Group Income Protection

Technical Guide
GR02417 – 10/2024

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

Aviva

Our Group Income Protection Policy is suitable for a broad range of commercial customers (employers) but will typically be suited to UK, Channel Islands or Isle of Man registered employers.

This guide will explain the main features and benefits about the product. You should read this document carefully as it will help you to understand what you are purchasing and keep it safe for future reference. It should be read alongside the illustration with which it was issued as this will include any modifications to our standard terms including any additional information we may need. **It does not form part of the policy contract.**

Full details of the contract terms can be found in the Policy Wording which we'll send to you when we've agreed to provide cover. If you would like to see a copy of our standard Policy Wording, please speak with your financial adviser or contact us.

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

You are responsible for deciding if the cover meets your needs, and periodically reviewing the cover to make sure it continues to meet your needs.

If you have any existing cover, we recommend you seek financial advice before deciding whether to cancel your existing arrangements. We also recommend you seek financial advice if you are unsure whether this cover is right for you. If you don't have a financial adviser and you would like to speak to one, you can find one in your area by using **unbiased.co.uk**. An adviser may charge a fee for their service.

Any Questions?

If you need to contact us, please have your policy number to hand (this can be found on your policy schedule):

call us on **0800 051 3472**

email us at **groupprotection@aviva.com**

or write to us at
Aviva Group Protection
PO Box 3240
Norwich
Norfolk
NR1 3ZF

If you have 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.

call us on **0800 158 2714**

email us at **gpcomplaints@aviva.com**

or write to us at
Aviva Group Protection
PO Box 3240
Norwich
Norfolk
NR1 3ZF

Need to make a claim?

Please read the 'How are claims made?' section in this document first, then either:

complete our **online claim form**

call us on **0800 142 2377**

email us at **groupipclaims@aviva.com**

or write to us at
Aviva Group Protection
PO Box 3240
Norwich
Norfolk
NR1 3ZF

We will then advise you what will happen next and what information we require.

Our opening hours are Monday to Friday, between 9.00am and 5.00pm. For your protection and ours, calls to and from Aviva may be recorded and/or monitored. Calls to 0800 numbers from UK landlines and mobiles are free of charge. Calls from outside the UK may be charged at international rates.

Contents

Please note

Throughout this document certain words are shown in **bold** type. These are defined terms and have specific meanings when used in this document. The meanings of these words are set out in the Definitions section in the back of this document, except for personal terms like 'we' and 'you'. We've set out the meanings of these words below.

'You' or 'your' refers to the **policyholder** named in the **policy schedule**.

'We', 'our' or 'us' means Aviva Life & Pensions UK Limited.

Policy Aims

The aim of the **policy** is to meet the demands and needs of an **employer** who wishes to:

- provide insurance to cover 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
- choose the definition of **incapacity** they wish to insure
- choose how soon and for how long this income is paid and what level of claim payment escalation is suitable
- choose whether you receive benefit payments, or whether you would like these paid directly to a former **employee** (for pay direct **policies** only).

The **policy** also offers the following optional benefits (maximum limits may apply):

- **employer's** pension scheme contributions
- **employee's** pension scheme contributions
- **employer's** National Insurance contributions or **employer's** Social Security contributions
- a **lump sum** payment at the end of the **limited payment term** (for conventional **policies** only).

The **policy** is suited to UK, Channel Islands or Isle of Man registered employers with three or more insured **members**.

The **policy** is not designed to support the following:

- **employers** who wish to insure fewer than three members
- **employers** or partnerships who are not registered in the UK, Channel Islands or Isle of Man
- **employers** with **employees** or **equity partners** who are not in the UK, Channel Islands or Isle of Man or one of our **standard territories**, unless otherwise agreed
- the self-employed (other than **equity partners**)
- there are some occupations that we are unable to insure or can only be insured under a specific definition of **incapacity**
- **employers** who wish to provide an income of more than 80% of **earnings** for **employees** or 50% for **equity partners**
- **employers** who wish to provide cover beyond either **State Pension Age (SPA)** or a fixed age of 70
- **members** who are not **actively at work** at the **policy start date** will not be covered until they make a full and active return to work.

Group Income Protection benefits will not be paid if the **employer** continues to pay salary in full, so it is important that the **deferred period** chosen is aligned to when salary is due to reduce.

The **policy** will not have or accrue a surrender value.

What is not covered

Our Group Income Protection **policies** are not designed to cover the following.

Temporary cover will exclude any claim made as a result of a **pre-existing condition**.

Exclusions may be applied to a **member's total benefit** that is above the **free cover limit** or subject to **discretionary entrant** terms.

- We will not cover absence because of:
- a lifestyle choice
- a family requirement such as the need to care for a dependant; or
- workplace matters, which may include:
  - a breakdown in the relationship between the **member** and their **employer**
  - workplace demands; or
  - your failure to make whatever reasonable adjustments are necessary to allow the **member** to continue working in accordance with your obligations under discrimination and equality laws.

Equity partners can only be covered under a conventional **policy**.

Due to the different treatment of **equity partners** we do not insure their pension, supplementary benefits or National Insurance contributions or Social Security contributions.

We will not cover **equity partners** or fixed term contractors for a **lump sum** benefit.

The **member** must take whatever reasonable steps are necessary to assist their recovery and to be eligible to receive any benefit from us, the **member** must:

- participate in any treatment or rehabilitation programme proposed by a **medical practitioner**, unless **medical information** proves that they are unable to do so
- meet and work with any rehabilitation specialists and/or advisers appointed by us; and
- sign any consent forms requested by us that allows the **member** to participate in any treatment or rehabilitation programme to assist their recovery.

Failure to participate in any treatment or rehabilitation programme may mean that we will not pay any benefit.

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
- when a **TUPE** or group employment transfer takes place
- when any **member** moves **overseas** to a location which is not listed in our **standard territories** or any additional locations detailed in your **policy schedule**; 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:

- during the period of the **rate guarantee**, the total salary roll or **total benefit** roll upon which the illustration is based changes by 25% (50% of the **total benefit** roll for **single premium policies**) or more
- the number of **members** falls below three. If this happens we reserve the right to cancel the **policy**
- 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**
- 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?

