6 We will not pay claims where Premium is outstanding.
- 14.7 We are not responsible for any errors or omissions from any information or evidence provided to Us from any source.
- 14.8 In determining whether a Member's level of Incapacity meets the definition chosen, We will assess Your claim based on the medical evidence provided in conjunction with the Definition Of Incapacity set out in the Policy Schedule. Any diagnoses or medical opinions must be given by a medical professional who is a specialist in the relevant area of medicine appropriate to the cause of the claim and is acceptable to Our chief medical officer. For the avoidance of doubt, Our assessment may not be based purely on the medical opinions provided. A Statement of Fitness for Work, or "fit note" issued by the Member's treating physician will not be considered satisfactory evidence of the Member meeting the Definition Of Incapacity.
- 14.9 The Deferred Period will normally be one continuous period of time. In determining when the Deferred Period has been completed, We may link periods of absence of at least two weeks duration for the same Incapacity. These periods of absence must have occurred after the Policy Start Date and not cover a time period greater than twice the Deferred Period for the Category.
- 14.10 Where the Member satisfies the Definition Of Incapacity and the Incapacity continues beyond the end of the Deferred Period and as a result the Member suffers a loss of earnings, the Benefit will become payable by Us.
- 14.11 Where a Member has returned to work having previously completed in full the Deferred Period in respect of a claim admitted by Us and the same Incapacity occurs within twelve months of their return to work, the Deferred Period will not apply. The

level of Benefit paid in such cases will be the same as that paid in the previous period of Incapacity.

- 14.12 We will restrict the Benefit We pay so that, when it is added to all other Relevant Income payable as a result of the Member's Incapacity, the Member's income does not exceed 80% of their pre-Incapacity income. For Equity Partners We will restrict the Benefit We pay so that, when it is added to all other Relevant Income, the Equity Partner's income does not exceed 50% of their pre-Incapacity income. Where dividends form part of the Salary definition, if they do not cease being paid in the event of a claim We will reduce the Benefit by the amount of dividends paid.
- 14.13 Any untaxed income received by a Member as a result of a Member's Incapacity will be adjusted such that it is comparable to taxed income.
- 14.14 Once We determine that a claim is valid and the Deferred Period is completed, We will commence any regular payments to Your United Kingdom bank account within one calendar month, subject to Us having valid payment details. You must pass this payment on to the Member through Your payroll system in order to deduct tax, National Insurance Contributions etc. if they are applicable.
- 14.15 If a Member under a Limited Payment Period Scheme has a number of absences for the same or related Incapacity for which You receive Benefits, these periods of absence will be added together in determining when the Limited Payment Period has been reached.
- 14.16 If You remove a Member receiving Benefit from your payroll, We will consider at Our discretion paying the Benefit directly to the Member. You must ask Us in advance of the Member leaving service. We will make the following changes in respect of that Member:
- a) if the Definition Of Incapacity is "Own occupation" it will change to "Suited occupation"; and
  - b) any Additional Benefit will cease immediately; and
  - c) income tax will be deducted by Us; and
  - d) Benefits will cease if the former Employee takes up residence outside the United Kingdom, Channel Islands or Isle of Man; and

- e) Benefit payments will cease as described in Clause 16.1
- 14.17 If a Member for whom we are paying Benefit (or who is serving the Deferred Period) transfers to a different employer under TUPE we will continue to pay any Benefit to the new employer under the same terms and conditions as this Policy, provided that the new employer takes responsibility for the Member's potential return to work plan, including any ongoing rehabilitation. We will require a written statement from the new employer to this effect.
- 14.18 Where a Scheme transfers to another insurer and a Member who has had a claim admitted by Us returns to work and satisfies the new insurer's actively at work requirements, then subject to Clause 13.10 We will pay Benefits for the duration of the new insurer's deferred period should a subsequent absence for the same incapacity occur within twelve months of the Member's return to work.
- 14.19 If an Employer ceases to carry on business or if an order is made or resolution passed for the winding up of that Employer, We will continue to pay all claims that We have accepted whilst they remain valid and, providing all premiums are paid up to date We will consider all claims where Incapacity arose before the Policy ceased. We will make the following changes:
  - a) if the Definition Of Incapacity is "Own occupation" it will change to "Suited occupation"; and
  - b) any Additional Benefit will cease immediately; and
  - c) income tax will be deducted by Us; and
  - d) Benefits will cease if the former Employee takes up residence outside the United Kingdom, Channel Islands or Isle of Man; and
  - e) Benefit payments will cease as described in Clause 16.1

