

BUPA Income Protection

Policy Summary

keyfacts[®]

This policy summary contains key information about BUPA Income Protection Cover.

You should read this carefully and keep in a safe place. Please note that it does not contain the full terms and conditions and exclusions of cover, which you will find in your membership handbook, also please refer to your registration certificate (issued once your scheme commences). Copies of these documents are available on request.

The provider

BUPA Income Protection Cover is provided by BUPA Health Assurance Limited, a subsidiary of the British United Provident Association Limited. Other services are provided by or via other subsidiary companies.

The insurance and the cover that it provides

BUPA Income Protection Cover provides you with a regular income if you are in paid work and because of illness or injury, you are unable to work, resulting in a loss of earnings.

BUPA Income Protection Cover will provide you with a regular income if you are not in paid work and because of illness or injury you are unable to carry out certain activities of daily living.

BUPA Income Protection Cover can provide cover for income or mortgage payments.

There is a choice at outset of deferred periods (depending on your occupation) of one, three, six and 12 months.

Protection is provided for the duration of the cover no matter how many claims are made.

Summary of cover

- You decide on whether you wish to cover your income or mortgage payments and the amount of benefit you require.

- Provided you continue to pay the agreed premiums, it will pay your chosen level of benefit if you meet the definitions of incapacity set out in the 'When can I claim' section.
- You must answer all of the questions on the application form correctly to the best of your knowledge and belief. If you do not do this, it could mean that we will not pay the benefit provided by your scheme. You must tell us if there are any changes to your personal health, family history, occupation or residence, or if you take up any hazardous activities between supplying the application form and when your scheme starts. If you do not do this, it could mean that we will not pay the benefits provided by your scheme.
- Anyone aged from 18-59 who lives in the UK and Channel Isles (Channel Isles - means for the purposes of BUPA Income Protection policies, Guernsey and Jersey only) can apply.
- The amount of premium will depend on the options you select, see the 'What premiums options are available' section
- Your cover can continue until the expiry date as shown on your registration certificate. Please see the 'How long will my cover last' section

What cover options are available?

There are three cover options:

- **Fixed term cover**

With fixed term cover, you select the number of years you wish your cover to last. You can choose between 5 and up to 52 years.

You can select guaranteed premiums only with this option.

- **Term to retirement cover**

With term to retirement cover, you have a choice of retirement ages to choose from: 50, 55, 60, 65 and 70.

You can select either guaranteed premiums or reviewable premiums with this option.

- **Mortgage outlay cover**

Mortgage outlay cover means the regular benefit we would pay to you to protect your mortgage payments in the event of a successful claim. We would cover your share of the mortgage payments up to 140 percent of the payment and up to a maximum of £1500 per month. You can select guaranteed premiums only with this option.

This cover is not applicable to business mortgages.

What premium options are available?

There are two premium options:

Guaranteed premiums

- If you select guaranteed premiums, your premium will remain the same for the term of the membership
- We can increase your guaranteed premium if the cost of providing cover is increased due to any changes in legislation or taxation.
- Your membership is subject to the payment of a monthly plan fee, which we collect as part of your premium. If you have more than one BUPA flexible financial protection membership we will only charge you a plan fee with your premiums on one membership. If any other BUPA flexible financial protection membership you have ends (for any reason) we have the right to increase the premiums on your membership. We will only increase the premiums by the amount of any plan fee forming part of the premium of the membership which has ended.
- Premiums will increase if the benefit is increased, for example, if the index-linked additional benefit option is selected

Reviewable premiums

- If your premium option is reviewable, we may increase or decrease your premiums on the fifth anniversary of the commencement date and at the end of every following five year period which arises before your 70th birthday.
- When we decide what premiums we charge under this option, we make assumptions about the future level of inflation, claim costs, expenses, investment returns, taxes and levies. When we review your premiums under this option, we consider whether the combined effect of these factors is better or worse

than we had assumed and if, as a result, the cost of the cover needs to account for this, we may, as a result, increase or reduce your premiums by the amount we reasonably believe is necessary.

