

# Excepted Group Life Assurance Policy

GLEXPOL/02/2012(FCA)

(introduced 20/02/2012)

These **policy conditions** are GLEXPOL/02/2012 in use from 28/03/2014 with paragraph 8.4 revised to show **Unum** is now authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

## EXCEPTED GROUP LIFE ASSURANCE POLICY

This **policy** is issued by Unum Limited (called **Unum** in this **policy**) to the **policyholder** named in the **schedule**.

1. This **policy** consists of these paragraphs numbered 1. and 2., the **policy conditions**, the **schedule**, any proposal or supplementary proposal made to and accepted by **Unum** by or on behalf of the **policyholder**, and any special provisions or endorsements specified in writing by **Unum** and expressly stated to be incorporated into this **policy**.
2. In consideration of the **policyholder** paying the **premiums** to **Unum** as described in this **policy**, and complying with all of the other terms, conditions and provisions of this **policy**, **Unum** agrees to pay to the **trustee** the **benefits** described in this **policy**, when they become payable under the terms of this **policy**.

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## 1. INTERPRETATION

The following clarifications should be read in conjunction with the **policy**:

- 1.1 In the event that the terms set out in the **schedule** to this **policy** differ from, or contradict, anything in this **policy**, then the terms in the **schedule** shall prevail.
- 1.2 Unless the context clearly requires otherwise any term in the singular may be read to include the plural, and vice versa, and any term of a masculine gender may be read to include the feminine gender.
- 1.3 Where this **policy** contains alterations or amendments to an existing **policy** then this **policy** supersedes the previous one from the **effective date**.

However, a **member** immediately prior to the **effective date** shall remain a **member** even if he does not fulfil any age or **service** requirements as specified in the **eligibility category**, provided:

- (a) he continues to meet all the other provisions of the **eligibility conditions**, and
  - (b) he does not exceed the **terminal age**.
- 1.4 The terms and conditions of the **policy** at the date of a **member's** death will continue to determine his **benefit**.
  - 1.5 This **policy** is effected to secure certain death-in-service benefits for each **member** in accordance with the **plan**. The benefits assured from time to time under the **policy** shall correspond with the related liabilities of the **trustee** under the **plan** but only if, and to the extent that, those liabilities are secured by this **policy**.

## 2. DEFINITIONS

Certain terms used in this **policy** are expressly defined and the meanings of these terms are given in this section or in the paragraph where specifically applied. To help identify these terms they are shown in bold print throughout this **policy**. Where definitions relate to a particular selection (for example, the **benefit**) the general definition of the term is given in this section and the specific element of the definition is given within the **schedule**.

**actively at work** (or **actively working**) means the individual:

- has not received medical advice to refrain from work and is actively following their normal occupation, and;
- is working the normal number of hours required by their contract, either at their normal place of employment, or at a location to which they are required to travel for business.

An individual will be regarded as meeting the **actively at work** requirements if fully capable of so doing were it not for either a leave of absence previously authorised by his **employer** or the **actively at work** requirement falls on a day the individual is not contracted to work.

**associated policies** means any other policy or policies issued by **Unum** and designated as such in the **schedule**.

**associated policies benefit** means an amount of benefit payable under the **associated policies** and may be payable in the form of a lump sum or in the form of an annuity.

**benefit** means an amount of benefit payable under the **policy** and is payable in the form of a lump sum. The **benefit** in respect of each **eligibility category** is specified in the **schedule**.

**candidate member** means an **employee** of a company or an **employee** or an **equity partner** of a partnership or an **employee** or **LLP member** of a limited liability partnership, as appropriate, who may become a **member** on meeting the **eligibility conditions**.

**commencement date** means the date **Unum** first assumed risk for the **policy** and is specified in the **schedule**.

**continuation of cover** means the circumstances in which cover under the **policy** continues after the date a **member** ceases to be a **member** in accordance with paragraph 4.7.1. The **continuation of cover** applicable to each **eligibility category** is defined within the **schedule**.

**discretionary entrant** means a **candidate member** who is specified as a **discretionary entrant** or who does not satisfy all of the **eligibility conditions** but is included as a **member** (but excludes an **early entrant** and a **late entrant**), subject to the conditions of paragraph 4.1.3.

**discretionary opt-out** means a **candidate member** who satisfies all of the **eligibility conditions** but is excluded from being a **member**, subject to the conditions of paragraph 4.1.4.

**early entrant** means a **candidate member** who is specified as an **early entrant** or who does not yet satisfy all of the **eligibility conditions** but is included as a **member**, subject to the conditions of paragraph 4.1.3.

**earnings limit** means the permitted maximum as defined in Section 590C(2) of the Income and Corporation Taxes Act 1988. The **earnings limit** applies to all **members**, except for a **member** who is not subject to the **earnings limit** and has been advised as such to **Unum** by the **policyholder** and accepted by **Unum**. From 6 April 2006 when Section 590C(2) is repealed, for the purposes of the **policy**, the **earnings limit** will continue to apply and will be calculated by **Unum** as provided for in Section 590C(2) (unless the Treasury issues communications in lieu of the orders required under Section 590C in which case the **earnings limit** will be the figure contained in those communications).

**effective date** means the date on which the terms and conditions of the **policy** commence. The **effective date** of this **policy** is specified in the **schedule**.

**eligibility category** means the conditions a **candidate member** must satisfy in order to become a **member**, and are specified in the **schedule**.

**eligibility conditions** means the conditions of the **eligibility category** specified in the **schedule** and the conditions of paragraph 4.1.1.

**employee** means an individual who is gainfully and permanently employed by the **employer** as evidenced by a contract of employment.

**employer** means the employer specified in the **schedule** and any other company, corporation, firm or organisation which is directly or indirectly controlled by, or associated with the **employer** specified in the **schedule**, and which is participating in this **policy** with the written approval of **Unum**.

**enhanced protection** will be treated as having been gained and not lost if paragraph 12 of Schedule 36 to the Finance Act 2004 applies to a **member** and has not ceased to apply to that **member**.

**entry date** means the date on which a **candidate member** may become a **member** after fulfilling the **eligibility conditions** in accordance with paragraph 4.1.2. The **entry date** applicable to each **eligibility category** is defined within the **schedule**.

**equity partner** means an equity partner for the time being of the **employer** as evidenced by a partnership agreement (and is **actively working** in this capacity).

**extended cover member** means an **employee** of a company or an **employee** or an **equity partner** of a partnership or an **employee** or **LLP member** of a limited liability partnership, as appropriate, who is retained in **service** past the **terminal age** and is covered under the **policy** having satisfied the conditions of paragraph 4.6.8 or 4.6.9 as appropriate. Cover for an **extended cover member** ceases on attaining age 75, if not already ceased earlier.

The **extended cover members** covered by this **policy** may be administered by **Unum** under a separate policy record which does not represent a separate contract.

**free cover limit** means a level of **benefit** which will be granted in respect of a **member** regardless of their insurability subject to the conditions of paragraph 4.3.

**individual lifetime allowance** means the individual lifetime allowance as defined in Section 218 of the Finance Act 2004, relevant to a **member** with **primary protection**.

**insured earnings** means the nature of earnings on which **benefit** is calculated and changes to **insured earnings** are effective at the **insured earnings change date**. The **insured earnings** applicable to each **eligibility category** are defined within the **schedule**.

**insured earnings change date** means the date on which changes to **insured earnings** are applied to the calculation of **benefit**. The **insured earnings change date** applicable to each **eligibility category** is defined within the **schedule**.

**late entrant** means a **candidate member** who is specified as a **late entrant** or who satisfies all of the **eligibility conditions** and did not join the **plan** at their first opportunity but is included as a **member**, subject to the conditions of paragraph 4.1.3.

**lifetime allowance** means the standard lifetime allowance as defined in Section 218 of the Finance Act 2004.

**LLP member** means a member, as defined by section 4 of the Limited Liability Partnerships Act 2000, for the time being of an **employer** which is a limited liability partnership (and is **actively working** in this capacity).

**maximum liability limit** means **Unum's** maximum liability in the event of a catastrophe, subject to the conditions of section 6. The **maximum liability limit** applicable to this **policy** is specified in the **schedule**.

**member** means a **candidate member** of the **employer** who has been admitted to membership under the **policy**, and who remains for the time being a **member** in accordance with all the conditions set out in both the **eligibility category** within the **schedule** and section 4 of this **policy**.

**plan** means the plan specified in the **schedule** established by the **employer** to provide relevant benefits for the **members**.

**policy** means collectively the paragraphs numbered 1. and 2. on the first page of this document, these **policy conditions**, the **schedule**, any proposal or supplementary proposal made to and accepted by **Unum** by or on behalf of the **policyholder**, and any special provisions or endorsements specified in writing by **Unum** and expressly stated to be incorporated into this **policy**.

