



# Adviser Guide

Individual Income Protection | Executive Income Replacement Plan

## About Unum

Unum is one of the UK's leading providers of financial protection, with almost 40 years' experience safeguarding individuals from the consequences of serious illness, injury or death.

At the end of 2009, Unum protected more than 1.6 million people in the UK and paid claims of £268 million - of which £200 million related to income protection benefits - providing security and peace of mind to individuals and their families.

In the UK, Unum has a financial strength rating of A- (Strong) from Standard and Poor's and A- (Excellent) by AM Best.

Its 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 insurance in the United States. Premium income for Unum Group and its subsidiaries totalled \$7.5 billion in the year ended 31 December 2009, with reported revenues for the group totalling \$10.1 billion. Total assets were \$54.5 billion at 31 December 2009.

## Reasons Why

### For employers

- Provides protection for selected employees.
- Attract and retain high calibre employees.
- Pension and National Insurance contributions can be covered and continue to be paid.
- Supporting a wide range of retirement ages from 50 to 70.
- Low cost alternative provides limited benefit periods of two, three or five years.
- Guaranteed options to increase cover at key life stages, or on every third policy anniversary.
- Cover and benefits protected against inflation.
- Extended cover options while life insured is not working.
- Option to purchase additional benefit in the event of a more serious disability.
- Access to specialist advice and guidance around State benefits system.

### For employees

- Financial security if illness or injury means they cannot work and causes a loss of income.



**ADVISER HOTLINE: 0800 783 3282**

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## Executive Income Replacement Plan

<b>Product Description</b>	Provides a benefit (paid to an employer) to protect a selected employee if illness or injury prevents them working and they suffer a loss of earnings.
<b>Min/Max Age</b>	Life insured must be 18/64 age last birthday
<b>Terms</b>	Minimum term is 5 years; policy termination can be between ages 50-70.
<b>Max Benefit</b>	£300,000 per year (Maximum level 'basic' cover at inception) payable to the employee through PAYE. We can also cover an employer's NIC liability based on the benefit the employee receives, and an employer's pension contributions up to £50,000 as long as this is no more than a third of their current salary.
<b>Minimum Premium</b>	£5 per month; £60 per year
<b>Rate Options</b>	<b>Reviewable:</b> Yes <b>Guaranteed:</b> Yes
<b>Replacement Ratio</b>	80% of pre incapacity earnings (no deduction of State Benefits but plan benefits are subject to tax), plus employer paid: <ul style="list-style-type: none"> <li>• National Insurance contributions payable in the event of incapacity</li> <li>• pension/life assurance costs of up to a third of salary or £50,000, whichever is lower.</li> </ul>
<b>Incapacity Definition</b>	Unable to perform the material and substantial duties of own occupation. Please note that occupation is not restricted to one place of work. For certain occupations, an alternative definition applies: unable to perform the material and substantial duties of your own occupation or any other occupation for which you are suited by reason of education, training or experience.
<b>Deferred Periods</b>	4, 8, 13, 26, 52 weeks.
<b>Indexation of Cover</b>	RPI (max 12% each year)
<b>Indexation in Payment</b>	Level, 5% or RPI (max 12% each year)
<b>Product Features</b>	<p><b>Cover While Not in Occupation:</b> Cover reverts to definition based upon functional abilities tests for a period of up to 5 years. Premium reduced accordingly.</p> <p><b>Career Break:</b> Cover and premiums suspended for up to 12 months.</p> <p><b>Waiver of Premium:</b> Included</p> <p><b>Death Benefit:</b> If death occurs during the first 12 months of continuous period of claim (from the end of the deferred period) and is as a result of the same illness or injury, lump sum payable of 12 times the last monthly benefit paid, less benefit already paid.</p> <p><b>Guaranteed Insurability Option:</b> Option to purchase more cover on every third policy anniversary or at key life stages without having to provide further medical evidence. The events are as follows:  <ul style="list-style-type: none"> <li>• mortgage increase associated with house moving or home improvements</li> <li>• marriage</li> <li>• childbirth or adoption</li> <li>• salary increase of at least 10% following a significant promotion or achievement of a professional qualification.</li> </ul>                     May increase benefit by up to £10,000 per year, but by no more than 50% of original benefit level. The option is available until age 55.</p> <p><b>Shorter Benefit Periods:</b> Reduce costs with limited benefit periods of 2, 3 or 5 years.</p>
<b>Product Options</b>	<b>Disability Plus:</b> Provides an additional income on severe incapacity. Benefit increases by 20% following 2 years continuous receipt of benefit and inability to perform certain activities of daily living.
<b>Linked Claims</b>	If incapacity recurs from the same cause within 12 months of returning to work then the deferred period won't apply.
<b>Rehabilitation Services Disability Counselling</b>	Vocational Rehabilitation Consultants are health professionals with a wealth of knowledge and experience. They can provide support and assistance in rehabilitation and advice about benefit entitlement.
<b>Support Services</b>	We offer our clients access to a range of support services including 24/7 helplines and face to face counselling which they can access as soon as they take their policy out
<b>Claims Criteria</b>	Other cover taken into account in assessing maximum benefit at claim: <ul style="list-style-type: none"> <li>• continuing payments from employment</li> <li>• pension payments - unless they would be received even if still working</li> <li>• other insurance benefits - if payable for more than 2 years and arise because of incapacity and covers regular payments such as a mortgage.</li> </ul> This does not include Critical Illness or other lump sum payments.
<b>Medical Underwriting Limits</b>	We do not impose standard medical underwriting limits for automatically requesting a GP's report or for the client to undergo a medical examination.
<b>Non-smoker Rates</b>	Must have not smoked cigarettes in the 12 months prior to effecting a policy.
<b>Exclusions</b>	There are no standard exclusions
<b>Commission</b>	<b>Option 1 :</b> 130% of Lauto, 3.25% renewal <b>Option 2 :</b> 21% level

MORE

For further information about the Unum Executive Income Replacement Plan, please request a copy of the Key Features Document by contacting our Adviser Hotline on 0800 783 3282 or visit [unum4advisers.co.uk/individual](http://unum4advisers.co.uk/individual)

unum.co.uk

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**Registered office:**  
Milton Court, Dorking,  
Surrey RH4 3LZ.  
01306 887766 TEL  
01306 881394 FAX  
01306 887784 TXT TEL