- The **employer** setting up the **policy** will be the **policyholder**.
- We will need at least three 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.
- You 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.
- We normally pay all benefits to the **employer**, except when they are paid direct (please see section 2 'What policy types are available?' for the differences between a conventional and pay direct **policy**).

2 What policy types are available?

Conventional policies

For conventional policies we will normally pay the **total benefit** (and any **lump sum**, if chosen) to the **policyholder**.

For details of when **income benefit** may be paid to the **member** instead of to the **policyholder** please see section '7.6 When can payments be paid direct to a member?'.

Pay direct policies

For pay direct policies (this will be shown in your illustration), we can:

- pay the **total benefit** to the **policyholder**; or
- pay the **income benefit** to the **employee**.

Please note, if you have chosen a pay direct policy, where there are clear differences between the pay direct and our conventional policies, we have highlighted these in sections '7.6 When can payments be paid direct to a member?', '7.7 What is required when paying direct to the member?' and '7.8 What changes when members are paid direct?'

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

3.1 Who can be covered?

Employees with a current UK, Channel Islands or Isle of Man contract of employment with an **employer** or **equity partners** as evidenced by a partnership deed or contract covered by the **policy** and who meet the **eligibility** and **actively at work** conditions. Details of **eligibility** and **actively at work** are in 3.4 and 3.6.

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 meet the **actively at work** definition 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 meet the **actively at work** definition 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.

3.2 Can cover be provided for members who are not resident in the UK, Channel Islands or Isle of Man?

We will maintain cover for **members** who are travelling outside of the UK, Channel Islands or Isle of Man whilst on holiday, or on company business for example; attending conferences, company meetings, or visiting clients.

We will cover **members** who are working outside of the UK, Channel Islands and the Isle of Man, provided that:

- they are working in one of the listed **standard territories** or any additional locations detailed in your **policy schedule**
- if they are an **employee** they still have a UK, Channel Islands or Isle of Man contract of employment with an **employer** covered under this **policy;** or
- if they are an **equity partner** they still participate in your partnership business (as evidenced by a partnership deed or contract)
- the premium to cover **members** based **overseas** is paid in sterling by you
- they are still **eligible** for cover under the **policy.**

You can ask us to cover individuals who are working in a country outside of the **standard territories.** In order to consider cover, we will require full details of these individuals including their location and the duration they expect to be located overseas before we can agree cover. There may be circumstances where we are unable to provide cover. Any additional locations will be detailed in your illustration or **policy schedule.**

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 the countries that they will be working in.

Non-standard terms and conditions may apply for cover to an **overseas member**.

You should seek your own independent advice if you wish to continue to provide cover for any **members** who move to another territory.

If you make a claim for a **member** who is based **overseas**, or if a **member** who was based in the UK, Channel Islands or Isle of Man at the start of **incapacity** or when benefit payment started subsequently moves **overseas**, we will pay all benefit to you in pounds sterling.

Where we have agreed to pay benefit directly to a **member**, we will pay the benefit to the **member** in pounds sterling, and only into a UK, Channel Islands or Isle of Man bank account that is registered in the **member's** name.

We will only consider paying benefit for these **members** if we can obtain satisfactory medical evidence in English. We will not be responsible for any costs incurred in translation.

The tax treatment of any benefit paid out for an **overseas member** will depend on whether or not they have been treated as non-resident for tax purposes at any time when covered under the **policy**.

3.3 Can cover be provided for members that are temporarily absent from work?

We will maintain cover for a **member** during a period of agreed temporary absence from work for maternity, paternity, shared parental leave, adoption leave or a sabbatical, if:

- the **member** has requested the absence from work
- you have approved the absence from work
- the length of the absence is no longer than 12 months, and
- for **employees** a contract of employment with a UK, Channel Islands or Isle of Man company is maintained; or
- for **equity partners** they continue to participate in your partnership business (as evidenced by a partnership deed or contract)
- the **member** has a right to return to the same job for which they were employed or engaged when their absence ends
- the **member** is included in the membership data whenever it is provided; and
- you continue to pay premiums in respect of such **members**.

If you need to make a claim for any such **member**, the **deferred period** will start from the date of **incapacity**, and claim payments will start from either the end of the **deferred period** or the agreed return to work date, whichever is later.

In the case of a sabbatical we will calculate the **total benefit** based on the **member's earnings** at the start of the agreed temporary absence.

3.4 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.

Important Note

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

3.5 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.

3.6 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**
- for joiners after the **start date**, the date when **eligible** to be admitted to the **policy**; or
- for increases in **total benefit**, the date when **eligible** for the increase.

If the **member** is not **actively at work**, we will not provide cover until they meet the **actively at work** definition.

3.7 What are the policy and category cease age options?

You choose the **cease age**, which can be **State Pension Age**, **Dynamic State Pension Age** or any fixed age from 60 up to a maximum of 70.

If the **cease age** is currently either **State Pension Age**, **Dynamic State Pension Age** 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 **incapacity** for five or more consecutive working days in the previous three months.

You should seek your own independent advice if you wish to continue to provide cover for any **members** where the **policy**/category **cease age** is different to **State Pension Age** or **Dynamic State Pension Age**.

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 meet the **actively at work** definition for an uninterrupted period of 20 working days.

3.8 Can I extend the category cease age?

If your **policy cease age** is lower than 70, but you want to provide extended cover for all **eligible employees** who work beyond the **policy cease age** we:

- can provide extended cover for all **eligible employees** who work beyond the **policy cease age**, up to a maximum age of 70
- will include a separate extended cover category for these **eligible employees**. This will be shown in your **policy schedule**
- will need you to confirm that the extended cover is compulsory for all **eligible employees** at the **rate guarantee date**.

