Key features of the Income Protection Plan
Helping you decide

This is an important document which gives you a summary of the Income Protection Plan. Please read this with your illustration, if you have one, before you buy this plan and keep it for future reference.

The Financial Conduct Authority is a financial services regulator. It requires us, Zurich Assurance Ltd., to give you this important information to help you to decide whether our Income Protection Plan is right you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

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The Income Protection Plan

The Income Protection Plan is an insurance plan that provides a regular income benefit to replace some of your earnings if you can’t work because of long-term illness or injury. Your adviser will help you decide if this plan is right for you.

Its aims

What this plan is designed to do

- Provide you with a regular income if you suffer a long-term illness or injury that leads to loss of earnings.
- Provide a business with a regular income if a key person is unable to work due to long-term illness or injury.
- Allow you to decide;
  - the amount of income protection benefit you require
  - how soon you need the income protection benefit to start after you suffer the incapacity
  - for how long you need the income protection benefit to be paid
  - for how long you want the cover to last.

Your commitment

What we ask you to do

- Make regular payments over the plan’s term.
- Give us all the information we ask for when you apply for the plan. Please don’t assume we’ll contact your doctor for any medical information we need.
- Tell us about any changes to the information you give us on your application, which occur before your plan starts. Please see ‘When will the plan not pay out?’ on page 11.
- When choosing the level of income protection benefit you want, take into account any State benefits you may be entitled to, and any other insurance plans you already have that provide cover for accident, illness or injury.
- Review your cover regularly, with your adviser, to make sure you have the right amount for your needs.

Risk factors

What you need to be aware of

- If you don’t answer all the questions on your application fully, truthfully and accurately we may not pay a claim.
- We will not pay a claim in the circumstances described in ‘When will the plan not pay out?’ on page 11.
- If you stop paying, your cover and plan will end after 30 days. We won’t refund any of your payments.
- Your payments are reviewable so you may have to pay more in the future. There is no limit to the increase in payments that may apply. You may not be able to afford the same level of cover after a review, or be able to take out replacement cover.
- If you don’t take into account any income you may receive from other sources, you may be paying for more income protection benefit than you can claim.
- If your earnings have reduced at the time you claim, we may reduce the income protection benefit we pay you.
- We won’t refund any payments you’ve made if you have paid for more cover than you can claim or we reduce the income protection benefit we pay you.
- If you receive the income protection benefit you may not be able to receive some means-tested State benefits.
Other documents you should consider reading

This document gives you key information about the plan. If you want more detail on specific points, please read the following documents. We have highlighted when they are relevant throughout this document.

Here to help at every step
Explains what happens from when you apply, to when your plan starts, and tells you what you can expect from us while you have your plan.

Why your payment may change
Explains how plan reviews work.

Income Protection Plan – premier cover terms and conditions, or Income Protection Plan – essential cover terms and conditions
Gives you the full terms and conditions that apply to the plan.

All documents are available from your adviser or direct from us. Our contact details are on page 15.
Questions and answers

Setting up your plan

Is the Income Protection Plan right for me?

It may be right for you if:

- you need an income when you can’t work, whether you’re employed or self-employed, because of illness or injury
- you don’t already have an income protection plan in place that is sufficient for your needs
- your employer doesn’t provide income protection cover
- you have a business where the loss of a key person because of illness or injury will affect your ability to generate income and profit.

What cover does the Income Protection Plan provide?

The plan is designed to give you a regular income after a deferred period if you can’t work because you’re incapacitated and lose earnings due to illness or injury.

The incapacity must have started after the plan began and you must be incapacitated from doing the main duties of the job or jobs you were doing at the time of the injury or the start of the illness.

**Incapacity**

Our definition of incapacity is that you are unable to carry out the main duties of your job because of illness or injury. If you have more than one job at this time, we will not regard you as incapacitated if you are able to perform the main duties of any of them. This means that if you can still do your job, or a significant part of it, we won’t pay the income protection benefit. However, if you are substantially incapacitated from doing the main activities of your job, we will pay even if you can still perform incidental tasks.