**policy accounting date** means the anniversary of the **policy** each year, or such other date as may be agreed from time to time, in writing, between **Unum** and the **policyholder**. The **policy accounting date** applicable at the **effective date** of this **policy** is specified in the **schedule**.

**policy accounting period** means whichever of the following periods is to apply:

- from the **effective date** of the **policy** up to the first **policy accounting date**.
- from one **policy accounting date** up to the next.
- from the **policy accounting date** prior to the date of termination of the **policy** up to and including the date of termination.

**policy conditions** means this document.

**policy number** is the number allocated to this **policy**. This is for reference purposes only and should be quoted on all correspondence. The **policy number** for this **policy** is specified in the **schedule**.

**policy review date** means the day on which **Unum** may revise the **premium rate** applied to this **policy** in accordance with paragraph 3.5 and vary the **policy** terms and conditions in accordance with paragraph 7.1. The **policy review date** applicable at the **effective date** of this **policy** is specified in the **schedule**. When the **premium rate** and/or the **policy** terms and conditions are revised a new **policy review date** will apply; this will be notified to the **policyholder** in writing.

**policyholder** means the **policyholder** specified in the **schedule**.

**premium** means the sums paid to **Unum** by or for the **policyholder** in return for the insurance provided in this **policy**.

**premium rate** means the annual rate of **premium** for each £1,000 of **benefit**, as **Unum** will notify, in writing, to the **policyholder**.

**primary protection** will be treated as having been gained and not lost if paragraph 7 of Schedule 36 to the Finance Act 2004 applies to a **member** and has not ceased to apply to that **member**.

**retail prices index (RPI)** means the United Kingdom General Index of Retail Prices. **Unum** reserves the right to substitute another index should the General Index of Retail Prices be discontinued, or in the opinion of **Unum**, be materially altered. The **RPI** figure used in calculations in this **policy** is the figure for the month which is 3 months prior to the relevant date for the calculation.

**schedule** means the schedule of the **policy** and comprises the General Terms, Overriding Provisions and Category Terms in respect of each **eligibility category**. The **schedule** sets out certain selections the **policyholder** has made concerning the options available for matters such as, for example, the level of **benefit**.

**service** means employment in the service of the **employer**. For the purposes of the **policy**, a transfer from one **employer** to another participating in the **policy** shall not be taken as termination of **service**.

**temporary absence period** means the length of time that **benefit** is maintained for a **member** who is temporarily absent from work (see paragraph 4.8). The **temporary absence period** applicable for each **eligibility category** is specified in the **schedule**.



**terminal age** means for each **member** the age at which they will cease to be a **member**.  
The **terminal age** applicable for each **eligibility category** is specified in the **schedule**.

If a **member** is on a fixed-term contract, he will cease to be a **member** on the earlier of:

- attaining the **terminal age**, or
- at the conclusion of his fixed-term contract, or
- if temporarily absent, in accordance with paragraph 4.8, at the conclusion of his fixed-term contract current on the day before the temporary absence.

If an **extended cover member**, he will cease to be an **extended cover member** on the earlier of:

- attaining age 75, or
- at the conclusion of his contract of employment, or
- if temporarily absent, in accordance with paragraph 4.8, at the conclusion of his contract of employment current on the day before the temporary absence.

**trustee** means the trustee(s) as specified in the trust deed or any amendments thereto governing the **plan**.

**unit rate** means a single **premium rate** which is applied to all **benefits** insured under the **policy** to calculate the **premium** due, except those in respect of **extended cover members**. If a **unit rate** is applied to this **policy**, then subject always to the provisions of paragraph 3.5, **Unum** guarantees that this **unit rate** will remain unchanged until the **policy review date** or such later date as **Unum** will notify, in writing, to the **policyholder**.

**Unum** means the company called Unum Limited, incorporated under the laws of England and Wales, with its registered and head office at Milton Court, Dorking, Surrey, RH4 3LZ.

### 3. **PREMIUMS**

This section explains about the calculation, adjustment and payment of **premium**.

#### 3.1 **Calculation of premium**

3.1.1 **Unum** will calculate the **premium** due for each **policy accounting period**, taking into account all relevant factors, including:

- (a) The sum of all the **benefits** in respect of all **members** on the first day of the **policy accounting period**.
- (b) Any non-standard **premium** loading.
- (c) The **premium rate** or **premium rates** then in effect.
- (d) The **minimum premium**.

**Unum** will notify the **policyholder** in writing of the **premium** calculated under this section.

**minimum premium** means the minimum amount of **premium** which will be charged for a **policy accounting period**. The **minimum premium** applicable to this **policy** shall be £750 per annum or such other amount as **Unum** shall decide and notify to the **policyholder** in writing.

3.1.2 The **policyholder** shall be required by **Unum** to provide information as at the **policy accounting date** and the day immediately preceding the **policy accounting date**.

The information provided as at the day immediately preceding the **policy accounting date** shall be applied in order to calculate the **premium** payable in respect of the **policy accounting period** ending on that date.

The information provided as at the **policy accounting date** shall be applied to calculate the **premium** payable in respect of the **policy accounting period** commencing on that date.

Failure to provide the requested information within 2 months of the **policy accounting date** shall give **Unum** the right to:

- (a) vary the terms and provisions of this **policy**, or
- (b) terminate the **policy**, or
- (c) take such other action as **Unum** determines to be appropriate including varying the level of **benefits**, altering the eligibility of an individual to be a **member**, or
- (d) withhold payment of any new claim notified whilst the requested information remains outstanding.

by giving 30 days written notice to the **policyholder**.

### 3.2 Payment of premium

**Premium** is due at the **commencement date** and at each subsequent **policy accounting date**. **Unum** will provide the **policyholder** with an invoice detailing the **premium** due and the frequency of payment.

If payment of **premium** is not forthcoming **Unum** may commence debt collection proceedings against the **policyholder** in accordance with paragraph 3.6.

**Premium** will be paid from a United Kingdom bank account in pounds sterling (or, if different, the lawful currency of the United Kingdom) to **Unum's** head office, or at such other place as **Unum** may direct.

### 3.3 Deposit premium

Before calculating the **premium** under paragraph 3.1, **Unum** may calculate a deposit **premium** for any **policy accounting period**. The deposit **premium** will be based on such information as **Unum** may have, including **Unum's** estimate of the total **benefit** in respect of all **members** and prospective **members**, the appropriate **premium rate** applicable to the **policy**, and any other relevant matters. Use of any estimate or assumption by **Unum** will not prevent **Unum** using a different figure or rate when it finally establishes the **premium** due.

After the calculation of the actual **premium** for this **policy**, then:

- (a) if the deposit **premium** for any **policy accounting period** proves to have been more than the **premium**, **Unum** will refund the excess to the **policyholder**, or
- (b) if the deposit **premium** for any **policy accounting period** proves to have been less than the **premium**, **Unum** will provide the **policyholder** with an invoice detailing the amount of the deficit and of the date or dates of payment.

Where a refund of **premium** is payable, **Unum** may apply the refund to set off premiums due under another policy of the **policyholder** with **Unum**. **Unum** will give the **policyholder** 14 days notice in writing of the intention to apply a refund to another policy.

### 3.4 Adjustment of premium

**Unum** may at any time during the **policy accounting period** (but normally at the next **policy accounting date**) calculate an adjustment to the **premium** to take account of any changes occurring during any previous **policy accounting period**. Such changes would include, for example, any change in the **benefit** in respect of any **member**, or the number of **members**.

The **policyholder** will notify **Unum** in writing as soon as reasonably practical of any such changes. **Unum** will notify the **policyholder** of any additional **premium** to be paid, or of any refund to be made to the **policyholder**.

No refund of **premium** will be due to the **policyholder** for the non-coverage of any **member** who has acted in breach of the **policy** provisions or not provided requested evidence of insurability.

Where a refund of **premium** is payable, **Unum** may apply the refund to set off premiums due under another policy of the **policyholder** with **Unum**. **Unum** will give

the **policyholder** 14 days notice in writing of the intention to apply a refund to another policy.

### 3.5 Premium rate revision

The **premium rate** is guaranteed from the **effective date** until the **policy review date**, except as provided in paragraph 3.5.1. After this time, **Unum** may revise the **premium rate**. The **policy review date** is stated in the **schedule**.

In accordance with paragraph 7.1, **Unum** reserves the right to vary the terms and conditions of this **policy** at any time the **premium rate** is revised.

#### 3.5.1 Changes allowing early revision of the premium rate

**Unum** reserves the right to revise the amount of the **premium rate** at any time if:

- (a) the number of **members** or the total **benefit** in respect of all **members** is changed by more than 25% from that notified to **Unum** for the **effective date** or **policy accounting date** at which the **premium rate** was determined, or
- (b) a new **employer** is approved by **Unum** and the **policyholder** or an existing **employer** ceases to be approved (see definition of **employer**), or
- (c) in the opinion of **Unum** there has been a significant overall change in the occupations of the **members** or where they work, or
- (d) in the opinion of **Unum** there has been a major change in the level or basis of the tax system, or a change in legislation.

