

Product guide document

# Classic Plus Income Protection Plan

Formerly known as the Key Features Document



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## Introduction

This product guide sets out important information about our **Classic Plus Income Protection Plan**. You should read this document carefully so that you understand what you are buying, decide whether it is right for you and then keep it safe for future reference.

The full terms and conditions for the Plan are available on the website.

## Have a question?

We're here

Monday - Friday 9.00am to 5.00pm

📞 0800 0931 535

# You Need to Understand the Following Facts About the Classic Plus Income Protection Plan

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## ITS AIMS

- To pay you a regular benefit to replace a loss of earnings if you are unable to work due to illness or injury.
- 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 Plan you have chosen, no matter how many claims you make.
- To provide you with a tax free cash sum at the Plan end date.
- To offer a Plan that is flexible and may be changed in the future according to circumstances.

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## YOUR COMMITMENT

- You agree to pay a regular monthly premium by Direct Debit throughout the term of the Plan to your chosen Plan end 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, we may not be able to 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.
- You must notify us of any claim you wish to make as soon as possible.
- You must notify us of any change in your personal circumstances, for example a change in earnings, employment status, or employer sick pay arrangements at any time during the lifetime of your Plan.
- You should review your level of cover against your earnings regularly to ensure it will continue to meet your needs.

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## RISK FACTORS

- If you stop paying your premiums you will no longer be covered.
- If your earnings have changed then you may be under or over insured.
- It is important that you provide accurate information. Inaccurate information may impact our ability to pay your claim.
- Cancelling your Plan before the Plan end date will incur a penalty being charged to your tax free cash sum.
- Income protection is currently a tax free benefit. However, taxation may change in future.
- Any benefit we pay to you under this Plan may affect your claim in respect of some means-tested State Benefits.

# Things You Need to Know

## Before you apply for your plan

### What is the Holloway Friendly Classic Plus Income Protection Plan?

This Plan pays a regular benefit when you are unable to work due to illness or injury.

The Plan also aims to pay a tax free cash sum at your chosen Plan end date regardless of how many times you claim.

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

### What is my tax free cash sum?

Each year we make an allocation of profits plus bonus to all Members at a rate agreed by the Board which depends upon our investment performance, administration costs and the levels of claims paid. This allocation is payable from the 4th year of taking out the Classic Plus Income Protection Plan and is intended to be paid to you at the Plan end date. Under current legislation the cash sum 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 a UK or EU citizen who has been both resident and registered with a UK GP for a minimum of 12 months
- If you do not fulfil the above criteria, you must have been both resident in the UK and registered with a UK GP for the last 3 years
- You are, at the chosen start date, aged between 18-54
- You are working for a minimum of 16 hours per week
- You need to be employed or if self-employed, have a proven trading history of 6 months
- You have a UK bank account
- You pay income tax in the UK
- You have no immediate intention to move abroad.

### Will you require medical information?

In order to provide you with cover we will ask you some questions about your lifestyle and health.

### How much benefit can I have?

We can provide you with cover ranging from £216 per month to a maximum of £5,000 per month.

### How will you decide the benefit amount I can have?

The amount will be based on your earnings:

- If you are employed this can be evidenced by your P60, payslips, bonus statements, dividends statements and P11d
- If you are self-employed this is your net profit
- 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.

We will provide you with cover to a maximum of 60% of your earnings up to £100,000. E.g. if your earnings are £40,000 you could receive £24,000 in benefit.

### How soon will the benefit be paid?

You can decide when you want your benefits to start. This can be 4, 8, 13, 26 or 52 weeks after you stop work due to illness or injury and is known as the Deferred Period. You should consider your employer's sick pay scheme when choosing your Deferred Period.

### The term of the Plan

You can choose any age between 50 and 70 for the Plan to end.

### Will my premium change?

Your premiums are guaranteed throughout the term of your Plan as set out in your personal illustration. Each year the premiums will rise on 1st January in accordance with your age on the birthday during that calendar year. We will tell you each year how much the revised premium will be.

