

Policy Summary

of Bupa Income Protection

Launched in May 2010



keyfacts[®]

This policy summary contains key information about Bupa Income Protection Cover.

You should read this carefully and keep in a safe place. Please note that it does not contain the full terms and conditions and exclusions of cover, which you will find in your membership handbook, also please refer to your registration certificate (issued once your scheme commences). Copies of these documents are available on request.

The provider

Bupa Income Protection Cover is provided by Bupa Health Assurance Limited, a private company limited by shares and established in the United Kingdom. Other services are provided by or via other subsidiary companies.

The insurance and the cover that it provides

Bupa Income Protection Cover provides you with a regular income if you are in paid work and because of illness or injury, you are unable to work, resulting in a loss of earnings.

Bupa Income Protection Cover will provide you with a regular income if you are not in paid work and because of illness or injury you are unable to carry out certain activities of daily living.

There is a choice at outset of deferred periods (depending on your occupation) of one, two, three, six, 12 and 24 months.

Protection is provided for the duration of the cover no matter how many claims are made.

Summary of cover

- You decide on the amount of benefit you require.
- Provided you continue to pay the agreed premium, it will pay your chosen level of benefit subject to the terms under the 'How much will I receive?' section, if you meet the definitions of incapacity set out in the 'When can I claim?' section.

- You must answer all of the questions on the application form correctly to the best of your knowledge and belief. If you do not do this, it could mean that we will not pay the benefit provided by your scheme. You must tell us if there are any changes to your personal health, family history, occupation or residence, or if you take up any hazardous activities between supplying the application form and when your scheme starts. If you do not do this, it could mean that we will not pay the benefits provided by your scheme.
- Anyone aged from 18-59 who lives in the UK and Channel Isles (Channel Isles - means for the purposes of Bupa Income Protection policies, Guernsey and Jersey only) can apply.
- The amount of premium will depend on the options you select, see the 'What premium options are available?' section
- Your cover can continue until the expiry date as shown on your registration certificate. Please see the 'How long will my cover last?' section

What cover options are available?

There are two cover options:

- **Fixed term cover**

With fixed term cover, you select the number of years you wish your cover to last. You can choose between 5 and up to 52 years.

You can select either guaranteed premiums or reviewable premiums with this option.

- **Term to retirement cover**

With term to retirement cover, you have a choice of retirement ages to choose from; 50, 55, 60, 65 and 70.

You can select either guaranteed premiums or reviewable premiums with this option.

What premium options are available?

There are two premium options:

Guaranteed premiums

- If your premium option is guaranteed, your premium will remain the same for the term of the membership.
- We can increase your guaranteed premium if the cost of providing cover is increased due to any changes in legislation or taxation. Your premiums may contain an amount to make up a plan fee. We only charge the plan fee on one scheme but if this scheme terminates we will switch it to any scheme you have.
- Premiums will increase if the benefit is increased, for example, if an indexation option is selected.

Reviewable premiums

- If your premium option is reviewable, we may increase or decrease your premiums on the fifth anniversary of the commencement date and at the end of every following five year period.
- When we decide what premium we charge under this option, we make assumptions about the future level of inflation, claim costs, expenses, lapses, investment returns, taxes and levies. When we review your premium under this option, we consider if the combined effect of these factors is better or worse than we had assumed and if, as a result, the cost of the cover needs to account for this. We may, as a result, increase or reduce your premium by the amount we reasonably believe is necessary.
- If your premium needs to increase, you can tell us to keep the premium the same and reduce the amount of benefit instead. Alternatively, you can cancel the membership and stop paying premium altogether.

Deferred periods

There is a choice at outset of deferred periods (depending on your occupation) of one, two, three, six, 12 and 24 months. You need to consider how long you can maintain your normal financial commitments before a payment under the Bupa Income Protection scheme would be made - taking account of factors such as any continuing earnings and / or continuing benefits from your employer whilst you are unable to work. Your chosen deferred period is stated on your registration certificate.

If you are not in paid work when you apply for Bupa Income Protection, your deferred period will be three months.

How much does the plan cost?

