



## **Key Features Document Personal Income Protection Plan**

**Income Protection  
from the original provider**

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## Introduction

This document contains important information about your Holloway Friendly Personal Income Protection Plan and should be read along with your personal quotation.

This document is a guide to Holloway Friendly's Personal Income Protection Plan and does not contain the full terms and conditions of the plan. These are contained in the members' rule book and the schedule pertaining to the plan you intend to take out which will be issued when the plan starts but is available earlier at your request.



## Helping You To Decide

What you should know before you take out this plan.

### 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 your benefit can commence to allow for any period you expect your earnings to continue
- To provide cover for the duration of the plan, no matter how many claims you make
- To offer a plan that is flexible and may be changed in the future according to your 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 would mean that 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 would 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 should review your level of cover against your earnings regularly to ensure it will continue to meet your needs; failure to do so may result in you becoming over or even under insured

### 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 so any benefit paid would be reduced and overpaid premiums would not be refunded
- If the information we receive from you or your Adviser when you apply is incomplete or untrue, we will not pay your claim
- The current tax treatment of the plan's benefits may change
- Any benefit we pay to you under this plan may affect your claim to some means tested State Benefits. Your entitlement to Employment and Support Allowance (previously State Incapacity Benefit) will not be affected. However, State Benefit rules may change
- This is not a savings plan. There is no cash value at any time

## Questions & Answers

### What is Holloway Friendly Personal Income Protection?

- It is a long term income protection plan
- It is insurance for **you** personally, it is **not** insurance to cover your turnover or business
- It pays a regular benefit when you are unable to work due to illness or an accident
- Benefit is paid from your chosen deferred period for the duration of your claim, subject to claim admittance see section "How we assess your claim"
- Premiums paid during an admitted claim will be refunded
- The plan has flexible features to provide the right cover for you

### Can I take out Holloway Friendly Personal Income Protection?

You can if on the start date:-

- You are aged 18 or over and you are not yet 55 years of age with a minimum term remaining of 10 years to your chosen plan retirement age
- You have been in employment for the last 12 months or more
- You are working at least 16 hours per week
- Your earnings are Income Taxed in the UK
- If self employed you have a proven trading history of at least 12 months
- You have a bank account in the UK from which you will pay your premiums for this plan and into which we will pay benefit in respect of an admitted claim
- You have been permanently resident in the UK for 36 months or more and have no immediate intention to move abroad
- You have a currently valid work permit if coming from outside the EU
- You have been registered with a GP in the UK for 36 months or more

### What income will my benefit be based upon?

- The maximum benefit is 50% of your total earnings and is subject to a maximum benefit of £120,000 pa and a minimum benefit of £3,600 pa. 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 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
- We will ignore any pension you are in receipt of at the application stage; you should however clearly indicate it in your application form. If disclosed at the application stage we will not take your disclosed pension into account at the claim stage

### How soon do you want the benefit to be paid to you?

- 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 at the application stage deferred periods of 4, 8, 13, 26, and 52 weeks
- For class 4 occupations the minimum deferred period is 8 weeks
- The shorter the deferred period the higher the premium you will pay

### To what age can I take the plan out?

At the application stage you can choose for your plan to end at any age between 50 and 70 years; but when you take the plan out there must be 10 or more years between the start date and your chosen retirement date.

### Will I need to provide medical information?

**Yes.** The application form contains medical questions that you must fully and truthfully complete. We may contact your doctor for further medical information or ask you to have a medical examination at our expense depending on the disclosures you make and the level of benefit you apply for.

### Medical Condition Exclusions

If you disclose any medical conditions, exclusions may be applied to the plan which means claims relating to that condition will not be paid. Any exclusions applied to the plan will be detailed in our acceptance documents.

Certain exclusions can be reviewed in the future if you are no longer suffering with that condition and no further medical treatment is required. However, a review does not necessarily mean that the exclusion will be removed. It is your responsibility to contact us if you would like an exclusion reviewed as this does not happen automatically. 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.

### Will my premiums change?

- The premiums are level so they will not increase with age, unless you choose to index-link the cover of your plan at the application stage
- It is important to note that the premiums are guaranteed, they are not reviewable

### What if I stop paying my premiums?

- If you miss making a 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 form
- If the completed Declaration of Continuing Good Health form results in a requirement for additional medical evidence, we may ask you to meet those costs

### Can I increase my cover?

- You can select the option at outset to automatically increase your cover once a year by the rise in the Retail Price Index subject to an annual maximum of 10%. This is an attempt to keep your benefit in line with inflation. These automatic increases in cover will start on the anniversary of your plan and continue until the last anniversary of your plan. Please note that your premiums will increase as well as your cover
- The plan is flexible and you can apply to increase your benefit or chosen retirement age at any time provided you are not yet 55 years of age and have at least 10 years remaining on the plan. The additional amount of benefit applied for will be subject to a further assessment of your health and earnings. Your premium payments to us will increase when your benefit and retirement age increases
- Please note it is important that you keep your cover under review. If we assess you as being over insured, you will not be paid the benefit you have paid premiums for; it will be less than you expected. Premiums for such over insurance will not be refunded
- You may, of course, also reduce the cover of the plan and your premiums will reduce also

### What if my circumstances change?

- The flexibility of the plan will enable you to alter benefit levels or deferred period should your circumstances change. Reductions in deferred periods will be subject to a further assessment of your health. To ensure you maintain the correct benefit levels, you need to inform us of any changes to your circumstances such as:-
  - Increase or decrease in earnings
  - Any changes to sickpay arrangements with your employer
  - Unemployment
  - Address and contact details

### What happens if I die?

If you die before your chosen retirement age, your plan will terminate, there is no cash value.