- We may also increase your premiums under this premium option due to changes in the law or taxation or where you increase the benefit under your membership which results in an increase in your premium or to collect plan fees.
- Your membership is subject to the payment of a monthly plan fee, which we collect as part of your premium. If you have more than one BUPA flexible financial protection membership we will only charge you a plan fee with your premiums on one membership. If any other BUPA flexible financial protection membership you have ends (for any reason) we have the right to increase the premiums on your membership. We will only increase the premiums by the amount of any plan fee forming part of the premium of the membership which has ended.
- We will write to tell you about any change to your premiums at least 60 days beforehand.
- If your premium needs to increase, you can tell us to keep the premium the same and reduce the amount of cover instead.
- Alternatively, you can cancel the membership and stop paying premiums altogether.

Deferred Periods

There is a choice at outset of deferred periods (depending on your occupation) of one, three, six and 12 months. You need to consider how long you can maintain your normal financial commitments before a payment under the BUPA Income Protection scheme would be made - factors such as any continuing earnings and / or continuing benefits from your employer whilst you are unable to work. Your chosen deferred period is stated on your registration certificate.

If you are not in paid work when you apply for BUPA Income Protection, your deferred period will be three months.

How much does the plan cost?

The premium depends on our assessment of your personal circumstances, taking into account such factors as:

- age, sex and medical history

- whether or not you smoke
- your current state of health
- your occupation
- the amount of cover and any additional benefit options you choose
- your membership is subject to the payment of a monthly plan fee, which we collect as part of your premium. If you have more than one BUPA flexible financial protection membership we will only charge you a plan fee with your premiums on one membership. If any other BUPA flexible financial protection membership you have ends (for any reason) we have the right to increase the premiums on your membership. We will only increase the premiums by the amount of any plan fee forming part of the premium of the membership which has ended.
- your choice of premiums; guaranteed and reviewable

Provided you continue to pay the agreed premiums, the scheme will pay your chosen level of benefit, if you meet the definitions of incapacity set out in the 'When can I claim' section.

Should I review my cover regularly?

Yes, you should review your earnings regularly and consider whether the cover is still right for your needs.

What additional benefit options are available?

The following are additional benefit options that are available for you to select but are not automatically included in your policy:

Index-linked benefit

Index-linked benefit is available on fixed term and term to retirement options only

You can help protect the value of your benefit over the years by selecting an index-linked benefit option when you join. If you choose the index-linked benefit, your chosen benefit can increase in line with the Retail Price Index (RPI).

Limited benefit period - two years

If you select the limited benefit period - two years, you are entitled to receive benefits for a maximum of 24 months. The period could either be a single continuous period or a collection of shorter periods which together add up to 24 months.

What other benefits are included as part of my scheme?

The following benefits are automatically included in your cover:

Career break

If you choose to stop full-time employment, our career break option allows you to adjust your premiums and replace your income protection cover with houseperson's benefit. Alternatively, if you take a company sponsored career break to obtain a professional qualification and your gross income reduces as a result, you can continue to pay the same premiums and we will treat your gross income as remaining at the same level as at the start of the career break if you become incapacitated during your career break.

For further information see 'The benefit' section of the membership handbook.

Child-carer benefit

We will pay the lower of 4 monthly benefit payments or £25,000 if your child suffers from one of the specified illnesses providing that the child survives for 14 days following diagnosis. Further details are available in the membership handbook.

Proportionate benefit

If you are claiming a benefit under this plan and you are unable to return to the paid occupation in which you were engaged prior to the incapacity and are on a lower salary, we may consider paying you a proportionate benefit. This benefit may be payable for a maximum period of 52 weeks from the date that you returned to work. Further details are available in the membership handbook.

Re-current benefit

If you are claiming a benefit under this plan and return to your normal paid occupation and within 12 months of returning to work the incapacity reoccurs, we may not apply the deferred period for your linked claim. Further details are available in the membership handbook.

