Protect Terms and Conditions

Paying you a regular income while you're too ill or injured to work

The Terms and Conditions of your Protect policy

Protect is Income Protection provided by British Friendly Society

BRITISH FRIENDLY

It feels good to be covered

All the details about how your Protect policy works

If you're unable to work due to an ***illness or injury***, Protect pays you a regular weekly or monthly ***income*** while you recover. These Terms and Conditions explain in detail what you can expect from us and what we need from you in return. Along with them, you'll also have a Policy Summary, which gives you an overview of the key points, and a ***Policy Schedule***. Your ***Policy Schedule*** confirms the choices you've made to tailor your cover to you, as well as the cost of your cover, and any ***special terms*** or ***higher premiums*** applied to your policy. We encourage you to take the time to read and understand these documents.

Please take the time to read through this document.

To help, we have signposted certain key information with the following symbols:

Important information

Indicates important information we've highlighted about your policy

Useful information

Indicates helpful information that you may find useful

Examples

Indicates examples which clarify how certain features of your policy work

Calculations

Indicates any calculations we use to work out payment amounts

Protect at a glance

- Pays you an ***income*** while you're ***too ill or injured*** to work. By '***too ill or injured***', we mean unable to do the main tasks of your ***occupation***, and you lose some or all of your ***income*** because of this, and you're not doing any other paid or unpaid work.
    - If you earn up to £60,000, Protect can pay you a ***benefit*** of up to 65% of your yearly ***income*** before tax, or your profits before tax.
    - If you earn over £60,000, Protect can pay you a ***benefit*** of up to 65% of the first £60,000 of your yearly ***income*** before tax, and then a further ***benefit*** up to 45% of your yearly ***income*** before tax above this, up to a maximum of £100,000. The ***maximum benefit*** Protect can pay you is £57,000 a year.
- You can choose from our options how long you want to wait before your first benefit payment – this waiting time is your '***deferred period***'.
- You can choose whether your premiums stay the same or go up as you get older
- Pays you weekly or monthly into your chosen bank account or directly to your mortgage lender.
- Can pay a valid claim weekly or monthly for a maximum of 1, 2 or 5 years at a time, or until your policy ends.
- Covers you for a minimum of 5 years until you're the age you choose – which can be any age from 50 to 70.
- Lets you choose cover that increases each year to keep up with the cost of living, with the option to pause increases.
- You can ask us to make changes to your policy whenever you want, as long as those changes are allowed by your Terms and Conditions. You can make some changes without having to answer any more questions about your health and lifestyle.
- There's no limit to the number of times you can claim and you can claim more than once for the same ***illness or injury***. But there are some restrictions if you have a limited ***benefit period*** of 1, 2 or 5 years.

Contents

Get in touch

We want to help. So if you have any questions or need to make a claim, here are all the ways you can contact us.

Call

For general information:
01234 358 344
To make a claim:
0800 975 6565

Write

For general information or to make a claim:
Registered Office:
British Friendly Society Limited
45 Bromham Road, Bedford MK40 2AA

Email

For general information:
enquiries@britishfriendly.com
To make a claim:
claims@britishfriendly.com

Go online

For general information:
britishfriendly.com
To make a claim:
members.britishfriendly.com/make_a_claim/

1. Applying for a Protect policy

1.1 Who can apply?

To apply, you'll need to be all of these things:

- A UK resident (excluding the Isle of Man and the Channel Islands), and have been for the last 2 years.
- Registered with a UK GP for the last 2 years – with access to your medical records for at least the last 2 years.
- Aged 18 to 59.
- A UK taxpayer with a UK bank or building society account.
- Employed or self-employed and not planning to retire within the next 5 years.
- Actively at work, fit enough to do all the duties of your ***occupation***, and not working in any of our excluded ***occupations***

1.2 How we assess your application

When you apply for your policy, or ask to make certain changes to it, we assess your application. To help us do that, we need some specific information. This will include information on your current health, ***income***, lifestyle, ***occupation***(s), medical history, family history, any ***medical conditions*** you have, and other relevant factors.

We use this information to assess whether we can insure you, what cover we can provide for you, and how much you'll pay each month, known as your ***premium***.

You must take care to answer all our questions carefully, honestly, and to the best of your knowledge. If you don't, we may cancel your policy, reject your claim or not pay your claim in full. If you're not sure whether any details are relevant, give us those details anyway.

We might also ask you to allow us to contact your ***doctor*** for a medical report, and to take some medical tests. We'll pay any medical fees involved. Your ***doctor*** must be a qualified, registered GP, consultant or specialist in the UK. We may specify the type of medical practitioner you'll need to see.

If you don't give us the information we need, or refuse to take any tests we ask for, we won't be able to process your application.

We may also ask you for:

- Evidence of the work you do and the ***income*** you get from it.
- Evidence of your address and identity – this helps us fight fraud and meet anti-money laundering regulations.

If there are any changes to your health, ***occupation***(s), ***income***, family history, country of residence or any other relevant factor while we're processing your application, you must tell us straight away before your policy starts.

1.3 Special terms and higher premiums

There may be some illnesses and injuries we might not be able to insure you for. Or we might be able to insure you, but only if you agree to pay a ***higher premium***. If this is the case for you, it will be confirmed in your ***Policy Schedule***. We will have spoken to you and/or your adviser about this before you took out Protect. Your ***Policy Schedule*** will show you whether you have ***special terms*** and/or pay a ***higher premium***.

How we review special terms and higher premiums

If your policy has any ***special terms*** and ***higher premiums***, but the circumstances or ***medical condition*** they're based on no longer apply, you can ask us to review this. For a ***medical condition***, you must be symptom free and no longer having any ongoing treatment for that condition. Where there's a cost, unless we agree otherwise, you'll need to pay for any medical evidence we may need from your ***doctor*** as part of the review. We'll discuss with you:

- The type of medical evidence we're likely to need for a review.
- How much it's likely to cost to gather this evidence.
- Whether a review is likely to lead to us removing ***special terms*** or ***higher premiums***.

2. The options Protect gives you

When you take out Protect, your adviser helps you tailor your cover to suit your needs. We confirm your chosen options in your ***Policy Schedule***, the document that sets out your personal cover. It's possible to make changes – there's more information about this in **sections 3 and 4.**

These are all the options Protect gives you.

Option 1:
How much *benefit* you get when you're *too ill or injured* to work

More information in section 2.1

Option 2:
How long you get your *benefit* for when *you're too ill or injured* to work

More information in section 2.2

Option 3:
Whether your *premiums* stay the same or go up as you get older

More information in section 2.3

Option 4:
Whether your benefit payments stay the same or increase each year with the cost of living

More information in section 2.4

Option 5:
How long you wait for your first benefit payment (this is your '*deferred period*')

More information in section 2.5

Option 6:
When your policy ends

More information in section 2.6

2.1 How much benefit you get when you're too ill or injured to work

Your ***benefit*** is how much we pay you when you're ***too ill or injured*** to work. The minimum ***benefit*** Protect can pay is £216 a month / £2,592 a year. The ***maximum benefit*** Protect can pay is £4,750 a month/£57,000 a year.

If you earn up to £60,000:

- The ***maximum benefit*** you can choose is 65% of your yearly ***income*** before tax.

If you earn above £60,000:

- The ***maximum benefit*** you can choose is 65% of the first £60,000 of your yearly ***income*** before tax, and then 45% of your yearly ***income*** before tax above this, up to a maximum of £100,000.
- So, if you earn £100,000 before tax, your ***maximum benefit*** would be £57,000 a year. This is made up of £39,000 (65% of £60,000) + £18,000 (45% of £40,000).
- If you earn more than £100,000 before tax, your ***maximum benefit*** would still be £57,000 a year.

If you come to claim, we'll count the amount you were earning in the 12 months immediately before you became ***too ill or injured*** to work as your yearly ***income***. We also take into account other ***income*** or sick pay you're getting. We do not include any ***income*** from savings or investments.