### What if I cancel my plan?

- Your plan has no cash value at any time
- **Warning:** 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

## Additional Features

### Guaranteed Insurability Option

The following features are included in the plan provided:-

- you are not yet 55 years of age on the date you make your Guaranteed Insurability Option application; and
- you were offered cover under this plan at our standard premium rates at the time you took out this plan; and
- you are not incapacitated on the date you make your Guaranteed Insurability Option application
- you are not in receipt of benefit when you make your Guaranteed Insurability Option application
- you are not within the deferred period applicable to your plan with a claim pending when you make your Guaranteed Insurability Option application

An exclusion applied to your initial benefit at the outset of your plan will also apply to any subsequently approved, Guaranteed Insurability Option increase application.

It is important that you are aware that the premium for the Guaranteed Insurability Option increase you are applying for will be based on your age next birthday and rates applying at the time of the increase.

It is also important that you are aware that the total benefit payable under the plan will never be more than 50% of your total earnings and is subject to a maximum of £120,000 pa; see Part C, paragraph 6, of the Schedule for further details.

All Guaranteed Insurability Option increases can only be submitted using a paper based application form.

### Life Style Guaranteed Insurability Option

Each exercise of this additional benefit would increase the benefits of your client's plan by the lower of the following:-

- 50% of the amount of the increase in salary, or
  - 50% of the benefit level on the commencement of your plan, or
  - £9,000 annual benefit during the life of your plan.
- Subject to Part C, paragraph 6, of the Schedule.

You would be entitled to exercise these options on the occurrence of any of these events following the commencement date of your plan:-

- Marriage / Civil Partnership
- Birth or legal adoption of a child
- Receipt of a significant salary increase of at least 20% as a direct result of and immediately following attainment of a professional qualification
- Promotion plus salary increase
- Starting a new job with a different employer and salary increase

## Key Features

We shall require the following evidence appropriate to your application:-

- marriage certificate
- civil partnership certificate
- child's birth certificate
- child's legal adoption papers
- confirmation of your current salary
- a letter from your employer confirming details of your salary increase

Your application for this benefit must be made on the appropriate form which we will need to receive within 3 months of the event occurring and you will be required to provide evidence of the event.

### Mortgage Guaranteed Insurability Option

If you took out this plan solely for mortgage repayments protection then your benefits can be increased on the increase of your mortgage following the commencement date of your plan. Each exercise of this additional benefit would increase the benefits of your plan by the lower of the following:

- The increase in your share of the mortgage payment, or
- 50% of the benefit level on the commencement date of your plan, or
  - £9,000 annual benefit during the life of your plan. and will be subject to;
  - Your amended plan's benefits being no more than 40% of your salary at the time of increase, and
  - Your mortgage being no more than 4 times your salary at the time of the increase.

Your application for this benefit must be made on the appropriate form which we will need to receive within 3 months of the event occurring and you will be required to provide the following evidence of the event:-

- A copy of the new mortgage offer or statement, and
- Confirmation of your current salary

You can exercise either the Life Style or the Mortgage Guaranteed Insurability Option features more than once during the term of your plan, but the aggregate increase in benefit across all Guaranteed Insurability Option benefits during the term of the plan is restricted to the lower of:

- 100% of the benefit level on the commencement date of your plan; or
- £9,000 benefit per year.

These limits apply in aggregate to the same or similar benefits under all other plans held with us.



### Children's Benefit

Holloway Friendly's Personal Income Protection Plan will automatically provide a payment equivalent to 1 month's benefit, following the diagnosis of a critical illness or the undergoing of a surgical procedure for one of your children.

**For full details of this children's benefit and applicable definitions and exclusions please read the Terms and Conditions of the Plan.**

This payment is not subject to:-

- A deferred period, or to
- A loss of income

Premiums must be up to date at the point of notification and be continuous. You are required to claim this benefit within 3 months of diagnosis.

The payment is only payable once for each child and is payable for a maximum of three children. A child is defined as the natural child or legally adopted child of the member (or their spouse), partner or civil partner or any child for which the member (or their spouse), partner or civil partner are the legal guardian. The child must be financially dependent on the member. Please note that you cannot claim Children's Benefit in respect of a congenital defect.

Children's Benefit applies to any children you have now or may have in the future aged between 30 days and 18 years. Any payment we make to you in respect of Children's Benefit will not affect your own cover.