## **SECTION G – TERMINATION**

### **15. TERMINATION OF THE POLICY AS A WHOLE**

- 15.1 This Policy does not have a termination date.
- 15.2 You shall be entitled to terminate this Policy at any time by giving Us notice in advance in writing stating the date on which You want cover to cease.
- 15.3 We shall be entitled to terminate the Policy immediately if:
- a) You do not comply with any term of this Policy; or
  - b) You do not provide the data required under Clause 2.2 and Clause 2.4 within 90 days of receipt of a request; or
  - c) You do not provide any information requested by Us in accordance with the Policy terms within 90 days of receipt of a request; or
  - d) You do not pay the Premium when it is due; or
  - e) an Employer stated in the Policy Schedule ceases to carry on business or if an order is made or resolution passed for the winding up of that Employer; or
  - f) there is a change to (or new) legislation, regulation, HMRC practice or taxation which affects the treatment of this Policy.
- 15.4 If We terminate the Policy under Clause 14.2 You shall be required to provide information as at the date of termination in order to determine the Premium payable up to the date of termination. If this information is not provided within one month of its being requested, We shall determine what Premium is payable having regard to the information then available, and any sum or sums which had been payable to Us shall remain payable.
- 15.5 If the Policy is terminated under Clause 15.2, no new Benefit shall be payable in respect of an Incapacity of any Member after the effective date of the termination of the Policy.

#### **Setting up the Policy**

- 15.6 If You deliberately or recklessly do not make a fair presentation of the risk when setting up the Policy and We would not have agreed to enter into the Policy at all if

We had known the material facts, We may avoid the Policy, refuse all claims and recover claims paid.

- 15.7 If You do not make a fair presentation of the risk when setting up the Policy but You have not been deliberate or reckless, and We would not have agreed to enter into the Policy if We had known the material facts, We may avoid the Policy, refuse all claims and recover claims paid.

### **Rate Reviews**

- 15.8 The duty of fair presentation of risk applies at each Rate Review. If You deliberately or recklessly do not make a fair presentation of the risk at a Rate Review and We would not have agreed to the contract at all or on those terms if We had known the material facts, We may terminate the contract with effect from the Rate Review Date, refuse claims and recover claims paid.
- 15.9 If You do not make a fair presentation of the risk at a Rate Review, but You have not been deliberate or reckless, and We would not have entered into the contract at all if We had known the material facts, We may terminate the contract with effect from the Rate Review Date, refuse claims and recover claims paid.

### **Variations**

- 15.10 If You deliberately or recklessly do not make a fair presentation of the risk when applying to vary the Policy and We would not have agreed to enter into the variation of the Policy if We had known the material facts, We may by notice to You treat the contract as terminated with effect from the time the variation was made, refuse claims and recover claims paid.
- 15.11 If You do not make a fair presentation of the risk when applying to vary the Policy, but You have not been deliberate or reckless, and We would not have agreed to enter into the variation of the Policy if We had known the material facts, We may treat the contract as if the variation had not been made.

## **Fraudulent claims**

15.12 If You make a fraudulent claim, We

- a) may terminate the Policy by notice and treat the contract as being terminated from the time of the fraudulent act; and
- b) recover any claims paid since the fraudulent act; and
- c) refuse to pay any claims submitted since the fraudulent act.