If in the opinion of **Unum** there has been a material change in the inception data from the data that was provided for the quotation, then **Unum** reserves the right to change the **premium rate** at the **commencement date**.

**Unum** further reserves the right to cease calculating the **premium** using a **unit rate** at the **policy accounting date** on which, or next following which, the number of **members** covered under the **policy** falls below 20.

#### 3.5.2 The revised premium rate

At the **policy review date** or the date that paragraph 3.5.1 is effected, the information provided in accordance with paragraph 3.1 shall be applied by **Unum** to determine the **premium rate** to apply from that date. The revised **premium rate** will be guaranteed for such period, if any, that **Unum** may decide.

If as a result of such determination the **premium rate** is revised, and a revised **premium** is payable, any further amount due from the **policyholder** shall be calculated having regard to any **premium** already paid.

**Unum** shall be entitled to the **premium** according to the revised **premium rate** retroactively from the **policy review date** or the date that paragraph 3.5.1 is effected. The **policyholder** may provide **Unum** with data as at a date no more than 3 months prior to the **policy review date** or the date that paragraph 3.5.1 is effected, for the purposes only of **Unum** determining the revised **premium rate** to apply from that date.

### 3.6 Non-payment of premiums

In the event of the **policyholder** not paying **premiums** or part of a **premium**, interest applicable or any sum which is payable, or in the event of the **policyholder** ceasing to be entitled to pay **premiums** under the **policy**, **Unum** shall have the right to terminate this **policy**. **Unum** will give the **policyholder** 14 days notice in writing of the intention to terminate.

The **policyholder** ceasing to pay **premiums** does not automatically terminate this **policy**. The **policyholder** is entitled to terminate this **policy** at any time by giving **Unum** notice in writing in advance, in accordance with paragraph 7.3.

Any outstanding **premiums** in respect of cover provided up to the date of termination of this **policy** will remain due.

**Unum** reserves the right to charge interest (of the Bank of England base rate plus 3%) and a reasonable administrative charge for late payment of any **premium**, or part **premium**, even if **Unum** has agreed not to deem the **policy** to have terminated.

#### 4. MEMBERSHIP

This section explains about becoming a **member**, remaining a **member**, and the circumstances under which a **member** ceases to be a **member**.

##### 4.1 Eligibility for membership

###### 4.1.1 New member

A **candidate member** becomes a **member** on the **effective date** if all the following conditions are met, as well as those set out in the **eligibility category** within the **schedule**:

- (a) He is **actively at work**.
- (b) He satisfies the requirements in paragraph 4.9 if overseas or on secondment.
- (c) The **policyholder** provides to **Unum's** satisfaction the information described in paragraph 4.2.

If the **eligibility category** requires membership of a pension arrangement of the **employer**; then the **candidate member** must have joined the pension arrangement within 12 months of first being eligible to do so, to satisfy that eligibility requirement.

Provisions relating to a new **member** are set out in paragraphs 4.6.1 and 4.6.2.

###### 4.1.2 Entry date

Unless otherwise agreed in writing with **Unum** a **candidate member** who did not meet all the conditions set out in paragraph 4.1.1 on the **effective date** will become a **member** on the **entry date** coinciding with or immediately following the date on which he meets the **eligibility conditions**.

The **entry date** applicable to each **eligibility category** is defined within the **schedule**. The meaning of the **entry date** is set out in the following table.

<b>entry date</b>	meaning
daily	the day
monthly	the first day of a month
quarterly	the <b>policy accounting date</b> or the first day of any subsequent 3 months period
half-yearly	the <b>policy accounting date</b> or the date 6 months thereafter
annual	the <b>policy accounting date</b>
closed	no further individual shall become a <b>member</b> after the date specified in the <b>schedule</b>

#### 4.1.3 Discretionary entrant, early entrant, late entrant or extended cover member

A **discretionary entrant, early entrant, late entrant or extended cover member** may be covered if each of the following conditions are met:

- (a) The **policyholder** requests, and **Unum** has agreed in writing, that cover can be provided under the **policy** for the individual: and
- (b) The **policyholder, employer** and the individual, as appropriate, meet all of the special conditions, special terms, or underwriting requirements specified in writing by **Unum**.

Provisions relating to a **discretionary entrant** or an **early entrant** are set out in paragraph 4.6.6.

Provisions relating to a **late entrant** are set out in paragraph 4.6.7.

Provisions relating to an **extended cover member** are set out in paragraphs 4.6.8 and 4.6.9.

#### 4.1.4 Discretionary opt-out

A **candidate member** who has met all the conditions set out in paragraph 4.1.1 may be regarded as a **discretionary opt-out** and excluded from being a **member** if the **policyholder** requests, and **Unum** has agreed in writing, that the individual is excluded from being a **member**.

**Unum** reserves the right to revise the **premium rate** and vary the terms and conditions of this **policy** when a **discretionary opt-out** is requested.

Admission to membership after being a **discretionary opt-out** shall be subject to the same rules and conditions applicable to a **discretionary entrant**.

### 4.2 Notification and evidence required

#### 4.2.1 Evidence to be provided

When a **candidate member** in all other respects becomes eligible to become a **member**, or when there is an increase in **benefit** or a different **benefit** applies in respect of a **member**, the **policyholder** shall provide to **Unum** any information that **Unum** requires. This information may include such things as:

- (a) Proof of age.
- (b) Evidence of the average number of hours per week that he works in his usual occupation.
- (c) Details of his contract of employment.
- (d) Evidence of his state of health where required under the **policy**.
- (e) Any other evidence which **Unum** requires in order to determine whether there is an increased risk that he might die at any time in the future.

The cost of any medical examination and any tests (including blood tests and saliva tests) required by **Unum** will be paid for by **Unum** at the rates charged in the United Kingdom. **Unum** shall not be liable for any costs incurred by the **policyholder, candidate member** or **member** in attending a medical examination and any tests or in supplying any other information.

Any information requested by **Unum** will be provided in the form requested and within the time specified by **Unum**.

#### 4.2.2 Failure to provide information

If the **policyholder** does not provide **Unum** with all of the information required under paragraph 4.2.1 within 2 months of its request, then **Unum** may take any actions which **Unum** determines to be appropriate under the particular circumstances, which may include one or more of the following:

- (a) Refuse to admit the **candidate member** as a **member**.
- (b) Attach special conditions or terms to the **benefit** or increase in **benefit** sought in respect of the **member**.
- (c) Refuse to cover **benefit** in respect of the **member**.
- (d) Refuse to cover an increase in **benefit** claimed in respect of the **member**.
- (e) Terminate, suspend or vary the **benefit** in respect of the **member**.

The **benefit**, if any, continues to be provided by this **policy** and no separate contract is entered into in respect of the **member**.

#### 4.2.3 Increased risk that a **member** might die

The information described in paragraph 4.2.1 may demonstrate to **Unum** that there is an increased risk that a **member** might die in the future. In this case **Unum** will notify the **policyholder** in writing whether the **benefit** in respect of the **member** (or that part of the **benefit** for which the information is required) is declined or is subject to specified terms, conditions or restrictions. The **benefit**, if any, continues to be provided by this **policy** and no separate contract is entered into in respect of the **member**.

#### 4.2.4 All data from the **policyholder**

The **policyholder** shall notify **Unum** in writing, in such form and at such times as **Unum** requires, of all **candidate members** who meet the **eligibility conditions** and failure to do so shall give **Unum** the right to:

- (a) vary the terms and provisions of this **policy**, or
- (b) terminate the **policy**, or
- (c) take such other action as **Unum** determines to be appropriate which may include reducing the **free cover limit**, varying the levels of **benefits**, altering the eligibility of individuals to be **members**, or



(d) withhold payment of any new claim notified whilst the requested information remains outstanding.

by giving 30 days written notice to the **policyholder**.

If the data provided is incomplete or inaccurate or misleading; in addition to the above rights, **Unum** may limit or refuse to consider a claim for a **candidate member** not accurately declared in the data.

#### 4.3 **Free cover limit**

**Free cover limit** means a level of **benefit** which will be provided in respect of a **member** regardless of their insurability provided they are otherwise eligible to become a **member**, except in the particular circumstances in this **policy** where it is said the **free cover limit** will not apply (here in paragraph 4.3 and in paragraphs 4.1.3, 4.5.2, 4.6.6 and 4.6.7).

The level of the **free cover limit** will be determined by **Unum** from time to time and notified in writing to the **policyholder**. **Unum** may withdraw the **free cover limit** if the **policyholder** does not strictly adhere to the **eligibility conditions** of the **policy**.

