

Key Features

Your questions answered

Individual Income Protection | **Personal Income Replacement Plan**

Key Features - your questions answered

Personal Income Replacement Plan

Important

You should ensure you have a full understanding of the plan before making a purchase.

This key features document gives you the main points about the income protection plan you're considering. It is therefore important that you read it carefully together with any illustration of the benefits and costs. Please keep them with your other Plan documents.

This key features document follows the Association of British Insurers' Statement of Best Practice for Income Protection Insurance.

Aims

- To provide you with a regular monthly benefit if you suffer illness or injury limiting your ability to work and leading to a loss of earnings. This benefit is intended to replace lost earnings.

Your commitment

- To give us all the information we ask for when applying for your Plan and when claiming benefit. If you don't do this we may not pay your benefit.
- To pay all the regular premiums we need for the length of the Plan.
- To tell us if you take a career break or if you become unemployed.
- To tell us of any claim within the time limits we set.
- To select an appropriate level of cover and review it regularly to make sure you have enough for your needs but not more than we'll pay under the terms and conditions of the Plan.
- To inform us of any change in your health between the date of your application and notification that we have issued your Plan.

Risk factors

- You won't be covered if you don't pay your premiums on time. However, you don't need to pay premiums when you're receiving benefit.
- The cover may be less than you need if you don't review it regularly to keep it in line with your earnings. However, if your cover is more than you are allowed to claim under the Plan, then we will reduce your benefit. We won't refund any premiums if this happens.
- The benefit we pay under the Plan may affect your claim to some means-tested State benefits.
- State benefit rules may change.
- The present tax-free treatment of the Plan's benefits may change.
- You may choose between reviewable and guaranteed premiums. If you choose reviewable premiums we may change your premiums in the future because of factors such as our claims costs and expenses (see "Premiums" in Section 3 of the Plan's terms and conditions).
- If you do not provide any information we ask for, or the information you provide is untrue, incomplete or misleading, we may not pay benefits.
- Certain causes of claim won't be covered (see "When will the Plan not pay out?" on page 7).
- Your Plan has no cash-in value at any time.

Questions and answers

What is a Unum Personal Income Replacement Plan?

This Plan provides you with a monthly benefit if you suffer illness or injury limiting your ability to work and leading to a loss of earnings. You select the features of the Plan to make sure the cover is right for you.

- You decide:
 - the amount of benefit you need
 - how soon you would like the benefit to start
 - how long you want the cover to last
 - how long you need the benefit to be paid
 - whether to pay guaranteed or reviewable premiums.
- You pay regular premiums to keep the cover in force.
- We provide cover until your Plan ends no matter how many claims you make (but see also "Claiming again after returning to work" on page 6).
- You tell us when illness or injury limits your ability to work.
- We pay you a monthly income for as long as the claim is valid. This may be verified by regular assessments of your fitness for work.
- You tell us when your illness or injury is no longer preventing you working.

How do I select the Plan's features so that it meets my needs?

This section deals with the choices you make when setting up your Plan.

The amount of benefit that can be paid

You choose the amount of benefit you'll need. Remember that tax and national insurance are deducted from your normal earnings, but not from the benefits we pay you.

This means that you shouldn't need benefit which is more than half of your pre-incapacity earnings. This is the most we'll pay out.

We won't provide an initial level of benefit of more than £250,000 a year at the start of your Plan.

See also the section "Other income which may reduce your benefit" on page 7.

The earnings upon which to base your cover

When choosing your cover, remember that if you claim we will not pay benefit of more than 50% of your pre-incapacity earnings:

- If you're employed, these are your pre-tax earnings assessed under Pay As You Earn (PAYE) in the 12 months before your ability to work became affected by illness or injury, including the following non-cash benefits known as "benefits in kind" which your employer may provide and which will cease during a period of incapacity:
 - living accommodation where you live and pay Council Tax
 - company car when used for private use
 - car fuel which is provided for use with your company car
 - beneficial loans, excluding loans for travel tickets
 - Medical Insurance such as Critical Illness Insurance, Private Medical Insurance and accident and travel Insurance.

Your P11D, issued by your employer, has information about the taxable value of benefits in kind.

- **If you're self-employed**, these are your share of pre-tax profits from your trade, profession or vocation after deduction of trading expenses (as defined in Schedule D Case I and II of the Income and Corporation Taxes Act 1988), in the 12 months before your ability to work became affected by illness or injury.
- Income received from savings and investments is not taken into account.

