



Short Term Income Protection Plan Key Features Document

Policy Summary

This summary gives you important information to help you decide whether our **Short Term Income Protection Plan (“The Plan”)** is right for you. You should read this document alongside your Personal Illustration and the Terms & Conditions (Schedule 13b) so that you understand what you are buying. The Schedule forms part of the **Memorandum and Rules** which are available at Holloway.co.uk.

This Plan is an Income Protection Policy designed to provide a regular payment to replace a loss of earnings if you are unable to work due to illness or injury (Incapacity). It is offered on an individual normal occupation basis, meaning that the policy will pay you an income if, in the opinion of a Doctor, you are unable to do the main elements of your own job.

The Plan:

- Will provide cover for the duration of the policy and covers you for multiple claims – See Schedule 13b Section C for more information on claims;
- Will provide full or partial Payments depending on your needs
- Is flexible and may be changed in the future according to your changing circumstances.

The Plan does not have a cash value at any time

Key Benefits

This Plan will also provide you with the following benefits:

Guaranteed Premiums

Your premiums are guaranteed as per your Personal Illustration throughout the term of the policy. Each year the premiums will rise on 1st January in accordance with your age on the birthday during that calendar year.

Escalating Premiums

If you have chosen our Escalating Premium option then we will also increase the premium and benefit by the rate of inflation each year to a maximum of 10%. We will tell you in November what your premium will be for the following year. Your premium will be calculated by using the rate in the table for your age and applying it to the increased benefit.

Medical Expenses Benefit

If you are in receipt of Payments, 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.

Premium Breaks

This Policy allows for you to take career breaks or breaks in order to have a child. You can take either or both but the total break permissible during the life of the plan is 24 months.

Guarantee Your Benefit Option

This policy gives you option to fix your benefit level at outset. You will have to provide full financial evidence at application to be able to do this. You will not have to provide any further evidence at time of claim provided that there has been no change in your employment status.

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 subject to conditions for up to 3 months at a time - and 24 months in total during the life of the plan subject to a maximum of 6 months in any 12 month period.

Maternity/Paternity Benefit

If you take a break for the birth or adoption of a child there is the provision to suspend your cover subject to conditions for up to 6 months at a time up to a maximum of 24 months over the life of the Plan.

Rehabilitation Benefit

If you are receiving Payments from us as a result of Incapacity 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 partial payment from us to assist you if you have a lower income than before the claim and will be paid for a maximum of 52 weeks.

Proportionate Benefit

If you are receiving Payments 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 to assist you and will be made for a maximum of 52 weeks.

Terminal Illness Benefit

Whilst in receipt of Payments you may be able to claim Terminal Illness Benefit which is equivalent to 6 months Payments less any Payments made 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 no further sickness benefit will be paid to you.

Waiver of Premium

During a claim, you must continue to pay the premiums. However these will be added to the benefit payment, starting with the second month's payment after you start receiving benefit. The total amount of premiums returned to you in this way will be equal to the number of complete months' benefit you receive.

You can apply for The Plan if:

- You are between 18 and 59 years of age inclusive
- You have a minimum of 5 years remaining before your chosen retirement age for the Plan
- For the last 12 months or more you have been in Employment or have a proven trading history of Self-employment, and you are working more than 16 hours per week
- For the last 36 months you have been permanently resident in the UK and registered with a Doctor
- You have no immediate intention to change your job or move abroad
- You have a currently valid work permit if coming from outside the EU
- You have a UK bank account
- You are an income tax payer in the UK

Things you need to be aware of:

- Any payments we pay to you under this policy may affect your claim to some means-tested State Benefits. State benefit rules may change at any time
- There is no cash value at any time
- Surplus premiums paid as a result of over insurance will not be refunded
- You will need to answer some questions about your health and we may also need to contact your Doctor for more information or ask you to have a medical examination that we will pay for.
- 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.
- In order for this Plan to be valid you must 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
- Throughout the lifetime of your Plan you must notify us of any change in your personal circumstances (e.g. a change in earnings/hours), employment status, employer sick pay arrangements,
- Ensure you are not over-insured

The Plan provides flexible cover.