An **employee** who meets the **policy eligibility** criteria will transfer to the separate extended cover category when they:

- reach their current category **cease age**
- are **actively at work**; and
- have not been absent from work due to **incapacity** for five or more consecutive working days in the previous three months.

If a **member** is not **actively at work** when they reach their current category **cease age**, unless agreed and confirmed in writing by us, they will be deemed **actively at work** once they meet the **actively at work** definition for an uninterrupted period of 20 working days. Only then will they transfer to the extended cover category.

You should seek your own independent advice if you wish to continue to provide cover for any **members** where the **policy**/category **cease age** is different to **State Pension Age** or **Dynamic State Pension Age**.

3.9 When will cover stop for a member?

Cover will stop when a **member**:

- is no longer **eligible** for the **policy**
- is no longer employed by the **employer** or if an **equity partner,** leaves the partnership
- moves **overseas** to a location not listed in our **standard territories** or any additional locations detailed in your **policy schedule**, unless otherwise agreed
- reaches the **cease age**
- receives a **lump sum** payment (if covered) at the end of a **limited payment term**
- dies.

Cover will stop for all **members** when the **policy** is cancelled.

3.10 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 **income 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 claim payments to be limited to a period of two, three, four or five 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 **income benefit**, we will use the average of the total of any **fluctuating emoluments** over the last three 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:

Equity partners can only be covered under a conventional **policy**.

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 through salary sacrifice will be treated as **employee** pension contributions.

We can also cover other supplementary benefits that you continue to pay to an **incapacitated employee** 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 through 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 **income benefit** of £425,000 is exceeded, these will be reduced to adjust the **income 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 start of the **deferred period**. We will not allow increases as a result of a birthday or a service milestone where this occurs after the start of the **deferred period**.

Employer's National Insurance contributions or Social Security contributions

The **employers'** National Insurance contributions or **employers'** Social Security contributions can also be insured, and will be based on the **income benefit**.

Where **employers'** National Insurance contributions or **employers'** Social Security contributions are covered, in the event of a claim we will provide cover for the insured benefits as at the start of the **deferred period**. As a result, there will not be any change to the **total benefit** payable for claims in payment.

If **employers'** National Insurance contributions or **employers'** Social Security contributions are covered it will be stated in the **policy schedule**.

Lump sum

If you have chosen a **Limited payment term**, you can opt to cover a **lump sum** of up to five times the **employee's** salary or up to nine times the annual **income benefit**.

We will pay the **lump sum** if at the end of the **limited payment term** the **employee** continues to meet the definition of **incapacity**.

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

- nine times the annual **income benefit**
- five 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 the start of the **deferred period** 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**.

3.11 What types of benefits will be paid?

Total incapacity

We will pay the **total benefit** for **incapacity** after the **deferred period** if:

- immediately before the start of the **deferred period** the **member** was **actively at work**; and
- after the start of the **deferred period**, the **member** is not following any **other occupation**.

Partial incapacity

We will pay a proportion of the **total benefit** for **incapacity** after the **deferred period** if immediately before the start of the **deferred period** the **member** was **actively at work** and after the start of the **deferred period** the **member** is either:

- following their **job role** on a part time basis or reduced basis; or
- following any **other occupation**;

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

Lump sum

The **policy schedule** will show if a **lump sum** is covered.

We will pay the **lump sum** if at the end of the **limited payment term** the **employee** continues to meet the definition of **incapacity**.

Where a **lump sum** is insured with a two year **limited payment term**, a 'suited' definition of **incapacity** will need to be met for a **lump sum** to be payable. Please see 'incapacity' in the definitions section.

We will not pay a **lump sum** if the **employee** reaches the **cease age** before reaching the end of the **limited payment term**.

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

3.12 When will benefit payments start?

Total 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**.

3.13 Can separate periods of absence be linked?

Separate periods of **incapacity** (from the same cause) may be linked provided that:

- each period of **incapacity** lasts at least five consecutive working days; and
- the **deferred period** is completed within a period of time twice its length (**deferred period** times two).

Periods of **incapacity** which last for less than five consecutive working days cannot be combined for the purposes of completing the **deferred period**.

For the purposes of calculating the **total benefit** (where there are separate periods of **incapacity**), the **earnings** that applied at the date of the first period of **incapacity** included in the calculation of the **deferred period** will be used.

3.14 For how long will benefits be paid?

You choose the **cease age**, which can be:

- **State Pension Age**
- **Dynamic State Pension Age**; or
- any fixed age from 60 to a maximum of 70.

Total benefit will be paid until the earliest of the **cease age** or if applicable the **limited payment term**.

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

You should seek your own independent advice if you wish to continue to provide cover for any **members** where the **policy**/category **cease age** is different to **State Pension Age** or **Dynamic State Pension Age**.

Please also see section '7.5 For how long will the benefit will be paid?'.

3.15 Can claim payments be inflation protected?

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

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

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

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

4 How is the policy set up?

4.1 What do we need to set up the policy?

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

- name
- gender
- dates of birth
- salaries, taxable **earnings** from a partnership
- benefit basis/level
- occupations
- work locations; and
- countries of residence (if outside the UK, Channel Islands or Isle of Man).

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); and
- 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 medical 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.

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

At the **start date** and each **anniversary date** we will ask for general information about **members** and their employment, such as name, date of birth, gender, salary etc so that we can assess the benefits we are providing under this **policy** and all **linked policies**.

Cover up to the free cover limit

For **policies** with three or more **members** we will usually offer a **free cover limit**. The **free cover limit** is the maximum amount of cover we can give without a **member** needing to give us **medical information**. This means that **medical information** may only be required for benefits above the **free cover limit**, provided that the person:

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

If standard terms of acceptance apply following medical underwriting, then no further information is needed, provided that any increases do not take benefits above the amount confirmed and agreed by us.

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

A **discretionary entrant** is someone who you wish us to consider covering under the **policy**:

- before the date they are first **eligible** to join
- 12 months or any time after 12 months they are first **eligible** to join; or
- who do not fulfil the **eligibility** criteria for the **policy**.

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

- all new **members**; and
- existing **members** if their benefits are increased.