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Increasing your cover

Your cover will increase automatically each year in line with the Retail Prices Index up to a maximum of 12%.

Your cover can increase each year until it reaches a maximum level of £500,000 a year.

We will increase your premiums when your cover goes up (regardless of whether you have selected guaranteed or reviewable premiums - see "changes to your premium payments" on page 8).

We'll write to you beforehand to tell you about the increase and confirm the revised premium. You can choose not to accept any increase. If you decide not to take up two consecutive increases, we won't write to you again offering this. You may ask us later to increase your cover but we'll need new information about your health, occupation and finances before we agree to do so.

You may also choose to increase your cover on special occasions with the Guaranteed Insurability Option (see "What other features are there?" on page 7).

You can apply to increase your cover at any other time, but you would need to give us information about your work and hobbies, together with satisfactory evidence that you are still in good health, before we agree to make the changes to your cover.

Automatic increases to your benefit payments

You may choose at the start of your Plan for the benefit you receive to increase each year from the anniversary of the date on which any claim becomes payable. You can choose for your benefits to increase by 5% each year or in line with the Retail Prices Index (up to a maximum of 12% each year). Your premium will be higher if you select this option.

When your benefit payments stop, your cover and premium payments will go back to what they were before you started to claim.

When benefit payments start

There will be a period following the start of your illness or injury which limits your ability to work, for which we don't pay benefit. This is known as the "deferred period". You can choose from 4, 8, 13, 26 or 52 weeks. The longer the deferred period, the lower the cost of your Plan will be.

Your choice should allow for any earnings you expect to continue after you stop working, such as sick pay, or how long you're prepared to live on your savings.

How long the cover should last

You choose for your Plan to end when you think you would no longer need the benefits. Your Plan is designed to last for at least five years and your cover must end by the time you reach age 70.

Medical and other details we may need

Your application will include questions about your health, finances and other personal circumstances. At our expense, we may also ask for a report from your doctor or for tests to check your current state of health.

What other benefits can I choose?

Extra benefit with Disability Plus

You can choose the Disability Plus Option at the start of your plan.

This gives you 20% more benefit after you have been receiving benefit for two years and your illness or injury stops you doing a number of specified activities that you have to perform in your work and daily life. (We describe these activities in the Plan's terms and conditions - see "Disability Plus" in Section 4.4.) The maximum benefit rule (limiting claim payments to 50% of pre-incapacity earnings) would no longer apply in these circumstances.

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How flexible is it?

This section deals with choices you can make once your Plan has started.

Regular review of your cover

You should consider how your earnings and living costs have changed since you last reviewed your cover.

If you wish to increase your cover by more than any automatic options provided by your Plan, we will need new information about your health, occupation and finances before we agree to change your cover. Your premium payments to us will increase.

You should also contact us if you wish to reduce your cover. Tell us how much you want to reduce your cover by and we will reduce your cover and the amount you pay.

Suspending your cover

Career break

If you stop working or take a career break you can suspend your cover for up to one year provided we agree beforehand. Your cover and premium payments will stop until you re-start your Plan. You don't have to give us any further medical information when your cover starts again.

Change of occupation

After the Plan starts you don't need to tell us if you change the type of work you do unless you are claiming benefit.

When will the Plan pay out?

When to claim

You can claim benefit when your ability to work is limited because of illness or injury and this results in a loss of earnings.

Benefit payments will not start before the end of the deferred period (see "When benefit payments start" on page 4). But it is important that you do not wait until then to let us know about your illness or injury. Please let us know as soon as you think your illness

or injury might result in a claim. We will then be able to start the assessment process (see page 6) and ensure we are in a position to start your benefit payments on time.

How to claim

Contact us to ask for a claim form at:

**Unum,
Milton Court,
Dorking,
Surrey RH4 3LZ.**

Telephone: 01306 887766

The deadline for claiming

Tell us as soon as possible but:

- for 4 week deferred periods, within 2 weeks from when you are first incapacitated
- for 8 and 13 week deferred periods, within 4 weeks from when you are first incapacitated
- for deferred periods of more than 13 weeks, within 10 weeks from when you are first incapacitated.

We may refuse to pay your claim if you don't tell us within 90 days following the end of the deferred period.

The extent of incapacity

Our usual definition of incapacity is "you are unable by reason of illness or injury to perform the material and substantial duties of your occupation".