The premium depends on our assessment of your personal circumstances, taking into account such factors as:

- age, sex and medical history
- whether or not you smoke
- your current state of health
- your occupation
- the amount of cover and any additional benefit options you choose
- your membership is subject to the payment of a monthly plan fee, which we collect as part of your premium. If you have more than one Bupa flexible financial protection membership we will only charge you a plan fee with your premium on one membership. If any other Bupa flexible financial protection membership you have ends (for any reason) we have the right to increase the premium on your membership. We will only increase the premium by the amount of any plan fee forming part of the premium of the membership which has ended.
- your choice of premium; guaranteed and reviewable

Provided you continue to pay the agreed premium, the scheme will pay your chosen level of benefit, if you meet the definitions of incapacity set out in the 'When can I claim?' section, subject to the terms under the 'How much will I receive?' section.

Should I review my cover regularly?

Yes, you should review your earnings, continuing earnings and continuing benefits regularly and consider whether the cover is still right for your needs.

What additional benefit options are available?

The following are additional benefit options that are available for you to select but are not automatically included in your policy:

Fracture cover

Under this option you will have cover should you suffer one of a number of specified fractures. Cover is up to £2,100. Claims can only be made for one fracture in any year. The definition of fracture will not include

every type of fracture. The full details of the types of fracture covered, the amount of benefit, when benefits are paid and the definition of fracture are set out in the membership handbook.

Indexation benefit

An indexation benefit is an available option.

You can help protect the value of your benefit over the years by selecting an indexation benefit option when you join. If you choose the indexation benefit, your chosen benefit can increase in line with the Retail Price Index (RPI).

Limited benefit period - two years

A limited benefit period of two years is an available option.

If you select the limited benefit period - two years, you are entitled to receive benefits for a maximum of 24 months. The period could either be a single continuous period or a collection of shorter periods which together add up to 24 months.

What other benefits are included as part of my scheme?

The following benefits are automatically included in your cover:

Career break

If you choose to stop full-time employment, our career break option allows you to adjust your premium and replace your income protection cover with houseperson's benefit. Alternatively, if you take a company sponsored career break to obtain a professional qualification and your gross income reduces as a result, you can continue to pay the same premium and we will treat your gross income as remaining at the same level as at the start of the career break if you become incapacitated during your career break. Further details are available in the membership handbook.

Child-carer benefit

We will pay the lower of four monthly benefit payments or £25,000 if your child suffers from one of the specified illnesses providing that the child survives for 14 days following diagnosis. Further details are available in the membership handbook.

Hospital in-patient benefit

We will pay a hospital in-patient benefit:

- if you spend six or more consecutive nights as an in-patient in any hospital in the UK or Channel Isles we will pay for each night you are admitted (up to an overall maximum of 90 nights) as a direct result of illness or injury
- we will pay you one thirtieth of the benefit as shown on your registration certificate subject to a maximum of £200 a night

We will not pay hospital in-patient benefit if the in-patient treatment is for, or relates to or results from an addictive condition including alcoholism and / or drug addiction. Further details are available in the membership handbook including when the hospital in-patient benefit will end.

Trauma benefit

We will pay you a lump sum equalling the lower of six benefit payments or £40,000 if you suffer from one of the specified illnesses or conditions whether you are in paid occupation or not. Further details are available in the membership handbook.

Proportionate benefit

If you are claiming a benefit under this plan and you are unable to return to the paid occupation in which you were engaged prior to the incapacity and are on a lower salary, we may consider paying you a proportionate benefit. Further details are available in the membership handbook.

Rehabilitation benefit

If you are claiming a benefit under this plan and go back to work to your paid occupation on a part-time basis because you are not fully recovered, a rehabilitation benefit may be payable for a maximum period of 52 weeks from the date that you returned to work. Further details are available in the membership handbook.

Recurrent benefit

If you are claiming a benefit under this plan and return to your normal paid occupation and within 12 months of returning to work the incapacity reoccurs, we may not apply the deferred period for your linked claim. Further details are available in the membership handbook.

Waiver of premium

We will waive your premium three months after your diagnosis or incident if your deferred period is three months or more (if your deferred period is one month then we will waive your premium after one month of the diagnosis or incident and if it is two months then we will waive the premium after two months). This will apply until you are no longer incapacitated.

When will my benefit payments start?

One month after the end of the deferred period and monthly in arrears from then on, provided that you are still incapacitated.

