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Classic Plus Plan Key Features Document

Income protection from the *original* provider

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Introduction

The Financial Conduct Authority is a financial services regulator. It requires us, Holloway Friendly, to give you this important information to help you to decide whether our **Classic Plus Income Protection Plan** is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

This document does not contain the full terms and conditions of the plan. These are contained in the Society's Memorandum and Rules which is available from our website and the **Classic Plus Income Protection Plan**, Schedule 6a which will be issued when the plan starts **but is available earlier on request**.

Your personal quotation is another important document which needs to be read along with this key features document.

Its Aims

- To pay you a regular benefit to replace a loss of earnings if you are unable to work due to illness or an accident
- To offer you a choice of how soon benefit can commence to allow for any period you expect your earnings to continue
- To provide cover for the duration of the policy, no matter how many claims you make
- To provide you with a potential tax free cash sum at your chosen retirement age
- To offer a plan that is flexible and may be changed in the future according to circumstances

Your Commitment

- You agree to pay a regular monthly premium by direct debit throughout the term of the plan to your chosen retirement date
- To give us all the information we ask for when applying for your plan and when claiming any benefit. If you do not do this, it could mean we will not pay your claim
- You agree to tell us of any changes to your health, occupation or if you take up any hazardous pastimes, between completing your application form and your plan starting. If you do not do this, it could mean we will not pay your claim
- You must notify the Society of any claim you wish to make within the stated time limits
- You must notify the Society of any change in your personal circumstances such as a change in earnings, employment status, or employer sick pay arrangements at any time during the life of your plan
- You should review your level of cover against your earnings regularly to ensure it will continue to meet your needs



Risk Factors

- If you stop paying your premiums you will no longer be covered
- If you do not regularly review the cover against your earnings it may not meet your needs or your cover may be higher than the maximum allowed and any claim paid would be reduced
- If the information we receive from you or your adviser when you apply is incomplete or untrue, we may not pay your claim
- The value of your tax free cash sum is not guaranteed and depends on the Society's performance and claims experience
- The current tax treatment of the plans benefits may change
- Cancelling your plan before your chosen retirement age will incur a penalty being charged to your tax free cash sum
- Any benefit we pay to you under this policy may affect your claim to some means-tested State Benefits. State benefit rules may change



Questions & Answers

What is the Holloway Friendly Classic Plus Plan?

It pays a regular benefit when you are unable to work due to illness or an accident.

The plan has a potential tax free cash sum that will be paid at your chosen retirement age regardless of how many times you claim.

The plan has flexible features to provide the right cover for you.

You choose

- **How much benefit you need**

We can cover up to 60% of your gross annual earnings. The maximum benefit available is £2833 per month and the minimum is £50 per week

- **How soon the benefit should be paid**

You can decide when you want the benefits to be paid if you are unable to work due to illness or an accident. This is known as the 'deferred period' and you can choose from 4, 8, 13, 26 or 52 weeks

- **The term of the plan**

You can choose any retirement age between 50 and 70 inclusive

Restricted Plan End Dates

Certain occupations have a restricted plan end date by age e.g Dentist 55, Fireman 50, HGV drivers and heavy manual occupations 60. A full list is available on our website.

How long will the benefit be paid?

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

- You recover and are able to go back to work
- You no longer suffer a loss of earnings
- Your chosen retirement age
- You die

When will the benefit be paid?

Claims will be paid when you have been sick for longer than the deferment period you have chosen and will be paid twice monthly by direct credit into your bank account.

What Income will my benefit be based on?

The benefit we will pay you will be based on your pre-incapacity earnings.

- If you are employed your income is your pre-tax earnings for PAYE.
- If you are self employed your income is calculated as your share of pre-tax profits from your business.

Income received from state benefits, savings and investments is not taken into account, but continuing income from your employment or other health related insurance payments will be.

Can dividends as part of my income be included in my maximum benefit payable?

If you are in receipt of dividend payments as part of your income, these can be included in our maximum benefit payable calculations provided those dividend payments are not declared when you are unable to work owing to illness or an accident.

At the application stage you will be asked to be specific in regard to your income details in order that you pay the correct premium and over insurance does not occur.

At the claim stage you will be asked to substantiate your income position particularly if dividends are part of your pay arrangements. A copy of your most recent accounts showing the dividends you receive will be required.

Can I increase my cover?