Material and substantial duties are those normally done in your occupation and which cannot reasonably be left out or changed by you or your employer.

Please note that occupation is not restricted to one place of work.

Where we are unable to provide you with cover based on our usual definition of incapacity, we might apply another definition which is "you are unable to perform the material and substantial duties of your occupation and any other occupation for which you are suited by reason of education, training or experience". We'll write to you, before the start of your Plan, to tell you if a different definition applies.

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If you keep your cover going while you are not working we will pay benefit if you are unable to do certain physical tasks or if you suffer serious mental illness (see "Cover while not in occupation" on page 7).

How we assess your claim

We'll look at the duties of your occupation, your ability to do them, and whether adjustments can be made to help you do them. We'll also ask for evidence of your loss of earnings.

We'll need evidence that you are under the care of a registered Medical Practitioner. We'll also need confirmation that all suitable treatment options have been investigated. We might ask you to have an examination or undergo tests. Depending on the definition of incapacity which applies to you we may need evidence of your relevant education, training and experience.

You'll qualify for benefit if you meet the definition of incapacity described in "The extent of incapacity" on page 5.

How long the benefit is paid

Your benefit will be paid until the first of the following happens:

- you recover or your illness or injury no longer prevents you working
- you no longer suffer a loss of earnings
- your Plan ends
- you have received benefit over a single period, or combination of shorter periods (relating to the same condition), up to the maximum benefit period you have selected of either 2,3 or 5 years. It is possible to claim again for a previously unrelated condition where you have returned to work after the end of the limited benefit term and have resumed payment of premiums. Should you not return to work at the end of the limited benefit period you may take a Career Break for up to a 12 month period. If you do not return to work and recommence premiums within this 12 month period, the policy will lapse (see the Career Break Section on page 5)
- you die.

Claiming again after returning to work

There is no limit to the number of claims you can make unless you have chosen cover that provides a specific number of benefit payments. In that case, once the cumulative total of the benefit payments reaches the limit you have chosen, you will not be able to make another claim for a recurrence of the same condition or a related condition. However, providing you have returned to work and recommenced premiums you may submit a new claim where your subsequent illness or condition is unrelated to any other that has previously led you to claim and where it is not a continuation of an earlier claim. Future claims for unrelated conditions will be tested against your ability to perform your new occupation.

Please note that on returning to work, your cover and premiums will revert to the same level prior to your claim.

The deferred period will not apply if you need to claim again for the same cause within 12 months of returning to work.

Returning to part-time or less well paid work

If, because of your illness or injury, you can only return to work part-time or on a lower income, we'll pay you a lower benefit which takes account of your reduction in earnings. The maximum number of benefit payments that can be paid on this basis may be restricted where a limited benefit term has been selected. Future claims for unrelated conditions will be tested against your ability to perform your new occupation.

How benefits are paid

Benefits are payable at the end of each month and will start from the end of the deferred period.

Premium payments when claiming

You should continue to pay premiums until we accept your claim. However, you don't need to pay premiums to us while benefit is being paid.

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Other income which may reduce your benefit

We'll reduce your benefit if any of the following take you over the maximum we will allow (which is explained in "The amount of benefit that can be paid" on page 3):

- continuing payments from your employment - such as sick pay
- pension payments - unless you would have received them if you were still working
- other insurance benefits - if they are payable for more than two years and arise because of your incapacity and either provide regular payments to you or make regular payments on your behalf - such as mortgage payments.

If your benefit is reduced we won't refund any of your premiums.

We won't reduce your benefit if you receive a regular income from savings and investments or if you receive any State benefits. Please note benefit payments from your plan may affect your eligibility for, or the amount of, means-tested State benefits that you may receive.

When will the Plan not pay out?

We do not apply standard exclusions but we may apply special terms in some cases. If so we'll tell you before you start your Plan.

You cannot claim if you are not in paid work when you become incapacitated, unless you have notified us in writing that you wish to effect the "Cover while not in occupation" option (see page 7).

What other features are there?

Guaranteed options to increase your cover on special occasions

You have the option to buy further cover at specific times up to the age of 55 - when you:

- marry or enter into a civil partnership under the Civil Partnership Act 2004
- have children
- increase your mortgage

- receive a salary increase of at least 10% following a significant promotion or achievement of a professional qualification.

You also have the option of increasing your cover on every third policy anniversary until you reach age 55.