**Special definition of disability**

For some occupations that require a high degree of medical fitness, a licence to perform the occupation, or total dependence on the use of hands or voice, we’ll apply a special definition of disability.

We’ll tell you if we apply this to you. This means that if you are still claiming income protection benefit 12 months from the end of the deferred period, we will stop paying the income protection benefit at any time after the 12 month period when you could return to work in a new occupation to which you are suited because of your education, training, retraining or experience.
There are two versions of the plan to choose from.

**Premier Cover** – provides cover until your plan ends, no matter how many claims you make.

**Essential Cover** – provides cover for five years. If your plan schedule says your plan is renewable, you will have the option to renew the cover for a further five years. You can continue to do this every five years unless the renewal into another five year term plan would take you beyond the plan termination age. In these circumstances you can extend the term of your existing plan provided there is at least one year to run before the plan termination age.

You will not be able to renew the plan if we have paid a claim during the term of the plan.

**How do reviewable payments work?**

Reviewable payments means we will review your plan regularly and the amount you pay may increase.

We calculate your payments in a fair and reasonable way based on our assumptions about the cost of providing your plan. Changes in the number and value of claims we expect, and our plan charges will affect the outcome of a review. If the overall change would be small, we won’t alter your payments. Changes to your health do not affect reviews.

If we ask you to increase your payments after a review, you can continue paying the previous amount and we’ll reduce your cover instead. You can also decide to stop making payments to your plan. If you do this, your plan and your cover will end.

For Premier Cover plans we’ll review your plan every five years and in each of the last four plan anniversaries before the end of its term. If your plan’s term is less than 10 years, we’ll review it five years before the plan is due to end. After that, we’ll review it every year. We’ll review Essential Cover plans each year.

Reviewable payment plans are usually cheaper than guaranteed payment plans (where the amount you pay stays the same) to begin with but may be more expensive after a review. Your adviser will help you decide whether guaranteed or reviewable plans are suitable for you.
What optional extra benefits can I include?

You can choose from two optional indexation benefits for an extra cost; ‘indexed during claim’ or ‘total indexation benefit’. You can choose one of these benefits when the plan starts or, if we agree, you can add either of them later.

**Indexed during claim**

This means the income protection benefit increases each year in line with increases in the Retail Prices Index from the date on which any claim becomes payable. Once the claim has ended we’ll reset the income protection benefit to the level it was at the start of the claim.

**Total indexation benefit**

This means your income protection benefit automatically increases each year in line with rises in the Average Weekly Earnings Measure. Your payments also increase each year to pay for the higher amount of cover. On any plan anniversary when we are paying a claim, we will increase your income protection benefit in line with any increase in the Retail Prices Index (not the Average Weekly Earnings Measure).

Who can the plan cover?

The plan can cover one person only.

You must be between 16 and 59 years old when the plan starts.

The plan must end before your 65th birthday.

When your plan starts you must be living in the United Kingdom and intend to stay here.

How much income protection benefit can I have?

The maximum income protection benefit you can choose is 60% of the first £45,000 of your pre-incapacity earnings before tax, plus 33.33% of any pre-incapacity earnings above £45,000, each year, less the Single Person’s Employment Support Allowance. See ‘Can Zurich reduce the benefit it pays?’ on page 8 for details of other income that will affect the benefit we’ll pay.

If the Essential Cover version of the plan is owned by a business on the life of a key person, the maximum benefit is twice the key person’s gross earnings, including the value of any P11D benefits.
Pre-incapacity earnings
If you are employed, this means your basic salary plus any regular overtime payments, bonuses or commission in the 12 months before you become unable to work, plus the amount of any pensions you receive. For Essential Cover key person plans, it includes the value of benefits in kind.

If you are self-employed, this means your share of pre-tax profit from your trade, profession or vocation (for the purposes of Part 2 Income Tax (Trading and other Income) Act 2005), after deduction of trading expenses, in the 12 months before you become unable to work, plus the amount of any pensions you receive.

