

Key information document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs and potential gains and losses of this product and to help you compare it with other products.

Classic Plus Income Protection Plan

www.holloway.co.uk

You are about to purchase a product that is not simple and may be difficult to understand.

Call us on 0800 0931 535 for more information or speak to your Financial Adviser. Holloway Friendly acts as the insurer for this Plan.

Holloway Friendly is the trading name of The Original Holloway Friendly Society Ltd. Holloway Friendly is registered and incorporated under the Friendly Societies Act 1992, registered No. 145F. Registered office: Holloway Friendly, Holloway House, 71 Eastgate Street, Gloucester, GL1 1PW.

Authorised by the Prudential Regulation Authority Regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

This KID was produced in September 2021

What is this product?

The Classic Plus Income Protection Plan is an income protection plan.

If you take out a Classic Plus Income Protection Plan we will also provide you with a Schedule that sets out further details of the Plan. There is also a Product Guide that sets out details of this product.

How we deal with your personal information is covered in more detail in the product guide and our full Privacy Notice can be viewed at www.holloway.co.uk

Objectives

The Classic Plus Income Protection Plan aims to

- pay you a replacement income should you be unable to work in your normal occupation as a result of injury or illness
- additionally, it includes the potential to build a cash sum from the 4th year of membership with the aim of providing a cash sum when the plan ceases at the end of the term you select. The lump sum builds over the lifetime of the plan as a result of the addition of bonuses awarded annually at the discretion of the Board.

Your personal illustration is supplied in the prescribed format as laid down by the Financial Conduct Authority. The amount of 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.

Intended retail investor

If your primary objective is investment then this plan is not suitable for you – it is an insurance contract which includes an investment element i.e. the potential to build a tax free sum over the plan term. Any cash sum is the result of Holloway Friendly making an allocation of profits to Classic Plus Income Protection Plan members at a rate agreed by the Board. This allocation depends upon the Society's investment performance, administration costs and the level of claims paid. The cash sum can be payable from the 4th year of membership. The cash sum will accrue within your Account and we will provide you with annual updates on how the lump sum is building. It is possible, subject to the full terms and conditions as referred to above, that a payment of some or all of your Account may also be available if you cancel the plan before the plan end date.

Our current practice is to invest funds in:

Deposit Accounts

- Fixed interest
- Long dated government stocks
- Equities
- Under existing legislation, the allocation of profits and compound bonuses added to your Plan each year, and the resulting cash sum paid at the end of the plan term or earlier surrender, 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.

Insurance benefits

The primary purpose of this plan is an insurance contract to provide a replacement income if you are unable to work as a result of illness, sickness or accident. You will have a number of choices to allow you to tailor your Classic Plus Income Protection Plan to your specific needs.

We can cover up to 60% of your gross annual earnings. The maximum benefit available is £60,000 per year or £5,000 per month. The minimum benefit is £3,600 per year or £216 per month.

The term of the Plan

The minimum term of the plan is 5 years – the plan can cease between your 50th and 70th birthday.

To check your eligibility to purchase this plan, please discuss with your Financial Advisor.

What are the risks and what could I get in return?

Risk indicator



The risk indicator assumes you keep the Classic Plus Plan for the full term you select at outset. If you cash the plan in before the end of the plan term then a partial payment of the cash sum value may be available. If you cancel the plan before the 4th anniversary then no cash sum is payable.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 3 out of 7 which is the low-medium risk class.

Note

- If you stop paying your premiums you will no longer be covered
- Cancelling your Plan before your chosen retirement age may incur a penalty being charged to your tax free cash sum
- 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
- Any benefit we pay to you under this Plan may affect your claim to some means-tested state benefits. State Benefit rules may change.

Performance scenarios

This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the plan term.

Investment: £1,000 Insurance Premium: £200		1 year	15 years	30 years – recommended holding period
Survival scenarios				
Stress	What you might get back after costs	£0	£1,220	£2,748
	Average return each year	-100%	-45.04%	-26.68%
Unfavourable	What you might get back after costs	£0	£1,685	£3,716
	Average return each year	-100%	-37.22%	-21.19%
Moderate favourable	What you might get back after costs	£0	£1,827	£4,312
	Average return each year	-100%	-35.33%	-18.79%
Favourable	What you might get back after costs	£0	£1,983	£5,014
	Average return each year	-100%	-33.47%	-16.57%
Accumulated investment amount		£0	£1,380	£2,100
Death scenario				
	What your beneficiaries might get back after costs	£0	£1,827	£4,312
Accumulated insurance premium		£1,000	£13,620	£27,900

This table shows the money you could get back over the next 30 years, under different scenarios, assuming that you invest £1,000 per year. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product. The stress scenario shows what you might get back in extreme market circumstances.

What are the costs?

You need to consider that the **primary** purpose of the plan is to pay a replacement income benefit if you are unable to work because of illness, sickness or accident – the tax free cash sum is a secondary purpose. The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £1,000 per year. The figures are estimates and may change in the future.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor.

Table 1 Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment £1,000 scenarios	1 year	If you cash in after 15 years	30 years - recommended holding period
Total costs	£1,000.00	£15,572.92	£28,473.76
Impact on return each year	103.97%	39.28%	22.74%

Table 2

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

One-off costs	Entry Costs	0.00%	The impact of the costs you pay when entering into your investment.
	Exit Costs	0.00%	The impact of the costs of exiting your investment when it matures.
Recurring costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	-22.74%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance/other costs	0.00%	This product does not have any performance or other incidental fees.

What happens if Holloway Friendly is unable to pay out?

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:

The Financial Services Compensation Scheme

PO Box 300
Mitcheldean
GL17 1DY
Tel. 0800 678 1100
fscs.org.uk

How long should I hold it and can I take money out early?

Recommended holding period

To get the full benefit of the investment content the plan must be held for the full term. If you cash the plan **in before the end of the plan term** then a partial payment of the cash sum value may be available. If you cancel the plan before the 4th anniversary then no cash sum is payable.

How can I complain?

If you have cause to complain about the service you have received from Holloway Friendly, please contact our Head of Member Services – details shown above. 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 Services

Exchange Tower
London
E14 9SR
Tel. 0800 023 4 567
Making a complaint will not affect your legal rights.

Other relevant information

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 or if you do not have a financial adviser visit www.unbiased.co.uk.