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

Members with loadings, exclusions or restrictions as a result of previous medical underwriting decisions will not benefit from any increase in the **free cover limit**.

Cover over the free cover limit

If a **member** wants cover above the **free cover limit**, they will need to provide us with information on their leisure activities, medical history and family history. We call the assessment of this information, medical underwriting.

We prefer to collect this information using our digital platform as it is faster and more convenient. A paper form or telephone-interview is available on request.

Depending on the information a **member** gives us, we may need to ask for more evidence. This could include a medical examination and blood or other tests. We'll pay for the cost of the medical examination and tests if we ask for more evidence. We will only consider paying benefit for these **members** if we can obtain satisfactory medical evidence in English. If we need a **member** who is based **overseas** to attend a medical examination or test(s) in a foreign country, we will pay an amount towards the cost of the examination or test(s) up to the amount of an equivalent test in the UK.

We will assess all the medical evidence to decide if we can offer cover and if any medical underwriting decisions will apply.

If we decide to:

- apply a medical underwriting loading
- apply any exclusions
- restrict **total benefit**; or
- decline/postpone cover;

these decisions made as a result of our medical underwriting will only apply to the increased **total benefit** that is above any applicable **free cover limit** or previously accepted benefit.

Once medical underwriting is complete, we will tell you if any additional premiums need to be paid or medical exclusions apply.

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.

If as a result of medical underwriting the **member's total benefit** is restricted to the **free cover limit,** this will apply to the amount of **free cover limit** in place when the **member** was first underwritten. Any subsequent increases in the **free cover limit** applied to the **policy** will not apply in respect of the **member**.

Members with loadings, exclusions or restrictions as a result of previous medical underwriting decisions will not benefit from any increase in the **free cover limit**.

4.3 If we have medically underwritten an employee or equity partner, when will they next need to give us medical information?

We have two types of medical underwriting, Forward Underwriting and Once Only. The one that will apply to your **policy** will depend on whether it is a **single premium policy** or a **unit rate policy**.

The **single premium** basis is usually used for **policies** covering up to 19 lives.

The **unit rate** basis is usually used for **policies** covering 20 or more lives.

Single Premium Policies – Forward Underwriting

For **members** who have been accepted for cover by us:

- ordinary rates; or
- with a medical underwriting loading;

they won't normally need to give us more **medical information** for increases in **total benefit** until their total of all increases after we medically underwrite them is greater than £20,000.

If we are unable to accept a **member** on a Forward Underwriting basis, we will write to you.

If we apply any other terms to their cover, we will need **medical information** before we will consider any further increase in their cover.

Unit Rate Policies – Once Only

In most circumstances, **members** will only be medically underwritten once. Our policy of only medically underwriting once can apply even if a medical underwriting loading or exclusion has been applied to individual **members**. Once medical underwriting has been concluded we will tell you if cover is provided and whether or not any additional premiums need to be paid.

If we are unable to accept a **member** on a "Once Only" basis, we will write to you.

If a **member** has been underwritten on a Once Only basis and becomes **eligible** to switch to a different category, we reserve the right to medically underwrite them.

4.4 What are our terms if you're switching the insurance to us from another insurer?

For policies that are currently insured with another insurer and you wish to switch the policy to us on the same basis, we will not normally apply worse medical underwriting terms than those applied by the previous insurer.

We will require confirmation from the previous Insurer on all previously underwritten **members** of the amount underwritten, the underwriting decision and the date of acceptance including whether or not any Forward Underwriting or Once Only terms were applied.

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

We have two types of medical underwriting, Forward Underwriting and Once Only. The one that will apply

to your **policy** will depend on the number of **members** covered when we assume risk for the **policy**. If the number of lives has changed, this may not be the same approach used by the previous insurer.

If a premium loading has been applied by the previous insurer and accepted by us, we will calculate the premium based on our rates and not the previous insurer's. This means that the cover will remain the same, but the premium may change.

Single Premium Policies – Forward Underwriting

If a **member** was accepted by the previous insurer on a Forward Underwriting basis, we will provide cover on our Forward Underwriting basis for increases in **total benefit**.

This means **members** won't need to give us medical evidence for an increase in **total benefit** until the total of all their increases is more than our Forward Underwriting bar.

For all other **members**;

- If their existing cover with the previous insurer is more than our **free cover limit**, we'll need **medical information** on the next increase in cover. This could be at the switch date if cover is increased at that date.
- If their existing cover with the previous insurer is less than our **free cover limit**, we'll need **medical information** when their **total benefit** first goes above our **free cover limit**.

If a premium loading has been applied by the previous insurer and accepted by us, we will calculate the premium based on our rates and not the previous insurer's. This means that the cover will remain the same, but the premium may change.

We are unable to continue cover for any **members** on a Once Only (or equivalent) basis where there are fewer than 20 **lives** when the policy transfers to us. However, if we have the full details of any medical underwriting decisions, we may be able to accept them on our Forward Underwriting basis.

Unit Rate Policies – Once Only

If a **member** was accepted by the previous insurer on a Once Only (or equivalent) basis, we will provide cover on our Once Only terms for **total benefit** increases.

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

When reviewing **medical information** for **employees**, we will provide temporary cover for their **total benefit** for **incapacity** that starts before the earlier of:

- 180 days from the date they join the **policy** or the effective date of an increase in **total benefit**; or
- the date our medical underwriting decision is made.

The temporary cover will exclude any claim made as a result of a **pre-existing condition**.

The temporary cover will not apply to any **employee** who has previously been:

- declined by us or another insurer
- postponed by us or another insurer
- restricted by us or another insurer; or
- who has had exclusions applied by us or another insurer; or
- who has previously not provided full **medical information** to us or another insurer.

If we decide to:

- apply a medical underwriting loading
- apply any exclusions
- restrict **total benefit**; or
- decline/postpone cover;

the decisions made as a result of our medical underwriting will only apply when a claim under temporary cover has ended.

5 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.

All premium payments are to be made in pounds sterling.

