

SCHEDULE 12

PURELY Income Protection Plan INCOME PROTECTION DEFINITIONS

The following words are printed throughout this schedule in bold print because they have a special meaning. The meanings are given below:-

Consultant - a medical specialist who is a member of an appropriate Royal College which recognises the person as a specialist.

Deferred period - the period commencing on the first day of any period of incapacity and lasting for Day One, 4, 8, 13, 26 or 52 weeks as chosen when you completed your application form.

Incapacity/incapacitated - this means any incapacity, disease, or accidental bodily injury occurring during the cover period for which you seek treatment or consultation by a doctor which prevents you from engaging in your normal occupation. See Part C, Paragraph 2 of this Schedule.

Doctor - a registered medical practitioner practising in the UK and fully registered with the General Medical Council. This does not include you or a member of your immediate family.

Employment - a continuous period of permanent active paid work during which you have not registered as unemployed with the Department for Work and Pensions (or any replacement Government agency).

End date - the date when your cover ends.

Member/Membership – the taking out of this PURELY Income Protection Plan confers on you membership of The Original Holloway Friendly Society Limited. Our constitution is governed by its Memorandum and Rules together with Schedule 12, PURELY Income Protection Plan. Membership ceases when the cover under the Plan ceases.

Monthly benefit – the minimum benefit is £3,600 per annum. The maximum benefit is the lesser of either £26,000 per annum or 50% of your gross income.

Normal occupation - your work immediately prior to the commencement of your incapacity. See Part C, Paragraph 2 of this Schedule. At the claim stage you will be assessed against the definition of incapacity as stated on your Certificate of Membership.

Premiums – The amount you pay to us for providing the cover which you have decided is suitable for you.

Medical treatment - you are receiving regular care and treatment from a doctor or consultant for your incapacity.

Overinsured - means that your benefit level exceeds the maximum permitted and you will be paying premiums for a level of benefit which cannot be paid.

Retirement Age - means the age chosen in the application as your retirement age for this plan. This age shall not exceed age 65 or if no normal retirement age is specified in the application, it is age 65.

Self-employed/self employment – you are a person who works for themselves instead of an employer, but drawing income from a trade or business that you operate personally.

Start date – the date when cover starts.

UK - the United Kingdom, Channel Islands and Isle of Man.

We/us/our – The Original Holloway Friendly Society Limited, Holloway House, 71 Eastgate Street, Gloucester, GL1 1PW are the providers of this PURELY Income Protection Plan.

Work/working/worked - in any paid employment or occupation for at least 16 hours or more per week in the UK.

You/your - the insured person.

PART A GENERAL PROVISIONS

1. You may apply for a PURELY Income Protection Plan in accordance with the terms and conditions from time to time in force and by applying for this Plan you will become a member of The Original Holloway Friendly Society Limited. The minimum term at outset of a PURELY Income Protection Plan will be ten years. Your Plan has no cash value at any time.
2. If you wish to apply for a PURELY Income Protection Plan you must complete the appropriate form for consideration by or on behalf of us, and provide such information and documentation as we require. Our decision on the terms of acceptance, restriction of benefits, or refusal of any application shall be final.
3. The levels of PURELY Income Protection Plan benefit for which you may apply, the terms upon which the PURELY Income Protection Plan is provided and the levels of premium payable, shall be determined by premium tables adopted by us from time to time. Any changes in such levels or terms made in accordance with the Rules shall only apply to new PURELY Income Protection Plan members. This is a long term income protection insurance. It is insurance for you personally. We are not offering to insure your turnover or business.
4. You shall be eligible to apply for a PURELY Income Protection Plan provided that: -
 - a) you are aged 18 or over, and
 - b) you must be not yet 55 years of age, and
 - c) you have a minimum of 10 years remaining before your chosen retirement age for the Plan, and
 - d) for the last 12 months or more you have been in employment or self employment, and
 - e) you are working more than 16 hours per week, and
 - f) you have been permanently resident in the UK for 36 months or more continuously, and
 - g) you have no immediate intention to move abroad, and
 - h) you have a currently valid work permit if coming from outside the EU, and
 - i) you have been registered with a GP in the UK for 36 months or more, and
 - j) you have a UK bank account, and
 - k) you are an income tax payer in the UK.
5. You may apply to change the level of a PURELY Income Protection Plan benefit for which you are paying premiums, provided you are not yet 55 years of age, by completing the appropriate form for consideration by or on our behalf. You shall provide all information and documentation that may reasonably be required in connection with such an application. The cost of your increase or decrease in cover will be subject to your age and the premium table in force at the time of the increase or decrease. Our decision on the terms of acceptance, restriction of benefits, or refusal of any application shall be final.
6. During the life of your Plan you must advise us if any of the following change: -
 - a) A decrease in your earnings
 - b) A change to sickpay arrangements with your employer
 - c) If you become unemployed
 - d) Your address and contact details.
7. All cover under this Plan will end and all monthly benefits will stop automatically if any of the following occurs:
 - a) if you die
 - b) if you retire from work
 - c) if you stop living in the UK (Subject to the provisions of Paragraph 4 of Part C of this Schedule)
 - d) if you default on premium payments (see Paragraph 10 of Part B of this Schedule)
 - e) when you reach your chosen retirement age for the Plan.