With some occupations your income may go up and down. So, if your earnings in the 12 months before you become unable to work do not fairly reflect your normal level of earnings, you should (or we can ask you to) send in other evidence of earnings. We’ll tell you what this should be at the time.

The actual amount you will receive depends on your earnings immediately before you became incapacitated and also any income or benefits you receive during the period of claim.

Can Zurich reduce the income protection benefit it pays?
Yes, if you receive or are entitled to receive, income from any of the following and it takes your total income over the maximum payment we’ll make:

- Payments that continue, such as sick pay, from your employer and any continuing income if you are self-employed.
- Any pensions you receive from previous employments.
- Other insurance benefits – if they arise because of your incapacity and result in either regular payments made directly to you or payments made on your behalf, such as to pay your mortgage, credit card or loan payments.
- Single Person’s Employment Support Allowance or, if this is significantly changed by the Government or no longer available, any similar benefit introduced in its place. We will deduct an amount equivalent to this even if you are not eligible for the relevant benefit.

We’ll also reduce the income protection benefit we pay if your earnings have fallen and the benefit is higher than the maximum benefit we pay.

If we reduce your income protection benefit, we won’t refund any of the payments you’ve already made, so you need to regularly review the amount of benefit you have.

What income will not affect how much Zurich pay?
- Income support or any other means-tested State benefits.
- Income from savings and investments.
- The taxable value of any royalties from any patent or copyright or profits from selling shares or securities.

Full details are in section 3 of the terms and conditions.
When does the income protection benefit payment start?

You choose how soon after being incapacitated you want the monthly income to start. You can choose between one, three, six and 12 months for Premier Cover and between one, three and six months for Essential Cover. This is called the deferred period.

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

The benefit is paid monthly in arrears and provided we are in a position to pay the claim, we’ll pay you on the first day of the month following the end of the deferred period you have chosen. If we are not in a position to pay the claim, then we’ll backdate the payments to the end of the deferred period. You should continue to make payments until the end of the deferred period or until we agree your claim if later. However, once you start receiving the income protection benefit, we’ll make your payments for you.

When does the income protection benefit payment stop?

We’ll stop paying the income protection benefit when the first of these events happens:

- You no longer meet our definition of incapacity.
- You no longer have any loss of earnings.
- You continue to meet the definition of incapacity but you start working in a new job as an unpaid volunteer, unless you are working as an unpaid volunteer for a registered charity.
- The benefit payment period ends for Essential Cover. This is a maximum of two years’ claims in total.
- The end of the plan’s term.
- You die.

If we have applied a special definition of disability to your plan and you are still claiming income protection benefit 12 months from the end of the deferred period, we’ll stop paying the income protection benefit at any time after the 12 month period which you could return to work in a new occupation to which you are suited because of your education, training, retraining or experience.

Returning to part-time or less well paid work

If, after a period of claiming the income protection benefit, you go back to the same job part-time, you may be entitled to receive a reduced benefit called ‘rehabilitation benefit’ for up to of 12 months from the time you return to work.

If you are unable to return to your previous job but can do a different, less well paid job, you may be entitled to receive a reduced benefit called ‘proportionate benefit’. This won’t apply if you have a special definition of disability because of your occupation. Proportionate benefit is not available for Essential Cover (key person) plans.
How long can the plan last?

**Premier Cover.** The term of the plan must be at least five years. It must end on or before your 65th birthday. The date you choose for the plan to end is known as the plan termination age, and this can be on or before the date you plan to retire.

**Essential Cover.** The term of the plan is five years. It must end on or before your 65th birthday.

What do the charges cover?

The charges we take cover administration, underwriting, claims, sales commissions, profit and any medical examinations we may ask you to have. We include these charges in your payments to us.

How much does the plan cost?

Your adviser will tell you how much the plan will cost, but it will depend on the following:

- Your personal circumstances – for example, your age, health, occupation and whether you smoke.
- The amount and type of cover you choose – for example, the longer the deferred period you choose, the cheaper your plan will be.
- How long you want the cover to last.

You can pay monthly or yearly by direct debit. You can also pay yearly by cheque.