5.1 How will premiums be calculated?

The basis of how we calculate your premium depends on whether the **policy** is on a **single premium** or **unit rate** basis.

The **single premium** basis is usually used for **policies** covering up to 19 lives.

The **unit rate** basis is usually used for **policies** covering 20 or more lives.

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**.

Unit Rate basis

Premiums will be calculated on a **unit rate:**

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

When do changes in member's earnings take effect?

You can choose when changes in **members earnings** take place where benefits are calculated based upon a

member's earnings. This can be either 'daily' or 'annual' and will be shown on your illustration or **policy schedule** under the 'salary increases' section.

If you have selected:

- 'daily' this means that any changes in **members earnings** will be covered on the day their **earnings** changed. This means that the premium will be calculated to reflect the amount and duration of the cover we actually provided. Any adjustment will be payable as part of the following **policy year's** renewal premium.
- 'annual' this means that any changes in **members earnings** will only be covered at the start of the next **policy year**.

What happens if a member changes categories?

If, for example, a **member** is promoted and becomes **eligible** to change to a different category with a different benefit level we will cover them for the new benefit level immediately.

If the new category allows for 'daily' increases, we will also change the **members earnings** at the same time.

If the category allows for 'annual' increases, we will not cover the increase in **earnings** until the start of the next **policy year**.

5.2 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:

- during the period of the **rate guarantee**, the total salary roll or **total benefit** roll upon which the illustration is based changes by 25% (50% of the **total benefit** roll for **single premium policies**) or more

the number of **members** falls below three (if this happens we reserve the right to cancel the **policy**)

- there is a change to the (or any new) legislation, regulation or taxation affecting the **policy**; or
- 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**.

5.3 What commission is included?

Commission payments to your financial adviser (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.

5.4 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.

6 How does the policy accounting work?

The **policy** runs on one year accounting periods. The premium must be paid in advance monthly, quarterly, half yearly or annually by direct debit, or any other method agreed with us.

6.1 What information is needed for accounting purposes?

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

- name
- gender
- date of birth
- salary, **earnings** or **total 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 such as **members** who are located **overseas**.

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.

6.2 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 **total 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**.

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 **total benefit** and will be payable at the end of the **policy year**.

7 How are claims made?

If you need to make a claim you must inform us 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.

Payment of a claim may be affected if you do not tell us within these time limits and;

- due to the delay in notification we are unable to confirm **incapacity;** or
- if our ability to provide assistance or rehabilitation to support a return to work has been compromised.

This could mean that benefits are delayed or not paid at all.

If you do not tell us about a claim within six months of the end of the **deferred period** we will have no obligation to pay benefit. However, we may consider claims you tell us about after this timescale.

For 'What types of benefits will be paid?', please see section 2.11 for details.

7.1 How are claims submitted?

If you need to submit a claim, please either:

call us on **0800 142 2377**

email us at **groupipclaims@aviva.com**

complete our **online claim form**

or write to us at
Aviva Group Protection
PO Box 3240
Norwich
Norfolk
NR1 3ZF

We will then advise you what will happen next and what information we require.

Our opening hours are Monday to Friday, between 9.00am and 5.00pm. For your protection and ours, calls to and from Aviva may be recorded and/or monitored. Calls to 0800 numbers from UK landlines and mobiles are free of charge. Calls from outside the UK may be charged at international rates.

7.2 What might be needed to assess a claim?

Claim forms and any other documentation issued by us in relation to the claim, must be completed and returned to us as soon as reasonably possible.

Apart from **medical information** requested by us, either you or the **member** (or their power of attorney) will pay for all certificates, information and evidence that we reasonably require.

We will not be able to process any claim unless the **member** signs the consent forms provided by us, to allow us access to their relevant medical records held by a **medical practitioner.**

We may need reasonable evidence of income and we will let you know if we do.

The **member** needs to provide all of the information that we reasonably request, and:

- undergo medical examinations or tests (on our behalf and at our expense) by a medical examiner appointed by us in respect of any incapacity being claimed for; and
- sign any consent forms we require to allow us access to the results of any relevant medical examinations and/or tests.

The **member** must take whatever reasonable steps are necessary to assist their recovery and to be eligible to receive any benefit from us, the **member** must:

- participate in any treatment or rehabilitation programme proposed by a **medical practitioner**, unless **medical information** proves that they are unable to do so
- meet and work with any rehabilitation specialists and/or advisers appointed by us; and
- sign any consent forms requested by us that allows the **member** to participate in any treatment or rehabilitation programme to assist their recovery.

Failure to participate in any treatment or rehabilitation programme may mean that we will not pay any benefit.

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**).

If you make a claim for a **member** who is based **overseas**, or if a **member** who was based in the UK, Channel Islands or Isle of Man at the start of **incapacity** or when **claim payments** 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 pounds sterling, and into a UK, Channel Islands or Isle of Man bank account in the **member's** name.

7.3 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**.

7.4 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, rehabilitation and claims case managers can work with you and your medical advisers to draw all this information together so that the claims process runs as smoothly as possible.

Failure to participate in the treatment or rehabilitation programme may mean that we will not pay any benefit.

7.5 For how long will the benefit be paid?

We will pay **total benefit** until:

- the end of **incapacity**
- the **limited payment term** is completed
- the **member** reaches the **cease age**
- the member leaves service (unless you have chosen a pay direct policy or unless we have agreed to pay a claim directly under a conventional policy. Please see section '7.6 When can payments be paid directly to a member?')
- 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**
- we are unable to obtain the **medical information** of continued **incapacity** which we need
- the **member** reaches the end of a fixed term contract that was in place as at the start of the **deferred period**
- the **member** dies;

whichever is sooner.

What happens to members that have short term contracts?

Any **member** who is receiving **claim payments** and has a fixed term contract will only be eligible for the remainder of the contract in place as at the start of the **deferred period**, 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 partial incapacity (please see section '2.11 What types of benefit will be paid?'). We will pay a proportion of the **total benefit** payable for total incapacity (please see section '2.11 What types of benefit will be paid?')