An example of how the maximum benefit works in practice

Let's say your ***maximum benefit*** is £57,000 based on a salary of £100,000 a year. When you're first ***too ill or injured*** to work, you receive full pay from your employer's sick pay scheme. Protect wouldn't pay any ***benefit*** as you'd be getting more in sick pay than the ***maximum benefit***. Once your sick pay falls below £57,000 or stops completely, the benefit payments can start. So, if your sick pay falls from £100,000 to £50,000, Protect will be able to pay you the difference up to the ***maximum benefit*** level of £7,000 a year. Once your sick pay stops completely, Protect will be able to pay the ***maximum benefit*** of £57,000.

There's more information about how the maximum benefit works in section 6.5.

This amount, plus what we pay you, can't go over your ***maximum benefit*** that's shown in your ***Policy Schedule***. Otherwise, you may get more money than when you were working.

Your income would include any of the following:

- Employed ***income***: your personal ***income*** from your employment, before tax. It's made up of your gross annual earnings and any P11D benefits (known as 'benefits in kind').
- Self-employed ***income***: your personal ***income*** from your business, before tax. It's made up of your gross annual earnings from your business, less any amount allowable as expenses against income tax. In other words, it's your annual share of pre-tax profits from your ***occupation*** or ***occupations***.
- ***Income*** from company dividends: this includes taxable ***income*** you receive from your business in the form of company dividends. The dividends must:
  - Be paid from your annual profits after tax. If the dividends are higher than your profits after tax, then they don't reflect your profits in that year. Where this is the case, we'd base your ***income*** on your annual profits after tax.
  - Be paid direct to you in place of regular wages or salary in the 12 months immediately before you became ***too ill or injured*** to work.
  - Be in line with the regular wages or salary allowed by the trading position of the company paying you.
  - Stop when you become ***too ill or injured*** to work.
- ***Income*** from company dividends paid to your spouse/partner, as long as:
  - Your spouse/partner doesn't take over running the business, and
  - Your spouse/partner hasn't used the dividend ***income*** in their own cover.

You need to know that other sources of income might reduce your benefit payments

When we work out your benefit payments, we factor in any other money you might be getting at the same time. If you have, or might have, other money coming in from other sources, you'll need to tell us. We may need to reduce your ***benefits*** if they'll take you over your ***maximum benefit***. Other money could include:

- Sick pay from your employer.
- Pension payments as a result of sickness or injury.
- Payments from other Income Protection or permanent health insurance policies, including:
  - Payment protection plans such as loan or mortgage protection policies.
  - Other insurance policies that either pay you a regular benefit or make repayments directly to your lending company while you're ***too ill or injured*** to work.
- Profits from sole-traders or partnerships.
- Taxable dividends from profits of limited companies.

We won't factor in any ***income*** you get from savings, investments, or state benefits. However, the benefit payments you get from us might affect any state benefits you receive. **You can find more information in section 6 of these Terms and Conditions.**

2.2 How long you get your benefit for when you're too ill or injured to work

For each valid claim you make, Protect can pay you ***benefits*** for one of the following claim periods:

- Up to 1 year at a time
- Up to 2 years at a time
- Up to 5 years at a time, or
- Up until the date your policy ends

There's no limit to the number of times you can claim but there are some restrictions if you have a limited ***benefit period*** of 1, 2 or 5 years. There's more information about this in **section 8**. Your ***Policy Schedule*** will confirm which claim period you chose.

2.3 Whether your premiums stay the same or go up as you get older

You have two options:

1

Level guaranteed premiums

Premiums *that stay the same each year. We call these 'level guaranteed premiums'.*

These will stay the same for the whole of your policy. The only reason they will go up is if you make certain changes to your policy. For instance, if you increase the amount of ***benefit*** you get then your ***premiums*** will go up. Or, if you chose '***increasing cover***', you'll pay 'inflation-linked level guaranteed ***premiums***' – we explain this in more detail in **section 2.4** when we talk about '***increasing cover***'.

2

Age-costed guaranteed premiums

Premiums *that go up as you get older. We call these 'age-costed guaranteed premiums'.*

These will typically start lower than a level guaranteed ***premium***, but then increase as you get older. You will still have the certainty of knowing how much they'll go up by – this will be set out in your ***Policy Schedule***. There will be no increase in the first 12 months of your policy. After this, we'll give you about 30 days' notice of any increase to your ***premium***. Then your ***premium*** will increase from your '***policy anniversary***' date. This is the date your policy started. If you also chose '***increasing cover***', your ***premiums*** will be 'inflation-linked age-costed guaranteed ***premiums***'. We explain this in more detail on **section 2.4** about '***increasing cover***'. We'll notify you of any ***premium*** changes in line with our Direct Debit guarantee.

2.4 Whether your benefit payments stay the same or increase each year with the cost of living

You have two options:

Level Cover

Benefit payments that stay the same for the whole of your policy. We call this 'level cover'.

With this option, your ***benefits*** won't keep up with the cost of living, so they may be worth less in the future than they are now.

Increasing Cover

Benefit payments that go up each year with the cost of living. We call this 'increasing cover'.

With this option, because your benefit payments increase with the cost of living, the ***premiums*** you pay will also increase.

We cover this in more detail below.

If you choose 'increasing cover', your premiums increase each year, too:

- **Your level guaranteed premiums will increase each year in line with inflation. We call these 'inflation-linked level guaranteed premiums'.** Your ***premiums*** will increase based on ***RPI***, a measure of inflation, multiplied by 1.5. We explain more about this below.
- **Your age-costed guaranteed premiums will increase each year in line with inflation and as you get older. We call these 'inflation-linked age-costed guaranteed premiums**'. Your ***premiums*** will increase based on ***RPI***, a measure of inflation, and your age. We explain this in more detail below.

For inflation-linked ***premiums***: We use the ***Retail Price Index (RPI)*** to measure inflation and the maximum increase we'll apply is 10%. If the inflation rate is a minus figure, we won't reduce your ***premiums*** or your benefit payments. Instead, they'll stay the same for that year.

There will be no increase in the first 12 months of your policy. After this, we'll write to you each year to let you know how much your ***premiums*** and benefit payments will go up. We'll do this about 30 days before your '***policy anniversary***' date. This is the date your policy started. Then the increase will start on your ***policy anniversary*** date. You can pause, adjust or say no to these increases at any time. For example, if the increase is going to be 5%, you can adjust it to just 3% if that's better for you. The amount of ***benefit*** you get must not go over the ***maximum benefit***. We may increase the ***maximum benefit*** level if necessary, to keep up with the cost of living. The ***maximum benefit*** level at the time will always apply.

You can pause these increases up to 3 times. You can also remove these increases completely, so you have '***level cover***'. But if you then wanted to reinstate the increases, we might have to ask you more questions about your health and lifestyle. We'll notify you of any ***premium*** changes in line with our Direct Debit guarantee.

2.5 How long you wait for your first benefit payment (this is your 'deferred period')

You might get sick pay from your employer when you're first off work. Or you may have built up savings that you can rely on to start with. The longer you wait for your first benefit payment, the lower your ***premiums*** are likely to be. The amount of time you choose to wait between when you're first off work and when we pay you your ***benefit*** is called your '***deferred period***'. Your ***deferred period*** is shown in your ***Policy Schedule***. We'll only pay your ***benefits*** if your ***illness or injury*** stops you from working for longer than your ***deferred period***.

An example of of how your deferred period works in practice

If your ***deferred period*** ended on the 25th of April and you had chosen a monthly payment, your first payment would then be made on the 25th of May. Your options for how long your ***deferred period*** is depends on which ***premiums*** you've chosen.

If you choose level guaranteed premiums

- Your ***deferred period*** can be 4, 8, 13, 26, or 52 weeks.

If you choose age-costed guaranteed premiums

- If you've chosen for your claim to pay out for 1, 2, or 5 years at a time, your ***deferred period*** can be 1, 4, 8, 13, 26, or 52 weeks.
- If you've chosen for your claim to pay out until the date your policy ends, you can also choose for your claim to start on ***day 1*** of your ***illness or injury***. If you choose this, you need to be ***too ill or injured*** to work for more than 4 days in a row.