By taking out a PURELY Income Protection Plan, which is subject to the provisions of this Schedule, you may, if attending the Annual General Meeting vote on any item on the Agenda with the exception of Agenda items relating to other Holloway Friendly contracts.

PART B PREMIUMS

1. Premiums are to be paid by monthly Direct Debit only.
2. Your premiums for PURELY Income Protection Plan benefit shall be credited to, and all payments of PURELY Income Protection Plan benefit shall be debited to, the Sickness Fund which shall be maintained in accordance with the provisions of General Rule 18.
3. The Sickness Fund shall be valued annually and a balance shall be maintained in the Fund at such level as we shall, on the advice of our Actuary, consider appropriate.
4. As often as we shall deem appropriate, but at least once in every five years, the adequacy of the premium levels for PURELY Income Protection Plans shall be investigated by our Actuary, and we shall have the power to introduce new premium tables for new members only in accordance with the advice we receive, unless there is any provision to the contrary in General Rule 8(5).
5. We shall adopt a premium table if it is approved in writing by our Actuary.
6. The premium indicated in the approved premium table is based on our view of assumptions such as:
 - a) Future claims experience
 - b) Future investment returns of premium income
 - c) Future expenses incurred in the maintenance of the plan
 - d) Future persistency experience
7. Each member's premiums shall be calculated to 31st December in each year.
8. It will remain your responsibility to ensure that you are not overinsured.
9. Individual premiums will be reviewed under the following circumstances:
 - a) Owing to incorrect information being disclosed at application stage
 - b) Owing to information not being disclosed at the application stage
 - c) On an increase in cover
 - d) On amendment to the Plan
10. If you miss making one premium payment, entitlement to any benefit will be suspended until all missed premium payments have been paid.

Your plan will be terminated on missing three premium payments and you shall cease to be a member. However, reinstatement of your terminated plan will be considered, at our discretion, within 6 months of the first missed payment, on completion of an acceptable Declaration of Continuing Good Health.
- If your request for a review to substantiate the removal of an exclusion results in a requirement for additional medical evidence we will ask you to meet the costs.
11. Premiums must be paid regularly whilst the member is on the funds or Sickness Benefit shall cease PROVIDED that should the member be in receipt of 52 weeks continuous benefit payment then from the 53rd week of continuous benefit payment the payment of Premiums by the member to the Society shall be waived and will recommence upon the member's recovery and the payment of sickness benefit ceasing.
12. Premiums paid in respect of a benefit in excess of the maximum payable in accordance with paragraph 6 of Part C of this Schedule are not refundable.

PART C PAYMENT OF PURELY Income Protection PLAN BENEFIT

1. If you are unable to work in your usual or other employment through illness lasting for more than the deferred period and you were employed at the start of the claim, you shall be entitled to receive PURELY Income Protection Plan benefit at a rate determined by the premium being paid, subject to the provisions contained in paragraph 6 of Section C of this schedule.

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.

- a) *For Day One Deferred Period:* The minimum claim will be for 3 consecutive working days, excluding Sundays, and must be accompanied by a certificate of incapacity (also known as sick notes or fit notes) completed by your GP or registered medical practitioner covering the duration of your claim. This must include the nature of the incapacity and the commencement of the incapacity.

2. Definitions of incapacity; In respect of a member who is regularly engaged in a remunerative occupation or occupations immediately prior to the commencement of the injury, illness or disease giving rise to the claim, "incapacity" shall mean:-

- a) For the first 104 weeks of continuous benefit payment the total inability of the member to perform all of the essential duties of his own occupation and is not following any other occupation.
- b) After the said period of 104 weeks the total inability of the member to perform his own or any occupation to which the member is reasonably suited and is not following any other occupation.

3. You shall not be entitled to receive PURELY Income Protection Plan benefit from us until the expiration of the deferred period you have chosen.

4. If you make a claim and you are not living in the UK or any of the following countries listed below, 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: -

Andorra, Australia, Austria, Belgium, Canada, Channel Islands, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Greece, Iceland, Isle of Man, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, New Zealand, Norway, Portugal, Republic of Ireland, San Marino, Spain, Sweden, Switzerland and the USA.