Rehabilitation benefit

If you are claiming a benefit under this plan and go back to work to your paid occupation on a part-time basis because you are not fully recovered, a rehabilitation benefit may be payable for a maximum period of 52 weeks from the date that you returned to work. Further details are available in the membership handbook.

Waiver of premiums

We will waive your premiums for any period whilst you are receiving benefit. We will not waive premiums during the deferred period.

When will my benefit payments start?

One month after the end of the 'deferred period' and monthly in arrears from then on, provided that you are still incapacitated.

How much will I receive?

If you have chosen the 'term to retirement' option or 'fixed term' option and are in paid work before you retire, when you are able to claim, you will receive the benefits of your cover which will be calculated as follows:

- 70 percent of any pre-disability gross earnings up to £10,000 per annum then 50 percent of any pre-disability gross income between £10,000 and £60,000 per annum and 40 percent of any pre-disability gross earnings over £60,000 per annum, divided by 12, this will equal your monthly payment. There is a maximum monthly benefit of £12,500 per month.

If you have chosen the 'mortgage outlay' option, you may claim:

- the lower of 140 percent of your share of the mortgage payments or £1500 per month at the date of your incapacity. The exact amount will be indicated on your registration certificate.

If you were not in paid occupation when you became incapacitated, the amount of benefit we will pay you will be:

- the lower of the amount shown on your registration certificate or the maximum benefit of £15,600 per annum.

What are 'pre-incapacity earnings'?

- If you are employed:
 - your pre-tax earnings for income tax assessment (excluding any benefits in kind) in the 12 months immediately prior to the date of incapacity as currently shown on HM Revenue and Customs form P60 for this period
 - any dividends which represent your share in the net trading profit of the company from its normal, regular business during the 12 months prior to your incapacity.

- If you are self-employed:
 - your pre-tax share of the profit from your trade profession or vocation in the 12 months immediately prior to the date of your incapacity for the purpose of Schedule D Case I and II of the Income and Corporation Taxes Act 1988, (ie your share of pre-tax profit after deduction of trading expenses) as assessed for income tax and agreed by HM Revenue and Customs.
- Please note that a shareholder may be a director and not employed by the company for either the employed or self employed.

We may require financial information to support any claim.

The following may reduce your benefit:

- Ongoing payments from your employment for example contractual sick pay.
- Pension payments but not if you received them before joining the scheme.
- Other insurance payments if they arise from the illness or injury that caused your incapacity and either result in regular payments to you or make regular payments on your behalf to a third party.
- Dividends, these will be deducted in the month that they are paid.
- State benefits if you are in receipt of them.

Please note that payment under your scheme may affect your eligibility for means tests incapacity benefits.

Is your benefit taxable?

No, not under current legislation and Inland Revenue practice, but it may be taxable in the future if the legislation or practice changes.

How long will my cover last?

BUPA Income Protection provides you with benefits if you are incapacitated until:

- you are no longer incapacitated; or
- the expiry date as given on your registration certificate

BUPA Income Protection cover will continue until:

- the expiry date as given on your registration certificate; or

- 30 days after any date you do not pay any amount, including premiums when they become due under your membership. We will allow your membership to continue if you pay any outstanding amounts within the 30 day period after it became due.

Do you need to continue to pay premiums when claiming?

You should continue to pay premiums until we accept your claim. However, premiums will be waived when benefit is payable.

What is not covered?

We will not pay benefit when incapacity is arising from

- riot, civil commotion, insurrection or war
- where a claim is excluded by a special condition which will be noted on your registration certificate

For further information see 'What you are not covered for' section of the membership handbook

Will benefit be paid if I am not in the UK?

We will not pay benefit if incapacity arises out of sickness or accident that occurs during or relates to a period of residence of more than 13 weeks during any 12 month period outside of the following countries:

Australia, Austria, Belgium, Bulgaria, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Hungary, Ireland, Isle of Man, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK and USA.

We will only pay benefits for the first three months after your deferred period if you reside (either permanently or temporarily) outside the countries listed above provided that you are incapacitated for the whole of that period.