Terms and conditions will apply when using these options to increase cover, but you will not be required to provide further evidence that you are still in good health.

A nominal death benefit

Your beneficiaries will receive a death benefit if you die during the first 12 months of a continuous period of claim and your death is due to the same illness or injury. We will pay 12 times your last monthly benefit less the benefit we have already paid you.

Cover while not in occupation

This provides cover while you are not in a paid occupation. We will pay benefit if you are unable to do certain physical tasks or if you suffer serious mental illness (see "Periods of unemployment - Cover while not in occupation" in Section 4.7 of the Plan's terms and conditions). The maximum payable will be the benefit under the policy immediately before the option was exercised.

Access to rehabilitation services

When you receive benefit our team of Vocational Rehabilitation Consultants can provide support and assistance in rehabilitation. The Consultants include a range of health and vocational rehabilitation specialists with a wealth of experience and can give you advice about the benefits you are entitled to and how you can return to work.

You will find full details of all these other benefits in the Plan's terms and conditions (see "Benefits" in Section 4 and "Claiming benefit" in Section 6).

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World-wide cover

The Plan is only available to UK residents. But you are covered if you decide to live, work or travel anywhere in the world. However, we will only cover your non U.K taxable earnings providing they arise in the currency of one of the following countries:

Australia, any member state of the European Union, Canada, Channel Islands, Gibraltar, Iceland, Isle of Man, Japan, New Zealand, Norway, Saudi Arabia, South Africa, Switzerland, United States of America.

As is the case when residing in the United Kingdom, benefit will be paid only if you provide us with the information we need to assess your claim in a form which is acceptable to us.

The cost of any medical examination and any tests (including blood tests and saliva tests) that we may ask for which are carried out outside the United Kingdom will be paid for by us at the rates reasonably expected to be paid for the same medical examination or test in the United Kingdom. We will not be liable for any costs you incur in attending medical examinations and any tests or in supplying any other information.

Please note we will only make benefit payments to a U.K bank account in pounds sterling. Where your usual earnings are expressed in another currency, we will apply the prevailing sterling exchange rate at the date your incapacity started in calculating the amount of benefit that we will pay.

What will my premium payments be?

Your premiums depend upon factors such as your age, gender, occupation, pastimes, health and on the level and features of the cover you choose. They also depend on whether you choose to pay guaranteed or reviewable premiums.

Your illustration will show the normal cost of the cover you have chosen. We'll tell you the actual cost you'll pay once we have assessed your application.

You must pay premiums by direct debit, either monthly or yearly.

Changes to your premium payments in the future

If you choose guaranteed premium payments, the cost of your cover will only change if you increase your cover in line with the Retail Prices Index, or if you change your cover to meet your changing needs (see "Increasing your cover" in Section 5 of the Plan's terms and conditions).

If you choose reviewable premium payments, we will work out the premium for your Plan based on assumptions about certain factors which we believe are reasonable. We will review these factors and, if our view of these factors differs from the view we took of them at the start of the Plan or at the last review, we may change your premium based on that information. The factors that we take into consideration for Plans of this type are:

- our experience or expectation of claims;
- our experience or expectation of investment returns;
- our experience or expectation of expenses;
- our experience or expectation of the amount of time Plans of this type remain in force;
- changes to the taxation, legislation or regulations applicable to the plan.

We will write to you beforehand to tell you of any change. There is no limit by which your premium might change, but any such change will be applied in a fair and reasonable way to all the people who hold a reviewable Plan of this type, not only you.

What happens to the Plan if I die?

There is a small death benefit that your beneficiaries may receive (see "What other features are there?" on page 7). Once this has been paid your Plan will end. We will not refund any premiums.

What are the charges?

The premiums shown in your illustration include all the costs of administration, underwriting, claims and selling expenses, commission paid to your adviser (if any) and the fees payable for any medical examinations in the United Kingdom which we ask you to attend.

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What if I stop paying premiums?

You can stop your cover at any time.

You can stop paying premiums for up to 12 months because of a career break or unemployment provided we agree beforehand. You can start your cover again without providing medical information (See "Periods of unemployment – Career break" in Section 4.6 of your Plan's terms and conditions).

If you pay premiums yearly and decide to stop part way through the year, your cover will end and we will refund part of your premium.

If you pay monthly premiums and stop paying, your Plan and cover will end. You won't get any money back.

Does the Plan have a cash-in value?

Your Plan has no cash-in value at any time.