5. Following admission of a claim, PURELY Income Protection Plan benefit shall be payable at a monthly rate based on the lesser of: -

- a) the benefit rate appropriate to the premium you pay as specified in the premium table under which you contribute, or
- b) the maximum amount permissible by reference to paragraph 6 below.

Payment shall be made in sterling by Direct Credit to your UK bank account, not more frequently than once every 2 calendar weeks in arrears.

Subject to the requirements of the Rules continuing to be met to our satisfaction, payment of benefit shall be maintained throughout each period of certified incapacity (following the expiry of any applicable deferred period) until the date of recovery or the end date of your Plan under the provisions of Part A, paragraph 7, whichever is the earlier.

A week shall be regarded as 6 days and there shall be no entitlement to PURELY Income Protection Plan benefit in respect of Sundays.

6. The maximum benefit is 50% of your total earnings and is subject to a maximum benefit of £26,000pa. Total earnings can include gross salary, dividends, commission (as part of your normal salary), overtime (if proved part of your normal salary over the last 3 years), and P11D benefits. The amount of benefit paid will be based on your pre-incapacity earned income.

If you are employed, this is your average salary over the last 12 months before incapacity.

If you are self-employed, this is your net profit, averaged over the last 3 years before incapacity.

If you are a company director of your own business, and a shareholder this is your salary and dividends received from the profit generated in the last 12 months before incapacity but after deduction for corporation tax.

A proven trading history of 12 months or more in employment is the minimum requirement for an application for membership or a claim for benefit to be considered.

If you are incapacitated by the actions of a third party 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.

7. If you claim on your PURELY Income Protection Plan you shall be required to submit, prior to admission of the claim, evidence which is acceptable to us of your income during the relevant period.

8. If you have a PURELY Income Protection Plan with a deferred period of Day One, 4 or 8 weeks, you must 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 PURELY Income Protection Plan with a deferred period of 13, 26, or 52 weeks you must return the completed claim form and any other requested documents no later than 8 weeks from when you are first incapacitated.

The above are the latest claim deadlines. If you advise us earlier that you are unable to work due to incapacity, it means that we can ensure that the assessment of your claim is already in hand and could prevent unnecessary delays. If you advise us of your claim later than the deadlines mentioned above we will not pay your claim from its due date.

9. As soon as possible after 6 weeks of the on going claim, you shall complete in full such claim review form as supplied by us or on our behalf, and shall submit this form to us. Such claim review forms may be issued periodically throughout a claim. To ensure that benefit continues to be paid without a break, medical certificates confirming continuation of incapacity signed by a duly qualified medical practitioner must be provided throughout your claim otherwise benefit payments will cease. Other evidence of incapacity and income as may be acceptable to us must be provided if requested once a claim has been admitted.

The medical certificate or other evidence must specify the nature of incapacity from which you are or have been suffering; any costs involved in providing this information will be your sole responsibility.

10. No PURELY Income Protection Plan benefit shall be paid in respect of any illness or disease contracted by, or any injury suffered by you prior to the start date of your PURELY Income Protection Plan unless such illness, disease or injury had been fully disclosed to us and cover granted in respect thereof.

No increased PURELY Income Protection Plan benefit shall be paid in respect of any illness or disease contracted by, or any injury suffered by you prior to the start date of such increased PURELY Income Protection Plan benefit unless such illness, disease or injury had been fully disclosed to us and increased cover granted in respect thereof. No PURELY Income Protection Plan benefit shall be paid in respect of any illness or disease contracted by, or any injury suffered by you prior to the date your Plan was amended either by, extension of your chosen retirement date for your Plan, or by a reduction in the deferred period of your Plan, unless such illness, disease or injury had been fully disclosed to us and cover granted in respect thereof.

11. Evidence of continued incapacity must be submitted at such regular intervals as we may require.

12. We may at any time enquire into the circumstances of any claim in whatever manner and form and from whatever source we may deem appropriate, including the employment of a physician or surgeon to examine you and the payment of benefit may be suspended during any such enquiries.

13. Suitable financial evidence will be required to support your claim and this evidence of earnings could be, but is not restricted to, the following:-

- a) If you are employed: Original payslips and most recent P60 for the 12 month period prior to incapacity.
- b) If you are self employed: business accounts and / or Inland Revenue tax computations / returns for the 3 years prior to incapacity and / or other documents we consider necessary.

14. With regard to any claim arising from travel or residence outside the UK, in respect of which PURELY Income Protection Plan benefit may be payable, all certificates or other evidence of incapacity shall be submitted in such form as is acceptable to us. If we incur additional expense in relation to such claim, these expenses may be deducted from the amount of benefit payable.

