

Life insurance policy



User guide and general terms for employers

Life insurance policy

This document:

- Explains the main features of our Life Insurance product
- Includes the general terms which contain the detail of the insurance contract between the policyholder (the employer) and Unum Limited. This document and the policy document including the policy coverage document should be read as if they were one document. If there is any difference between them or any ambiguity, the terms in the policy coverage document will apply
- Is designed for use by commercial customers

The policy:

- Is for employers who wish to offer cover to UK employees. The employer must be a UK entity or a non-UK entity with a UK branch registered at Companies House
- Meets the demands and needs of an employer who wishes to provide and/or give their employees the opportunity to choose a lump sum payment for their dependants if they die
- Is used in a registered occupational pension scheme
- Is held by trustees, who will administer and maintain the trust, and distribute the proceeds to the member's (the employee's) dependants

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Your commitment

By taking out a policy with us, you agree to:

- Collect any members' contributions
- Pay us premiums on time
- Administer membership of the policy using an employee benefits platform approved by us
- Give us accurate and complete information when we ask for it
- Notify us if there are significant changes to your business
- Notify us of claims promptly

Risk factors

You should be aware of the following risks:

- The rates used to calculate the premiums and the terms of this policy are usually guaranteed for 2 years and are then reviewed. However, we can amend the terms if there is a significant change to your business. Please see section 7 for more information
- A suicide and pre-existing conditions exclusion apply to cover under this policy
- Cover will end if you do not comply with the policy terms or if premiums are not paid
- If you do not notify us of a claim promptly, benefit payments may be delayed or deferred
- The way that HMRC tax benefits may change in the future
- We do not offer advice on the suitability of the product for individual circumstances. We provide information only for you and your employees to make an informed decision on how the policy meets individual circumstances

How your policy works

1. Who can be covered?

Membership

Cover is available for all your permanent and fixed-term UK employees, including directors, aged 16 and over, and under age 70 who are actively at work.

They must be employed by you or another employer included in this policy, on payroll and have PAYE deducted.

At the start of the policy, unless otherwise agreed by us there must be at least 10 employees covered.

Overseas employees

An employee who is based overseas must have a contract of employment with you or a UK based subsidiary company.

The following additional requirements apply if the employee is seconded abroad:

- The UK employer must retain control of where and for who the employee works
- The employee and their UK employer must have a written agreement that the employee will return to work with the UK employer when the secondment ends

For the purposes of this policy, the UK means England, Northern Ireland, Scotland, Wales, the Channel Islands and the Isle of Man.

Actively at work

Employees need to be actively at work on the day cover in respect of them starts or is increased.

Actively at work means that an employee:

- Is actively following their normal occupation, and
- Is working the normal number of hours required by their contract of employment, and
- Is working at their normal business or at another business location, and
- Has not received medical advice to reduce or stop their work activity, and
- Has not had more than 10 consecutive days' sickness absence from work in the previous 6 months

And includes employees who are:

- On a period of leave that was agreed in advance by you, or
- Not contracted to work

Employees on zero-hours contracts will not be considered to be actively at work if their medical records show that on the day it applies, they were suffering from a medical condition which would have prevented them working or that would have caused them to have more than 10 consecutive days' sickness absence from work in the previous 6 months.

2. What cover can be chosen?

Joining the policy

Eligible employees can become members and covered for a lump sum benefit of:

£10,000, £20,000, £30,000, £40,000 or £50,000

Benefits are chosen before the start of the policy and each year within a set period of time we call an enrolment window.

New employees can be covered for any of the levels of lump sum benefit within 3 months of joining the company. The chosen benefit will apply from the start of the next monthly period of cover.

Employees not covered at the first opportunity can be covered from a subsequent annual enrolment.

The actively at work requirement applies when cover starts.

How much does cover cost?

The premium for a member will depend on:

- The lump sum benefit chosen,
- Their age at the start of the policy year, and
- Whether or not they are a smoker when they choose to join

A non-smoker is a member who has not used cigarettes or any tobacco or nicotine products including nicotine gum, nasal spray and e-cigarettes in the previous 12 months.

The premium is paid by you – you collect any members' contributions.

Annual enrolment

If no changes are made during a subsequent annual enrolment window, cover and the member's smoker status will continue at the previous level.

Premiums may increase as the member's age increases.

Changing cover

Members' cover can change up to twice a year:

- Once on a set day each year (this is usually the policy anniversary) by making changes during the annual enrolment window
- Once a year if their circumstances change. We call these lifestyle events.

