

Essential Ability Cover Plan

Key Features

Your questions answered

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Key Features - your questions answered

This key features document gives you the main points about the income protection plan you're considering. You should read it carefully together with any illustration of the benefits and costs. Please keep them with your other Plan documents.

This key features document follows the Association of British Insurers' Statement of Best Practice for Income Protection Insurance.

Its aims

- To pay you a monthly benefit if you suffer an illness or injury which means you can no longer do a number of specific day-to-day activities. Your benefit can replace lost earnings or maintain key items of expenditure.

Your commitment

- To give us all the information we ask for when applying for your plan and when claiming benefit. If you don't do this we may not pay your benefit.
- To pay all the monthly premiums we need for the length of the plan.
- To tell us of any claim within the time limits we set.
- To select an appropriate level of cover (up to the maximum we will pay) and review it regularly to make sure you have enough for your needs.

Risk factors

- You won't be covered if you don't pay your premiums on time. However, you don't need to pay premiums when you're receiving benefit.
- The cover may be less than you need if you don't review it regularly to keep it in line with your needs.
- The benefit we pay under the plan may affect your claim to some means-tested State Benefits.
- State Benefit rules may change.
- The present tax-free treatment of the plan's benefits may change.
- In future we may change the premiums for people covered by these plans because of factors such as our claims costs and other expenses.
- If you do not provide any information we ask for, or if the information you provide is untrue, incomplete or misleading, we may not pay out under the plan.
- We won't pay out in certain circumstances (see **"When will the plan not pay out?"** on page 8).
- Your plan has also no cash-in value at any time.

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Questions and answers

What is a Unum Essential Ability Cover Plan?

This plan pays you a monthly benefit if you suffer illness or injury which means you can no longer do a number of specific day-to-day activities or if you suffer serious mental illness. You select the features of the plan to make sure the cover is right for you.

- You decide:
 - the amount of benefit you require
 - how soon you need the benefit to start, and
 - how long you want the cover to last.
- You pay monthly premiums to keep the cover in force.
- We provide cover until your plan ends no matter how many claims you make.
- You tell us when you become ill or are injured.
- We pay you a monthly benefit for as long as the claim is valid.

How do I select the plan's features so that it meets my needs?

This section deals with the choices you make when setting up your plan.

The amount of benefit that can be paid

You choose the amount of benefit you'll need up to a maximum initial level of benefit of £25,000 a year.

The amount of benefit you choose is not related to any earned income you might receive. In fact, you don't have to earn an income at all to have cover.

When deciding how much benefit you need, bear in mind that, if you earn an income, tax and national insurance are deducted from your earnings but not from the benefits we pay you.

Questions and answers

Increasing your cover

You may choose to increase your cover in line with inflation when you take out this plan. At the end of each year your cover will increase in line with the Retail Prices Index up to a maximum of 12%.

Your cover can increase each year up to a maximum level of £50,000 a year.

We will increase your premiums when your cover goes up.

We will write to you beforehand to tell you about the increase and confirm the revised premium. You can choose not to accept any increase.

If you decide not to take up two consecutive increases, we won't write to you again offering this. You may ask us later to increase your cover but we'll need new information about your health, and occupation before we agree to do so.

Automatic increases to your benefit payments

You may choose at the start of your plan for the benefit you receive to increase each year from the anniversary of the date on which any claim becomes payable.

You can ask for your benefits to increase by 5% each year or in line with the Retail Prices Index (up to a maximum of 12% a year). The benefit will increase at the end of each year that benefit has been paid.

When your claim payments stop, your cover and premium will go back to what they were before your claim was accepted.

When benefit payments start

There will be a period when you're first incapacitated for which we don't pay benefit. This is known as the deferred period. You can choose between 4, 8, 13, 26 or 52 weeks. The longer the deferred period, the cheaper your plan will be.

Your choice should allow for any earnings you expect to continue after you stop working, such as sick pay, or how long you're prepared to live on your savings.

How long the cover should last

You can choose for your plan to end at any age between 50 and 70.

However, your plan must last at least five years.

Medical and other details we may need

Your application will include questions about your health, and other personal circumstances. It may be followed by a report from your General Practitioner or for tests to check your current state of health.