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.

7.6 When can payments be paid direct to a member?

Please note, if you have chosen a pay direct policy, where there are clear differences between the pay direct and our conventional policies, we have highlighted these in the relevant sections below.

What happens to members receiving benefits if you stop trading?

Conventional policies

Where the **policyholder** stops trading (due to insolvency or otherwise) and we are currently making claim payments to the **policyholder**, we will consider making **income benefit** payments direct to **employees** who are in claim. This is not a contractual right and we are under no contractual obligation to agree to such a request.

Pay direct policies

Where the **policyholder** stops trading (due to insolvency or otherwise) and we are currently making claim payments to the **policyholder**, if you ask us to, we will make continued **income benefit** payments direct to the **employees** who are in claim.

What happens if a member receiving benefit is dismissed?

Conventional policies

Where the **policyholder** removes an **employee** from its payroll, we will consider paying **income benefit** to the **employee** where the **policyholder** has requested us to do so before the **employee's** contract of employment has ended. This is not a contractual right and we are under no contractual obligation to agree to such a request.

Where the **policyholder** removes an **equity partner** from its partnership after **incapacity**, we will continue to pay **income benefit** to the **equity partner** immediately after their removal from the partnership.

Where the **equity partner** triggered their notice to leave the partnership before **incapacity**, we will pay **income benefit** up until the date that the **equity partner** was due to be removed from the partnership.

Pay direct policies

Where the **policyholder** removes an **employee** from its payroll and we are currently making claim payments to the **policyholder**, if you ask us to, we will make continued **income benefit** payments direct to the **employees** who are in claim.

7.7 What is required when paying direct to the member?

Conventional policies

Where we have agreed to pay **income benefits** directly to an **employee** this will be subject to:

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

Pay direct policies

So that we can continue to pay **income benefit** directly, we will require the completion of further consents and declarations by the **policyholder** and **employee**.

7.8 What changes when members are paid direct?

Conventional policies

Where we pay the **income benefit** to an **employee** directly, and the definition of **incapacity** is 'own' occupation, this will change to the 'suited' occupation definition (please see **'incapacity'** in the definitions section).

Where we pay **income benefit** directly to an **employee**, any pension contributions (including cash in lieu of pension), supplementary and National Insurance benefits or Social Security benefits will stop.

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

Linked claims (please see section '7.9 If a member returns to work after a claim, can another claim be made?') will not apply where we have been paying the **income benefit** directly to an **employee** or where an **equity partner** has left the partnership.

Where we pay **income benefit** directly to an **employee**, we will not pay any benefit due for an **employee** to the **policyholder**.

Due to the tax treatment of **income benefit** which is paid direct, entitlement to Employment and Support Allowance (ESA) or the Long-Term Incapacity Allowance (LTIA) benefits may be affected. In the event that entitlement is reduced, we will not adjust the **income benefit** that we are paying to the **member**.

Income benefit which is paid direct to an **employee** will be reduced by the basic rate of tax applicable in England in Wales. The actual amount of tax payable on the benefit will depend on the **employee's** personal circumstances and this should be remedied with HM Revenue and Customs (HMRC) directly.

Some **employees** will be liable for higher rate income tax, and this will be assessed through their personal annual tax assessment.

Pay direct policies

When **income benefit** is paid direct, all references to **job role** within the **policy** will change to **generic occupation**.

Where we pay **income benefit** directly to an **employee**, any Pension contributions (including cash in lieu of pension), supplementary and National Insurance benefits or Social Security benefits will stop.

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

Linked claims (please see section '7.9 If a member returns to work after a claim, can another claim be made?') will not apply where we have been paying the **income benefit** directly to an **employee**.

We will not pay any benefit due for an **employee** to the **policyholder**.

Due to the tax treatment of **income benefit** which is paid direct, entitlement to employment and support allowance benefits may be affected. In the event that entitlement is reduced, we will not adjust the **income benefit** that we are paying to the **employee**.

Income benefit which is paid direct to an **employee** will be reduced by the basic rate of tax applicable in England in Wales. The actual amount of tax payable on the benefit will depend on the **employee's** personal circumstances and this should be remedied with HMRC directly.

Some **employees** will be liable for higher rate income tax, and this will be assessed through their personal annual tax assessment.

7.9 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 **claim** payment, we will not re-apply the **deferred period**. This is known as a linked claim.

The Terms and Conditions that applied at the start of the **deferred period** for the original claim will apply for any linked claims.

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 **claim** 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.

The Terms and Conditions that applied at the start of the **deferred period** for the original claim will apply for any linked claims.

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

7.10 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

If the income benefit shown in your illustration includes a deduction of a fixed monetary value, the Employment and Support Allowance (ESA) or the Long-Term Incapacity Allowance (LTIA), this will be deducted after the percentage of earnings has been calculated.

For ESA this will be the gross level of base employment and support allowance whether payable or not.

For LTIA this will be the gross level of the LTIA whether payable or not.

In the event of incapacity, we will use the fixed monetary value, the ESA or the LTIA as at the start of the deferred period. This means that there will not be any change to the fixed monetary value, the ESA or the LTIA during the deferred period and for claims in payment.

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 two years or less) including:
  - income protection/permanent health insurance
  - mortgage payment protection
  - loan protection.

Income 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.

8 When can the policy be cancelled?

8.1 When can you cancel the policy?

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 will not backdate cancellations.

If you cancel the **policy** 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.

8.2 When can we cancel the policy?

We can cancel the **policy** if:

- you do not provide us with membership data, other information or documentation that we need to administer the **policy**
- you do not pay us when premiums are due; or
- the number of **members** covered falls below three.

If the provision of cover would cause, or be reasonably likely to cause, us to breach any law or regulation in the given territory we reserve the right to cease cover within that territory.

If we cancel the **policy** we will give you at least 30 days' notice.

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, its ultimate parent company and its ultimate beneficial owner, 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.

8.3 Does the policy have a surrender value?

There will be no surrender value under this **policy** if it is cancelled at any time.

