

PROTECT  
Policy Summary

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### **Important Note**

This document summarises important information about your Protect policy and should be read alongside your Personal Illustration which outlines the cost and details of your policy. These documents, along with the policy Terms and Conditions, should be read carefully to ensure the policy is right for you. More detailed information about Protect can be found in the policy Terms and Conditions.

If you require any further information, please contact us by calling 01234 358 344 or e-mail us on [enquiries@britishfriendly.com](mailto:enquiries@britishfriendly.com).

Speak to your Financial Adviser to make sure that Protect is right for you.

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### **Contents**

What is Protect?	3
What are the key features?	4
How do I make a claim?	6
Additional Information	10

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# PROTECT

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## What is Protect?

**Protect is an Income Protection policy designed to pay you a regular benefit if you suffer sickness or injury leading to a loss of earnings. Cover is provided on own occupation basis, meaning that the policy will pay benefits if, in the opinion of a Doctor, you are unable to do the main tasks of your occupation.**

**Protect is available with either long term or short term cover to suit your individual needs and provide you with regularly paid benefits to help replace any loss of earnings due to sickness or injury.**

### Things to consider...

- Will my employer continue to pay me when I am unable to work due to illness, injury or accident?
- Do I have enough savings to support myself or my family if I'm unable to work and get paid?
- How will I afford to pay my bills and expenses?
- Am I even eligible for State benefits and is it enough to support my lifestyle?

### Eligibility requirements

- Age 18-64
- Resident in the UK for the last 36 months or more
- UK tax payer
- Holds an account with a UK bank or building society
- Registered with a Doctor in the UK who has access to your medical records from the past 3 years
- Employed or self-employed
- At least 5 years from retirement
- You do not work in one of our excluded occupations

# PROTECT

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## What are the key features?

### What and how much am I covered for?

Protect provides a regular benefit up to 70% of your annual taxable or pre-tax profit if you are unable to carry out your job/occupation due to sickness or injury leading to a complete or partial loss of income.

Protect covers you until your chosen retirement which can be any age from 50-70 and you must be at least 5 years away from retirement when you apply. You can claim more than once for the same or a different sickness or injury and there is no limit to the number of claims you can make on your policy. Please see section 5.11 of the Protect Terms and Conditions.

Benefit options start from £50 per week (£2,600 per year) up to a maximum of £875 per week (£45,500 per year), paid weekly into your bank account.

### Types of cover

- Long Term: covers you until you retire and you can choose how quickly you receive benefits from day 1 or after a deferred period of 1, 4, 8, 13, 26 or 52 weeks.
- Short Term: covers you for up to 1, 2 or 5 years depending on which period you select and you can choose how quickly you receive benefits after a deferred period of either 1, 4, 8 or 13 weeks.

### What is not covered?

Protect will only cover you for your chosen benefit if you are unable to carry out your occupation due to sickness or injury leading to a loss of income. Short Term Protect will pay out for your chosen benefit period of 1, 2 or 5 years and Long Term Protect will pay out until retirement. Benefits will not be paid in the following circumstances:

- in respect of any deferred period – benefit will only be paid for any period of continuous sickness or injury which continues beyond the expiry of the deferred period;
- in respect of any pre-existing medical condition which you did not disclose to the Society prior to the start

of your policy or when you applied for a subsequent variation to your policy. A pre-existing medical condition is a medical condition affecting you (whether or not a diagnosis was made) which existed prior to the start of your policy or at the time of an application to vary your policy;

- in respect of any condition excluded by the special terms applicable to your policy;
- if your premium payments are in arrears;
- if you are unemployed, a student, retired or a house person when your sickness or injury starts - we will not pay your claim if you do not have any income; or
- If you become unemployed or you are made redundant without suffering from any sickness or injury.

### Limitations and exclusions

Certain factors such as existing medical conditions or involvement in dangerous sports may prevent your application from being accepted or may require a 'special terms' clause which specifically excludes certain medical conditions or activities.

These limitations may also mean that you will pay a higher premium to cover the increased risk.

