

## GCI Product Updates January 2014

### Background

As part of Unum's annual review of products, we have made some changes to our Group Critical Illness policy. These changes are summarised below and will be available from the 17<sup>th</sup> of January 2014.

<b>Term</b>	<b>Current</b>	<b>New</b>
<b>Member's cover</b>		
Maximum benefit	The lower of 4 times a members annual earnings or £500,000	The lower of 5 times a members annual earnings or £500,000
Extended cover terms	Temporary absence is limited to 1 year and a new pre-existing and related conditions exclusion applies from age 65	Not available to new or existing policies, (other than where it is currently in place). Change to the Terminal Age required instead
<b>Spouse's cover</b>		
Maximum benefit	The lower of £100,000 or the member's benefit	The lower of £150,000 or the member's benefit
<b>Children's cover</b>		
Age at which cover can begin	6 months	30 days
Age at which cover will cease	18 years	18 years (21 years if in full time education or vocational training)
Benefit	25% of the member's benefit up to a maximum of £20,000	25% of the member's benefit up to a maximum of £25,000

### Member's cover

#### Maximum member's benefit

The maximum member's benefit can be increased from 4 times a member's earnings to 5 times a member's earnings. This will not be automatically applied, but will be available subject to a policy review which may result in a change in premium.

### **Extended cover terms**

Extended cover terms were developed before the removal of the default retirement age by the Government. A member could apply to work beyond the employer's normal retirement age (usually 65). As employers could be selective with these applications, we set up separate eligibility categories with extra terms applied to account for this.

Now that default retirement ages have been removed, a Terminal Age applies instead.

### **Spouse's cover**

The maximum cover for spouses will be increased from the lower of the member's benefit or £100,000 to the lower of the member's benefit or £150,000. This will not be applied automatically; we can however provide you with a quote on this basis at your next policy review date.

### **Children's cover**

From the 17<sup>th</sup> of January 2014, children will be covered from 30 days old until their 18<sup>th</sup> birthday (or their 21<sup>st</sup> if in full time education or vocational training). They will also be covered for the lower of 25% of the member's benefit or £25,000. The change will be automatically applied to all policies from the 17<sup>th</sup> of January 2014 at no additional cost. A policy endorsement will be issued (via brokers where there is one) during December.

### **Summary**

- Most of the changes are not automatic so will require a request to change the policy terms
- The Children's cover is automatically applied to all policies through a policy endorsement effective 17<sup>th</sup> of January 2014.
- Extended cover will no longer be an option for new or existing policies unless you already have a category on this basis.
- The standard GCI and Voluntary and GCI technical guides will be merged into one document that will apply from your next policy review date.

**If you have any further questions, please contact your Unum Sales Consultant.**