How much will I receive?

If you are in paid occupation before you become incapacitated, the amount of benefit we will pay to you each month will be the lower of the amount on your registration certificate or a figure based on the calculation below:

- 70 percent of any pre-disability gross income up to £10,000 per annum then 50 percent of any pre-disability gross income between £10,000 and £60,000 per annum and 40 percent of any pre-disability gross income over £60,000 per annum, divided by 12. This will equal the maximum benefit that will be payable to you based on your pre-incapacity income. There is an overall maximum monthly benefit of £12,500 per month less any continuing earnings or continuing benefits
- if as a result of the above calculation the benefit is lower than the benefit as shown on your registration certificate and less than £1,300 per month, then we will adjust the benefit to the lower of the benefit as shown on your registration certificate or £1,300 per month less any continuing earnings or continuing benefits
- if as a result of the above calculation the benefit is lower than the benefit as shown on your registration certificate by less than 10 percent, but more than £1,300 per month then for the first 12 continuous months of your claim we will adjust the benefit to the benefit as shown on your registration certificate less any continuing earnings or continuing benefits

Please note that 'continuing earnings' refers to the gross amount of any wage, salary, dividends, or any income from any occupations (excluding benefits in kind).

'Continuing benefits' refers to any benefits being received under any accident or sickness policy, income protection policies and any pension benefits that have arisen as a result of your incapacity.

If you were not in paid occupation when you became incapacitated, the amount of benefit we will pay you will be:

- the lower of the amount shown on your registration certificate or the maximum benefit of £1,300 per month

What is 'pre-incapacity gross income'?

- If you are employed:
 - your pre-tax earnings for income tax assessment (excluding any benefits in kind) in the 12 months immediately prior to the date of incapacity as currently shown on HM Revenue and Customs form P60 for this period
 - any dividends which represent your share in the net trading profit of the company from its normal, regular business during the 12 months prior to your incapacity
- If you are self-employed:
 - your pre-tax share of the profit from your trade profession or vocation in the 12 months immediately prior to the date of your incapacity for the purpose of Schedule D Case I and II of the Income and Corporation Taxes Act 1988, (ie your share of pre-tax profit after deduction of trading expenses) as assessed for income tax and agreed by HM Revenue and Customs

We may require financial information to support any claim.

The following may reduce your benefit:

- ongoing payments from your employment for example contractual sick pay
- pension payments but not if you received them before joining the scheme
- other insurance payments if they arise from the illness or injury that caused your incapacity and either result in regular payments to you or make regular payments on your behalf to a third party
- dividends received by you from a private limited company in which you and not more than three other shareholders are employed as full time working directors. These will be deducted in the month that they are paid

For clarity, we will not deduct premium payments being waived from any income protection benefit entitlement you have.

Please note that payment under your scheme may affect your eligibility for means tests incapacity benefits.

Is your benefit taxable?

No, not under current legislation and Inland Revenue practice, but it may be taxable in the future if the legislation or practice changes.

How long will my cover last?

Bupa Income Protection provides you with benefits if you are incapacitated until:

- you are no longer incapacitated; or
- the expiry date as given on your registration certificate

Bupa Income Protection cover will continue until:

- the expiry date as given on your registration certificate; or
- 30 days after any date you do not pay any amount, including premium when they become due under your membership. We will allow your membership to continue if you pay any outstanding amounts within the 30 day period after it became due

Do you need to continue to pay your premium when claiming?

You should continue to pay your premium until we accept your claim. However, your premium will be waived after three months, or maybe less, of notification of incapacity; see the 'Waiver of premium' section.

What is not covered?

We will not pay the benefit in the following circumstances:

- where a claim is excluded by a special condition which will be noted on your registration certificate
- where we reasonably consider that you have misled us (intentionally or carelessly) by either giving us false information or by keeping relevant information from us relating to your membership or claim

For further information see 'What you are not covered for' section of the membership handbook

Will the benefit be paid if I am not in the UK?

We will not pay the benefit if incapacity arises out of sickness or accident that occurs during or relates to a period of residence of more than 13 weeks during any 12 month period outside of the following countries:

Australia, Austria, Belgium, Bulgaria, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland,

France, Germany, Gibraltar, Greece, Hong Kong, Hungary, Ireland, Isle of Man, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK and USA.