### Benefit payments

Payments will only be made if your sickness or injury lasts longer than your deferred period. For example, if you choose a 4 week deferred period, you will only get paid benefits if you are sick or injured for more than 4 weeks and your payments will begin from the 5th week of your sickness or injury.

### Policy value

Your policy has no cash value at any time and there is no lump sum payable at the end of your policy - this includes if you die.

### Premium pricing and payments

Your initial monthly premium will be shown in your policy documents if your application is accepted. Please

# PROTECT

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refer to the premium and benefit tables section of the Terms and Conditions, which outlines premium pricing. Your premium payments include the cost of administration, underwriting, claims and commission and any fees incurred in obtaining further medical information to assess your application.

Policy pricing is based on age banded premiums that increase as you get older, your current health and medical history, automatic annual benefit increases, your chosen retirement age, your benefit amount, your chosen deferred period and the Society's need to review premiums. Please see section 4 of the Protect Terms and Conditions for more details.

We always recommend that you speak to your Financial Adviser to help you determine the type and amount of cover you need as this will directly affect the premium amount you will pay each month.

In purchasing a Protect policy you agree to pay a regular monthly premium throughout the term of the policy by direct debit. You have the option to choose whether you wish your monthly premium to be taken on either the 1st or the 15th of each month. If you stop paying your monthly premiums, your cover will stop. For more information please see 'changing your mind and cancellations'.

### **Can I take a break or increase my cover?**

At British Friendly, we understand that your circumstances may change so we try to be as flexible as we can by offering you more options so you can still have cover. We provide options such as a 'career break' which gives you the flexibility to suspend your cover and your premium payments for 3-24 months at any one time.

We also allow you to adjust your chosen deferred period or apply for an increase or decrease to the amount of benefit you receive. Applications to increase your amount of cover will be subject to assessment and

approval by the Society.

We even provide a 'guaranteed insurability' option, which automatically increases your amount of benefit without requiring any medical evidence. This option is available on every third anniversary of the start date of your policy, when you get married or enter a civil partnership, when you or your partner give birth or legally adopt a child or you take out or increase a mortgage on your primary residence.

### **Changing your mind and cancellations**

Once your application has been accepted your policy is subject to a 'cooling off period' which allows you to cancel your policy within the first 30 days and receive a full refund on any premium payments you have made.

policy cancellations may be done at any time by completing and returning the cancellation notice enclosed with your policy document to British Friendly. If you cancel outside of the 30 day 'cooling off period' your premium payments will not be refunded.

The Society reserves the right to cancel your policy if you provide us with false or misleading information, you do not disclose a relevant fact when you apply for a policy or to vary your cover or make a claim, your premium payments are 4 months in arrears, you make a fraudulent claim, you are subject to a custodial sentence, you change to an excluded occupation or become unemployed.

### **Membership of the Society**

If you purchase a Protect policy you will automatically have membership of our mutual Society, which means you have the right to vote and attend our Annual General Meeting each year.

# PROTECT

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## How do I make a claim?

### **Your quick guide to claims**

If you do ever need to make a claim, simply request a claim form by telephone, e-mail or in writing and we will send you all you need to get started. You can also download a copy from our website. You will need to notify us of your claim within the following time frame from the start of your sickness or injury:

- for deferred periods of 8 weeks or less: notify us within 14 days
- for deferred periods of 13, 26 or 52 weeks: notify us within 8 weeks

### **What can I claim for?**

You can claim for any sickness or injury (unless otherwise excluded) that prevents you from doing your job/occupation. Our definition of your job/occupation is outlined in the Protect Terms and Conditions.

### **What can't I claim for?**

You will not be able to make a claim for any exclusions that apply to your policy if you are a student, retired or a house person when your sickness or injury starts or if you become unemployed or you are made redundant. You will not be able to make a claim until after your chosen deferred period has ended. If you do not meet our stated deadline for notifying us of a claim or for returning your claim form, benefits will only be paid from the date we are notified of your claim or receive your claim form.

### **How much can I claim?**

We will cover you for benefit payment up to 70% of your annual taxable income if you're employed and up to 70% of your pre-tax profits if you're self-employed ('the maximum benefit level'). Please see section 5.10 of the Protect Terms and Conditions for our definition of 'maximum benefit level'.