You choose:

i. How much benefit you need

We can cover up to 60% of your gross annual earnings subject to the following limits

	Per Year	Per Month	Per Week
Minimum Benefit	£2,600	£216	£50
Maximum Benefit	£34,000	£2,833	£653

ii. The term of the plan

- You can choose any retirement age between 50 and 70 inclusive.
- You must be at least 5 years away from your chosen Retirement Date when taking out the Plan.

iii. How long it will be before your Payments start

You can choose from a 1, 4, 8, 13 or 26, week Deferred Period. This would normally start from the date that you stopped work as a result of your Incapacity.

The longer the Deferred Period the lower your monthly premiums will be. Payments will be made for a maximum of 24 months from the first Payment.

You should choose a deferred period to equal the number of months' payment you get from your employer's sick pay scheme (if appropriate).

How to calculate your Benefit

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 are not taken into account, but continuing income from your employment or other health related insurance payments will be.

Financial Evidence and Maximum Benefits

	Employed	Company Director	Self-employed
Evidence Required	This is your total earnings averaged over the last 12 months before Incapacity	If you are a company director of your own business, and/or a shareholder this is the income you have taken out of the business.	If you are a Sole Trader this is your net profit averaged over the last 3 years before Incapacity or your share of the net profit if in a partnership
Maximum Benefit	Lesser of 60% of total earnings and £34,000pa.	Lesser of 60% of total earnings and £34,000pa.	Lesser of 60% of total earnings and £34,000pa.
Earnings include	Gross salary, bonuses, dividends from share options, commission (as part of your normal salary), overtime (if proved part of your normal salary over the last 3 years), and P11D benefits.	For Company Directors this will be your salary and dividends received from the profit generated in the last 12 months before Incapacity but after deduction for corporation tax.	

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.

This does not apply if you have chosen to be financially underwritten at the Application.

Amending Cover

a. Increasing 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 must be within the same limits as a new policy and will be subject to a further assessment of your health and earnings. Your premium payments to us will increase when your benefit increases.

b. Reducing Cover: 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

It is the Member's responsibility to ensure that they are not over-insured.

Making a Claim

If you intend to make a claim you must inform us of your intention as soon as possible and be up to date with your premiums. Claims must be made before the stated deadlines in Schedule 13b.

Claims will be paid when you have been incapacitated for longer than the Deferred Period you have chosen and will be paid twice monthly into your bank account.

A claim form must be completed and can be requested by calling Holloway Friendly on 01452 782754 or visiting our website: Holloway.co.uk.

Claiming Again After Returning to Work

This Policy allows for multiple claims for the same, a related or a separate incapacity. 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.

When Payments Will Stop

Your payments 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
- Your Benefit Term ends
- You die.

Reduced Benefits

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

Living Abroad

If you make a claim and you are not living in the UK we may 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. For more information see Schedule 13b.

Other Information

Changing your Mind and Cancellations

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.

Tax

The Plan currently has a tax-free status. However, we reserve the right to change this if tax legislation changes in the future.

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

Please contact your Financial Adviser initially for any queries or advice concerning your Plan. If you no longer have a Financial Adviser we will be able to answer your queries but we cannot provide you with any advice. If you have a complaint or your queries have not been resolved to your satisfaction you can complain to the Financial Ombudsman Service, Exchange Tower, London, E14 9SR.

Telephone: 0800 023 4567 or 0300 123 9 123

Website: www.financial-ombudsman.org.uk

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 under this policy. This depends on the type of business and the circumstances of the claim. The scheme may cover you for 100% of any successful claim you make.

Further information about the compensation scheme is available from:

Financial Services Compensation Scheme, 10th Floor, Beaufort House,
15 St Botolph Street, London EC3A 7QU

Telephone: 0800 678 1100 or 0207 741 4100

Website: fscs.org.uk

Contacting Us

Our contact details are:

Holloway Friendly, Holloway House, 71 Eastgate Street, Gloucester, GL1 1PW

Telephone: 01452 526238

Website: Holloway.co.uk

Email: info@Holloway.co.uk

Holloway Friendly is the trading style of The Original Holloway Friendly Society Limited, founded in 1880.

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.

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