If you're a teacher, or you work in certain NHS occupations, and you've chosen a 52 week deferred period, your benefit payments can flex around your sick pay. In the early years of being an NHS dentist, ***doctor***, midwife, nurse or surgeon, you may get a different amount of sick pay each year from your employer. This is similar in the first years of being a teacher. Your Protect benefit payments can flex around your sick pay so you get a consistent monthly payment. This means you don't need to keep changing your ***deferred period*** depending on how long you've been in your job. You need to have chosen a 52 week ***deferred period***. **There's information about how this works in section 13.**

2.6 When your policy ends

Your policy will run until your chosen age as shown in your ***Policy Schedule***. This can be any age that falls between your 50th and your 70th birthday as long as it's at least 5 years away when you apply. This is because 5 years is the shortest policy length we offer.

3. Changes you can make to your policy

You can ask us to make changes to your policy at any time – just get in touch using our contact details at the front of this document.

For some changes, we'll need to ask you to answer more questions about your health and lifestyle. But for others, we won't – you can see which changes this applies to in the table below.

What you can do	Will the premiums be higher or lower?	Will there be more health, financial or lifestyle questions?
Reduce your ***benefit*** (as long as it's not lower than £216 a month)	Your ***premiums*** are likely to be lower.	No
Extend your ***deferred period***, so you wait longer for your first benefit payment		No
Get your ***benefit*** for a shorter length of time		No
End your policy sooner (as long as your total policy length isn't shorter than 5 years)		No
Tell us you're no longer a smoker, once you've stopped smoking or using nicotine products for more than 12 months (if you chose level guaranteed premiums)	If you applied as a smoker, your ***premiums*** are likely to be lower when you change to a non-smoker.	Yes
Change your ***occupation***	Your ***premiums*** won't be higher, even if you change to an ***occupation*** we don't cover. Our ***occupation promise*** means we'll still cover you at the same rate and you don't need to tell us if you change your occupation.	No
Increase your ***benefit*** (as long as it's not more than the ***maximum benefit***)	Your ***premiums*** are likely to be higher. Or we could decide to add some ***special terms*** to your policy. We'll need to agree to these changes. Your policy will need to have at least 5 years left to run, and you'll still need to be eligible for Protect, based on the list in **section 1.1.** You won't be able to make these changes while you're ***too ill or injured*** to work, or if you're behind with paying your ***premiums*** or not paying your ***premiums***.	Yes
Reduce your ***deferred period***, so you wait less time for your first benefit payment		Yes
Get your ***benefits*** for longer		Yes
End your policy later (as long as you haven't applied to change your end date more than twice before)		Yes

We'll always be fair and reasonable about any changes you want to make to your policy. However, there may be instances when we cannot make them. We'll tell you if this is the case, and you'll have the right to cancel your policy and stop paying any more ***premiums***.

If we make the change you've asked for, we'll let you know if there are any changes to the price of your cover and/or Terms and Conditions when we're processing your change.

4. Increasing your benefit when your life changes

In **section 3** we explain that if you want to increase your ***benefit***, we'll usually need to ask you more questions about your health and lifestyle. But, there are 5 instances, or life changes, in which you can increase your ***benefit*** without having to answer any more questions about your health. We'll just ask you to send us some proof.

We call these '***guaranteed insurability options'***. Your ***premiums*** will go up in line with your extra ***benefits***. We'll send you an updated ***Policy Schedule*** to show these changes.

The 5 life changes, and the proof we'll need from you, are in the table below.

Life changes	The proof we'll need
You get married or form a civil partnership	The marriage/civil partnership certificate
You have or legally adopt a child	The birth/adoption certificate
You take out or increase a mortgage on your main home	A mortgage offer letter or mortgage statement
Your rent goes up on your main home or because you've moved	A rental agreement letter
If you're employed, you get a pay rise	A letter from your employer confirming your pay rise, or a recent payslip

You'll need to meet a few conditions

You don't have to increase your benefit for these life changes. But if you do want to increase it, you'll need to:

- Have 5 years left to run on your policy.
- Apply for the increase within 3 months of the life change happening.
- Be aged under 55.
- Keep your same ***deferred period***, or, if you want to, extend your ***deferred period*** – the only thing you can't do is reduce it.
- Keep your ***policy end date*** the same.
- Not be ***ill or injured***, claiming ***benefit***, in a ***deferred period*** or behind with your ***premiums***.
- If you have ***special terms*** on your policy, there may be times where we can't apply the increase. This is at our discretion.

The amount you can increase your benefit by

There are limits for how much you can increase your amount of ***benefit*** by. The total of all the increases you make can't be more than 50% of the original amount of cover shown on your ***Policy Schedule*** or £10,000 a year, whichever is lower.

Event	Increase limits	Maximum increase	Maximum age
You get married or form a civil partnership	Up to 50% of the original amount of cover shown in your ***Policy Schedule***	up to £10,000 a year	54
You have or legally adopt a child	Up to 50% of the original amount of cover shown in your ***Policy Schedule***	up to £10,000 a year	54
You take out or increase a mortgage on your main home	▪ The increase in your mortgage payments; or ▪ 50% of the original amount of cover shown in your ***Policy Schedule*** Whichever is lower	up to £10,000 a year	54
Your rent goes up on your main home or because you've moved	▪ The increase in your rental payments; or ▪ 50% of the original amount of cover shown in your ***Policy Schedule*** Whichever is lower	up to £10,000 a year	54
If you're employed, and you get a pay rise	▪ The increase in your salary; or ▪ 50% of the original amount of cover shown in your ***Policy Schedule*** Whichever is lower	up to £10,000 a year	54

The least you can increase your ***benefit*** by is £10 a week.

When you increase your ***benefit***, it can't go above the ***maximum benefit*** level. This is 65% of the first £60,000 of your yearly ***income*** before tax, and a further 45% of your yearly ***income*** before tax above this, up to £100,000. The maximum we can pay is £57,000 a year, including any other ***income*** you might be getting.

If you pay a ***higher premium*** on your policy, the same ***higher premium*** will still apply. If you have ***special terms*** on your policy, there may be times where we can't apply the increase. This is at our discretion.

5. Paying for Protect

5.1 How we work out your starting premiums

You pay us a regular amount each month – your monthly ***premiums***. The way we work out your ***premiums*** won't change over the life of your policy. However, starting ***premiums*** vary from person to person.

We base your starting premium on:

- Your age.
- Your current health, lifestyle and medical history.
- The amount of ***benefit*** you want to get.
- The length of time you choose to wait for your first payment. We call this your ***deferred period***.
- The end date you choose for your policy.
- Whether you choose a level ***premium***, an age-based ***premium*** or a ***premium*** linked to inflation.

If you chose level guaranteed premiums, we'll also base your starting premium on:

- Your ***occupation***.
- Your smoking status.

You'll find information about how your *premiums* increase in section 2.4.

5.2 How we collect your premiums

We collect your ***premiums*** by direct debit from your bank account each month. You can choose which day of the month you want to pay. This can be any day between the 1st and the 28th. If this date falls on a weekend or Bank Holiday, we'll collect your ***premium*** on the next working day.

- **If you don't pay your premiums for more than 7 days**

  If you become ***too ill or injured*** to work, we'll only start paying your ***benefit*** from the date your ***premiums*** are up to date.

- **If you don't pay your premiums for 4 months**

  We'll try to collect your ***premiums*** on your ***premium*** collection date in month 5. If we still can't collect them successfully, your policy will automatically lapse. You then have 30 days to reinstate your cover by answering some health and lifestyle questions. This may mean we might not be able to offer you the same cover as we did before. If we are still able to offer you cover, you'll need to bring any outstanding ***premiums*** up to date.

  If you don't reinstate your cover within 30 days, we'll cancel your policy. You won't get any money back and you'll lose your cover. You'll need to reapply for any cover you need and we'll need to assess your application again in the way we've set out in **section 1.1** of these Terms and Conditions.