### Can I increase my cover?

There are two options:

- You can select the Escalating Benefit option at outset to automatically increase your cover once a year by the rise in the Retail Price Index
  - the maximum increase is 10%. If you select this option we will also increase the premium, and we will let you know what your new payment will be for the following year. The increase in cover will start from the 1st January following the Plan commencement and each 1st January thereafter.
- The Plan is flexible and you can apply to increase your benefit at any time subject to there being at least 5 years of the Plan term remaining. The minimum amount of additional benefit is £50 per week subject to the maximum benefit levels. The increase may be subject to an assessment of your health and earnings at the time the increase is applied for. Your premium payments will increase when your benefit increases.

# Once your plan has started?

## What if my circumstances change?

The Plan is flexible and can be adapted to your changing circumstances. It allows you to increase or reduce premiums and benefit levels or change the Deferred Period, and you should contact your Financial Adviser if you want to make any changes. Reductions in Deferred Periods and increases in benefits 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.

## Option to convert to a Commuted Plan

You have the option to stop the income protection element of the Plan and convert it to a Commuted Plan if you no longer need the insurance benefit. If you take this option you will lose the benefit of an income should you be unable to work due to injury or illness. The monthly premium will be reviewed taking into account the number of units held. Each unit has an entitlement to a bonus addition each year, subject to the performance of the Society. You should seek financial advice before making a decision.

## What if I stop paying my premiums?

Premiums need to be paid to maintain your cover, entitlement to claim and entitlement to the annual allocation of profits into your tax free cash sum. The cash sum held under your Plan will be used to continue to fund your cover. Once the cash sum is fully used, the cover will end.

If you owe more than three months premiums you cease to be a Member of the Society. You must claim your tax free cash sum within twelve months of your last payment.

You must claim your tax free cash sum as soon as possible after you decide to cease paying premiums to avoid the cash sum being reduced to fund premiums.

Reinstatement will be considered within 6 months of the first missed payment subject to payment of all arrears and completion of a Declaration of 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. We reserve the right to request a medical report at the expense of the Member in support of their request to reinstate their Membership.

## What if I cancel my Plan?

The number of units you hold will be detailed on your annual statement. If you wish to cancel your Plan, the value of your tax free cash sum will be paid after a six month notice period. Penalties of £3 per unit held may be deducted from the cash sum.

## What happens if I die?

If you die before the Plan end date, the value of your tax free cash fund will be paid to your nominated beneficiary or your personal representative.

# Additional Features

## Career break option

If you take a career break, for example to raise a family, study, travel or redundancy, you can suspend your cover for up to 24 months in total during the life of the Plan up to a maximum of 6 months in any 12 month period subject to the premiums not being in arrears.

Premium payments and entitlement to claim will be suspended for the duration of the career break. Premiums can be suspended for up to 6 months at a time, at which point we will reinstate the direct debit.

You will be eligible to have cover restored to the level it was before the start of your career break without the need for underwriting and you will be able to claim again once you have been back at work for 3 months.

## Guaranteed premiums

Your premiums are guaranteed throughout the term of your Plan as set out in your personal illustration. Each year the premiums will rise on 1st January in accordance with your age on the birthday during that calendar year.

## Medical expenses benefit

If you are claiming benefit under your Plan, you can apply 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.

## Proportionate benefit

If you are receiving a benefit but are unable to return to your pre-incapacity occupation, you may consider retraining for a new role which pays a lower salary. In this instance you can request to be considered for a partial payment of benefit to support you. If agreed the partial payment will be paid for a maximum of 52 weeks.

## Rehabilitation benefit

If you are receiving a benefit from us as a result of an illness or injury but could return to your pre-incapacity occupation in a part time or reduced role, you may be eligible to receive an additional benefit to support your transition back to a fulltime occupation. This will be a partial payment of claim benefit from us to assist you and will be paid for a maximum of 52 weeks.

## Terminal illness benefit

On the diagnosis of a terminal illness where life expectancy is less than 12 months and with which our Chief Medical Officer agrees, we will:

- Immediately pay a lump sum equivalent to six months Plan benefit irrespective of the Deferred Period
- if you are within the Deferred Period the monthly Plan benefit will commence with immediate effect and will cease upon death
- if you are receiving the Plan benefit the lump sum payment will be paid as an additional amount.

## Waiver of premium

We will waive premiums after 52 weeks of paying Plan benefit. Premiums paid will be refunded with each benefit payment made.

# Making a Claim

## How to claim

If you need to claim, please tell us as soon as possible. You should complete the claim notification form on our website:

[www.holloway.co.uk](http://www.holloway.co.uk) or call us on **01452 782 754**. Our website provides you with all the information you need in order to claim.