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How flexible is it?

This section deals with choices you can make once your plan has started.

Regular review of your cover

You should consider how your needs and living costs have changed since you last reviewed your cover.

If you wish to increase your cover by more than any automatic options provided by your plan, we will need new information about your health and occupation. Your premiums you pay to us will increase.

You should also contact us to reduce your cover. Tell us how much you want to reduce your cover by and we will reduce your cover and the amount you pay.

Suspending your cover

You can't suspend your cover under this plan.

Change of occupation

You don't need to tell us if you change your occupation after the plan starts.

When will the plan pay out?

When to claim

You can make a claim when you meet the claims criteria set out either in the Physical Test or Mental Health Test described below.

Claim payments will not start before the end of the deferred period (see **"When benefit payments start"** on page 5). But it is important that you do not wait until then to let us know about your illness or injury. Please let us know as soon as you think your illness or injury might result in a claim. We will then be able to start the assessment process (see page 7) and ensure we are in a position to start your benefit payments on time.

How to claim

Contact us to ask for a claim form at:

**Unum, Milton Court,
Dorking, Surrey, RH4 3LZ.**

Telephone: 01306 887766.

The deadline for claiming

Tell us as soon as possible but:

- for 4 week deferred periods, within 2 weeks from when you are first incapacitated
- for 8 and 13 week deferred periods, within 4 weeks from when you are first incapacitated
- for deferred periods of more than 13 weeks, within 10 weeks from when you are first incapacitated.

We may refuse to pay your claim if you don't tell us within 90 days following the end of the deferred period.

The extent of incapacity

There are two distinct measures, the Physical Test and the Mental Health Test. We will pay benefit if you satisfy either test.

Physical Test

You will be considered incapacitated if you can't do 3 of the following 11 tests at any given time:

- Sitting

Sit in a hard backed chair for 30 minutes without pain and have the ability to maintain the position without the aid of any other person, object or appliance, including the arms of the chair itself.

- Getting up from a chair

Raise to a standing position from a hard backed chair without the aid of any other person, object or appliance, including the arms of the chair itself.

- Walking

Walk 200 metres without stopping at a reasonable walking pace and without the use of sticks, crutches or other assistive devices.

- Lifting

Lift an unopened 2kg bag of potatoes which does not have handles from a counter with either hand using the other for support if necessary.

- Walking up and down stairs

Walk up a flight of 12 stairs without holding a rail or resting, and walk down again within a reasonable period.

- Bending and kneeling

Bend and kneel to pick up something light such as a newspaper or TV remote control from the floor and stand up again using support if necessary.

- Using your hands

Turn taps or knobs on a cooker with either hand, not necessarily the dominant one. Tasks performed with the non-dominant hand may be performed more clumsily but the test is concerned with ability not performance.

- Reaching with your arms

Reach behind you to put on a sleeved coat or jacket with either arm. To satisfy this test you must be unable to put on the coat or jacket.

- Performing domestic duties

Perform light duties such as dusting, making a cup of tea or watering indoor plants for 10 minutes using either hand for support.

- Driving

Drive as a result of having your ordinary driving licence removed by the DVLA because you have suffered fits or blackouts.

- Seeing

Failing this test on its own qualifies you for a claim. To meet this test you must have a corrected visual acuity, as measured by an optician or ophthalmologist of about 6/60 or worse - this means that you cannot see an object at 6 ft using visual aids such as glasses that could be seen with 'normal' vision at 60 ft.

You will be assessed at home, in a public setting or at work depending upon the task. Any equipment will be of an average and modern standard and meet with general safety standards. A doctor should specify any adjustments if a reasonable adjustment means you could complete the task.

You should be able to do any activity at a reasonable pace and in a reasonably safe way. You shouldn't be forced to stop or change position because of severe discomfort.

The tests relate to your ability to undertake the task, not necessarily your performance level.

If you were already unable to perform one of the tests before your cover started it will be excluded.