The lifestyle events are:

- **Marriage or entering a civil partnership**
- **Divorce or dissolution of a civil partnership**
- **Birth or adoption of a child**
- **Death of a dependant**

Any benefit changes must be made within 2 months after the lifestyle event and will apply from the next monthly period of cover.

The actively at work requirement also applies to increases in benefit.

Employee can cancel contributions within the first 30 days

An employee may cancel their contributions or an increase in contributions within 30 days of choosing the contributions. You must ensure the monthly membership list is updated to reflect any employees who have chosen to cancel.

3. When does cover end?

Cover for a member ending

Cover for a member will stop at the end of the monthly period of cover in which they:

- Choose to stop cover following a lifestyle event or during an annual enrolment
- Are no longer on your payroll with PAYE deducted
- Are no longer employed by you or an employer covered by the policy
- Last had premium paid by you

Cover for a member will end at the next policy anniversary after they reach age 70.

Cover for a member will also end when the policy ends.

Cover during temporary absence

Cover can continue during temporary absence from work as long as premiums are paid and the member remains employed by you or an employer covered by the policy.

Where cover ceases as a result of non-payment of premium during temporary absence, cover can be restarted at the next annual enrolment when they are actively at work.

4. What is not covered?

Pre-existing conditions exclusion

We will not pay benefit or an increase in benefit during the first 2 years of cover if death is related to a pre-existing condition.

Pre-existing condition means:

Any medical condition for which the member received treatment, care or services (including diagnostic measures), or took prescribed drugs or medicines during the 5 years prior to the start of cover or the date the increase in benefit was effective.

Suicide exclusion

We will not pay benefit or an increase in benefit during the first 2 years of cover if death arises as a result of:

- **Suicide, or**
- **Intentional and serious self-injury, or**
- **An event where, in our reasonable opinion, the member took their own life or died of their own actions (except in an attempt to save human life)**

If a policy is moved to us from another insurer on the same benefit basis, the pre-existing conditions exclusion and suicide exclusion will start from the date the member's cover started with the previous insurer.

5. Putting cover in place and policy servicing

Starting the cover

Cover will start on the agreed date when you confirm that you agree to the terms of the policy, including participation in the Unum Master Trust. We cannot backdate cover.

The policy start date will be shown in the policy coverage document.

Information to be provided

You must provide us with the information we need to calculate premiums, administer the policy and assess and pay claims.

So we know who is covered under the policy, you must send us an up-to-date membership list at the start of cover and for each monthly period of cover.

The membership list should give a minimum of the following information for each member:

- Full name
- Date of birth
- Gender
- Date of joining
- Smoker or non-smoker status
- Benefit amount

All information must be provided in the form and timescales we specify. We are not responsible for any errors or omissions in any information provided to us.

If we do not receive the information we need to calculate the premium within 2 months, we can vary the terms of, or cancel, the policy. We will give you at least 30 days' notice before we do this.

Premiums

You are responsible for collecting any members' contributions and paying us the premiums.

Premiums must be paid monthly from a UK bank account in pounds sterling on receipt of our invoice.

If you do not pay premiums when they are due, we may:

- Charge interest for late payment, and/or
- Cancel the policy

We will give you at least 30 days' notice before we do this.

We have the right to decline a claim if the death occurred in a period for which premiums have not been paid.

6. Making a claim

Please notify us of a member's death as promptly as possible. You can get our claim forms by:

Website: [Download the forms](#)

Phone: Call our Customer Care Department on **0345 850 9885**

Email: Contact us at LifeBenefitClaims@unum.co.uk

You can return completed claim forms to us by post or email.

Post: **Claims Department, Unum, Milton Court,
Dorking, Surrey, RH4 3LZ**

Email: LifeBenefitClaims@unum.co.uk

Claims assessment

To enable us to assess a claim, you must provide us with:

- A completed claim form
- The original death certificate or coroner's interim certificate of death
- Any beneficiary nomination or expression of wish form completed by the member
- Any additional evidence, information and access to information we need to assess the claim

We can decline a claim or adjust the benefit payable for a member if we do not receive the information that is listed or described in this section of the policy.

Death within the first 2 years of cover or following an increase

We may require medical information from the deceased member's GP to check whether the death was linked to a pre-existing condition as described in section 4 of this policy. If the death was due to a pre-existing condition, the benefit or the increase in benefit will not be paid.