You are entitled to receive the claim benefit at the end of your chosen Deferred Period if you are unable to work because of illness or injury. You need to ensure that your premiums are up to date.

### What does injury or illness mean?

Our definition of injury or illness 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 claim benefit for 24 months to "you cannot perform your own or any occupation to which you are reasonably suited by status, training, education or experience and not following any other".

We refer to this as incapacity.

### How we assess your claim?

We will look at the duties of your occupation and your continued ability to do them. If you are unable to do these duties and suffer a loss of income we will consider your claim.

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

### What income will my claim be based on?

The benefit we will pay you will be based on your pre-incapacity earnings, and we will need supporting evidence:

- If you are employed, we will need to see payslips and/or P60
- If you are self-employed, we will need to see an HMRC tax assessment and/or a copy of your most recent accounts
- If you are a director of a limited company, we will need to see printed payslips, a P60 and a copy of the most recent accounts.

### How long will the claim be paid?

Your benefit will be paid until the first of the following situations occurs:

- You recover and are able to fully return to work
- You no longer suffer a loss of earnings
- The Plan reaches the end of the term
- If you die.

### When will the claim be paid?

Claims will be paid twice a month after your Deferred Period on the 15th and last working day of the month directly into your bank account.

### When will a claim not be paid?

We will not pay benefit:

- During the Deferred Period
- If there is a pre-existing condition which was not disclosed to us prior to the Plan starting or when you made a subsequent amendment to your plan
- If the premiums are not paid up to date
- If you did not receive any income prior to your illness or injury, or if there is no loss of income
- If you have become unemployed.

### What might reduce my claim benefit?

Your benefit will be reduced or not paid at all if any of the following mean that you exceed 60% of the maximum entitlement to benefit:

- 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 from any other insurance company
- Pension payments unless you were receiving them whilst working



### **What if I travel overseas?**

- We will pay any valid claim if you are resident or temporarily resident in 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.

If you are living anywhere else in the world, 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.

### **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.

# 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.

## 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.

## Data protection statement

The Original Holloway Friendly Society (Holloway Friendly) is the 'Data Controller' for information collected and stored about you for the purposes of Data Protection Legislation, including the General Data Protection Regulation (EU) 2016/679 (GDPR). In order to provide a quote, set up and service a plan we need personal information, including sensitive medical and lifestyle information about you.

We will keep your information safe for as long as we need it and use it for the purposes detailed in our Privacy Notice in accordance with Data protection law and summarised above.

Holloway Friendly will not sell your information to another company or use it to market the products or services of other companies to you. We do share information with third parties for various reasons, including to ensure we supply a good service to our Members and offer them support services if they make a claim. You can see full details in our Privacy Notice

[www.holloway.co.uk/privacy-notice](http://www.holloway.co.uk/privacy-notice).

You have legal rights concerning how we handle your personal information, including rights to access, correct or delete your personal information, have it sent to another organization, restrict or object to its processing or complain to the UK regulator the Information Commissioner's Office (ICO). Where we make a decision using our computer systems e.g. that we can't offer someone a Plan, there is a right to ask that one of our team reviews that decision. You can find more information about these rights in our Privacy Notice.

If you have any queries or concerns about how we handle your information, or want to exercise your rights, please contact us at the contact points detailed in our Privacy notice, or email [Dataprotectionofficer@holloway.co.uk](mailto:Dataprotectionofficer@holloway.co.uk).

## Investment of funds

Our current practice is to invest funds in:

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

## 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

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 Head of Member Services. 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 4567  
[www.financial-ombudsman.org.uk](http://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:

#### **The Financial Services Compensation Scheme**

PO Box 300  
Mitcheldean, GL17 1DY  
Tel. 0800 678 1100  
[www.fscs.org.uk](http://www.fscs.org.uk)

### **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 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](http://www.unbiased.co.uk).

## Contact us.

We're here to help.

### Address

Holloway House  
71 Eastgate Street  
Gloucester GL1 1PW

 **0800 0931 535**

 [Memberservices@holloway.co.uk](mailto:Memberservices@holloway.co.uk)

 [www.holloway.co.uk](http://www.holloway.co.uk)

### We're here

**Monday - Friday** 9.00am to 5.00pm