- **Mental Health Test**

You can claim for up to two years if you suffer a serious mental or psychological illness, as defined in the policy's terms and conditions. Your condition will be reviewed by a Consultant Psychiatrist and assessed using the Global Assessment of Functioning (GAF) Scale. If your GAF score is less than 51 then you will be considered as having a serious mental impairment under this Mental Health Test. You can find out more about the GAF Scale in the terms and conditions.

How we assess your claim

Under the Physical Test we'll look at your ability to do 3 of 11 activities at any given time. Under the Mental Health Test we'll obtain evidence from a Consultant Psychiatrist.

In either case we'll need evidence that you are being supervised by a registered medical practitioner. We'll also need confirmation that all suitable treatment options have been investigated. We might ask you to have an examination or undergo tests at our expense.

How long the benefit is paid

Your benefit will be paid until the first of the following happens:

- you no longer satisfy the Physical or Mental Health Test (see **"The extent of incapacity"** on page 6)
- the term of the plan ends (see **"How long the cover should last"** on page 5)
- the benefit payment period ends
- benefit has been paid under the Mental Health Test for the same cause for a maximum 24 months
- benefit has been paid under the Physical Test, based on self-reported symptoms **but not proven by tests**, for a maximum of 24 months
- you die.

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Claiming after a period of recovery

There is no limit to the number of claims you can make. You must restart premiums when your claim ends so your cover is maintained. Your cover and premiums will be at the same level as before you claimed.

If you need to claim again for the same cause within 12 months of the date of recovery then the deferred period won't apply.

Returning to part-time or less well paid work

You will continue to receive benefit if you meet the Physical or Mental Health Test. Payment does not depend upon your ability to work, and the amount you can claim is not affected by earnings you might receive.

How benefits are paid

Benefits are payable at the end of each month from the end of the deferred period.

Premium payments when claiming

You should continue to pay premiums until we accept your claim. However, you don't need to pay premiums to us while benefit is being paid.

We won't reduce your benefit if you receive:

- continuing payments from your employment – such as sick pay
- pension payments that you received when you were still working
- State benefits. However, benefit payments from your plan may affect your eligibility for, or the amount of, means-tested State benefits
- investment income from savings and investments
- other insurance benefits that arise because of your incapacity.

When will the plan not pay out?

We may apply special terms in some cases. If so, we'll tell you before you start your plan.

If you claim and live outside the United Kingdom, or any of the countries listed in the policy terms, benefits will only be paid for six months. (You will find full details in section 8 of the policy terms and conditions.)

You cannot claim just because you become unemployed.

What other features are there?

If you are receiving benefit our team of Vocational Rehabilitation Consultants can provide support and assistance in rehabilitation. The Consultants are health professionals with a wealth of experience and can give you advice about the benefits you are entitled to. If you were working they can advise you about how you can return to work.

You can stop your cover at any time. If you pay yearly premiums and tell us to stop your cover part way through a year you will receive a proportion of your premiums back.

Am I covered world-wide?

The plan is only available to UK residents. But you are covered if you travel or move to anywhere in the world, as long as medical evidence is provided by a doctor in one of the countries listed in the plan's terms and conditions. The list includes most member states of the European Union, Japan, Australia, New Zealand, USA and Canada.

Please refer to section 12 of the Unum Essential Ability Cover Plan Terms and Conditions for a full list of countries and details of restrictions which may apply in the event of a claim while overseas.

What will my premium payments be?

Your premiums depend upon factors such as your age, gender, and the level and features of the cover you choose. In addition, your premiums may be affected by your job, pastimes and health.

Your illustration will show the normal cost of the cover you have chosen. If, after we have assessed your application, we need to charge a different premium we will let you know.

You must pay premiums by direct debit, either monthly or yearly.

Changes to your premium payments in the future

In future we may change the premiums for people covered by these plans because of factors such as our claims costs and other expenses. We will change your premium on the anniversary of the date your plan began. We will write to you beforehand to tell you of any change. This change would apply to all the people who hold a plan of this type, not only to you. For the avoidance of doubt, you should be aware that there is no limit to the increase in premium.

What happens to the plan if I die?

Your plan will end. We will not refund any premiums.

What are the charges?

The premiums shown in your illustration include all the costs of administration, underwriting, claims and selling expenses, commission paid to your financial adviser (if any) and the fees payable for any medical examinations in the United Kingdom which we ask you to attend.