We may require information to establish whether the death was as a result of suicide as described in section 4 of this policy. If this is found to be the case, the benefit or the increase in benefit will not be paid.

Non-smoker status

Where the deceased member was declared as a non-smoker, if the death was as a result of or related to a smoking-related illness, we may require medical information from the deceased member's GP to check that their smoker-status was not misrepresented.

If the status was misrepresented, the benefit may be reduced or the claim declined.

Overseas death

If the member died outside the UK we will need details of their travel, cause of death and, if buried overseas, details of their burial.

We will not cover the death of a member as a result of or during business travel to a country or region where the Foreign and Commonwealth Office (FCO) advises against all travel. Please refer to the website www.gov.uk/foreign-travel-advice for confirmation of these red locations.

Benefit payments

We will pay the benefit in sterling by direct credit to the Trustees to distribute to the deceased member's dependants as they see fit.

The Trustees will contact you and the deceased member's personal representative to investigate their circumstances and identify their dependants.

The Trustees have absolute discretion to decide who receives the lump sum benefits. They must consider, but are not bound by, the deceased member's wishes as stated in any expression of wish form.

Catastrophes

Our maximum liability for this policy and all other insurance policies for the policyholder group, for a death or a series of deaths directly or indirectly linked to a catastrophe is limited to £100 million or the maximum liability limit shown in your policy coverage document if lower.

Where the catastrophe is a travel incident, our maximum liability is limited to the lower of:

- The maximum liability limit, or
- £25,000,000

We will pay benefits in the order we receive the related claims.

The Trustees are responsible for managing the benefit payments and distributing the available benefits to the beneficiaries.

By policyholder group we mean the companies, partnerships or pension fund Trustees which are all part of the same business group as the policyholder during the period of this policy.

A catastrophe means one or a series of originating causes or events which results in more than one death, irrespective of the period of time or area over which they take place.

A travel incident means a catastrophe where members of the policyholder group are travelling on business together in a single vehicle.

Travelling on business means a journey, either related to the member's work for the employer or paid for by the employer, including any journey related to an incidental holiday taken with the trip. Refreshment/convenience breaks are part of the same journey when continuing in the same vehicle.

A direct journey to/from the member's normal residence to/from the member's normal place of business is not travelling on business.

7. Amendment and cancellation

Amendment and cancellation by us

We can withhold or restrict cover for an employee who is not included in the data or the information is inaccurate or incomplete.

We can amend the policy terms:

- At any time the premium rate is reviewed
- If there is any change in the legislation (including the introduction of new legislation) which affects the premium rate or the payment of benefit under this policy
- If there is any change in the taxation system which affects this policy
- If there is a significant change to your business

You must tell us immediately if there is a significant change to your business including:

- A merger or acquisition
- The sale of part of your business
- A change to your normal business locations or overseas travel patterns
- Changes to the occupations of the members

We have the right to change the terms or premium rate to reflect any additional risk.

We will give you at least 30 days' notice before we make any changes to the policy terms. We can cancel the policy or amend the policy terms if:

- You do not provide us with the information we request
- You do not pay the premiums when they are due
- Your business stops trading
- The number of members falls below 10
- You do not administer membership of the policy using an employee benefits platform approved by us

We will give you at least 30 days' notice before we cancel the policy. We will charge premiums for the cover we have provided up to the cancellation date.

Cancellation by you

You can cancel the policy at any time by letting us know in writing. Cancellation cannot be backdated and we will charge premiums for the cover we have provided up to the cancellation date.

Trade sanctions

We can also cancel the policy immediately if:

- You or an employer or the beneficial owner of either becomes a restricted person
- We believe that you may expose us to the risk of being or becoming subject to any sanction, prohibition or adverse action by the government of the United Kingdom, the United States of America, the United Nations, European Commission or Council of the European Union

We can deny or permanently stop payment of benefit in respect of a member or to a beneficiary who is a restricted person.

Your business ceases trading

If your business ceases trading, this policy will end immediately.

What happens to claims if the policy is cancelled?

We will pay any eligible claims for members who died during the period for which we provided cover.

8. Taxation

This section is based on our understanding of UK tax rules applying to life insurance policies and is not intended to give definitive advice. For companies registered outside of the UK – eg. in the Channel Islands or Isle of Man, local tax rules apply. You should take advice from an independent financial adviser to ensure you understand the impact of tax on your policy and the benefits it provides.