5.3 When you don't have to pay any premiums

- **When we're paying your benefit (waiver of premium)**
  As soon as we start paying your ***benefit***, you stop paying us ***premiums***. We call this '***waiver of premium***' and we apply it automatically. You won't need to pay your ***premiums*** again until your benefit payments stop. You'll still pay ***premiums*** during your ***deferred period***, the time between when you're first off work and when we start paying you your ***benefit***. **You can find out when and how we pay your *benefit* in section 6.**
  You won't need to pay ***premiums*** either if we're paying you back-to-work support payments. This is when you can go back to work, but you're earning less than before, so we top up your ***income*** with benefit payments. **You can find out more about this in section 7.3.**

- **When you take a break from paying your premiums (premium holiday)**
  We call this a ***premium holiday***. It means you can stop paying your ***premiums*** for up to 6 months at a time. Once you tell us you want to take a ***premium holiday***, we'll let you know if we agree, and what the start and end dates will be. You can cancel a ***premium holiday*** any time before it starts. But, once it's started, you can only cancel it if we agree.

- You can take as many ***premium holidays*** as you want, as long as they don't add up to more than 24 months in total over the whole of your policy.
- If you take a ***premium holiday***, followed by another one less than 6 months later, we'll treat it as a continuation of the earlier one. Both together can't add up to more than 6 months.
- You won't be able to claim any ***benefits*** during a ***premium holiday***.
- You won't be able to change your cover during a ***premium holiday***.
- We won't collect any ***premium*** payments from you during a ***premium holiday***.
- If you're behind with your ***premium*** payments when you apply for a ***premium holiday***, you won't be able to take it until you ***premiums*** are up to date.
- You'll need to have paid at least 12 full months of ***premiums*** before you can apply for a ***premium holiday***.

At the end of the premium holiday, you have three options:

1. If your ***premium holiday*** was less than 4 months, you can start paying your ***premiums*** again and reinstate your ***benefit*** at the previous levels without answering more questions about your health.
2. If your ***premium holiday*** was more than 4 consecutive months, you'll need to complete a medical questionnaire to let us know whether there's been any change in your health since the ***premium holiday*** started. We'll then confirm whether or not we can reinstate your policy before you start paying your ***premiums*** again.
3. Cancel your policy.

5.4 If your date of birth is wrongly recorded

- We'll correct any ***premium*** amounts that are based on your age.
- We'll collect any ***premiums*** you've underpaid or refund any ***premiums*** you've overpaid.

6. Claiming your benefit

6.1 What being too ill or injured to work means

This means that you are unable to do the main tasks of your ***occupation*** due to an ***illness or injury*** that causes you to lose some or all of your ***income***, and you're not doing any other paid or unpaid work.

We decide whether you're ***too ill or injured*** based on the medical evidence we ask for. We discuss this evidence with ***our medical adviser*** – a registered medical practitioner or health professional we've appointed.

6.2 Telling us you're ill or injured and asking for a claim form

If you are, or expect to be, ***too ill or injured*** to work, let us know as soon as possible by calling, emailing or writing to us. The sooner you get in touch with us, the sooner we can start gathering all the information we need to assess your claim and pay your ***benefit*** promptly. Please let us know even if you have a long ***deferred period*** or aren't sure you'll still be off work at the end of your ***deferred period***. We might be able to arrange treatment or services to help you get better, get back to work and continue working.

- **If your deferred period is 8 weeks or less**
  You must let us know you need to claim within 1 month of the start of your absence from work. If you don't, we may not be able to pay your claim or may only be able to pay your ***benefit*** from the date you notified us of your claim.
- **If your deferred period is more than 8 weeks**
  You must let us know within 2 months of the start of your absence from work. If you don't, we may not be able to pay your claim or may only be able to pay your ***benefit*** from the date you notified us of your claim.

6.3 Sending us a completed claim form plus the documents we need

Once you've told us about a claim, we'll send you a claim form. You'll need to send back the completed claim form, along with any other documents we ask for, as soon as possible so we can assess your claim and pay you without delay.

What medical evidence we'll need to see

Along with your claim form, we'll need a ***medical certificate*** signed by your ***doctor***. This is signed, written confirmation from your ***doctor*** that you're ***too ill or injured*** to work at your ***occupation***. Photocopies are fine.

- **If you're claiming for 7 days or less**

  We do not need to see a ***medical certificate***. We'll let you know if this changes. If you then make another claim in the next 13 weeks, we will need to see a ***medical certificate***. This will need to be valid from the first day you're ***too ill or injured*** to work. If you make multiple claims for 7 days or less, we may ask to see a ***medical certificate*** that's valid from ***day 1*** of your ***illness or injury***.

- **If you're claiming for more than 7 days**

  After the first 7 days of your ***illness or injury***, you must send us a ***medical certificate*** covering each day of your ***illness or injury*** for the whole time you're getting ***benefits***. We won't be able to pay you for any day that's not covered by a ***medical certificate***. So we don't have to suspend your ***benefits***, make sure we get each new ***medical certificate*** within 14 days of the old one ending. We may extend this by another 14 days in exceptional circumstances. For instance, if your health severely worsens, or you have to go into hospital.

We will also need extra medical evidence to support your claim. This might come from a number of different sources, including:

- Your ***doctor*** or treating specialist.
- Your employer.
- A nurse telephone assessment arranged by us.
- An independent medical examination arranged by us.
- Other third parties.

What proof of income we'll need to see

Along with your claim form, you'll need to send us proof of your ***income*** for the 12 months before you became ***too ill or injured*** to work.

- <u>If you're employed</u>

  We'll need to see printed payslips and a P60 from the most recent tax year.

- <u>If you're self-employed</u>

  We'll need to see your HM Revenue and Customs Tax calculation and Self Assessment, plus a copy of your accounts relating to the most recent tax year. We might also need to get in touch with your accountant for more information.

- <u>If you're a salaried director of a limited company</u>

  We'll need to see printed payslips, a P60 and a copy of the company accounts sent to HM Revenue and Customs from the most recent tax year. We might also need to get in touch with your accountant for more information.

If your earnings over the 12 month period are lower than usual, at our discretion we may be able to base your benefit payments on your average ***income*** over a period of up to 3 years if this would reflect your usual average ***income*** more accurately. You'll need to ask us to do this when you claim. If we agree, we'll confirm it in writing.

6.4 How we assess your claim

Once we get your claim form, we assess whether your ***illness or injury*** means you are unable to do the main tasks of your ***occupation***, causing you to lose some or all of your ***income***. We also check you're not doing any other paid or unpaid work. We base our assessment on medical evidence. Depending on your claim, this might include things like a report, ***medical certificate*** or investigations from your ***doctor***, or information from your employer. If there's any doubt, the opinion of ***our medical adviser*** will be final.

We'll need to:

- See evidence that you're under the care of a ***doctor***, and that you're following all the treatments and investigations your ***doctor*** recommends.
- Be happy that you're taking all reasonable steps to help your recovery.
- Know that you've investigated suitable treatments. We might ask if we can contact your ***doctor*** for a medical report, or ask you to take more tests, including being examined by ***our medical adviser***. We'll pay for any extra medical investigations or tests we ask you to take when we're assessing your claim.
- Assess your claim regularly while we're paying your ***benefit***. We might ask you for updates on your ***illness or injury***, or ask one of ***our authorised representatives*** to visit you and interview you in your home. We may also ask you to give us further information or take part in further investigations or tests. And we may ask you if we can contact your ***doctor*** for a medical report, or if we can approach your employer or other third party for extra information we think is relevant to your claim.

If you don't agree to any reasonable requests we make, we can refuse to process your claim and we can suspend any payments you're already receiving. If you still don't agree to our requests after 14 days, we won't be able to pay you any more ***benefits*** for the rest of the time you're off work.

There are some instances in which we wouldn't pay your claim – you'll find these in section 9.

6.5 How we work out your maximum benefit

The ***maximum benefit*** is based on your yearly ***income***. That's your salary before tax if you're employed, or your profits before tax if you're self-employed.

If you earn up to £60,000:

- The ***maximum benefit*** you would have been able to choose is 65% of your yearly ***income*** before tax.

If you earn above £60,000:

- The ***maximum benefit*** you would have been able to choose is 65% of the first £60,000 of your yearly ***income*** before tax, and then 45% of your yearly ***income*** before tax above this, up to a maximum of £100,000.
- So, if you earn £100,000 before tax, your ***maximum benefit*** would be £57,000 a year. This is made up of £39,000 (65% of £60,000) + £18,000 (45% of £40,000).
- If you earn more than £100,000 before tax, your ***maximum benefit*** would still be £57,000 a year.