We will only pay benefits for the first three months after your deferred period if you reside (either permanently or temporarily) outside the countries listed above provided that you are incapacitated for the whole of that period.

Can the cover be increased?

Yes, if you select the indexation benefit option when you apply for cover:

- if you choose this option, your benefit will increase each year in the anniversary of your cover commencing in proportion to the percentage increase in the Retail Price Index (RPI), up to a maximum of 10 percent on each occasion
- the increase in benefit will be calculated by reference to the change in RPI during the first 12 months of the 15 month period prior to the relevant anniversary
- your premium will increase at a higher rate than your benefit as we will allow for your age and remaining term at the time of the increase in the benefit. For reviewable premiums the premium increase will be based on our premium rates at that time. For guaranteed premiums the increase will be based on our premium rates at the commencement date
- you may cancel any increase under the indexation benefit option by writing to tell us within 30 days of the increase. If you do so, we will not make any increases in the future but increases that have already been made will not be affected

You can increase your cover at any time without providing further medical evidence provided:

- you are employed and have been promoted by your current employer or started a new job with a different employer, and your salary has increased since the commencement date
- you get married or become a civil partner
- you have a child or adopt a child or become the legal guardian of a child
- you take out a larger mortgage due to moving house or undertaking home improvements
- you become solely responsible for a previously joint mortgage following a separation

In these circumstances, we will provide the increase to the benefit without you providing extra medical evidence, subject to all of the following:

- you write to us to ask for the increase within three months of the event
- you supply written evidence to us related to your reason for the increase, for example; a letter from your employer with details of your salary increase, a copy of your mortgage offer, your child's birth certificate / adoption papers, your marriage / civil partnership certificates as appropriate
- the total increase in the benefit under this option is not more than:
 - 50 percent of the benefit on the commencement date; or
 - 50 percent of the amount of the increase in your salary; or
 - £9,000 per annum whichever is the lower
 - the percentage increase in the benefit requested is not more than the percentage increase in your salary
- we still offer this type of membership at the time you ask for the increase in the benefit
- you are under 55 years of age at the time we receive your request for the increase
- when we accepted your initial application for cover we did not apply a premium above our standard rates at that time or any special conditions to your membership (if you were not accepted at standard rates this information will be in the terms you were sent before you accepted the cover. If you do not have this information to hand, please contact us)
- the increase is provided under a new membership governed by the terms and conditions (excluding any option to increase the benefit) that we apply when you ask for the increase or, at our option, as an increase to the benefit under your membership
- the amount by which your premium will increase for the increased benefit is greater than the minimum premium for this type of membership at the time you ask for the increase
- you may only increase the benefit three times

- any increase due to a change made is based on the original benefit at the commencement of the original policy
- no changes to the benefit payable under your membership will be applicable for an incapacity that arises prior to either a request for a change being made or the circumstances of the change
- the increase in the benefit is not more than the maximum benefit

Any increase in the benefit will increase your premium. Your premium will increase by the cost of providing the extra benefit, based on your age and our premium rates at the time of the increase.

See 'Changes to your membership' section of the membership handbook.

Does the scheme have a cash-in value?

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

What happens if I become unemployed?

If you become incapacitated whilst unemployed, cover will continue but the following conditions will apply:

- the maximum amount of benefit will be the lower of the houseperson's benefit shown on your registration certificate and £15,600 per annum
- the deferred period will either be three months or the deferred period on your registration certificate, whichever is longer
- you may wish to inform us that you are now unemployed so that we can adjust your premium

Changing your mind

You can change your mind within 30 days:

- of the day when your policy starts or, if later
- the day when you receive your membership handbook and your registration certificate, after this time, there will be no refund of premium paid. However, if you have paid an annual premium and you cancel your cover before the next premium is due, we will give you a pro-rata refund, but we will deduct the discount you would have received in that year for paying an annual premium

See 'Your right to cancellation' section of the membership handbook

When can I claim?

- **Under what circumstances?**

When you are incapacitated in accordance with the policy.