15. You shall upon recovery from incapacity advise us immediately by the submission of a medical certificate or other evidence acceptable to us showing the date of recovery.

16. Whilst claiming PURELY Income Protection Plan benefit, you must:-

- a) refrain from behaviour calculated to retard your recovery
- b) comply with the advice or counsel of any qualified medical adviser entrusted with your care, and not unreasonably refuse to undergo any treatment or surgery recommended by any such medical adviser
- c) save for any period of admission to a hospital or other recognised medical establishment, not leave your place of residence for any period exceeding 7 days without first notifying us of your intention and the address at which you may be contacted. We may, at our discretion, terminate or suspend the payment of PURELY Income Protection Plan benefit if you do not comply with this
- d) not perform any work for which remuneration is or would ordinarily be payable without first notifying us in writing, on receipt of which notification the claim may be reassessed
- e) permit a representative of the Society to visit and interview you at any reasonable time
- f) produce a written authority so that we can obtain a Medical Report from your Doctor as to such current, continuing and/or any past illness of the same or a similar nature.
- g) maintain the paying of your premiums throughout your claim.

17. In any case where payment of PURELY Income Protection Plan benefit to you is excluded, whether under the foregoing provisions or otherwise, we may upon appeal, at our sole discretion and having regard to the circumstances of the claim, allow payment of PURELY Income Protection Plan benefit to be made to you out of our funds. Our decision as to whether or not such payment may be made, the rate of PURELY Income Protection Plan benefit payable and the period of payment, shall be final.

Exclusions

1. We will not pay a claim under this benefit if the claim is as a result of injury intentionally caused by the actions of the member.

2. No Sickness Benefit shall be payable in respect of any condition which results from, or is aggravated by, self-inflicted injury, participation in a criminal act, abuse of drugs or alcohol.

3. In respect of any period of residence or travel outside the countries specified in Part C, paragraph 4 above, no Sickness Benefit shall be payable in respect of any injury received as a result of war (whether declared or not), riot, civil commotion or any act of terrorism.

4. No Sickness Benefit shall be payable where, in the opinion of the Society, disability is directly or indirectly due to or arising from an acquired immunodeficiency syndrome (AIDS) or infection by any human immunodeficiency virus (HIV).

For the purposes of this exclusion:-

- a) the definition of AIDS shall be that used by the World Health Organisation at any time or that used by any successor body or other such governmental or international organisation as the Society shall decide; and
- b) infection shall be deemed to have occurred where blood tests indicate, in the opinion of the Society, either the presence of any human immunodeficiency virus or antibodies to such a virus, to establish the presence or absence of which the member claiming benefit shall undergo examination, including the taking and testing of blood samples, by a qualified medical practitioner appointed by the Society for this purpose as frequently as the Society shall deem necessary.

In any case where disability is directly due to infection by HIV acquired in the course of an approved occupation the Board may upon appeal, at its sole discretion and having regard to the circumstances of the claim, allow payment of benefit to be made.

Rehabilitation/Proportionate Benefit

If you are receiving PURELY Income Protection Plan benefit from the Society and either: -

- a) You return to the occupation in which you were engaged prior to your incapacity but on a part-time or other reduced capacity basis only, or
- b) Enter employment in a lesser remunerative occupation during your period of incapacity.

The Board may at its own discretion authorise payment to you of a proportion of the benefit as it deems appropriate but in either case will be reviewed following a period of 52 weeks.

Terminal Illness Benefit

If you are in receipt of benefit from the Society and you are diagnosed with an incurable illness which in the opinion of the Society's Chief Medical Officer may cause your death within 18 months of the initial diagnosis, you may within 1 month of that initial diagnosis being made, claim Terminal Illness benefit equivalent to 6 months PURELY Income Protection Plan benefit less any benefit paid to you since you were initially diagnosed. If the offer is accepted your policy will cease upon the Terminal Illness benefit being paid to you.

Medical Expense Benefit

If you are receiving PURELY Income Protection Plan benefit you may apply to the Board for a lump sum payment to be used in or towards the cost of a specified medical operation or treatment that in the opinion of your specialist will lead to your faster recovery. The Board shall decide what, if any, contribution shall be made from the funds of the Society after consultation with our Medical Advisor and our appointed Actuary.

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 subject to a maximum of 6 months in any 12 month period. Premium payments and entitlement to claim will be suspended for the duration of this break. 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. Premiums can be suspended for up to 3 months at a time, at which point premiums are again payable and we will reinstate the direct debit. A request can be made to suspend premiums for a further 3 months. For maternity career breaks we will allow a single request for up to 6 months.

You will be eligible to have cover restored to the level it was before the start of your career break premium holiday without the need for re-underwriting and you will be eligible to claim once you have completed 3 consecutive months back at work subject to part B paragraph 10.