Income is defined in section 2.1 and the proof of income we'll need to see is listed in section 6.3.

When you applied for your policy, and as long as you hold it, you'll need to make sure that the ***benefit*** stated in your ***Policy Schedule***, plus any increases linked to inflation, is never more than the ***maximum benefit*** allowed.

If you claim, we'll only pay up to your maximum no matter what ***benefit*** your ***Policy Schedule*** states. We calculate the maximum we'll pay you based on 65% of the first £60,000 of your yearly ***income*** before tax in the 12 months before you became ***too ill or injured*** to work, and then 45% of your yearly ***income*** before tax in the 12 months before you became ***too ill or injured*** to work up to a maximum of £100,000. We then factor in any other money you might be getting at the same time. If you have or might have, other money coming in from other sources, you'll need to tell us as this may impact the ***benefit***, we pay you.

Other money could include:

- Sick pay from your employer.
- Pension payments as a result of sickness or injury.
- Payments from other income protection or permanent health insurance policies, including:
  - Payment protection plans such as loan or mortgage protection policies.
  - Other insurance policies that either pay you a regular benefit or make repayments directly to your lending company while you're ***too ill or injured*** to work.
- Profits from being a sole-trader or a partner in a business partnership.
- Taxable dividends from profits of limited companies.

We won't factor in any ***income*** you get from savings, investments, or state benefits. However, the benefit payments you get from us might affect any state benefits you receive.

6.6 Our guarantee to pay the benefit you're expecting, up to a maximum of £1,500 a month, even if your income's gone down (benefit guarantee)

Income can go up and down sometimes, for example if you've had an unexpected loss of ***income***. Protect guarantees to pay you the ***benefit*** you're covered for, even if, when you claim, you're genuinely earning less than when your policy started. We'll do this up to a ***maximum benefit*** payment of £1,500 a month. We call this our benefit guarantee.

To qualify for the benefit guarantee, you need to meet our minimum hours criteria. This means you will need to provide evidence that you have been working for at least 16 hours a week if you're self-employed, or 25 hours a week if you're employed, when you became ***too ill or injured*** to work.

EXAMPLE

Here's how it works:

- Let's say you originally chose to get benefit payments of £1,000 a month. But when you come to claim, your ***income*** has gone down. And the most you can claim, 65% of your ***income*** before tax, would mean you only get £800 a month. Our benefit guarantee means we'll still pay you the £1,000 you're expecting. This is the case as long as you also meet our minimum hours criteria, which we outline above.

Here's how it works:

- Or, let's say you chose to get £1,700 a month. Your ***income*** goes down and the most you can claim is £800 a month. Our benefit guarantee means we'll still pay you £1,500 a month. This is the case as long as you also meet our minimum hours criteria, which we outline **in section 6.6.**

We'll never pay more than the ***benefit*** you're covered for. And we'll still need to reduce your guaranteed benefit if you have money coming in from the other sources **we outline in section 6.5.**

7. Paying you your benefit

7.1 How we pay your benefit

We'll pay your ***benefit*** into your bank or building society account. Or, in line with our ***mortgage payment option***, we can pay it directly to your mortgage lender if your mortgage is residential and on your main home. This must be in the UK and be the home you currently live in, or spend most of your time living in.
We can pay you every week or every month – it's your choice.

7.2 When we start paying your benefit

We will start paying your benefit after the end of your ***deferred period***. Your ***Policy Schedule*** shows what your ***deferred period*** is.

For deferred periods of 1, 4, 8, 13, 26 or 52 weeks:

Once we accept your claim, we'll start paying your ***benefit*** weekly or monthly in arrears after the time you've chosen to wait for your first payment, your ***deferred period***, is up.

Here is an example:

- You choose a ***deferred period*** of 8 weeks and to get your benefit payments weekly.
- We pay you on day 1 of week 10 (after your 8 week ***deferred period*** + 1 week in arrears).

For day 1 deferred periods:

If you've chosen to get your ***benefit*** from the first day you can't work, we'll backdate your benefit payments to ***day 1*** of your ***illness or injury*** and pay them with your first payment, as long as you're unable to do the main tasks of your ***occupation*** for more than 4 days in a row. Your benefit payments might be delayed while we assess your claim.

We pay your ***benefit*** in arrears as long as we've received the medical evidence we need in support of your claim. We might also ask you to send us specific extra medical information.

7.3 Back-to-work support payments

Your ***illness or injury*** might mean you can't go back to your pre-incapacity ***occupation*** full-time, and have to go back to it part time or in a reduced role. Or it could mean you have to take on a new ***occupation*** due to your illness or injury that pays you less than you were earning before your claim. If any of these things happen, we can still pay you a reduced amount of ***benefit*** once you're back at work. We call these 'back-to-work support payments'. You won't have to pay any ***premiums*** while you're getting back-to-work support payments.

We might also be able to arrange treatment and services to help you get back to work.

To work out your back-to-work support benefit:

- We take your monthly ***income*** before the claim and subtract your new monthly ***income*** now that you're back at work.
- We multiply this figure by the amount we were paying you before you returned to work.
- Then we divide this figure by your monthly ***income*** before the claim.

(your pre-claim monthly income subtracted by your post-claim monthly income) × your benefit level ÷ your monthly pre-claim income = your back-to-work support benefit

If your new monthly ***income*** is more than your monthly ***income*** before the claim we'll stop the payments.

7.4 If you're on parental leave when you become too ill or injured to go back to work

If you get ill or injured while you're on maternity or paternity leave and can't go back to work when you were planning to, we might still be able to cover you. We assess whether your ***illness or injury*** means you are unable to do the main tasks of your ***occupation*** you'll return to after your parental leave and whether this will cause you to lose some or all of your ***income***. We base our assessment on medical evidence. If you meet the criteria to claim when your parental leave ends, we'll treat the first day of your ***illness or injury*** as the start of your ***deferred period***. We'll treat the day you were planning to go back to work as the beginning of your claim period.

EXAMPLE

Here's how it works:

If your parental leave is a full year, 52 weeks, we'll look to start paying you ***benefits*** from the day after those 52 weeks. If you've already been ill or injured for the length of your ***deferred period***, your ***deferred period*** will not apply. We'll need medical evidence to show us how long you've been ill or injured for.

We'll base what we pay you on your ***income*** before you started your leave. We'll need to know what hours you were planning to do when you returned – full time or part time, for example – so we can calculate how much your benefit payments should be. If you're employed, we may get in touch with your employer to find out more about these arrangements. If you're self-employed, we'll talk to you about your arrangements and consider how we can cover you.

7.5 If you have a terminal illness

Hopefully it will never happen, but if you're ***too ill or injured*** to work and according to your ***doctor***, you meet our definition of a ***terminal illness,*** your ***deferred period*** won't apply.

If the opinions of your ***doctor*** and ***our medical adviser*** differ, we reserve the right to base our final decision on the opinion of ***our medical adviser***.

7.6 When we stop paying your benefit

We'll keep paying your benefit until one of the following happens:

- The end of your 1, 2 or 5 year ***benefit period***, whichever applies.
- Your ***policy end date***.
- You no longer meet our definition of being ***too ill or injured*** to work.
- You no longer have a loss of ***income***.
- You cancel your policy.
- Any agreed back-to-work support payments end.
- You die.
- You're living abroad and you reach the end of the time we'll pay your ***benefits*** for. **We explain this in more detail in section 10.**

7.7 If we pay you too much

This might happen because of a mistake or because you were able to go back to work sooner than expected. If it does, you'll need to pay back the overpayment within 30 days of us asking you to. If you don't, we reserve the right to charge you interest on what you owe us. We'll base this on the Bank of England base rate over the period of time that you owe the money to us.

If someone deliberately withholds information, provides false information, or lies to us in their application, at any point during the lifetime of the policy or when making a claim, we'll cancel the policy and won't refund any of the money they've paid (the ***premiums***).

We will refuse to pay any claim made if we've had to cancel the policy for any of these reasons.