If **Unum** determines that the **free cover limit** shall be reduced (including to nil), the level of **benefit** which applied to a **member** before the reduction becomes effective shall continue to apply on no worse terms. The **free cover limit** is reduced to nil automatically if there are fewer than the minimum number of **members**, as specified in paragraph 7.6, covered under the **policy**.

If **Unum** determines that the **free cover limit** shall be increased, the increased level will apply to all **members actively at work** on the date of the increase (or when a **member** not **actively at work** subsequently returns to work and is **actively working**) and any medical rating will be calculated on any **benefits** in excess of the new **free cover limit**. The increased **free cover limit** does not apply where the **free cover limit** does not apply to a **member** and he had **benefit** declined or restricted, or acceptance of **benefit** has been postponed.

When assessing whether the amount of **benefit** exceeds the **free cover limit**, **benefit** will be the total **benefits** in respect of the **member** under this **policy** and any **associated policies benefit**. Any benefit paid in the form of an annuity will be converted to an equivalent lump sum as determined by **Unum** and included in the assessment.

The **free cover limit** does not apply to any **member** in an **eligibility category** with fewer than 3 **members**.

#### 4.4 **Temporary cover pending underwriting**

Cover for **benefits** being underwritten will be provided in respect of death which is not related to a **pre-existing condition**. The cover is provided for a period of 2 months (or earlier completion of underwriting) from the date he is eligible to become a **member** or is eligible for a **benefit** increase, as appropriate, subject to the following conditions:

- (a) the **free cover limit** is greater than nil;
- (b) the **member** is **actively at work**;
- (c) the **member** is not a **discretionary entrant, early entrant, late entrant** or an **extended cover member**;
- (d) the **member** is not already subject to any special or restricted terms.

Temporary cover is limited so the total **benefit** does not exceed £3,000,000 (or such other amount as **Unum** shall decide and notify to the **policyholder**). When assessing whether the amount of **benefit** exceeds £3,000,000, **benefit** will be the total **benefits** in respect of the **member** under this **policy** and any **associated policies benefit**. Any benefit paid in the form of an annuity will be converted to an equivalent lump sum as determined by **Unum** and included in the assessment.

**Pre-existing condition** means any medical condition for which the **member** received treatment, care or services (including diagnostic measures), or took prescribed drugs or medicines during the 5 years prior to the date he is eligible to become a **member** or is eligible for a **benefit** increase, as appropriate.

#### 4.5 Previously insured

##### 4.5.1 Previously insured not on an identical basis

If immediately prior to the **commencement date** the **members** were insured under a group life assurance policy but not on an identical basis to this **policy**, then they will be regarded as new **members** and covered in accordance with either paragraph 4.6.1 or 4.6.2, as appropriate.

However, where a free cover limit was not applied to a **member** by the previous insurer and the previous insurer declined or restricted the **benefit** or postponed acceptance of **benefit** or accepted **benefit** subject to a medical rating in their respect, then **Unum** will accept the previously insured level of **benefit** on medical underwriting terms that are no worse than those provided by the previous insurer subject to:

- (a) Where any part of the **benefit** had a previous medical rating greater than +400% extra mortality, **Unum** will require evidence of the **member's** state of health for this part of the **benefit** for **Unum** to consider whether to grant cover.
- (b) Any increase over the previously insured level of **benefit** will be medically underwritten, the **free cover limit** and temporary cover pending underwriting do not apply.

##### 4.5.2 Previously insured on an identical basis

If immediately prior to the **commencement date** the **members** were insured under a group life assurance policy on an identical basis to this **policy**, then **Unum** will accept the previously insured level of **benefit** in respect of a **member** on medical underwriting terms that are no worse than those provided by the previous insurer, subject to the following provisions:

- (a) **Member** accepted by the previous insurer at ordinary rates following medical underwriting.

**Unum** will accept the previously insured level of **benefit** at ordinary rates.

Any increase over the previously insured level of **benefit** will be medically underwritten in accordance with paragraph 4.6.3, 4.6.4 or 4.6.5, as appropriate.

- (b) **Member** accepted by the previous insurer at ordinary rates where medical underwriting was not required.

**Unum** will accept the previously insured level of **benefit** at ordinary rates up to the previous insurer's free cover limit or up to 125% of the **free cover limit**, if lower. Any excess **benefit** will be underwritten as an increase in accordance with paragraph 4.6.5.

Any increase over the previously insured level of **benefit** will be medically underwritten in accordance with paragraph 4.6.3, 4.6.4 or 4.6.5, as appropriate.

- (c) Where a free cover limit was applied to the **member** by the previous insurer and the previous insurer accepted **benefit** subject to a medical rating or declined or restricted the **benefit** or postponed acceptance of **benefit**.

**Unum** will accept **benefits** up to the **free cover limit** at ordinary rates. Any previously insured level of **benefits** in excess of the **free cover limit** will be accepted on medical underwriting terms that are no worse than those provided by the previous insurer, subject to:

1. **Unum** will accept at ordinary rates any portion of the **benefit** accepted by the previous insurer at ordinary rates where medical underwriting was not required up to the previous insurer's free cover limit or up to 125% of the **free cover limit**, if lower. Any excess **benefit** will be accepted on medical underwriting terms that are no worse than those provided by the previous insurer.
2. Where any part of the **benefit** had a previous medical rating greater than +400% extra mortality, **Unum** will require evidence of the **member's** insurability for this part of the **benefit** for **Unum** to consider whether to grant cover.
3. Any increase over the previously insured level of **benefit** will be medically underwritten in accordance with paragraph 4.6.3, 4.6.4 or 4.6.5, as appropriate. Temporary cover pending underwriting does not apply under paragraph 4.6.4 or 4.6.5 in respect of the increase which exceeds the **free cover limit**.

The actual monetary amount charged in respect of a medical rating may differ from that used by the previous insurer as underlying premium rates may differ from those used by the previous insurer.

- (d) Where a free cover limit was not applied to the **member** by the previous insurer and the previous insurer accepted **benefit** subject to a medical rating or declined or restricted the **benefit** or postponed acceptance of **benefit**.

**Unum** will accept the previously insured level of **benefit** on medical underwriting terms that are no worse than those provided by the previous insurer, subject to:

1. Where any part of the **benefit** had a previous medical rating greater than +400% extra mortality, **Unum** will require evidence of the **member's** insurability for this part of the **benefit** for **Unum** to consider whether to grant cover.
2. Any increase over the previously insured level of **benefit** will be medically underwritten, the **free cover limit** and temporary cover pending underwriting do not apply.

The actual monetary amount charged in respect of a medical rating may differ from that used by the previous insurer as underlying premium rates may differ from those used by the previous insurer.

- (e) **Member** has **benefits** in excess of the **free cover limit** and their principal residence is outside the European Union.

**Unum** will require details of the **member's** residence and employment for **Unum** to consider whether to grant cover.

- (f) Maximum levels

**Unum** will accept previously insured levels of **benefits** up to a maximum of £4,000,000. Evidence of the **member's** insurability shall be required in respect of any **benefit** above £4,000,000 before any cover is granted.

When assessing whether the amount of **benefit** exceeds £4,000,000, **benefit** will be the total **benefits** in respect of the **member** under this **policy** and any **associated policies benefit**. Any benefit paid in the form of an annuity will be converted to an equivalent lump sum as determined by **Unum** and included in the assessment.

#### 4.6 Underwriting and granting of **benefit** and **benefit** increases

When an individual is eligible for membership under the **policy** or for a **benefit** increase, they may be required to provide evidence of insurability for **Unum** to consider whether to grant cover.

The evidence of insurability requirements may be affected if the individual was previously insured as provided for in paragraph 4.5.

The maximum **benefit** which can be granted by **Unum** for any **member** is £15,000,000.

When assessing within paragraph 4.6 whether a **benefit** exceeds a particular figure, **benefit** will be the total **benefits** in respect of the **member** under this **policy** and any **associated policies benefit**. Any benefit paid in the form of an annuity will be converted to an equivalent lump sum as determined by **Unum** and included in the assessment.

The different positions applying to **benefit** and to **benefit** increases and depending on how they relate to the **free cover limit**, are set out in the following paragraphs.

- 4.6.1 New **member - benefit** does not exceed the **free cover limit**
- 4.6.2 New **member - benefit** exceeds the **free cover limit**
- 4.6.3 **Benefit** increase and the total **benefit** does not exceed the **free cover limit**
- 4.6.4 **Benefit** increase so it exceeds the **free cover limit** for the first time
- 4.6.5 **Benefit** increase and the existing **benefit** exceeds the **free cover limit**
- 4.6.6 **Discretionary entrant** or **early entrant**
- 4.6.7 **Late entrant**
- 4.6.8 **Extended cover member**
- 4.6.9 **Extended cover member** - introducing for all in **service**
- 4.6.10 Not **actively at work**

##### 4.6.1 New **member - benefit** does not exceed the **free cover limit**

- (a) Evidence of insurability is not required.
- (b) **Benefits** are covered provided the **member** is **actively at work**.