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

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.

8.5 What happens to claims if the policy is cancelled by you?

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**.

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 you move the policy to another insurer without any break in cover, with the same benefit and **eligibility** conditions that were insured by us, we will apply the following to linked claims:

- If the **member** meets the new insurer's 'actively at work' requirement (and so becomes covered under the new policy) we will pay **total benefit** for a linked claim until the end of the deferred period under the new insurer's policy. From then on, the new insurer will be responsible for the claim under the terms of its own policy.
- If we consider that the **member** meets the new insurer's 'actively at work' requirement, but the new insurer does not agree to provide cover under the new policy we will not be responsible for the claim and **total benefit** will no longer be payable by us.
- If we consider that the **member** does not meet the new insurer's 'actively at work' requirement (so would not be covered under the new policy), then we will continue to be responsible for the claim until such time as **total benefit** is no longer payable under the terms of our **policy** (as shown in section '7.5 For how long will the benefit be paid?'), or the **member** is included in the new insurer's policy.

8.6 What happens to claims if the policy is cancelled by us due to non-payment of premiums?

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**.

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.

Benefit which is paid direct will be reduced in line with basic rate income tax and will then be paid to the **employee**. Some **employees** will be liable for higher rate income tax, and this will be assessed through their personal annual tax assessment.

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

10 Is there a continuation option?

This option is not offered to new policies and cannot be added to existing **policies**.

Further information

Please contact your usual financial adviser in the first instance or contact us:

call us on **0800 051 3472**

email us at **groupprotection@aviva.com**

or write to us at
Aviva Group Protection
PO Box 3240
Norwich
Norfolk
NR1 3ZF

However, if you feel it is specific advice that you need, we recommend that you speak to a financial adviser.

If you do not have a financial adviser, one can be found at **unbiased.co.uk**.

Our opening hours are Monday to Friday, between 9.00am and 5.00pm. For your protection and ours, calls to and from Aviva may be recorded and/or monitored. Calls to 0800 numbers from UK landlines and mobiles are free of charge. Calls from outside the UK may be charged at international rates.

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.

The exception to this is in the event of a disputed claim where the **member** may, either in conjunction with you or instead of you enforce such claim to the extent that you may enforce it (including the pursuit of a complaint to the Financial Ombudsman Service (FOS) if within FOS jurisdiction).

It is your legal responsibility, to inform **members** of their rights in regards to the FOS in the event of any dispute, for example that any notification must be received within appropriate timescales. Aviva Life & Pensions UK Ltd will not be liable for any failure by you to inform **members**.

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 **fscs.org.uk** or telephone **0800 678 1100**.

Currency and jurisdiction

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

All payments made to or by us under this **policy** will be made in 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 **Aviva, 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.

call us on **0800 1582714**

email us at **gpcomplaints@aviva.com**

or write to us at
Aviva Group Protection Complaints
PO Box 3240
Norwich
NR1 3ZF

Our opening hours are Monday to Friday, between 9.00am and 5.00pm. For your protection and ours, calls to and from Aviva may be recorded and/or monitored. Calls to 0800 numbers from UK landlines and mobiles are free of charge. Calls from outside the UK may be charged at international rates.

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: **0800 023 4567**

Email: **complaint.info@financial-ombudsman.org.uk**

Website: **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 controller responsible for processing any personal data (which includes special categories of data) you provide us in connection with the **policy.**

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 as a separate controller comply with your responsibilities under applicable data protection law and ensure that appropriate information and transparency has been provided to data subjects to explain how their information will be processed and shared with us. If we need to obtain personal data directly from anyone covered under the **policy**, we will contact them and if necessary obtain their prior consent before collecting and using their information.

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

Our Group Protection Privacy Policy is available at **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 data please contact our Data Protection Officer by writing to them at **The Data Protection Team, Aviva, PO Box 7684, Pitheavlis, Perth PH2 1JR**.

You have certain data rights in relation to your personal data, including a right to access personal data, a right to correct inaccurate personal data and a right to erase or suspend our use of your personal data. These rights may also include a right to transfer your personal data to another organisation, a right to object to our use of your personal data, a right to withdraw consent and a right to complain to the data protection regulator. These rights may only apply in certain circumstances and are subject to certain exemptions. You can find out more about these rights in the "Data Rights" section of our Group Protection Privacy Policy or by contacting us at **dataprt@aviva.com**.

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 **aviva.com/investors/regulatory-returns/**

Definitions

Throughout this document certain words are shown in **bold** type. These are defined terms and have specific meanings when used in this document.

We've set out the meanings of these words below.

Actively at Work

Means that the **member**:

- is actively following their normal full **duties** and hours required by their contract of employment
- is working at their normal place of employment, at a location agreed with their **employer** or at a location to which they are required to travel for business
- is mentally and physically capable of all the normal **duties** and hours of their **job role**; and
- has not received medical advice to reduce or stop their 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**.

Cease age

Midnight on the day before the age at which cover for a **member** or former **member** ceases. The maximum age cannot exceed midnight on the day before a **member's** or former **member's** 70th birthday.

The **cease age** selected for each category will be shown in the **policy schedule**.

The cease age will be either:

- a fixed age
- **State Pension Age**; or
- **Dynamic State Pension Age**

The **cease age** selected for each category will be shown in the **policy schedule**.

Consumer Price 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

The number of consecutive weeks of **incapacity** shown in the **policy schedule**, which must pass before you become entitled to receive **total benefit**. Linked periods of absence could apply, please see section '3.12 When will benefit payments start?'.

Discretionary entrant

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

- before the date they are first **eligible** to join
- 12 months or any time after 12 months they are first **eligible** to join; or
- who do not fulfil the **eligibility** criteria for the **policy**.

Please note that early entrants will be treated as **eligible employees** once they have been employed for the required time.

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.

Discretionary entrants are not entitled to the **free cover limit** and **medical information** will be required for their **total benefit**.

Dividends

The dividends paid to the **employee** instead of wages or salary averaged over the three 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**
- 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.