You can select the option at outset to automatically increase your cover once a year by the average rise in the Retail Price Index to a maximum of 10%. This means your benefit increases in line with inflation. The increase in cover will start from the 1st January following the policy commencement and each 1st January thereafter.

The plan is flexible and you can apply to increase your benefit at any time subject to a minimum term remaining of 5 years. The additional amount of benefit applied for, minimum of £50 pw applies subject to maximum benefit limitations, will be subject to a further assessment of your health and earnings. Your premium payments to us will increase when your benefit increases.

What if my circumstances change?

The plan is flexible to enable you to reduce premiums and benefit levels or change the deferment period should your circumstances change. Reductions in deferment periods will be subject to a further assessment of your health.

To ensure you maintain the correct benefit levels and entitlement, you need to inform us of any changes to your circumstances such as:

- Increase or decrease in earnings
- Any changes to employer sick pay arrangements
- Unemployment
- Address and contact details

Will you require medical information?

You will need to complete a tele-interview. We may also contact your doctor for information or ask you to have a medical examination at our expense.

A Guide to Tele-interviews is available from www.holloway.co.uk/intermediaries/underwriting



When will benefit not be paid?

We won't pay a claim if it is due in any way to:

- HIV or aids except when contracted in the course of your normal job
- War, civil commotion and riot
- Self inflicted injury
- Criminal acts
- Drug or alcohol misuse
- Failure to follow medical advice

Benefit payments will not be made if the cause of the claim is one we exclude by applying special terms to your plan when we accept your application. Any special terms will be detailed in your acceptance documents.

See also Part C, paragraphs 5, 6, 7 on page 4 of Schedule 6a for more information.

If you have become unemployed then you are not entitled to claim.

Or if:

- There is no loss of income
- You fail to pay your premium
- We discover that you have not been truthful to us in your claim form or application form

What might reduce my benefit?

Your benefit will be reduced or not paid at all if any of the following will take you over the 60% maximum benefit allowed:

- Earnings or sick pay you may still be receiving from your employment or self employment
- Benefit payments you are receiving from income protection or sickness plans with other insurance companies
- Pension payments, unless you were receiving them whilst working

What if I travel overseas?

If you make a claim and you are not living in the UK or any of the following countries:-

Andorra, Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Greece, Iceland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, Portugal, Republic of Ireland, San Marino, Spain, Sweden, Switzerland and the USA, we will limit the period for

which we pay you benefit to 26 weeks in any period of 52 weeks; with a maximum total of 52 weeks during the life of your plan.

What is my tax free cash sum?

Each year the Society makes an allocation of profits to all members at a rate agreed by the Board of Management which depends upon the Society's investment performance, administration costs and the level of claims paid. This allocation is payable from the fourth year of membership and under current legislation is tax free.

Can I take out a Holloway Friendly Classic Plus Income Protection Plan?

You can if on the start date:

- You have been permanently resident in the UK for 36 months or more
- You are, at the start date, aged 18 or over and aged 54 or under with a minimum term remaining of 5 years
- You have been registered with a GP in the UK for more than 36 months
- You have a bank account in the UK
- You are an Income Tax payer in the UK

Will my premium change?

The rate table is guaranteed, however, the premiums increase annually with age attained on January 1st. For further information on the age related premium increases please refer to the rate table which is available on request.

What if I stop paying my premiums?

Premiums are due on the 1st of each month. If you stop paying premiums your cover will stop. Premiums need to be paid to maintain your cover, claim entitlement and entitlement to the annual allocation of profits into your tax free cash sum.

If you are owing three or more calendar months' premiums, you cease to be a member of the Society. Reinstatement will be considered within 6 months of the first missed payment subject to payment of all arrears and completion of a Declaration of Continued Good Health which must be accepted before membership can continue. A change in any of the following: health, residence, overseas travel, hazardous pastimes, occupation, could result in amended terms or refusal by the Society to reinstate membership. The Society reserves the right to request a medical report at the cost of the member in support of their request to reinstate their membership.

If premiums are not paid for three months your plan ceases and you must claim any balance due from your tax free cash sum within twelve months of your last payment. See also Part A, paragraph 16 on page 2 of Schedule 6a for more information.

What if I cancel my policy?

If you wish to cancel your policy, the value of your tax free cash sum will be paid after a six month notice period. Penalties of £3 a unit will be deducted from the value of your plan, the number of units you hold will be detailed on your annual statement. The minimum deduction is £100.