##### 4.6.2 New **member - benefit** exceeds the **free cover limit**

- (a) The portion of the **benefits** up to the **free cover limit** is covered provided the **member** is **actively at work**.
- (b) Evidence of insurability is required in respect of the **benefits** which exceed the **free cover limit**, unless **Unum** determine otherwise.
- (c) Temporary cover is provided in respect of the **benefits** which exceed the **free cover limit** for up to 2 months from the date of becoming a **member**, provided the **member** is **actively at work**. (The conditions of temporary cover pending underwriting are set out in paragraph 4.4.)
- (d) Temporary cover ceases after 2 months if assessment of the **member's** insurability is not completed.
- (e) **Benefits** granted by **Unum** after assessment of the **member's** insurability are fully covered, unless stated in the acceptance notification.
- (f) No cover is provided in respect of the **benefits** which exceed the **free cover limit** immediately **Unum** decline to insure any **benefit**.

4.6.3 **Benefit increase and the total benefit does not exceed the free cover limit**

- (a) Existing **benefits** remain covered.
- (b) The increase in **benefits** is covered provided the **member** is **actively at work**.

4.6.4 **Benefit increase so it exceeds the free cover limit for the first time**

- (a) Existing **benefits** remain covered.
- (b) The portion of the increase in **benefits** which takes the **benefit** up to the **free cover limit** is covered, provided the **member** is **actively at work**.
- (c) Evidence of insurability is required in respect of the **benefits** which exceed the **free cover limit**, unless **Unum** determine otherwise.
- (d) Temporary cover is provided in respect of the **benefits** which exceed the **free cover limit** for up to 2 months from the effective date of the **benefit** increase, provided the **member** is **actively at work**. (The conditions of temporary cover pending underwriting are set out in paragraph 4.4.)
- (e) Temporary cover ceases after 2 months if assessment of the **member's** insurability is not completed.
- (f) **Benefits** granted by **Unum** after assessment of the **member's** insurability are fully covered, unless stated in the acceptance notification.
- (g) No cover is provided for the **benefit** which exceeds the **free cover limit** if **Unum** decline to insure them.

4.6.5 **Benefit increase and the existing benefit exceeds the free cover limit**

- (a) Existing **benefits** remain covered on the existing terms.
- (b) Evidence of insurability is required for the increase in **benefit**, unless **Unum** determine otherwise.
- (c) Temporary cover is provided in respect of the increase in **benefit** for up to 2 months from the effective date of the **benefit** increase, provided the **member** is **actively at work**. (The conditions of temporary cover pending underwriting are set out in paragraph 4.4.)
- (d) Temporary cover ceases after 2 months if assessment of the **member's** insurability is not completed.
- (e) **Benefits** granted by **Unum** after assessment of the **member's** insurability are fully covered, unless stated in the acceptance notification.
- (f) No cover is provided in respect of the increase in **benefit** immediately **Unum** decline to insure the increase.

#### 4.6.6 Discretionary entrant or early entrant

A **discretionary entrant** or an **early entrant** may be, or remain, a **member** if the **policyholder** requests and **Unum** have agreed in writing.

- (a) Evidence of insurability is required for the whole **benefit**.
- (b) No temporary cover pending underwriting is provided.
- (c) The **policyholder**, **employer** and the individual, as appropriate, must meet all of the special conditions or special terms specified in writing by **Unum**.
- (d) **Benefits** granted by **Unum** are fully covered, unless stated in the acceptance notification.
- (e) No cover is provided until **Unum** decide to insure any **benefit**.

An increase in **benefit** in respect of a **discretionary entrant** or **early entrant** will be treated either:

1. Where a **member's benefit** has been accepted by **Unum** subject to special or restricted terms, as in paragraph 4.6.5 (**Benefit** increase and the existing **benefit** exceeds the **free cover limit**) but the **free cover limit** is nil, or
2. Where a **member's benefit** has been accepted by **Unum** without any special or restricted terms, as in paragraph 4.6.3, 4.6.4 or 4.6.5 as appropriate to whether the increased **benefit** exceeds the **free cover limit** and if so whether for the first time.

An **early entrant** will be treated as a new **member** as in 4.6.1 or 4.6.2 as appropriate, depending whether **benefit** exceeds the **free cover limit**, if they are joining at their first opportunity as documented in their contract of employment.

#### 4.6.7 Late entrant

A **late entrant** may be a **member** if the **policyholder** requests and **Unum** have agreed in writing.

- (a) Evidence of insurability requirements depend on how long after their first opportunity the **candidate member** actually joins the **plan**:
  1. if less than 12 months after their first opportunity, they are treated as a new **member** as in 4.6.1 or 4.6.2 as appropriate, depending whether **benefit** exceeds the **free cover limit**;
  2. if 12 months or more after their first opportunity, they are treated as a new **member** as in 4.6.1 or 4.6.2 as appropriate, depending whether **benefit** exceeds the **free cover limit**, in this circumstance if the **free cover limit** is greater than £250,000 it is considered to be £250,000.
- (b) The portion of the **benefits** up to the **free cover limit** is covered provided the **member** is **actively at work**.
- (c) No temporary cover pending underwriting is provided.
- (d) **Benefits** granted by **Unum** are fully covered, unless stated in the acceptance notification.

(e) No cover is provided if **Unum** decline to insure any **benefit**.

An increase in **benefit** in respect of a **late entrant** will be treated either:

1. Where a **member's benefit** has been accepted by **Unum** subject to special or restricted terms, as in paragraph 4.6.5 (**Benefit** increase and the existing **benefit** exceeds the **free cover limit**) but the **free cover limit** is nil, or
2. Where a **member's benefit** has been accepted by **Unum** without any special or restricted terms, as in paragraph 4.6.3, 4.6.4 or 4.6.5 as appropriate to whether the increased **benefit** exceeds the **free cover limit** and if so whether for the first time.

#### 4.6.8 **Extended cover member**

This paragraph explains about becoming an **extended cover member** which depends on:

- The **member's terminal age**.
- Is the individual in **service** over age 70?
- Is cover provided for selected or all individuals in **service** after age 70?
- If cover is provided after age 70, are there 20 **members** or more covered under the **policy**?

Cover after age 70 is provided on the basis for selected individuals, in accordance with paragraph 4.6.8.4, where the **policyholder** has not already requested to **Unum** in writing that cover is to continue under the **policy** for all in **service** after the **terminal age**.

Cover for an **extended cover member** ceases on attaining age 75, if not already ceased earlier.

An individual who joins **service** after the **terminal age** may become an **extended cover member** subject to the conditions of paragraph 4.6.8.1, unless they are age 70 or over on joining **service** then cover is subject to the conditions of paragraph 4.6.8.2 or 4.6.8.3 or 4.6.8.4 as appropriate. In this position references to being **actively at work** are read as being **actively at work** on their date of joining **service**.

An **extended cover member** with a fixed-term contract which ceases before age 75 can remain an **extended cover member** if they have a new fixed-term contract of employment to a later date. In this position the individual is treated as joining **service** after the **terminal age**.

The different positions for **extended cover members** depending on the above 4 factors, are set out in the following paragraphs.

- 4.6.8.1 **terminal age** less than age 70
- 4.6.8.2 over age 70 - All individuals – 20 **members** or more
- 4.6.8.3 over age 70 - All individuals – less than 20 **members**
- 4.6.8.4 over age 70 - Selected individuals – any number of **members**



#### 4.6.8.1 terminal age less than age 70

An individual may become an **extended cover member** and cover is provided as follows:

- (a) If there are less than 20 **members** covered under the **policy**, the individual must be **actively at work** on the **terminal age** to be covered.
- (b) The portion of the **benefits** which is covered is:
  - a. where the **benefit** is exclusively in the form of a lump sum: the portion of the **benefits** up to the **free cover limit**.
  - b. where the **benefit** is exclusively or includes benefit in the form of an annuity: the portion of the **benefits** up to £1,000,000 or the **free cover limit** if less.
- (c) Evidence of insurability is required in respect of the **benefits** in excess of the amount in (b) above.
- (d) No temporary cover pending underwriting is provided.
- (e) **Benefits** granted by **Unum** after assessment of the **member's** insurability are fully covered, unless stated in the acceptance notification.

Cover ceases at age 70 unless the **extended cover member** then satisfies the conditions of paragraph 4.6.8.2 or 4.6.8.3 or 4.6.8.4, as appropriate to their circumstances.