## **16. TERMINATION OF COVER IN RESPECT OF INDIVIDUAL MEMBERS**

16.1 Cover under this Policy in respect of individual Members ceases on the earliest of the following occurrences:

- a) the Member ceases to be an Employee;
- b) the Member ceases to be a Member of the Scheme;
- c) the Member dies;
- d) the Member permanently takes up residence outside the United Kingdom, Channel Islands or Isle of Man;
- e) the Member retires;
- f) the Member reaches the Date Cover Ceases stated in the Policy Schedule and additional cover has either not been sought by You and confirmed by Us as set out in Clause 6.13;
- g) the end of a Member's fixed term contract; or
- h) the Member reaches the end of their temporary absence cover as detailed in Clause 8.1.

## **17. TERMINATION OF BENEFITS IN RESPECT OF INDIVIDUAL MEMBERS**

17.1 Benefits under this Policy in respect of individual Members shall cease on the earliest of the following occurrences:

- a) the Member no longer satisfies the definition of Incapacity;
- b) the Member no longer suffers a loss of income giving rise to payment of the Scheme Benefit;
- c) the Member reaches the Date Cover Ceases, as stated in the Policy Schedule;
- d) the end of the Limited Payment Period if this option has been selected;

- e) the Member ceases to be an Employee;
- f) the Member dies;
- g) the Member undertakes any form of employment without Our agreement; or
- h) the Member or the Employer does not fully engage in an agreed rehabilitation programme or the Member does not follow medical advice.

Further to Clauses 14.16, 14.19 and 14.1e), We may consider paying Benefit directly to the Member in certain circumstances. For the avoidance of doubt the payment of Benefit direct to the Member would not create any contractual relationship between Us and the Member.

## **SECTION H – MISCELLANEOUS**

### **18. EXCLUSIONS AND LIMITS**

- 18.1 Any exclusions or limits applied as a result of Our conducting an Individual Assessment will be notified to You separately in writing.

### **19. CONTRACTING OUT OF THE INSURANCE ACT 2015**

- 19.1 You must provide a fair presentation of the risk when setting up the Policy, on an application to vary the Policy and at a Rate Review.
- 19.2 If We would have applied different terms and/or a higher Premium if You had fairly presented the risk set out in Clause 19.1, then You agree that We can retrospectively charge the correct higher Premium (and apply any different terms to the Policy). You agree to promptly pay the corrected additional Premium.
- 19.3 Upon receipt of the corrected additional Premium set out in Clause 19.2, We will pay the claim in full, rather than on the proportionate reduction basis described in Schedule 1 paragraphs 6 and 11 of the Insurance Act 2015. To that extent, Clause 19 contracts out of Schedule 1 paragraphs 6 and 11 of the Insurance Act 2015.
- 19.4 Other remedies in respect of the duty of fair presentation of the risk are set out at Clauses 15.6 – 15.12 inclusive of this Policy.

### **20. REMEDIES FOR FRAUDULENT CLAIMS**

- 20.1 To the extent that this Policy provides cover in respect of a person who is not a party to the Policy and a fraudulent claim is made under the Policy by or in respect of that Member, We may exercise the rights set out in Clause 20.2 as if there were an individual insurance contract between Us and the Member concerned. However, the exercise of any of those rights shall not affect the cover provided under the Policy in respect of any other Member.
- 20.2 If there is a fraudulent claim by or in respect of a Member under this Policy, We will inform the Policyholder and the Member that We cancelled the cover in respect of the

Member with effect from the time of the fraudulent act and that We will seek to recover any sums paid by Us in respect of the claim.

- 20.3 If We exercise our right to terminate under Clause 20.2, We shall not be liable of any claim made in respect of the Member if it occurred after the time of the fraudulent act.

## **21. GOVERNING LAW AND JURISDICTION**

- 21.1 This Policy is to be construed and governed in accordance with English and Welsh Law and any dispute shall be subject to the exclusive jurisdiction of English and Welsh Courts.
- 21.2 This Policy has no surrender value and cannot be assigned without Our prior written permission.
- 21.3 We shall not be responsible or liable to provide cover (including the payment of a claim) under this Policy if We are prevented from doing so by any economic sanction which prohibits Us or Our Parent Company (or Our Parent Company's ultimate controlling entity) from providing cover or dealing with You under the Policy.