What about tax?

Present United Kingdom tax law and Her Majesty's Revenue and Customs (HMRC) practice means you don't:

- get tax relief on premiums; and
- pay tax or national insurance contributions on your benefits.

This may change in the future.

The tax position may be different if you receive benefits and do not live in the United Kingdom.

Can I change my mind?

You have the right to cancel within 30 days of receiving your Plan documentation.

After we accept your application and issue your Plan, we'll send you a Cancellation Notice. If you don't want the Plan, you have 30 days to send this Notice back and get a refund on any premiums you have paid.

If you wish to send us a completed Cancellation Notice please return it to the address which can be found on page 10.

Other Information

How to complain

If you ever have to complain, first write to the Head of Customer Feedback at:

**Unum,
Milton Court,
Dorking,
Surrey RH4 3LZ.**

If you're not satisfied with our response, you can complain to:

**Financial Services Ombudsman
South Quay Plaza,
183 Marsh Wall,
London E14 9SR.**

Complaining to the Ombudsman won't affect your legal rights.

Terms and Conditions

These key features are a summary of the Unum Personal Income Replacement Plan. They don't fully describe all the definitions, exclusions, terms and conditions. If you'd like a copy of the full terms and conditions before you decide to apply for a Plan, please ask your financial adviser or contact us direct.

We have the right to change the terms and conditions of your plan because of changes in the law or taxation. We'll write and explain if this happens.

Unum Limited issues the policy.

All our documents and correspondence with you will be in English.

Law

This policy is governed by the laws of England and any dispute is subject to the sole jurisdiction of the English Courts.

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Compensation

Compensation may be available under the Financial Services Compensation Scheme (FSCS) if we are unable to pay any monies due. It is designed to help protect you if Unum becomes insolvent.

Compensation for long term insurance contracts is limited to 90% of the benefit due under your Plan with no upper limit - information correct as at 01/01/2010.

Further information is available from the FSCS at www.fscs.org.uk or by calling 020 7892 7300.

Our regulator

Unum Limited is authorised and regulated by the Financial Services Authority.

Our firm reference number (FRN) is: 110408

You can verify these details by contacting the Financial Services Authority on: 0845 606 1234 or visit

www.fsa.gov.uk/register

ABI Statement of Best Practice

The Association of British Insurers (the ABI) is the trade association for insurance companies in the United Kingdom. Its members account for virtually all of the life insurance and pensions business written in the UK.

This document follows the ABI Statement of Best Practice for Income Protection Insurance. You can get a copy of the ABI Guide to Income Protection from us or from the Association of British Insurers, 51 Gresham Street, London, EC2V 2HQ. Telephone: 020 7600 3333.

www.abi.org.uk

How to contact us

Remember your financial adviser will normally be your first point of contact. We are not allowed to give you financial advice.

If you have any questions at any time, you can phone, send a fax or you can write to us.

Call us on: **0117 910 7733**
Monday - Friday, 8am - 6pm

Textphone: **01306 887784**
Monday - Friday, 9am - 5pm

Fax number: **0117 910 7734**

Office address: **Unum,
PO Box 7733,
Redcliffe Way,
Bristol BS99 1PJ.**



About Unum

Unum is the UK's leading provider of income protection insurance, with almost four decades of experience.

We enable individuals to protect their lifestyles, ensuring their financial security if they become unable to work because of illness or injury. In addition, our income protection customers benefit from our expertise in the specialist areas of vocational rehabilitation and return-to-work. For employers, we safeguard one of their most valuable resources by helping employees return to work following long-term absence.

At the end of 2008, Unum protected almost 1.6 million people through more than 15,200 schemes. During 2008 we paid total benefit claims of £263 million – of which more than £201 million related to income protection claims.

Our US parent company, Unum Group, traces its history back to 1848 and is one of the leading providers of employee benefits products and services, and the largest provider of group and individual disability income protection insurance in the United States. Premium income for Unum Group and its subsidiaries totalled \$7.8 billion in the year ended 31 December 2008, with reported revenues for the group totalling \$10.0 billion. Total assets were \$49.4 billion at 31 December 2008.

For more information please visit
www.unum.co.uk

www.unum.co.uk

Unum Limited is authorised and regulated by the Financial Services Authority.
Registered in England 983768.

We monitor telephone conversations and e-mail communications from time to time for the purposes of training and in the interests of continually improving the quality of service we provide.

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