Warnings:

If you wish to start a new plan at a later date you will have to complete a new application form, full medical underwriting will be required and the same terms may not be offered.

What happens if I die?

If you die before your chosen retirement age, the value of your fund will be paid to your next of kin or your personal representative without penalty.

Additional Features

Career break option

If you take a career break, for example to raise a family, study or travel there is the provision to suspend your cover for up to 24 months in total during the life of the plan. Premium payments and entitlement to claim will be suspended for the duration of this break. There will be no annual allocation of profit during the suspended period but any value you already have in your plan will still receive an annual compound bonus. You will need to have had your plan for at least 36 months and you are not in arrears with your premiums before you can take the career break option. You can take a career break up to 2 times throughout the term of your plan. A Declaration of Continuing Good Health Form must be completed and accepted by us to reinstate the plan and a change in circumstances or medical history could result in amended terms or even refusal to recommence membership.

Waiver of premium

Waiver of premium is included within the plan at no extra cost. You must continue with the premium payment however the premium will be added to the benefit payment, after you have been in receipt of continuous benefit for 52 weeks.

Terminal Illness Benefit

Whilst in receipt of sickness benefit you may be able to claim terminal illness benefit which is equivalent to 6 months benefit payments less any benefit paid to you since your initial diagnosis. You must claim within 1 month of being diagnosed with a terminal illness, which in the opinion of our Chief Medical Officer may cause death within 18 months of the initial diagnosis. Your plan will end and you will receive the value of your tax free cash sum without penalty and no further sickness benefit will be paid to you.

Medical Expenses Benefit

If you were in receipt of sickness benefit, you may apply to us for a lump sum payment to be used towards the cost of a specified medical operation or treatment that in the opinion of your doctor will lead to a faster recovery. We will decide what, if any contribution can be made after consultation with our Chief Medical Officer and our appointed Actuary. Any lump sum paid by us will not affect the prospect of a tax free cash sum payable at your chosen retirement age.

Rehabilitation Benefit

If you are receiving benefit from us as a result of illness or an accident but could return to the occupation which you were doing prior to your incapacity but on a part time or other reduced capacity basis, you may be eligible to receive Rehabilitation Benefit. This is a part payment of sickness benefit from us to assist you and will be paid for a maximum of 52 weeks.

Proportionate Benefit

If you are receiving benefit from us but wish to train for or start new employment which could mean an occupation with lower earnings than the occupation you were doing prior to your incapacity, you may be considered for a part payment of sickness benefit to assist you and will be paid for a maximum of 52 weeks.

Making a claim

When to claim

You are entitled to claim benefit at the end of your chosen deferment period if you remain unable to work because of illness or an accident. You need to be up to date with your premiums.

How to claim

A claim form must be completed and can be requested by:

- Calling Holloway Friendly on 01452 782754
- Visiting our website (www.holloway.co.uk/members/claims) and downloading the claim form.

Once completed, you must send to Holloway Friendly:

- The completed claim form
- Medical certificates
- Evidence of income
- Evidence of loss of income

The deadline for claiming

If you have a deferment period of 4 or 8 weeks, you should return the completed claim form and any other requested documents no later than 2 weeks from when you are first incapacitated.

If you have a deferment period of 13, 26 or 52 weeks you should return the completed claim form and any other requested documents no later than 8 weeks from when you are first incapacitated.

Definition of incapacity

Our definition of incapacity is ***'The total inability to perform all the essential duties of your own occupation and that you are not following any other occupation for profit or reward'***. This will change after you have been paid benefit for 24 months to ***'you cannot perform your own or any occupation to which reasonably suited by status, training, education or experience and not following any other'***.

Important note: If you are incapacitated by the actions of a third party it is a condition of the terms of your policy that you must repay to us an amount equal to the benefit we paid to you during your claim, from any payment made to you by that third party whether obtained by court action or received by way of settlement from the third party's insurers.

How we assess your claim

We will look at the duties of your occupation, your ability to do them and whether adjustments can be made to help you do them. Benefit will be paid if you are unable to perform essential duties of your normal occupation resulting in a loss of earnings and are not doing any other work. We will ask for evidence of your loss of earnings.

We will require evidence that you are under medical care from a registered medical practitioner and that you are following all recommended treatments and investigations.