After it starts

Can I change my plan after it starts?

The plan includes an option to increase your cover at any time. You’ll need to give us details of your current health, earnings, occupation and activities. If we agree to increase your cover, your payments to us will increase.

If your earnings have reduced and the income protection benefit is higher than the maximum we’ll pay, you can reduce your cover.

Can my payments change in the future?

Your payments may change after a review.

After a review, we may ask you to make higher payments to keep your cover going.

If you choose total indexation benefit, your payments will increase each year to pay for the higher amount of cover.
What if I stop paying?
Your cover and plan will end 30 days after the last payment was due. You won’t get any of your payments back.

How much does the plan pay out?
You decide how much cover you would like when you take the plan out.
The plan never has a cash-in value.

What if I change my occupation?
You don’t need to tell us if you change your occupation after the plan starts, unless you want to increase your cover.

When will the plan not pay out?
You cannot claim just because you become unemployed.
We may not pay a claim and may cancel all cover under the plan in the following circumstances:

- You don’t give us all of the information we ask for when you apply for your plan or when you make a claim. Please don’t assume we’ll contact your doctor for any medical information we need.
- You don’t tell us if any of the following things change between making your application and when your plan starts:
  - Personal health.
  - Family medical history.
  - Occupation.
  - Where you live – if you move to live outside the UK.
  - The frequency and extent of your foreign travel.
  - Any hazardous leisure activities you do.
  - Alcohol consumption.
  - Smoking habits.
  - Use of recreational drugs or drugs not prescribed for you.

We won’t pay a claim if:
- you haven’t made all the payments that were due
- you aren’t in a paid job when you become incapacitated
- your incapacity starts when the plan has less than one, three, six or 12 months left to run (depending on the deferred period you’ve chosen)
- you are not continually disabled throughout the deferred period
- you have more than one job and you can still do the main duties of any of them
• the cause of the claim is due to committing a criminal act, unreasonable failure to follow medical advice, terrorism, war or civil commotion
• the cause of the claim is due to infection with HIV/AIDS (unless you caught it in the United Kingdom from a blood transfusion, by physical assault or at work in an eligible occupation)
• the incapacity arises while you are living abroad and you do not return to the United Kingdom or one of the other countries we specify
• the cause of the claim arises from the circumstances detailed in any specific exclusions included on your plan schedule.

We won’t pay the proportionate benefit if you have a key person plan, or if we have applied a special definition of disability to your plan.

Will I get regular updates on my plan?
Yes, we’ll send you a statement each year showing the level of cover you have. This will help you decide if it is still enough to meet your needs.

Cancelling your plan or making a claim

Can I change my mind and cancel?
Yes, you can. When we issue your plan documents we will send you details of how to cancel your plan. You will have 30 days from receiving these documents to do this. If you decide to cancel we will refund your money.

If you decide to cancel your plan after this time, please contact us, our details are on page 15. If you cancel your plan after the first 30 days, we won’t refund any money you’ve paid.

You can cancel before you receive your plan documents by calling us or your adviser.

How can I make a claim?
To make a claim, contact us or your adviser as soon as possible if an illness or injury has stopped you working.

We’ll let you know what information we need so that we can process the claim as quickly as possible.

<table>
<thead>
<tr>
<th>To claim for</th>
<th>Telephone number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income protection benefit</td>
<td>0370 243 0827</td>
</tr>
</tbody>
</table>
How do you assess my 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 ask for evidence of your loss of earnings.
We’ll also ask for medical evidence, reports and information about your illness or injury. We may require you to have an independent assessment.
You’ll qualify for income protection benefit if you’re unable to perform the essential duties of your occupation and therefore lose earnings, and are not doing any other work.

How often can I claim?

**Premier cover**
There is no limit on the number of times you can claim.

**Essential cover**
There is no limit on the number of times you can claim but the period during which we’ll pay the income protection benefit (or the proportionate or rehabilitation benefit) can be:

- one claim that lasts for the full two years, or
- several claims that don’t last for more than two years in total.