#### 4.6.8.2 over age 70 - All individuals – 20 members or more

An individual may become, or continue to be, an **extended cover member** from their 70<sup>th</sup> birthday, or the **terminal age** if later, and cover is provided as follows:

- (a) The portion of the **benefits** which is covered is:
  - 1. where the **benefit** is exclusively in the form of a lump sum: the portion of the **benefits** up to the **free cover limit**.
  - 2. where the **benefit** is exclusively or includes benefit in the form of an annuity: the portion of the **benefits** up to £1,000,000 or the **free cover limit** if less.
- (b) Evidence of insurability is required in respect of the **benefits** in excess of the amount in (a) above.
- (c) No temporary cover pending underwriting is provided.
- (d) **Benefits** granted by **Unum** after assessment of the **member's** insurability are fully covered, unless stated in the acceptance notification.

#### 4.6.8.3 over age 70 - All individuals – less than 20 members

An individual may become, or continue to be, an **extended cover member** on their 70<sup>th</sup> birthday, or the **terminal age** if later, subject to the same requirements as a **discretionary entrant** as in paragraph 4.6.6.

#### 4.6.8.4 over age 70 - Selected individuals – any number of members

The **policyholder** can request to **Unum** in writing for cover to be continued under the **policy** for a selected individual in **service** after their 70<sup>th</sup> birthday, or the **terminal age** if later, subject to the same requirements as a **discretionary entrant** as in paragraph 4.6.6.

#### 4.6.9 Extended cover member - introducing for all in service

If the **policyholder** requests to **Unum** in writing that cover is to be continued under the **policy** for all in **service** after the **terminal age**, cover is provided as follows:

- (a) An individual in **service** becomes an **extended cover member** and the level of **benefits** applicable on the day prior to the **terminal age**, up to the **free cover limit**, are covered, provided the individual meets each of the following conditions:
1. meets the **actively at work** requirements on the effective date of the change;
  2. has been continuously **actively at work** between the **terminal age** and the effective date of the change; and
  3. has not had **benefit** declined or restricted, or acceptance of **benefit** has been postponed.

If the **benefit** is exclusively or includes benefit in the form of an annuity then if the **free cover limit** is greater than £1,000,000 it is considered to be £1,000,000.

- (b) If the individual does not meet all the requirements in (a) above, then the individual is underwritten by **Unum** the same as a **discretionary entrant** as in paragraph 4.6.6.
- (c) **Benefits** above the **free cover limit** will be medically underwritten and temporary cover pending underwriting does not apply.

Subsequent to the introduction of cover continuing under the **policy** for all in **service** after the **terminal age**, underwriting of an **extended cover member** by **Unum** is the same as in paragraph 4.6.8.

#### 4.6.10 Not actively at work

A **candidate member** or **member** who is not **actively at work** will be treated as meeting the **actively at work** requirement when he has returned to work and been **actively working** for a continuous period of 10 working days (or if there are 20 **members** or more, is provided on the day he returns to work and is **actively working**).

The requirement to be **actively at work** is waived at the **commencement date** in respect of previously insured levels of **benefit**, if immediately prior to the **commencement date** the **benefits** in respect of the **members** were insured on an identical basis and there are 20 **members** or more.

The **actively at work** requirement is waived if there are 100 **members** or more. However, if the **benefits** in respect of the **members** were self-insured immediately prior to the **commencement date**, the **actively at work** requirement is waived only if there are 500 **members** or more. This waiver of the **actively at work** requirements does not apply to a **late entrant** or an **extended cover member**.

The number of **members** is taken at the date the requirement to be **actively at work** applies.

#### 4.7 Termination of membership

4.7.1 A **member** ceases to be a **member** on the earliest of the following:

- (a) The date he ceases to be an **employee** or **equity partner** or an **LLP member**, as appropriate.
- (b) The date he ceases to meet the **eligibility conditions** (other than any maximum entry age or **service** requirements). An **employee** remains a **member** in another **eligibility category** if they satisfy its conditions on ceasing to meet the conditions of their existing **eligibility category**.
- (c) The date he attains his **terminal age**.
- (d) The date he dies (except for the purposes of paragraph 5.1).
- (e) The date he ceases to satisfy the requirements in paragraph 4.9 if overseas or on secondment.
- (f) The date the **policy** is terminated.

4.7.2 Notwithstanding 4.7.1 (a), (b) and (c) a **member** may continue to be a **member** under the **policy** if the circumstances provided for in **continuation of cover** apply to the **member**.

4.7.3 Notwithstanding 4.7.1 (c) a **member** may become an **extended cover member** subject to the conditions of paragraph 4.6.8 and 4.6.9.

#### 4.8 Temporary absence from work

4.8.1 A **member** who is temporarily absent from work:

- (a) due to ill-health will continue to be treated by **Unum** as a **member** for the purposes of this **policy** for the **temporary absence period** commencing from the first day of the absence but not exceeding their **terminal age**.
- (b) on maternity leave, paternity leave, adoption leave, parental leave or any other form of statutory leave; will continue to be treated by **Unum** as a **member** for the purposes of this **policy** for the period of absence commencing from the first day of the absence but not exceeding their **terminal age**. The period of absence must be taken in accordance with the relevant legislation for the type of leave, effective during the period of leave.

(c) on unpaid leave, a sabbatical, compassionate leave or due to any reason other than in (a) or (b) above, may continue to be treated by **Unum** as a **member** for the purposes of this **policy** for a period of up to 3 years but not exceeding their **terminal age**. The **employer** must have given written consent to the **member** for the absence.

4.8.2 An **extended cover member** who is temporarily absent from work will continue to be treated by **Unum** as an **extended cover member** for the purposes of this **policy** for 1 year commencing from the first day of the absence, but not exceeding either the conclusion of their contract current on the day before the temporary absence or their attaining age 75, due to:

(a) ill-health;

(b) maternity leave, paternity leave, adoption leave, parental leave or any other form of statutory leave. The period of absence must be taken in accordance with the relevant legislation for the type of leave, effective during the period of leave;

(c) on unpaid leave, a sabbatical, compassionate leave or due to any reason other than in (a) or (b) above. The **employer** must have given written consent to the **member** for the absence.

4.8.3 If **benefit** is based on **insured earnings**, the **insured earnings** on the day before the start of the **member's** absence will apply. However, for absence as in paragraph 4.8.1 (a) or (b) or paragraph 4.8.2 (a) or (b) above, the **insured earnings** will be increased during the absence in line with any general pay increases made by the **employer** up to a maximum of 5.0% per annum compound. The **benefit** will not be increased above the greater of the **free cover limit** and the **member's** existing **benefits** accepted by **Unum**, applicable on the day before the start of the **member's** absence.

If **benefit** is a flat amount, the **benefit** payable is the **benefit** on the day before the start of the **member's** absence.

4.8.4 Cover will be maintained only if the **member** remains an **employee** or **equity partner** or **LLP member**, as appropriate, during the period of absence.

Cover will cease for a **member** who does not return to work after a period of absence applicable under paragraph 4.8.1 or 4.8.2.

Re-admission after an absence longer than the period of absence applicable under paragraph 4.8.1 or 4.8.2 shall be subject to the same rules and conditions applicable to a new **member**.

#### 4.9 Overseas cover and secondment

##### 4.9.1 Overseas cover (outside the United Kingdom)

A **candidate member** or **member** who meets all the conditions for becoming and remaining a **member** and who resides outside the United Kingdom and/or their normal place of employment is outside the United Kingdom, is still eligible for membership if (a) or (b) below is satisfied.

- (a) He is an **employee** or an **equity partner** or an **LLP member**, as appropriate, of an **employer** resident in the United Kingdom.
- (b) He is an **employee** or an **equity partner** or an **LLP member**, as appropriate, of an **employer** resident outside the United Kingdom and their **employer** is not the **employer** specified in the **schedule** (but is participating in this **policy**, with the written approval of **Unum**, as it is controlled by the **employer** specified in the **schedule** which is resident in the United Kingdom).

A **candidate member** or **member** who resides outside the United Kingdom and/or their normal place of employment is outside the United Kingdom, is not eligible for membership if their **employer** is resident outside the United Kingdom and their **employer** is the **employer** specified in the **schedule**.

#### 4.9.2 Secondment

A **candidate member** or **member** who meets all the conditions for becoming and remaining a **member** and who is seconded from his **employer** is still eligible for membership if:

- (a) his **employer** retains control over where and for whom he will work, and
- (b) there is a definite expectation on the part of both the **employer** and the individual that at the end of the secondment he will resume employment with his **employer** or will be retiring (if the period of secondment is expected to extend to his retirement date).

Individuals who are seconded to an **employer** are not eligible for membership under this **policy** (it is assumed their existing employment benefits continue during secondment).

#### 4.9.3 Channel Islands and Isle of Man

For the purposes of this paragraph 4.9, the United Kingdom will be regarded as including the Channel Islands and the Isle of Man.

#### 4.9.4 Non sterling

**Benefit** and **premium** in respect of a **member** who is overseas are payable in pounds sterling (or, if different, the lawful currency of the United Kingdom). Where a **member's insured earnings** are not paid in pounds sterling, any **benefit** will be calculated on the exchange rate used to declare the pounds sterling equivalent of the **member's insured earnings** at the preceding **policy accounting date**.