Dynamic State Pension Age

The earliest age at which the **member** is entitled to receive their State pension.

The State Pension Age for the **member** will be determined by the jurisdiction of their contract of employment as at the start of the **deferred period**. This means that for **members** with a UK or Channel Island contract of employment their State Pension Age will be linked to the UK or Channel Islands State Pension Age. For all other **members** their State Pension Age will be linked to the UK State Pension Age.

Total benefit will be paid until the **member** reaches their State Pension Age even if that changes after the start of the **deferred period**. This means that if there are future changes to the **member's** State Pension Age because of government policy, then the **cease age** of any valid claim will be adjusted.

The maximum age that we will provide cover to is 70, even if the State Pension Age is higher than this.

The **cease age** selected for each category will be shown in the **policy schedule**.

Earnings

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

The salary definition heading on the **policy schedule** will indicate if **fluctuating emoluments** or **dividends** are included. The increases heading on the **policy schedule** will indicate the date increases in salary will take effect.

We will use the earnings that applied as described on the **policy schedule** as at the start of the **deferred period**.

Increases in earnings that apply after the start of the **deferred period** 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**.

If we have agreed to pay direct, employee means the former employee who was covered under the **policy** at the start of the **deferred period**.

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 and Customs as a self-employed partner for tax purposes.

Equity partners can only be covered under a conventional **policy**.

If we are paying benefit directly to an equity partner who has left the partnership, equity partner means the former equity partner who was covered under the **policy** at the start of the **deferred period**.

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 three years (or such lesser period as the **member** has been in receipt of **fluctuating emoluments**).

Free cover limit

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

Generic occupation

The generic duties of the **job role** that the **member** was actively following when **incapacity** started. The generic occupation is a trade, profession or type of work undertaken. It is not a specific job with the **policyholder** or any particular employer and is independent of location.

Gross Taxable Earnings

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

Incapacity/Incapacitated

To claim for Total Incapacity (please see section 3.11 under the subheading 'Total incapacity'), incapacity means either own, suited or switched below as specified in the **policy schedule** (if none specified, own will apply).

- '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 the **member's** occupation requires a licence (other than an ordinary UK, Channel Islands or Isle of Man driving licence for Group one vehicles) or medical certificate, for example an HGV driver, a 'suited' definition will be applied to that **member** in all cases.

To claim for Partial Incapacity (please see section 3.11 under the subheading 'Partial incapacity'), incapacity means the **member's** inability as a result of their illness or injury to either:

- perform the **duties** of their **job role** on a full-time basis; or
- perform the full scope of the **duties** of their **job role**.

We will not cover absence because of:

- a lifestyle choice
- a family requirement such as the need to care for a dependant; or
- workplace matters, which may include:
  - a breakdown in the relationship between the **member** and their **employer**; or
  - workplace demands; or
  - your failure to make whatever reasonable adjustments are necessary to allow the **member** to continue working in accordance with your obligations under discrimination and equality laws.

Income Benefit

A monthly benefit payable in the event of **incapacity**, calculated as described on the **policy schedule** and limited as described in section '3.10 What types of cover are available?'.

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. **Total 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.

Linked policies

Any Aviva Group Income Protection **policy** taken out by you or a parent/subsidiary of you covering different categories of **members** and/or benefits.

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 a medical 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** and registered in the UK, Channel Islands or Isle of Man.

Policy schedule

The current policy schedule (as issued by us from time to time), or in the case of a claim the policy schedule that applied as at the start of the **deferred period**. The policy schedule will state details of:

- the **policyholder**
- the cover provided by this **policy**; and
- any non-standard terms agreed with us.

Policy year

The period between:

- the **start date** and the first **anniversary date**
- two **anniversary dates**
- the **anniversary date** and **rate guarantee date**; or
- an **anniversary date** and the cease date of the **policy** (if the cease date 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
- experienced symptoms of; or
- received medication, advice or treatment for;

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

Rate guarantee/Rate guarantee date

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

Retail Price 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**.

Standard Territories

All European Union (EU) countries, Andorra, Australia, Canada, Gibraltar, Hong Kong, Iceland, Liechtenstein, Monaco, New Zealand, Norway, San Marino, Singapore, Switzerland, UAE, USA and the Vatican City.

Start date

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

State Pension Age (SPA)

The earliest age at which the **member** is entitled to receive their State pension.

The State Pension Age for the **member** will be determined by the jurisdiction of their contract of employment as at the start of the **deferred period**. This means that for **members** with a UK or Channel Island contract of employment their State Pension Age will be linked to the UK or Channel Islands State Pension Age. For all other members their State Pension Age will be linked to the UK State Pension Age.

Total benefit will be paid up to the State Pension Age that applied at the start of the **deferred period**. This means that if there are future changes to the **member's** State Pension Age because of government policy, then the **cease age** of any valid claim will remain unchanged.

The maximum age that we will provide cover to is 70, even if the State Pension Age is higher than this.

The **cease age** selected for each category will be shown in the **policy schedule**.

Total benefit

The total of all the monthly benefits payable under this **policy** including **income benefit**, employee pension contributions, employer pension contributions, employer supplementary benefits and employer National Insurance contributions or Social Security contributions. **Income benefit** is payable as standard, other benefits are covered if stated on the **policy schedule**.

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 **total benefit** (dependent on **policy** basis) covered under the **policy**.

Need this in a different format?

Please get in touch if you'd prefer this document (**GR02417 10/2024**) in large print, braille or as audio.

0800 051 3472

groupprotection@aviva.com

Aviva.co.uk

Our opening hours are Monday to Friday, between 9.00am and 5.00pm. For your protection and ours, calls to and from Aviva may be recorded and/or monitored. Calls to 0800 numbers from UK landlines and mobiles are free of charge. Calls from outside the UK may be charged at international rates.

Aviva Life & Pensions UK Limited.

Registered in England Number 3253947. Registered Office Aviva, Wellington Row, York, YO90 1WR. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference Number 185896.

aviva.co.uk

AVIVA