8. Claiming again after you go back to work

You can claim more than once for the same ***illness or injury*** and there's no limit to the number of times you can claim. If you have a limited ***benefit period*** (1, 2 or 5 years), you must have been back at work for 26 weeks or more before you can claim again.

Claiming works slightly differently depending on how long you've chosen to get your benefit payments for.

If you've chosen to get payments for 1, 2 or 5 years	If you've chosen to get payments until your policy ends
▪ **If you need to claim for the same illness or injury after getting benefits for the full 1, 2 or 5 years** Before you can claim again for the same ***illness or injury***, you must have been back at work for at least 26 continuous weeks without your ***illness or injury*** recurring. You'll need to wait for your chosen ***deferred period*** before your first payment. ▪ **If you need to claim for the same illness or injury after going back to work before the 1, 2 or 5 years are up** If you need to claim again for the same ***illness or injury*** within the following 26 weeks, your ***deferred period*** won't apply. We'll pay you straight away. We'll treat your subsequent claim period(s) as a continuation of the first. We add these periods together when we work out how long to pay your ***benefit*** for. If you need to claim again after 26 weeks have passed, then your ***deferred period*** will apply and we'll treat this as a new claim.	▪ **If you need to claim for the same illness or injury** If you need to claim again within 26 weeks of going back to work, your ***deferred period*** won't apply. We'll pay you straight away. If you need to claim again after 26 weeks have passed, then your ***deferred period*** will apply.
▪ **If you need to claim for a different illness or injury** You'll need to have gone back to work. We'll treat this as a new claim, and you'll have to wait until your chosen ***deferred period*** ends before we can make your first payment.	

When we decide whether you're claiming again for the same ***illness or injury*** or a different one, we look at all the medical evidence. If there's any doubt, we take the opinion of ***our medical adviser***.

You may have to go back to your pre-***illness or injury occupation*** part time or in a reduced role, or take on a new ***occupation*** that pays you less than you were earning before your claim. If any of these things happen, we may be able to pay you a reduced amount of ***benefit***, known as back-to-work support payments, once you're back at work. **You can find out more about these in section 7.3.**

9. When we wouldn't pay your benefit

- During your ***deferred period***, unless you've been diagnosed with a ***terminal illness*** **(see section 7.5)**. You'll only get payments if your ***illness or injury*** lasts longer than this. For example, if your ***deferred period*** is 4 weeks, you'll only get ***benefits*** if you're ill or injured for more than 4 weeks. Your ***benefits*** will start from week 5 of your ***illness or injury***.
- If you've made a fraudulent application or claim.
- If you claim for a pre-existing ***medical condition*** that you should have told us about but didn't. A pre-existing ***medical condition*** is an ***illness or injury*** or symptoms of an ***illness or injury*** you had before your policy started or when you applied to change it even if you had not yet seen a doctor to discuss it.
- If you claim for an illness that we've excluded. If there are any, they'll be on your ***Policy Schedule*** under ***special terms***.
- If you claim for an injury that resulted from an excluded activity. If we've excluded certain activities, they'll be on your ***Policy Schedule*** under ***special terms***.
- If you were working in an excluded ***occupation*** when you took your policy out.
- If you haven't paid your ***premiums***.
- If you're unemployed, made redundant, a student, a house person or retired.
- If you're doing any other paid or unpaid work, except as described in **section 7.3.**
- If you don't give us your consent to process your personal information in relation to your claim when we ask for it.

10. If you move abroad

We might be able to pay your claim if you suffer an illness or injury while outside of the UK, as long as:

- You were a UK resident when you took your policy out, in line with our policy eligibility conditions.
- Local regulations allow us to do this.
- We've agreed with you in advance, and in writing, that we can insure you in that country.

The medical evidence you give us must be supplied by a medical professional who meets our reasonable requirements and will need to be in English. You'll also need a UK bank or building society account that we can pay your ***benefit*** into.

If you live in an ***EU*** country where we're able to insure you, or in one of the following countries, states, territories or dependencies, we can only pay ***benefits*** for up to 2 years unless you move back to the UK:

- Andorra
- Australia
- Canada
- Channel Islands
- Gibraltar
- Iceland
- Isle of Man
- Liechtenstein
- Monaco
- New Zealand
- Norway
- Switzerland
- San Marino
- USA
- Vatican City

If you're living permanently or temporarily anywhere else in the world, we can only pay your claim for up to 26 weeks unless you move back to the UK. If you've claimed ***benefits*** before while you were living outside the UK, we'll add your earlier claim periods together when we work out the maximum length of time we can continue to pay you for.

11. What you should do after you buy Protect

- Review your policy regularly to check that it still meets your needs.
- Check your ***benefit*** amount regularly to make sure it's not more than the ***maximum benefit*** you can get based on your ***income***.
- Tell us as soon as possible if:
  - You change your address.
  - You move outside the UK.
  - You become unemployed or a full-time student without an ***income***.
  - You retire.
  - You've been claiming ***benefit*** but are now fit enough to return to work, or your condition has changed.
- If your circumstances change, get in touch with us or contact your ***financial adviser*** so you understand your options.

12. Cancelling your policy

12.1 If you decide to cancel

You can cancel your policy at any time. Just fill in the cancellation notice that comes with your policy documents and send it back to us. Post it to **British Friendly Society Limited, 45 Bromham Road, Bedford MK40 2AA** or email it to **enquiries@britishfriendly.com.**

If you cancel your policy within 30 days of your policy starting or of receiving your policy documents, whichever is later, we'll refund any ***premiums*** you've paid in full. If you cancel later than this, you won't get back any ***premiums*** you've paid.

If you cancel your policy, then change your mind, we can reinstate your policy within 30 days of the date you cancelled. We'll need you to answer a few questions about your health and lifestyle and you'll need to bring any outstanding ***premiums*** up to date.

12.2 When we can cancel your policy

We reserve the right to cancel your policy or change it if:

- You make a false or misleading statement, or don't give us all the relevant facts when you apply for a policy, make changes to it or make a claim.
- You make a fraudulent claim – for instance, you're working and claiming ***benefit*** at the same time.
- You haven't paid your ***premiums*** for 4 months in a row.
- You were working in an ***occupation*** we don't insure when your policy started.
- You go to prison.
- You become unemployed.
- You're living outside the UK and local regulations do not allow us to insure you in that country.
- You unreasonably refuse to comply with your obligations under these Terms and Conditions.

If we cancel your policy, your cover will end immediately and you won't be able to claim ***benefits***. You won't be entitled to any refund of ***premiums*** or payment under the cancelled policy. Any ***benefits*** being paid will immediately stop and, if we've paid you ***benefits*** incorrectly, then we have the right to ask you to repay them.

If we suspect or identify fraudulent activity, we'll share information with the police, other insurers and similar bodies.

13. Sick pay protection for teachers or NHS dentists, doctors, midwives, nurses and surgeons

13.1 If you're a teacher, or an NHS dentist, doctor, midwife, nurse or surgeon, your benefit payments can flex around your sick pay

In the early years of being an NHS dentist, doctor, midwife, nurse or surgeon, you get a different amount of sick pay each year. This is similar in the first years of being a teacher. Your Protect benefit payments can flex around your sick pay so you get a consistent monthly payment and you do not have to contact us to change your ***deferred periods*** each year.
You need a 52 week ***deferred period*** to have this option.

13.2 For NHS dentists, doctors, midwives, nurses and surgeons

To be eligible for this, you need to:

- Work in a medical profession in the UK.
- Have sick pay that exactly matches the NHS sick pay structure, as set out below.
- Be registered, or provisionally registered, with the General Medical Council, Nursing and Midwifery Council, or General Dental Council.
- Have a current licence to practise in the UK if you're a doctor or surgeon.
- Choose a 52 week ***deferred period*** when you buy Protect.

We won't deduct any NHS sick pay when we work out the maximum monthly ***benefit*** we can pay. But we will take into account any continuing ***income*** that you may receive from other sources as defined in **section 2.1.**

You can use the sick pay protection to cover your ***income*** from your NHS ***occupation***. If you also have another ***occupation***, in private practice for example, which doesn't have or match the NHS sick pay structure, you can't use sick pay protection to cover any ***income*** from it.