In paid occupation

If the illness or injury to which your claim relates occurred whilst you were in paid occupation and if the suited occupation definition does not apply, we will treat you as being incapacitated if, and for as long as, you are unable, because of illness or injury to perform the material and substantial duties of your own occupation and you are not carrying out any other occupation.

Your own occupation means the paid occupation at the time of commencement of the membership and that you were carrying out at the time your illness or injury occurred.

If your registration certificate shows that the suited occupation definition applies, we will treat you as being incapacitated if, and for as long as, you are unable, because of illness or injury to perform the material and substantial duties your own occupation and the material and substantial duties of any occupation to which you are reasonably suited as a result of your education, training or experience and you are not carrying out any other occupation.

Not in paid occupation - houseperson's benefit

If the illness or injury to which your claim relates occurred whilst you were not in paid occupation, we will treat you as being incapacitated if, and for as long as, you are normally and routinely unable, because of illness, to perform 2 of the following 5 activities without the continual assistance of another person and/or with the use of appropriate assistive or corrective aids or appliances.

- walking - able to walk 200 metres on the flat without having to stop
- bending - able to get into or out of a standard saloon car and able to bend or kneel to pick up something from the floor and straighten up
- communicating - able to answer the telephone and take a message

- reading - having the eyesight required to be able to read a daily newspaper
- writing - having the physical ability to write legibly using a pen or pencil

- **When do you have to notify Bupa Health Assurance of your incapacity?**

We would like to be notified of incapacity as soon as practically possible, but in any event, within the following timescales:

Deferred period	Notification period
1 month	within 2 weeks of incapacity
2 months	within 3 weeks of incapacity
3 months	within 4 weeks of incapacity
6 months	within 4 weeks of incapacity
12 months	within 4 weeks of incapacity
24 months	within 4 weeks of incapacity

In the event that you fail to notify us within the above limits and you were able to do so, we reserve the right to treat the deferred period as not having started until the date on which the notification is received.

Where notification of incapacity is received more than 90 days after the end of the deferred period, and it was reasonably practicable for you to have done so, then no benefit may be payable

Getting in touch

The Bupa helpline is always the first number to call if you need help or support or if you have any comments or complaints. Please call us on 0845 600 3122* between 9am and 5pm Monday to Friday. Alternatively, you can write to us at Bupa Health Assurance Limited, The Core, 40 St Thomas Street, Bristol BS1 6JX.

How to make a claim

To make a claim, you should contact our Claims Department at:

Bupa Health Assurance Limited,
The Core,
40 St Thomas St,
Bristol
BS1 6JX

Alternatively, please call us on 0845 600 3122* between 9am and 5pm Monday to Friday.

Making a complaint

If you have not been able to resolve a problem and you wish to take your complaint further, you can contact our Head of Customer Services at Bupa Health Assurance Limited, The Core, 40 St Thomas Street, Bristol BS1 6JX or phone on 0845 600 3122* between 9am and 5pm Monday to Friday.

It is rare that we cannot settle a complaint, but if this does happen, you may refer your complaint to the Financial Ombudsman Service. You can write to them at: South Quay Plaza, 183 Marsh Wall, London E14 9SR or call them on 0845 080 1800.

The Financial Services Compensation Scheme (FSCS)

In the unlikely event that we cannot meet our financial obligations, you may be entitled to compensation from the Financial Services Compensation Scheme. This will depend on the type of business and the circumstances of your claim. The FSCS may arrange to transfer your membership to another insurer, provide a new policy or, where appropriate, provide compensation.

Further information about compensation scheme arrangements is available from the FSCS on 020 7892 7300 or on its website www.fscs.org.uk.

*Calls to this number may be recorded and may be monitored.



Terms and conditions apply. Full details are given in the membership handbook which is available on request.
Bupa Income Protection Cover is provided by Bupa Health Assurance Limited. Bupa Health Assurance Limited, The Core, 40 St Thomas Street, Bristol BS1 6JX.
Bupa Health Assurance Limited is authorised and regulated by the Financial Services Authority, register number 202900. Bupa Health Assurance Limited is a private company limited by shares, registered in England and Wales. No 2774803. Registered office: Pixham End, Dorking, Surrey, RH4 1QA.
Bupa Health Assurance is part of the Friends Provident group. The Bupa name and the heartbeat mark are trade marks of the Bupa Group and are being used under licence.