#### 4.9.5 Re-admission

Re-admission after ceasing to meet any of the conditions under paragraph 4.9.1 or 4.9.2 shall be subject to the same rules and conditions applicable to a new **member**.

## 5. CLAIMING BENEFIT

This section explains about the payment of **benefit**, how much **benefit** will be paid and how a claim for **benefit** should be made.

### 5.1 Amount of benefit

**Benefit** is payable in respect of a **member** on the **member's** death. The amount of **benefit** payable in respect of a **member** is stated in the **schedule**.

### 5.2 Payment of benefit

5.2.1 The **benefit** payable in respect of a **member** shall be paid to the **trustee**, unless otherwise specifically provided in this **policy**.

The legal receipt by the **trustee** or by any person, persons or corporation authorised by the **trustee**, with the approval of **Unum**, of any monies paid by **Unum** under this **policy** shall be a good and sufficient discharge to **Unum**. **Unum** has no duty or obligation to see the application of any monies so paid.

5.2.2 **Benefit** is payable in pounds sterling or, if different, the lawful currency of the United Kingdom. Payment is made by direct credit to an account of the **trustee** (which must be in the United Kingdom, the Channel Islands or the Isle of Man) as designated by the **trustee** in writing.

5.2.3 If the **policyholder** fails to pay the **premium** due under the **policy** in any **policy accounting period**, then **Unum** shall pay no **benefit** under this **policy** in respect of a **member** who died during such **policy accounting period**.

### 5.3 Notification and evidence required for a claim

#### 5.3.1 Notification of death

The **policyholder** is required to notify **Unum** in writing within 90 days of the **member's** death.

If **Unum's** claim form documentation is not returned fully completed to **Unum** within 90 days of the **member's** death, **Unum** shall have no liability to pay **benefit** in respect of the **member**. However, if **Unum's** claim form documentation is returned fully completed to **Unum** after the 90 days, **Unum** shall, under its sole discretion, determine whether to consider the claim received.

Contact the Customer Care department for the appropriate forms on telephone number 01306 873243.

### 5.3.2 Evidence to be provided

The **policyholder** is required to provide to **Unum** all information requested by **Unum** to investigate the claim properly. This information may include such things as:

- (a) The **member's** original death certificate.
- (b) Proof of membership.
- (c) Proof of the **member's insured earnings**.
- (d) The **member's** original birth certificate.

If the date of birth previously notified to **Unum** proves incorrect, **Unum** may make whatever adjustment to the **benefit** or **premium** it considers appropriate to the circumstances.

### 5.4 Declining a claim after failure to comply

Failure to comply with the provisions of this section 5 entitles **Unum** to decline a claim or take such other steps as are appropriate in the circumstances, which may include an adjustment of **benefit**.

### 5.5 Complaint against a claim decision

In the event of the claim decision not being to the **policyholder's** satisfaction, the **policyholder** may refer the matter to the Customer Feedback Department. This is a separate Department, independent of the Claims Department that will review the claim decision afresh and in line with **Unum's** complaint handling process. The Customer Feedback Department will issue **Unum's** final decision on the claim. If the **policyholder** remains dissatisfied the Financial Ombudsman Service provides an independent dispute resolution service for eligible disputes. Where the **policyholder** remains dissatisfied with the outcome of their complaint, they can contact the Financial Ombudsman Service at the address below within 6 months of **Unum's** final decision being made. The **policyholder's** legal rights and those of the **member** are not affected if this organisation is contacted.

Financial Ombudsman Service,  
South Quay Plaza,  
183 Marsh Wall,  
London, E14 9SR  
telephone 0845 080 1800  
[www.financial-ombudsman.org](http://www.financial-ombudsman.org)

## 6. LIMITATIONS

This section explains about the payment of **benefits**, in the event of a **catastrophe**.

### 6.1 Maximum liability

The maximum liability of **Unum** in respect of this **policy** and all other policies insured by **Unum** for the **policyholder group**, for a death or a series of deaths (irrespective of the date and place of death) attributable directly or indirectly to a **catastrophe** shall be the **maximum liability limit** (total of benefits payable in the form of a lump sum and the capital value of benefits payable in the form of an annuity). **Unum** will calculate the capital value of benefits payable in the form of an annuity.

Where the **catastrophe** is a **travel incident** the maximum liability of **Unum** will be limited to the lower of:

- (a) the **maximum liability limit**, or
- (b) £25,000,000 or, if higher, the total of the 4 largest benefits payable by **Unum** in respect of those who died in the **travel incident**.

### 6.2 Policyholder group

**Policyholder group** means the companies, entities, partnerships or pension fund trustees which are all part of the same group of companies, entities, partnerships or pension fund trustees as the **policyholder** during the period of this **policy** which includes but is not limited to the **policyholder** and its associated, subsidiary or affiliated companies, entities or partnerships and any pension fund trustees associated with the **policyholder** that may exist from time to time.

### 6.3 Catastrophe

A **catastrophe** shall be defined as one originating cause, event or occurrence or a series of related originating causes, events or occurrences, which results in more than one death, irrespective of the period of time or area over which such originating causes, events or occurrences take place. **Unum** shall be the sole judge as to what constitutes a **catastrophe**.

### 6.4 Travel incident

A **travel incident** shall be defined as one originating cause, event or occurrence or a series of related originating causes, events or occurrences, where **members** of the **policyholder group** are **travelling on business** together in a single vehicle, which results in more than one death, irrespective of the period of time or area over which such originating causes, events or occurrences take place.

**Unum** shall be the sole judge as to what constitutes a **travel incident**.

**Travelling on business** means a **member** is undertaking a journey which is either related to their work for the **employer** or paid for by the **employer** and includes any journey related to incidental holiday taken in conjunction with the trip. **Travelling on business** may involve a **member** in a series of journeys taken consecutively, though refreshment/convenience breaks are regarded as part of the same journey when continuing in the same vehicle.



A journey means a **member** is travelling by vehicle from one place to another (or returning to the same place) and for example, but not exhaustively, starting from and ending at any combination of the following:

- Normal residence
- Normal place of business
- Transport terminals eg railway stations and airports
- Overnight accommodation eg hotels and B&Bs
- A temporary place of business
- Another company's premises
- Training facilities
- Conference facilities
- Entertainment venues eg restaurants, night clubs and sports grounds

A direct journey to/from the **member's** normal residence to/from the **member's** normal place of business is not regarded as **travelling on business**.

#### 6.5 Allocation of **benefits**

Allocation of **benefits** under this **policy** resulting from a death or a series of deaths attributable directly or indirectly to a **catastrophe** and thus subject to the **maximum liability limit**, shall be in the chronological order of the dates upon which written notification of each death claim is received by **Unum** provided always that **Unum's** liability in respect of all such claims under the **policyholder group** shall not exceed the **maximum liability limit**. Insofar as more than one such written notification is received by **Unum** on the same day and in a total amount that would cause the **maximum liability limit** to be exceeded, **Unum** shall be entitled in its sole discretion to pay such claims on a reduced pro rata basis according to the remaining balance of the **maximum liability limit** such that **Unum's** total liability for such claims under the **policyholder group** shall not exceed the **maximum liability limit**.

## 7. AMENDMENT AND TERMINATION

This section contains provisions relating to the amendment or termination of the **policy**.

### 7.1 Terms of **policy**

**Unum** reserves the right to vary the terms and conditions of this **policy** at any time the **premium rate** is revised in accordance with paragraph 3.5 or from the **policy review date**.

**Unum** will give the **policyholder** 1 month's notice in writing in advance of the revised terms and conditions, unless this is not practicable in which case **Unum** will give as much notice as is possible in the circumstances.

The revision of the terms and conditions of this **policy** does not constitute a new contract but takes effect as a continuation of this **policy**, subject to the revised terms and conditions.

### 7.2 Amendment of the **policy**

The **policyholder** can request this **policy** be amended at any time. **Unum** may in its discretion consider amending the **policy** subject to the **policyholder** providing all information required by **Unum** to give the request consideration.

If **Unum** agrees to amend the **policy** then **Unum** will advise the **policyholder** in writing of the revised terms and conditions. The **policyholder** must confirm acceptance to **Unum** in writing of the revised terms and conditions as advised by **Unum**, though payment of the required premiums by the **policyholder** will be treated by **Unum** as acceptance of the revised terms and conditions as advised by **Unum**.

Amendment of the **policy** for any reason cannot pre-date the date of the **policyholder's** written acceptance of the revised terms and conditions advised by **Unum**, except at the sole discretion of **Unum**.

**Unum** can amend the **policy** in accordance with paragraph 3.1.2 or 4.2.4.

If the **policy** is amended the entitlement to **benefit** in respect of a **member** who died prior to the amendment will be paid in accordance with the **policy conditions** applicable at the date of death.