Can the cover be increased?

Yes, if you select the index-linked benefit option when you apply for cover:

- If you choose this option, your benefit will increase each year in the anniversary of your cover commencing in proportion to the percentage

increase in the Retail Price Index (RPI), up to a maximum of 10 percent on each occasion.

- The increase in benefit will be calculated by reference to the change in RPI during the first 12 months of the 15 month period prior to the relevant anniversary.
- An appropriate premium increase will also apply.
- You may cancel any increase under the index-linked benefit option by writing to tell us within 30 days of the increase. If you do so, we will not make any increases in the future but increases that have already been made will not be affected.

Yes, you can increase your cover at any time without providing further medical evidence:

- You are employed and have been promoted by your current employer or started a new job with a different employer, and your salary has increased since the commencement date
- You get married or become a civil partner
- You have a child or adopt a child or become the legal guardian of a child
- You take out a larger mortgage due to moving house or undertaking home improvements
- you become solely responsible for a previously joint mortgage following a separation

In these circumstances, we will provide the increase to the benefit without you providing extra medical evidence, subject to all of the following:

- You write to us to ask for the increase within three months of the event
- you supply written evidence to us related to your reason for the increase, for example; a letter from your employer with details of your salary increase, a copy of your mortgage offer, your child's birth certificate / adoption papers, your marriage / civil partnership certificates as appropriate.
- The total increase in the benefit under this option is not more than:
 - 50 percent of the benefit on the commencement date; or
 - 50 percent of the amount of the increase in your salary; or
 - £9,000 per annum whichever is the lower

- the percentage increase in the benefit requested is not more than the percentage increase in your salary
- we still offer this type of membership at the time you ask for the increase in the benefit
- you are under 55 years of age at the time we receive your request for the increase
- when we accepted your initial application for cover we did not apply premiums above our standard rates at that time or any special conditions to your membership (if you were not accepted at standard rates this information will be in the terms you were sent before you accepted the cover. If you do not have this information to hand, please contact us)
- the increase is provided under a new membership governed by the terms and conditions (excluding any option to increase the benefit) that we apply when you ask for the increase or, at our option, as an increase to the benefit under your membership
- the amount by which your premiums will increase for the increased benefit is greater than the minimum premium for this type of membership at the time you ask for the increase
- you may only increase the benefit twice
- any increase due to a change made is based on the original benefit at the commencement of the original policy
- no changes to the benefit payable under your membership will be applicable for an incapacity that arises prior to either a request for a change being made or the circumstances of the change
- the increase in the benefit is not more than the maximum benefit

Any increase in the benefit will increase your premiums. Your premiums will increase by the cost of providing the extra benefit, based on your age and our premium rates at the time of the increase.

See 'Making changes to your membership' section of the membership handbook.

Does the scheme have a cash-in value?

Your scheme has no cash-in value at any time.

What happens if I become unemployed?

If you become incapacitated whilst unemployed, cover will continue but the following conditions will apply:

- The maximum amount of benefit will be the lower of the houseperson's benefit shown on your registration certificate and £15,600 per annum
- The deferred period will be three months regardless of the deferred period at outset
- You may wish to inform us that you are now unemployed so that we can adjust your premiums

Changing your mind

You can change your mind within 30 days of the day when your policy starts or, if later, the day when you receive your membership handbook and your registration certificate

After this time, there will be no refund of premiums paid. However, if you have paid an annual premium and you cancel your cover before the next premium is due, we will give you a pro-rata refund, but we will deduct the discount you would have received in that year for paying an annual premium. See 'Your right to cancellation' section of the membership handbook

When can I claim?

● Under what circumstances?

When you are incapacitated in accordance with the policy.

Different definitions of incapacity or incapacitated apply depending on whether you are in a paid occupation or not.

In paid occupation

If the illness or injury to which your claim relates occurred whilst you were in paid occupation we will treat you as being incapacitated if, and for as long as, you are unable, because of illness or injury and the 'suited' definition does not apply, to perform the material and substantial duties of your own occupation and you are not carrying out any other occupation, resulting in a loss of earnings to you.