Premiums – portion paid by members

You are collecting any members' contributions and paying us the total premium

- The contributions will already have been subject to tax including any Class 1A National Insurance liability
- You cannot offset the contributions as a trading expense
- For the employee, under [HMRC regulations for a registered occupational pension scheme](#), contributions may qualify for tax relief

Premiums – portion paid by employer

- Premiums paid by you to cover your employees are treated as a business expense and are not treated as a P11D expense for employees

This is the same if the premium is paid as part of a salary sacrifice arrangement.

Benefits

Lump sum benefits we pay to the Trustees are separate from the member's estate and are normally free of inheritance tax.

For lump sum benefits paid under a registered policy, under HMRC regulations for a registered occupational pension scheme the personal representatives of the member are responsible for ascertaining whether there is a chargeable amount. Beneficiaries of lump sum benefits are liable for any lifetime allowance charge.

9. Further information

Complaints

If you are not completely happy with our service or a claims decision, you can make a complaint to our Customer Resolution Team.

Phone: 01306 644761

Email: CustomerResolution@unum.co.uk

Letter: Customer Resolution Team,
Unum, Milton Court, Dorking, Surrey RH4 3LZ

Fax: 01306 873635

Please include your preferred contact details.

We will do our best to resolve your complaint, but if your complaint has not been resolved within 8 weeks, we will explain why it remains unresolved and inform you of your right to refer the matter to the Financial Ombudsman Service (FOS).

Once we have finished investigating your complaint we will issue a Final Response letter. If you remain dissatisfied you will have the right to refer the matter to the FOS. You must refer any complaint to the FOS within 6 months of the date of the Final Response letter. Please note that some cases may not be eligible for referral to the FOS.

The Financial Ombudsman Service

Exchange Tower London E14 9SR

Consumer helpline: 0800 023 4567

For mobiles: 0300 123 9 123

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

Web: www.financial-ombudsman.org.uk

Law

The policy is subject to English Law, and by taking out the policy, you accept that any dispute shall be subject to the exclusive jurisdiction of the English Courts.

The policy is not assignable.

Employees do not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this policy. This means that there is no requirement to involve employees in day-to-day decisions on the administration and insurance of the policy.

Data Protection

This section explains how we and you comply with Data Protection laws including the General Data Protection Regulations (GDPR) and UK Data Protection Act 2018 in connection with the processing of members' personal data.

We are a Data Controller for insurance purposes.

We have the right to request the members' personal data we need to quote for and administer the policy. We will:

- Record the data accurately
- Keep the data confidential and secure
- Use the data solely for the purpose of quoting for, providing and administering the policy and for marketing other Unum products to you
- Retain the data only for as long as is necessary
- Only process, transfer or permit access to any personal data outside of the European Economic Area in compliance with applicable data protection legislation

You are a Data Controller for employment purposes. You must:

- Obtain the necessary consents from, and provide all relevant policy information to members before providing us with any personal data
- Ensure that the data is correct at the time it is provided to us and that alterations are notified to us in reasonable time

You and we will each provide reasonable assistance to the other as necessary to enable the other to comply with Data Protection laws including responding to Data Subject Requests, complaints or other queries received from members or other third parties in relation to members' personal data.

The legal definitions and data protection information contained in our data protection document at <http://resources.unum.co.uk/downloads/data-protection-document-UP4031-052018.pdf> are incorporated into the general terms of this policy.

Financial Services Compensation Scheme

If we cannot meet our liabilities, you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS)*.

*Please note that the FSCS does not cover firms based in the Channel Islands or the Isle of Man.

About Unum

Unum is a leading employee benefits provider offering financial protection through the workplace including: Income Protection, Life insurance, Critical Illness, and Dental cover.

We are committed to workplace wellbeing for both employees and employers, and have a wide range of tools designed to help businesses create or enhance their employee wellbeing strategy.

At the end of 2018, Unum protected 1.4 million people in the UK and paid claims of £314 million – representing in excess of £6 million a week in benefits to our customers – providing security and peace of mind to individuals and their families. A.M Best have given all rated Unum Group companies an Excellent rating for Financial Strength, with a stable outlook.

Our parent company, Unum Group, is a provider of employee benefits products and services in the United States, including group and individual disability insurance. Premium income for Unum Group and its subsidiaries totalled \$9.0bn in the year ended 31 December 2018, with reported revenues for the group totalling \$11.6bn and total assets of \$61.9bn. For more information please visit www.unum.co.uk.

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