If you have received the income protection benefit and you claim again from the same cause within six months of returning to work, we’ll start paying you again without waiting for another deferred period.

To keep your cover going, you must start making payments to your plan when you return to work.

If you make a successful claim under the Essential Cover version of the plan, you will not be able to renew the plan.

What about tax?
You won’t have to pay income tax on the income protection benefit. If the plan is owned by a company, taxation is more complex. Please talk to your adviser about how this affects you and what arrangements you could make.

We’ve based this information on our understanding of current UK law and HM Revenue & Customs practice. Future changes in law and tax practice or in individual circumstances could affect taxation.
How to complain
If you need to complain, please see the ‘How to contact us’ section on page 15.

You can ask us for details of our complaints handling process. If you’re not satisfied with our response to your complaint you can complain to:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567 or 0300 123 9123

Or visit the website www.financial-ombudsman.org.uk

This service is free to you and you can find out more by contacting the Financial Ombudsman Service. You do not have to accept a decision by the Financial Ombudsman Service and you are free to go to court instead if you wish.

Compensation
If we’re unable to meet our financial obligations in full you may be entitled to help from Financial Services Compensation Scheme (FSCS). The compensation you’ll receive will be based on their rules.

If you need more information, you can contact the FSCS helpline on 0800 678 1100 or 020 7741 4100, write to the address below or visit the website www.fscs.org.uk.

Financial Services Compensation Scheme
10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU

Your adviser will recommend products that are suitable for your needs. You have a legal right to compensation if an authority decides that a recommendation was unsuitable when it was made.

Terms and conditions
This key features document gives a summary of the Income Protection Plan. It doesn’t include all the definitions, exclusions, terms and conditions.

We’ll send you a copy of the full terms and conditions when your plan starts. If you would like a copy before then, please contact us direct.

We’ll let you know if there are any changes to the terms and conditions. For full details of changes we can make, see the ‘Changes we can make to the plan’ section of the terms and conditions.

Moving abroad
If you move abroad you need to tell us. This may result in you having tax obligations in that country. If you move to the US we may place further restrictions on your account. Please refer to the terms and conditions.

Conflicts of interest
We make every effort to identify conflicts of interest. A conflict of interest is where the interests of our business conflict with those of a customer, or if there is a conflict between customers of the business. Once identified, we aim to either prevent the conflict or put steps in place to manage it so that it is no longer potentially detrimental to our customers.

We have processes in place to ensure we conduct our business lawfully, with integrity, and in line with current legislation. We operate in line with our conflicts of interest policy, available on request or on our website, which details the types of conflicts of interest that affect our business and how we aim to prevent or manage these. Where we cannot prevent or manage a conflict which may be detrimental to you, we will fully disclose it to you in line with our policy.

Law
The plan is governed by the law of England.

Our regulators
Zurich Assurance Ltd is an insurance company. We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. We are entered on the Financial Services Register under number 147672. You can find this on the website www.fca.org.uk. You can contact the FCA by telephone on 0800 111 6768 (freephone).

Communicating with you
Our plan documents and terms and conditions are in English and all our other communications with you will be in English.

Financial Strength
If you’d like to know more about our financial strength, including our Solvency and Financial Condition Report (SFCR) when available, please visit our website at www.zurich.co.uk/SFCR.
Keep in touch

It’s important that we keep in touch so, if you change your address or any of your contact details, please let us know.

We’d like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in large print, braille, audio or CD.

If you are a textphone user, we can answer any questions you have through a Typetalk operator. Please call us on 18001 01793 514514. Or, if you prefer, we can introduce you to a sign language interpreter.

How to contact us

If you want to contact us before you buy this plan, you can write or phone:

Write to
Zurich Assurance Ltd
Tricentre One
New Bridge Square
Swindon
SN1 1HN
UK

Phone
01793 514514

Monday to Friday 8.30am – 6pm (we are not open on public holidays). We may record or monitor calls to improve our service.

An answerphone is in operation outside office hours.
Please let us know if you would like a copy of this in large print, braille, audio or CD.