What if I stop paying premiums?

Your plan and cover will end.

Does the plan have a cash-in value?

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

What about tax?

Present United Kingdom tax law and Inland Revenue practice means you don't:

- get tax relief on premiums
- pay tax or national insurance contributions on your benefits.

This may change in the future.

The tax position may be different if you receive benefits and do not live in the United Kingdom.

Can I change my mind?

After we accept your application and issue your policy, we'll send you a Cancellation Notice. If you don't want the plan, you have 30 days to send this Notice back and get a refund of any premiums you have paid.

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Other information

How to complain

If you ever have to complain, first write to the Head of Customer Feedback at:

**Unum,
Milton Court,
Dorking,
Surrey RH4 3LZ.**

If you're not satisfied with our response, you can complain to:

**Financial Ombudsman Service,
South Quay Plaza,
183 Marsh Wall,
London E14 9SR.**

Complaining to the Ombudsman won't affect your legal rights.

Terms and Conditions

These key facts are a summary of the Unum Essential Ability Cover Plan. They don't include all the definitions, exclusions, terms and conditions. If you'd like a copy of the full terms and conditions before you decide to apply for a plan, please ask your financial adviser or contact us direct.

We have the right to change some of the terms and conditions of your plan. We will write and explain if this happens. We will also send you a copy of anything that's changed.

Unum Limited issues the policy.

All our documents and correspondence with you will be in English.

Law

The policy is governed by the laws of England and any dispute is subject to the sole jurisdiction of the English Courts.

Compensation

Compensation may be available under the Financial Services Compensation Scheme if we are unable to pay any monies due. It is designed to protect you if Unum Limited becomes insolvent.

Compensation for long term insurance contracts is limited to 100% of the first £2,000 and 90% of any remainder due under your Plan.

Further information is available from the FSCS at www.fscs.org.uk or by calling 020 7892 7300.

Our regulator

Unum Limited is authorised and regulated by the Financial Services Authority.

Our firm reference number (FRN) is: 110408.

You can verify these details by contacting the Financial Services Authority on: 0845 606 1234 or visit

www.fsa.gov.uk/register

ABI Statement of Best Practice

The Association of British Insurers (the ABI) is the trade association for insurance companies in the United Kingdom. Its members account for virtually all of the life insurance and pensions business written in the UK.

This document follows the ABI Statement of Best Practice in respect for Income Protection Insurance. You can get a copy of the ABI Guide to Income Protection from us or from the Association of British Insurers, 51 Gresham Street, London, EC2V 2HD.
Telephone: 020 7600 3333.

www.abi.org.uk

How to contact us

Remember your financial adviser will normally be your first point of contact. We are not allowed to give you financial advice.

If you have any questions at any time, you can phone, send a fax or you can write to us.

Call us on: **0117 910 7733**
Monday – Friday 8am – 6pm

Textphone: **01306 887784**
Monday – Friday 9am – 5pm

Fax number: **0117 910 7734**

Office address:

**Unum,
PO Box 7733,
Redcliffe Way,
Bristol BS99 1PJ.**

About Unum

Unum is the UK's leading provider of income protection insurance, with over 35 years of experience.

We enable individuals to protect their lifestyles, ensuring their financial security if they become unable to work because of illness or injury. In addition, our income protection customers benefit from our expertise in the specialist areas of vocational rehabilitation and return-to-work. For employers, we safeguard one of their most valuable resources by helping employees return to work following long-term absence.

At the end of 2006, Unum protected almost 2 million people. During 2006 we paid total benefit claims of £285 million – of which more than £191 million related to income protection benefits.

Our US parent company, Unum Group, traces its history back to 1848 and is today the market leader of group and individual income protection insurance in the United States. Premium income for Unum Group and its subsidiaries exceeded \$7.9 billion in the year ended 31 December 2006. Total assets were \$52.8 billion at 31 December 2006.

For more information visit
www.unum.co.uk

www.unum.co.uk

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We monitor telephone conversations and e-mail communications from time to time for the purposes of training and in the interests of continually improving the quality of service we provide.

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