Claiming again after returning to work

There is no limit to the number of claims you can make. If you need to claim again for exactly the same incapacity within 6 months of returning to work then the deferment period will not apply.

How benefits are paid

Claims are processed twice monthly on the 15th and last working day of the month and are paid directly into your bank account. A benefit week shall be regarded as six days and there shall be no entitlement to benefit in respect of Sundays.

Other Information

Cancellation Rights

After your application has been accepted you will receive a notice of your right to cancel, you will have 30 days in which you can change your mind about taking out this policy.

Data Protection Statement

For the purposes of the Data Protection Act 1998 ("The Act"), the Data Controller in relation to any personal information and data supplied in connection with your plan is The Original Holloway Friendly Society Limited.

Personal information supplied by you is used only to facilitate setting up and maintaining the arrangements connected to your plan. It will only be used in accordance with the provisions of The Act.

In the case of personal data, with limited exceptions, and on payment of the appropriate fee, you have the right to access and, if necessary, request rectification of inaccuracies or errors within the information held. Such requests for access must be specific rather than general in nature.

The Society will use your personal information properly to manage and administer all aspects of, and processes relating to, your plan. This includes, but is not limited to, setting up the plan, amendments to it, claims, general administration and its termination.

The Society uses professional advisers and service providers who are not its direct employees but at all times it will remain responsible for the oversight and control of any personal data processed.

The Society does not provide any of its Members' data to third parties for marketing purposes.

Treating Customers Fairly

Holloway Friendly is committed to supporting the Financial Conduct Authority's Treating Customers Fairly initiative. Holloway Friendly's philosophy is to always put its members first and to improve our own processes wherever possible. We have introduced a comprehensive and regularly reviewed Treating Customers Fairly action plan. Please see our website for further information.

Investment of Funds

Our current practice is to invest funds in:

- Deposit Accounts
- Fixed Interest
- Long dated government stocks
- Equities

Tax

Under existing legislation, the allocation of profits and compound bonus added to your plan each year and the cash sum paid at your chosen retirement age are completely tax free.

Claims are also payable free of tax, provided it is being used to replace a loss of income through illness or an accident.

Law

In legal disputes, the Law of England and Wales will apply.

Charges

The premium payment shown in your illustration includes the costs of administration, underwriting, claims and commission and any fees incurred in obtaining further medical information.

Queries and Complaints

If you have a query concerning your policy, Holloway Friendly will be pleased to answer it, however, if you are seeking advice you should contact your Financial Adviser.

If you have cause to complain about the service you have received from Holloway Friendly, please contact our Compliance Officer. If however, your complaint involves the sale or suitability of the policy you should contact your Financial Adviser. Should your complaint not be resolved or dealt with to your satisfaction you can complain to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR, telephone 0845 0801800.

Making a complaint will not affect your legal rights.



The Financial Services Compensation Scheme

The Original Holloway Friendly Society Limited is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 100% of the first £2000 and 90% of the remainder of the claim.

Further information about the compensation scheme is available from: -

The Financial Services Compensation Scheme,
7th floor Lloyds Chambers, Portsoken Street,
London, E1 8BN

Telephone: 0800 678 1100

Terms and Conditions

Full terms, conditions and rules are available upon request.

Your personal illustration is supplied in the prescribed format as laid down by the Financial Conduct Authority. The amount of tax free cash sum on the illustration is an example and will depend on the Society's investment performance, its administration costs and the level of claims made by the members.

Holloway Friendly cannot give you advice on its own or any other providers' products. If you are in any doubt whether this policy is suitable for you, you should contact your Financial Adviser for advice or if you do not have a financial adviser logon to www.unbiased.co.uk.

How to contact us

If you have any questions or require any further information about our products you can contact us at:

Holloway Friendly
Holloway House
71 Eastgate Street
Gloucester
GL1 1PW

Telephone	01452	526238
Facsimile	01452	386859
Website	www.holloway.co.uk	
Email	mail@holloway.co.uk	

Holloway Friendly

Holloway Friendly is the trading style of The Original Holloway Friendly Society Limited, founded in 1880. We are registered and incorporated in the United Kingdom under the Friendly Societies Act 1992.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FRN 109986.



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We are not authorised to give independent personal financial planning advice, so we suggest that you contact your financial adviser for advice on your policy or www.unbiased.co.uk if you do not have a financial adviser.
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