When you claim, we will start paying you as early as possible, providing the claim is valid. How quickly we start paying will depend on how long your length of service is when you become unable to do the main tasks of your ***occupation***. As long as you have chosen a 52 week ***deferred period***, and we've agreed to pay the claim, we'll start paying before the end of the 52 week ***deferred period*** as explained **on page 29.**

This is how the NHS sick pay structure works

You need to check that your NHS contract matches this sick pay structure. If it doesn't, you cannot choose this option.

Which year of your NHS occupation you're in	How many months you get full sick pay for	How many months you get half pay for after that
Year 1	1 month	2 months
Year 2	2 months	2 months
Year 3	4 months	4 months
Year 4 and 5	5 months	5 months
Year 6 and onwards	6 months	6 months

We flex your benefit payments around this sick pay so you always have a more consistent amount of money coming in

When we accept your claim, we'll flex your benefit payments so they top up your sick pay.

Here is an example

Which year of your NHS occupation you're in	We pay 50% of your benefit payments after this much time	We pay 100% of your benefit payments after this much time
Year 1	1 month	3 months
Year 2	2 months	4 months
Year 3	4 months	8 months
Year 4 and 5	5 months	10 months
Year 6 and onwards	6 months	12 months

13.3 For teachers in England, Wales, and Northern Ireland

To be eligible for this, you need to:

- Be a teacher.
- Have sick pay that's set out:
  - For teachers in England and Wales – in the Conditions of Service for School Teachers in England and Wales, also known as the Burgundy Book.
  - For teachers in Northern Ireland – in the Department of Education, teachers Terms and Conditions.
- Choose a 52 week ***deferred period*** when you buy Protect.

We won't deduct any teachers' sick pay when we work out the maximum monthly ***benefit*** we can pay. But we will take into account any continuing ***income*** that you may receive from other sources as defined in **section 2.1.**

EXAMPLE

This is how the sick pay structure works

Your sick pay from your employer needs to match this structure. If it doesn't, you're not eligible for this option. A working day is defined in the teachers' pay and conditions contract.

Which year of your teaching occupation you're in	How many working days you get full sick pay for	How many working days you get half pay for after that
your first 4 months	25 working days	0 working days
Year 1	25 working days	50 working days (if you've been a teacher for four months or more)
Year 2	50 working days	50 working days
Year 3	75 working days	75 working days
Year 4 and onwards	100 working days	100 working days

We flex your benefit payments around this sick pay so you always have a more consistent amount of money coming in

When we accept your claim, we'll flex your benefit payments so they top up your sick pay.

EXAMPLE

Here is an example

Which year of your teaching occupation you're in	We pay 50% of your benefit payments after this much time	We pay 100% of your benefit payments after this much time
Your first 4 months	N/A	25 working days
Year 1 (between 4-12 months)	25 working days	75 working days
Year 2	50 working days	100 working days
Year 3	75 working days	150 working days
Year 4 and onwards	100 working days	200 working days

If you move school, or your school becomes an academy, you need to check your sick pay

If you move to an independent school, you need to check the new sick pay arrangement in your contract. If you don't have the same sick pay as above, we won't be able to flex your benefit payments. Instead we'd start your payments after your 52 week ***deferred period***.

If your school becomes an academy, most of your arrangements around sick pay and leave should stay the same. But you should double check this is the case. Your sick pay needs to match the sick pay above for us to be able to flex your benefit payments around it.

13.4 For teachers in Scotland

To be eligible for this, you need to:

- Be a teacher, governed by the Scotland Negotiating Committee for Teachers (SNCT).
- Have sick pay that's set out in the SNCT Handbook of Conditions of Service for School Teachers.
- Choose a 52 week ***deferred period*** when you buy Protect.

We won't deduct any teachers' sick pay when we work out the maximum monthly ***benefit*** we can pay. But we will take into account any continuing ***income*** that you may receive from other sources as defined in **section 2.1.**

EXAMPLE

This is how the sick pay structure works

Your sick pay from your employer needs to match this structure. If it doesn't, you're not eligible for this option. As soon as you've worked for 18 weeks or more, you're entitled to this sick pay.

Which year of your teaching occupation you're in	How many months you get full sick pay for	How many months you get half pay for after that
Year 1 (as long as you've worked for at least 18 weeks)	1 month	1 months
Year 2	2 months	2 months
Year 3	4 months	4 months
Year 4	5 months	5 months
Year 5 and onwards	6 months	6 months

We flex your benefit payments around this sick pay so you always have a more consistent amount of money coming in

When we accept your claim, we'll flex your benefit payments so they top up your sick pay.

EXAMPLE

Here is an example

Which year of your teaching occupation you're in	We pay 50% of your benefit payments after this much time	We pay 100% of your benefit payments after this much time
Your first 18 weeks	N/A	1 month
Year 1 (between 18 weeks and 12 months)	1 month	2 months
Year 2	2 months	4 months
Year 3	4 months	8 months
Year 4	5 months	10 months
Year 5 and onwards	6 months	12 months

If you move school, or your school becomes an academy, you need to check your sick pay

If you move to an independent school, you need to check the new sick pay arrangement in your contract. If you don't have the same sick pay as above, we won't be able to flex your benefit payments. Instead we'd start your payments after your 52 week ***deferred period***.

If your school becomes an academy, most of your arrangements around sick pay and leave should stay the same. But you should double check this is the case. Your sick pay needs to match the sick pay above for us to be able to flex your benefit payments around it.

14. The legal side of things

14.1 Your benefit is tax free

Under the UK's current tax rules, we can pay your ***benefit*** free of income tax and capital gains tax. We can do this as long as you pay your ***premiums*** from your personal taxable ***income*** and not a corporate account. This might change if the government changes the rules around tax in the future.

You can't claim your ***premiums*** as an expense for tax purposes.

14.2 Your policy has no cash value

It's not a savings or life insurance product. It won't pay you a lump sum when it comes to an end or if you die.

14.3 We'll communicate with you in English

All your policy documents will be in English. And when we write to you, we'll use English.

14.4 If we change your Terms and Conditions

The information in these Terms and Conditions was correct when we issued them. We might need to change them to correct any mistakes, if it's fair and reasonable to do so, or if there are changes to:

- The laws, regulations or codes of practice they have to comply with.
- The way we operate and run policies of this kind.
- How the life and pensions industry operates.
- The technology that underpins the life and pensions industry.

We'll always aim to give you at least 30 days' notice of any changes. Sometimes, we have to make changes immediately. If we do, we'll let you know within 30 days of making the change.

14.5 If you have a complaint

We hope you're always happy with your policy and our service. But if you're not, please call us on **01234 358 344**, email **complaints@britishfriendly.com** or write to us at **45 Bromham Road, Bedford MK40 2AA**. We'll do all we can to sort things out.

We'll write to you to acknowledge your complaint within 5 business days and pass it on to the relevant team to investigate. Within 8 weeks, you'll either get a final answer or we'll ask you for more details. If we're unable to resolve your complaint to your satisfaction, or haven't resolved it within 8 weeks, you have the right to refer your complaint to the Financial Ombudsman Service (FOS) free of charge in the following ways:

Go online
financial-ombudsman.org.uk/contact-us

Call
0800 023 4567

Email
complaint.info@financial-ombudsman.org.uk

Write
Financial Ombudsman Service Exchange Tower, London E14 9SR

Registering a complaint with the FOS won't affect your legal rights.

If you'd like to know more about how we handle complaints, ask us for a copy of our Complaints Handling Procedure.

Your legal rights won't be affected if you complain.

14.6 What would happen if we couldn't pay you

In the unlikely event that the ***Society*** becomes insolvent, you may be entitled to compensation from the Financial Services Compensation Scheme. You can contact the Financial Services Compensation Scheme in the following ways:

Go online
fscs.org.uk/

Call
0800 678 1100

Write
Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY

14.7 You can't transfer your policy to someone else

Your policy is personal to you.

14.8 How we use your personal information

We collect and use your personal information to manage your policy and to operate our business. This includes:

- Confirming your identity and taking steps to prevent fraud.
- Checking the information you provide.
- Processing your application for Protect.
- Processing your claims.
- Answering your questions and investigating any complaints.