### 7.3 Termination of the **policy**

The **policyholder** will be entitled to terminate this **policy** at any time by giving **Unum** notice in writing in advance.

Termination of the **policy** for any reason cannot pre-date the date of the **policyholder's** written notification of the termination of the **policy**, except at the sole discretion of **Unum**.

**Unum** is entitled to terminate the **policy** in accordance with paragraphs 3.1.2, 3.6, 4.2.4, 7.4, 7.6 and 7.7.

The **policyholder** shall be required by **Unum** to provide information as at the date of termination in order to determine the **premium** payable in connection with the termination. If this information is not provided within 1 month of its being requested, **Unum** shall determine what **premium** is payable having regard to the information then available, and any sum or sums which had been payable to **Unum** shall remain payable.

If the **policy** is terminated the entitlement to **benefit** in respect of a **member** who died prior to the termination will be paid in accordance with the **policy conditions** applicable at the date of death.

If the **policy** is terminated, no further **candidate member** shall become a **member** after the date of termination.

### 7.4 Cessation of business of the **employer**

7.4.1 In the event that the **employer**, stated in the **schedule**, ceases to carry on business, or if an order is made or a resolution passed for the winding up of that **employer** then the insurance under this **policy** shall terminate and the provisions of paragraph 7.3 will apply.

7.4.2 If the business of the **employer**, stated in the **schedule**, is assigned to or succeeded to by another person, and the new person undertakes all the duties and responsibilities of the **employer**, then provided **Unum** receives written notification and evidence of the assignment or succession which **Unum** confirms in writing as being satisfactory, the new person may continue the payment of **premium** under this **policy**. In this case, the new person or organisation shall take the place of and be treated for all the purposes of this **policy** as the **employer** stated in the **schedule**, from the date that the assignment or succession takes place.

### 7.5 A participating **employer** ceasing business

In the event that an **employer**, other than the **employer** stated in the **schedule**, ceases to carry on business or the business is assigned or succeeded to as described in paragraph 7.4, the provisions of that paragraph will apply to all **members** who were employed by that **employer** immediately prior to that event.

#### 7.6 Minimum membership under the **policy**

This **policy** is issued on the basis that the minimum number of **members** under the **policy** is 5 (or such other number of **members** as notified in writing by **Unum** to the **policyholder**). The **policyholder** undertakes to notify **Unum** in writing as soon as reasonably practicable after becoming aware that the number of **members** is to fall or has fallen below the minimum number of **members**.

**Unum** may in its discretion terminate the **policy** from the **policy accounting date** immediately following the number of **members** falling below the prevailing minimum number of **members**.

#### 7.7 Amendment or termination of an **associated policy**

**Unum** has the right to terminate this **policy** or vary the terms, conditions and **premium rate** of this **policy** if any of the **associated policies** are terminated or amended, or if the **policyholder** of an **associated policy** fails to pay premiums under the **associated policy**.

#### 7.8 Reinstatement of the **policy**

If the **policy** has been terminated it may be reinstated by **Unum**, provided that:

- (a) in relation to a **member** to whom cover under the **policy** in excess of the **free cover limit** applies, reinstatement of the **policy** shall be subject to the acceptance of such evidence of insurability as may be required by **Unum**;
- (b) reinstatement of a **member** shall be subject to him being **actively at work** on the date of reinstatement;
- (c) the **premium rate** may be revised with effect from the date of reinstatement;
- (d) **Unum** shall not be liable for any claims whatsoever arising during the period from the date of termination to the date of reinstatement; and
- (e) payment has been made to **Unum** of such **premium** and any other charges which remain unpaid, including interest, from the date on which the **policy** is deemed to have been reinstated.

If **Unum** agrees to reinstate the **policy** then **Unum** will advise the **policyholder** in writing of the revised terms and conditions. The **policyholder** must confirm acceptance to **Unum** in writing of the terms and conditions as advised by **Unum**.

**Unum** reserves the right not to reinstate the **policy**.

## 8. MISCELLANEOUS

This section contains miscellaneous provisions relating to the **policy**.

### 8.1 Ability to terminate a member's employment

Payments in respect of the death of a **member** are made without thereby admitting any legal liability in respect of such death on the part of the **policyholder** and **employer** and nothing in this **policy** shall be taken to prejudice any right of an **employer** to terminate a **member's** employment or to create any obligation between the **employer** and **member** to keep the **member** in employment.

### 8.2 Law

The **policy** is to be construed and governed in accordance with English Law and any dispute shall be subject to the exclusive jurisdiction of the English Courts.

### 8.3 Special circumstances

Should there be any change in the law affecting the **policy**, or any other changes in circumstances which, in the opinion of **Unum** renders it impractical or impossible to give full effect to the provisions of the **policy**, those provisions and **benefits** confirmed may be varied by **Unum**, in writing, in such a manner as is considered appropriate to enable the provisions to take effect as early as possible.

### 8.4 Basis of the contract

The **policy** is issued on the basis of the information provided in the quotation request or specification and the application form completed by the **policyholder**, in addition to any questionnaire completed by a **member**.

The **policy** contains all the terms of the contract and **Unum** accepts liability solely in accordance with these terms.

No provision or condition of the **policy** may be waived or modified except by an endorsement issued by **Unum** and signed by an authorised official of **Unum**.

**Unum** is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It does not give advice on its products and is not authorised to do so. **Unum** confirms that it has given no advice to the **policyholder** on the suitability of this product for their needs and cannot therefore accept any responsibility should the product prove to be unsuitable for their needs. It is the responsibility of the **policyholder** to take appropriate financial, legal and tax advice.

The **policy** is a non-investment insurance contract, does not acquire a surrender value and does not participate in the profits of **Unum**.

If **Unum** cannot meet its liabilities the **policyholder** may be entitled to compensation under the UK Financial Services and Markets Act 2000.

Third Party Rights under the Contracts (Rights of Third Parties) Act 1999 do not apply.

#### 8.5 Data Protection Act 1998

- (a) For the purposes of the Data Protection Act 1998 **Unum** is a Joint Data Controller with the **policyholder**. Personal data and sensitive personal data are provided by the **policyholder** in order that **Unum** may decide the manner in which this data will be processed, to provide and administer a Group Life assurance policy.
- (b) **Unum** has the right to request such data as is required to quote for and administer the **policy**. **Unum** will record such information accurately and keep it confidential and secure and will use it solely for the purpose of quoting for, providing and administering the **policy** and for marketing other **Unum** products to the **policyholder**.
- (c) The **policyholder** will ensure that the data is correct at the time it is provided to **Unum** and that alterations are notified to **Unum** in reasonable time.
- (d) **Unum** shall only process, transfer or permit access to any personal data outside of the European Economic Area in compliance with Data Protection Legislation.

#### 8.6 Trade sanction controls

**Unum** is entitled to terminate the **policy** and cease payment of **benefits** by giving the **policyholder** notice in writing if at any time:

- (a) the **policyholder** becomes a **restricted person**;
- (b) a change of **policyholder** (through acquisition or merger) results in the **policyholder** being a **restricted person**;
- (c) 25% or more of the beneficial ownership (eg directorships or shareholders) becomes vested in or controlled by a **restricted person**;
- (d) 25% or more of the **trustees** become **restricted persons**.

**restricted person** means a person or entity subject to national, regional or multilateral trade or financial sanctions under applicable laws and regulations, including but not limited to persons designated as a Politically Exposed Person or high risk individual or entity or persons designated on the United States Department of the Treasury, Office of Foreign Assets Control (OFAC) List of Specifically Designated Nationals and Other Blocked Persons (including terrorists), United States State Department Non-proliferation Sanctions Lists, United States Department of Commerce Denied Parties List, Entity List or Unverified List, United Nations Financial Sanctions Lists, or the European Union or United Kingdom Bank of England Consolidated Lists of Financial Sanctions Targets, in force from time to time.

Subsequently ceasing to be a **restricted person** does not require **Unum** to reinstate the **policy** or any payments ceased or declined whilst a **restricted person**.

## 8.7 Complaints

Complaints in connection with this **policy** should be referred initially to the Intermediary who arranged it.

If the matter is not resolved satisfactorily, the complaint should be referred to:

Regulatory Complaints and Relationship Manager,  
Unum Limited,  
Milton Court,  
Dorking,  
Surrey, RH4 3LZ  
telephone 01306 887766

Your complaint will be managed by the Customer Feedback Department who will independently review the matter in line with **Unum's** complaint process and issue a final decision. If the **policyholder** remains dissatisfied, the matter may be escalated to the Financial Ombudsman Service (if eligible) at the address below. The **policyholder's** legal rights are not affected by contacting this organisation.

Financial Ombudsman Service,  
South Quay Plaza,  
183 Marsh Wall,  
London, E14 9SR  
telephone 0845 080 1800  
[www.financial-ombudsman.org](http://www.financial-ombudsman.org)

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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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