Holloway Friendly will not pay a claim under this benefit, if one or more of the following apply:-

- The claim is as a result of injury intentionally caused by the action of the member
- The claim is directly or indirectly attributable to a pre-existing condition. This means a condition, illness, disease or related condition, whether diagnosed or not, which is already present whether or not there are symptoms
- The diagnosis of the illness or the undergoing of a surgical procedure occurs before the commencement of the plan
- The diagnosis of the illness or the undergoing of a surgical procedure occurs before the child has attained 30 days of age
- The diagnosis of the illness or the undergoing of a surgical procedure occurs before the child is legally adopted by the member
- The child dies within 14 days of diagnosis of the illness or undergoing surgery

### Career Break

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 a total period of 24 months during the plan. 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 your premiums must be up to date 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, higher premiums or even refusal to restart the cover due to your health.

If the completed Declaration of Continuing Good Health form results in a requirement for additional medical evidence, we may ask you to meet those costs.

You can apply for a Career Break if you are not yet 55 years of age and your plan has more than 2 years to go before your plan is due to end.

### 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. Following 52 weeks of payment, the continuation of this benefit will be reviewed.

### Proportionate Benefit

If you are receiving benefit from us and 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. Following 52 weeks of payment, the continuation of this benefit will be reviewed.

### 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 no further benefit will be paid to you.

### Medical Expenses Benefit

If you were in receipt of 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 specialist 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 continuing payment of benefit.

## Making a claim

### When to claim

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

### How to claim

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

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

Once completed, you must send to Holloway Friendly:-

- The completed claim form
- Medical certificates
- Evidence of income which could be, but not restricted to your latest payslips, P60s, accounts, Inland Revenue tax computations or other documentation we consider necessary.
- Evidence of loss of income

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.

### The deadline for claiming

If you have a deferred period of 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 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.

### 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 once your circumstances have been assessed as matching the criteria of our definition of disability resulting in a loss of income and are not doing any other work. We will ask for evidence of your loss of income. Any pension that you disclose in your claim form will be taken into account when assessing the level of benefit we can pay you unless it was disclosed in your original application form.

### Waiver of Premiums

Once your claim has been admitted and is in payment, from the following premium collection day, you will not 'pay' another premium until you are fit to return to work. Although we will continue to collect your premiums by direct debit we will refund the premium we have taken from your bank together with any benefit that is due to you, by direct credit. Waiver of premium does not apply if your claim is submitted in respect of Children's Benefit.

### 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 deferred period will not apply.

### When will the benefit be paid?

Once the claim has been admitted, benefit will be paid when you have been incapacitated for longer than the deferred period you have chosen.

### Might there be any circumstances when you will not pay me benefit?

There are no specific conditions attached to this plan that would prevent payment of benefit. However, benefit payments will not be made if the cause of the claim is one we excluded by applying special terms to your plan when we accepted your application; any special terms will be detailed in your acceptance documents.

You cannot claim if:-

- You have become unemployed
- You do not suffer a loss of income
- You fail to pay your premiums

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

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, 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.

We will not pay you benefit should we discover that you have not been truthful to us in your claim form or application form.

### For how long will you pay me benefit?

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 income
- You reach your chosen retirement age for the plan
- You die

### What might reduce my benefit?

Your benefit will be reduced or not paid at all if any of the following take you over the 50% 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 policies with other insurance companies
- Pension payments, unless you disclosed them in your initial application form whilst working

### What if my claim was caused by someone else?

If you should be incapacitated by the actions of a third party you must repay to Holloway Friendly an amount equal to the benefit we paid to you during your claim, from any payment made to you by that third party whether or not you instituted court proceedings.

### What is the definition of incapacity?

For occupational classes 1 Professional, 1, 2 and 3:-

Own Occupation definition applies

The monthly benefit amount will be paid if, after the deferred period, you are unable to do the material and substantial duties of your own occupation as a result of illness or accident, and you are not following any other occupation.

For class 1 Professional, 1, 2 and 3 occupations material and substantial duties are those duties that are normally required for the performance of your own occupation and cannot reasonably be omitted or modified by you or your employer.

For occupational class 4:-

With a minimum deferred period of 8 weeks.

Own occupation as above will persist for 12 months after which the claim will be based upon your ability to carry out any occupation whatsoever for which you may be reasonably suited by training, education or experience and you are not following any other occupation for profit or reward.

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. There are reduced premium rates for Class 1 Professional office based occupations. This would be subject to your business mileage being no greater than 10,000 miles pa.



## 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 plan.

### Taxation

Under existing legislation, the benefit we pay to you is income tax-free provided it is being used to replace a loss of income because of illness or an accident preventing you from carrying out your normal occupation.

### 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 to consider your application.

### Queries

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

### Complaints

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 plan 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.

## Terms and Conditions

Full terms, conditions and rules are available upon request.

Holloway Friendly cannot give you advice on its own or any other providers' products. If you are in any doubt whether this plan is suitable for you, you should contact your Financial Adviser for advice.

## 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](http://www.holloway.co.uk)  
Email [mail@holloway.co.uk](mailto: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 and Regulated by the Financial Services Authority. FRN 109986.





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