Our privacy policies contain a full explanation of how we use your personal information. You can find our policies at **members.britishfriendly.com/privacy-policy/**. If you'd like us to send you a copy of our privacy policies, please call, email or write to us. If you have any questions on our privacy policies, please call, email or write to us. You'll find our contact details at the start of these Terms and Conditions.

14.9 All payments will be in sterling

The ***premiums*** you pay us, and the ***benefits*** we pay you, will be in pounds sterling.

14.10 Helping us recover the cost of a claim from a third party

Like most insurance companies, we have a legal right to 'step into your shoes' to bring legal claims against a third party whose actions or negligence caused you to claim ***benefits*** under your policy. This right is called 'subrogation'. You agree to provide us with all the information we reasonably ask for when we look to exercise our subrogation rights.

14.11 The laws that apply to Protect

The laws of England and Wales apply to your Protect policy. Legal claims relating to your policy will only be dealt with by the courts of England and Wales.

14.12 Our rights

Nothing we do or say, or that's done or said on our behalf, waives our rights under this policy unless we specifically say so.

14.13 Third party rights

Your policy does not give any rights to anyone except you and us.

14.14 You must cooperate with us

When we reasonably ask you to, you must cooperate fully with us in relation to your policy. This includes providing us with information and documents.

14.15 You must make sure the information you give us is correct and not misleading

If you later realise or suspect that information you have given us was incorrect or misleading, you must tell us as soon as possible.

14.16 Who we're authorised and regulated by

We're authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered No: 110013. Incorporated under the Friendly Societies Act 1992. Registered No: 392F. Member of the Association of Financial Mutuals.

14.17 Solvency and Financial Condition Report

Each year we publish a Solvency and Financial Condition Report which provides an overview of our financial position, how we're governed and our financial performance, among other things. You can find our Solvency and Financial Condition report on our website at **members.britishfriendly.com/about-us/society-information/**

15. Definitions of the policy terms we use

Benefit

The amount we pay you when you're too ill or injured to work. The maximum benefit you can choose is based on your yearly income. Your Policy Schedule will show the amount of benefit you've chosen to get. It may increase each year in line with your age or the cost of living, if you've asked for this.

Benefit periods

Pays you a regular income if you're too ill or injured to work:

- For up to 1,2 or 5 years; or
- Until your chosen policy end date.

Day 1

The first day, in your doctor's opinion, that your illness or injury means you're unable to do the main tasks of your occupation.

Deferred period

The amount of time you choose to wait between the first day you're too ill or injured to work and when we pay you your benefit. You choose how long your deferred period will be and we show what it is on your Policy Schedule. We start paying your benefit 1 week or 1 month in arrears when your deferred period is over. **See section 7.2 for more information.**

Doctor

A qualified, registered GP, consultant or specialist in the UK. We may specify the type of medical practitioner you'll need to see.

EU

The Member States of the European Union. You can find a list of them at **gov.uk/eu-eea**

Financial Adviser

A financial adviser authorised and regulated by the Financial Conduct Authority and/or the Prudential Regulation Authority.

Guaranteed insurability option

The option to increase your benefit when certain events happen without having to answer any more questions about your health. These events include getting married, having a baby or increasing your mortgage. Your premiums will go up as well. **You'll find all the details in section 4.**

Higher premium

Means we'll accept your application if you agree to pay more each month. We'll show this on your Policy Schedule**.**

Illness or injury or too ill or injured

When you are unable to do the main tasks of your occupation due to an illness or injury that causes you to lose some or all of your income and you're not doing any other paid or unpaid work.

Income

The amount you were earning in the 12 months before you became too ill or injured to work. It includes other income or sick pay, but does not include any income from savings or investments.

Your income could be any of the following:

- Employed income: your personal income from your employment, before tax. It's made up of your gross annual earnings and any P11D benefits (known as 'benefits in kind').
- Self-employed income: your personal income from your business, before tax. It's made up of your gross annual earnings from your business, less any amount allowable as expenses against income tax. In other words, it's your annual share of pre-tax profits from your occupation or occupations.
- Income from company dividends: this includes taxable income you receive from your business in the form of company dividends. The dividends must:
  - Be paid from your annual profits after tax. If the dividends are higher than your profits after tax, then they don't reflect your profits in that year. Where this is the case, we'd base your income on your annual profits after tax.
  - Be paid direct to you in place of regular wages or salary in the 12 months immediately before you became too ill or injured to work.
  - Be in line with the regular wages or salary allowed by the trading position of the company paying you.
  - Stop when you become too ill or injured to work.
- Income from company dividends paid to your spouse/partner as long as:
  - Your spouse/partner doesn't take over running the business and
  - Your spouse/partner hasn't used the dividend income in their own cover.

Increasing cover

An option you can choose that pays you benefits that go up each year in line with the cost of living.

Level cover

Pays you benefits that stay the same for the whole of your policy.

Maximum benefit

The maximum amount of benefit you can be paid. It's based on your yearly income before tax in the 12 months immediately before your illness or injury. Your maximum benefit is 65% of your yearly income before tax up to £60,000, and then 45% of your yearly income before tax above this, up to a maximum of £100,000. The maximum we can pay is £57,000 a year. **You can find out more in section 6.5.**

Medical certificate

Signed, written confirmation from your doctor that you're too ill or injured to do the main tasks of your occupation. Photocopies are fine. We might also ask you to send us specific extra medical information in certain circumstances.

Medical condition

Any disease, illness, injury or condition that you've had a consultation, treatment or medication for, or asked advice on, or had symptoms of. If you've had an investigation or test that has identified the risk of a specific condition developing, we also count this as a medical condition. You may or may not have actually been diagnosed with it.

Mortgage payment option

We can pay your benefit directly to your mortgage lender if your mortgage is residential and on your main home. This must be in the UK and be the home you currently live in, or spend most of your time living in.

Occupation

This is your current occupation(s) that pays you your income.

Occupation promise

You don't need to tell us if you change your occupation.

Our authorised representative

One of our employees, our Medical Adviser or any other person we authorise to act on our behalf.

Our medical adviser

A registered medical practitioner or health professional that we've appointed.

Policy anniversary

The anniversary each year of the date your policy started.

Policy end date

The date that your policy, and your entitlement to benefit, ends.

Policy Schedule

The document that confirms the choices you've made to tailor your cover to you, as well as the cost of your cover, and any special terms or higher premiums applied to your policy

Premium

The amount you pay us each month to maintain your cover. This is outlined in your Policy Schedule. There are different types of premium you can pay as explained in **sections 2.3 and 2.4.**

Premium holiday

Allows you to take a break from paying your premiums for up to 24 months. You can find out how it works in **section 5.3.**

Retail Prices Index (RPI)

The Retail Prices Index issued by the Office for National Statistics. It measures the average change over time in the prices we all pay for a range of goods and services. These include housing costs, such as council tax and mortgage interest repayments, as well as things like food, clothes and petrol.

Society/We/Us/Our

British Friendly Society Limited.

Special terms

Specific exclusions (if any) that we apply to your policy if there are any illnesses, injuries or activities we won't cover you for. Special terms mean we won't cover you for:

- A medical exclusion: we will not insure, and you will not be able to claim for, a particular medical condition or a particular part of your body; and/or
- An excluded activity: we will not insure, and you will not be able to claim for, any injuries or illnesses you get as a result of a particular activity.

If any special terms apply to you, we'll list them in your Policy Schedule. You can find out more about special terms in **section 1.3.**

Terminal illness

A definite diagnosis by the attending consultant of an illness that satisfies both of the following:

- An illness that either has no known cure or has progressed to the point where it can't be cured,
- and which, in the opinion of the attending consultant and our Medical Adviser, is expected to lead to death within 12 months.

Waiver of premium

As soon as we start paying your benefit, you stop paying us premiums. We call this 'waiver of premium' and we apply it automatically.

You/your

The person named on the Policy Schedule.

British Friendly Society Limited
Registered Office:
45 Bromham Road, Bedford MK40 2AA

Telephone:
01234 358344

Email:
enquiries@britishfriendly.com

Web:
britishfriendly.com

BRITISH FRIENDLY

It feels good to be covered

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