## **22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

- 22.1 No term or provision of this Policy may be enforced in any circumstances by any third party, whether under the Contracts (Rights of Third Parties) Act 1999, which is hereby excluded, or otherwise. The Policy may be amended or terminated without the consent of, or reference to, any third party.

## **23. DATA PROTECTION**

- 23.1 For the purposes of this Clause the terms "data controller", "personal data" and "process" shall have the meanings given to them in the Data Protection Act 2018.
- 23.2 You agree that We are a data controller in respect of personal data which We receive from You pursuant to this Policy.
- 23.3 We will process all personal data received pursuant to this Policy in accordance with Our obligations under the Data Protection Act 2018.

- 23.4 We process personal data for the purposes of providing insured Benefits on behalf of You for the benefit of Your Employees and their families. The information supplied by you may be transferred outside the UK including to countries outside the European Economic Area (including the USA, China, Mexico, Malaysia, Philippines and Bermuda). Full details can be found in Our privacy notices <https://ellipse.co.uk/data-protection/>
- 23.5 Where We undertake an Individual Assessment, We will be responsible for obtaining appropriate consents from the individual in respect of data collected during the course of the Individual Assessment.

## **24. NOTICES**

- 24.1 Any notice or other communication given under this Policy shall be in writing and may be served by delivering it personally, or sending it by pre-paid first class post, registered or recorded delivery to the relevant address or sent as a .pdf attachment to an email to the relevant email address set out below or such other address or email address as either party may from time to time notify the other in writing.
- 24.2 Documents relating to the administration and operation of this Policy will be lodged in Our secure on-line document store and will be deemed to have been received as if by e-mail.
- 24.3 Any notice or other communication given pursuant to this Policy shall be deemed to have been given or received:
- a) in the case of dispatch by first class, registered post or recorded delivery, on the third day after its dispatch;
  - b) in the case of delivery by hand, at the time of its delivery;
  - c) in the case of email, within three hours of transmission,
- provided that if deemed receipt occurs after 17.00 on a Business Day or on a day which is not a Business Day, the notice shall be deemed to have been received at 09.00 on the next Business Day.

## **25. APPEALS AND COMPLAINTS**

- 25.1 If a claim is declined and You disagree with Our decision You or the claimant can appeal Our decision. An email should be sent to [claims@ellipse.co.uk](mailto:claims@ellipse.co.uk) outlining the reason

for the appeal and attaching any additional information. The claim will be reviewed by an appropriately qualified and experienced assessor who was not involved in the original claim decision. If the appeal process upholds the original decision contact details of the Financial Ombudsman Service will be provided.

- 25.2 Any complaints You may have should be referred to Us at the following address:

5<sup>th</sup> floor

15 Bermondsey Square

London SE1 3UN

Tel 020 3003 6160 (Calls may be recorded for training and monitoring purposes.)

or by email to [puttingitright@ellipse.co.uk](mailto:puttingitright@ellipse.co.uk)

- 25.3 If You remain dissatisfied with the outcome of Your complaint and You are an “*eligible complainant*” for the purposes of the Financial Conduct Authority dispute resolution rules (“DISP”), the matter may be escalated to the Financial Ombudsman Service at the address below. Your legal rights will not be affected by contacting this organisation.

Financial Ombudsman Service Ltd,

Exchange Tower

London, E14 9SR

Telephone 0800 023 4567

- 25.4 Any complaint from Members in connection with this Policy should be referred to You. You shall either deal with such complaint or, if appropriate, refer such complaint to Us at the address above. If the Member remains dissatisfied the matter may be escalated to the Financial Ombudsman Service (if eligible). The Member’s legal rights are not affected by contacting this organisation.

## **26. COMPENSATION**

- 26.1 We are covered by the Financial Services Compensation Scheme (“FSCS”). You may be entitled to compensation from the FSCS if We cannot meet Our obligations. This depends on the type of business and circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS:

Financial Services Compensation Scheme

PO Box 300

Mitcheldean

GL17 1AY

Tel 0800 678 1100

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