Unless your registration certificate shows that a different definition applies to you, your own occupation means the paid occupation at the time of commencement of the policy or that you were carrying out at the time of your illness or injury occurred.

If your registration certificate shows that the 'suited' definition applies, we will treat you as being incapacitated if, and for as long as, you are unable, because of illness or injury to perform the material and substantial duties of your own occupation and any job to which you are reasonably suited as a result of your education, training or experience and you are not carrying out any other occupation, resulting in a loss of earnings to you.

Not in paid occupation - house person's benefit

If the illness or injury to which your claim relates occurred whilst you were not in paid occupation, we will treat you as being incapacitated if, and for as long as, you are normally and routinely unable, because of illness or accidental injury, to perform two of the following five activities without the continual assistance of another person and/or with the use of appropriate assistive or corrective aids or appliances.

- Walking - Able to walk 200 metres on the flat without having to stop.
 - Bending - Able to get into or out of a standard saloon car and able to bend or kneel to pick up something from the floor and straighten up.
 - Communicating - Able to answer the telephone and take a message.
 - Reading - Having the eyesight required to be able to read a daily newspaper.
 - Writing - Having the physical ability to write legibly using a pen or pencil.
- **When do you have to notify BUPA of your incapacity?**

We would like to be notified of incapacity as soon as practically possible, but in any event, within the following timescales:

Deferred period	Notification period
1 month	Within 2 weeks
3 months	Within 4 weeks
6 months	Within 12 weeks
12 months	Within 24 weeks

In the event that you fail to notify us within the above limits and you were able to do so, we reserve the right to treat the deferred period as not having started until the date on which the notification is received.

Where notification of incapacity is received more than 90 days after the end of the deferred period, and it was reasonably practicable for you to have done so, then no benefit may be payable

Getting in touch

The BUPA helpline is always the first number to call if you need help or support or if you have any comments or complaints. Please call us on 0117 984 2300* between 9am and 5pm Monday to Friday. Alternatively, you can write to us at BUPA Health Assurance Limited, The Core, 40 St Thomas Street, Bristol BS1 6JX.

How to make a claim

To make a claim, you should contact our Claims Department at:

BUPA Health Assurance Limited,
The Core,
40 St Thomas St,
Bristol
BS1 6JX

Alternatively, please call us on 0117 984 2300* between 9am and 5pm Monday to Friday.

Making a complaint

If you have not been able to resolve a problem and you wish to take your complaint further, you can contact our Head of Customer Relations at BUPA Health Assurance Limited, The Core, 40 St Thomas Street, Bristol BS1 6JX or phone on 0117 984 2300* between 9am and 5pm Monday to Friday.

It is rare that we cannot settle a complaint, but if this does happen, you may refer your complaint to the Financial Ombudsman Service. You can write to them at: South Quay Plaza, 183 Marsh Wall, London E14 9SR or call them on 0845 080 1800.

The Financial Services Compensation Scheme (FSCS)

In the unlikely event that we cannot meet our financial obligations, you may be entitled to compensation from the Financial Services Compensation Scheme. This will depend on the type of business and the circumstances of your claim. The FSCS may arrange to transfer your policy to another insurer, provide a new policy or, where appropriate, provide compensation. The first £2,000 of any claim paid by the FSCS would be met in full and above this amount, 90% of the remainder will be met.

Further information about compensation scheme arrangements is available from the FSCS on 020 7892 7300 or on its website <http://www.fscs.org.uk>

*Calls to this number may be recorded and may be monitored.



Individual Protection

Terms and conditions apply to all plans (and additional options) full details are given in the membership handbook, which is available on request.

BUPA Income Protection Cover is provided by BUPA Health Assurance Limited a subsidiary of British United Provident Association, having its head office at The Core, 40 St Thomas St, Bristol BS1 6JX. Registered in England and Wales No 2774803*.

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