# PROTECT

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## What if I am in receipt of other income?

We take the following sources of income into account when assessing your claim:

- sick pay from your employer,
- pension payments as a result of sickness or injury,
- similar benefits under other Income Protection plans,
- State benefits after the first twelve months of your claim
- taxable dividends or income received through rehabilitation and proportionate benefit.

If you are in receipt of any of other income we will make benefit payment up to the maximum benefit level if any of the payment taken together with the amount of benefit payments under the policy take you over the maximum benefit level. You should check with your other providers if you are receiving additional benefits as these may be affected by the payments you receive from British Friendly.

### Example

You choose to receive £600 per month in benefit payments through your Protect policy, but when making your claim you are already receiving £200 per month in sick pay. We will add the sick pay entitlement to your benefit payments for the purposes of applying the maximum benefit level. If the combined benefits from your sick pay and Protect policy exceed 70% of your annual taxable income or pre-tax profits, we will only make benefit payments up to the maximum benefit level.

## What documentation do I need to supply at claim stage?

We ask that you return your completed claim form along with Medical Certificates signed by your Doctor and proof of your annual taxable income or pre-tax profits in the 12 months prior to your sickness or injury within 7 days of receiving the claim form from us. The following documents will be required as proof of income:

- if you are employed: printed payslips and a P60 from the most recent tax year,
- if you are self-employed: recent HM Revenue and Customs Tax Computation and Self Assessment together with a copy of related accounts from the most recent tax year,
- if you are a director of a limited company: printed payslips, a P60 and a copy of your company accounts as submitted to HM Revenue and Customs from the most recent tax year.

# PROTECT

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## **How is my claim assessed?**

We will assess your claim based on the medical evidence you supplied, whether you are unable to carry out your occupation due to your sickness or injury and whether you have suffered a complete or partial loss of income. If the supporting documents such as Medical Certificates and proof of income you provide us do not give us enough information we will ask you or your Doctor to provide the additional information required to enable us process your claim.

## **When will I receive my first benefit payment?**

Once your claim has been approved by the Society, benefit payments will start following the expiry of any deferred period applicable to your policy. If there is no deferred period applicable, you will qualify for benefit payments from the first full day that you are unable to work due to your sickness or injury provided that you have been unable to work for more than 3 consecutive days.

## **How long will I be able to receive benefit payments?**

You will receive benefit payments until you reach the end of the stated payment period of your policy (1, 2 or 5 years for Short Term Protect or your chosen retirement for Long Term Protect).

Your Protect policy will make payments from the date specified in your Policy Schedule until:

- your Doctor declares that you are fit enough to work,
- your policy ends at your chosen retirement age,
- you no longer suffer from loss of income,
- any agreed rehabilitation or proportionate benefit ends,
- you cancel your policy,
- you die,
- you move abroad (please see section 5.15 of the Protect Terms and Conditions).

## **Tax status of benefit payment**

Protect Policies currently have a tax free status, however, the Society reserves the right to amend this status if tax legislation changes in the future.



# PROTECT

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## **What happens to my premium payments when I make a claim?**

Once your claim has been in payment for at least 28 days we will not collect any monthly premium payments until you cease to receive benefits from the Society.

## **Can I claim again after I return to work?**

If you have a Long Term Protect policy and need to claim for the same sickness or injury within 26 weeks of returning to work then we will waive your deferred period. If you need to claim for a different sickness or injury then your deferred period will apply.

If you have a Short Term Protect policy the length of time that benefit payments will be made for each period of sickness or injury will be limited to 1, 2 or 5 years depending on your policy. After reaching the end of your policy benefit payment period (1, 2 or 5 years) you can claim again either for the same or different sickness or injury under the following conditions:

- Before you can claim again for the same sickness or injury you must have returned to work for at least 26 weeks without suffering a recurrence and benefit payments.
- If you need to claim again for a different sickness or injury, the benefit payments will start after your chosen deferred period.

## **What other assistance is available to me when making a claim?**

If you need any further assistance while making a claim, we can put you in touch with our Registered Nurse who can offer you advice.

For more information about claims please see the policy Terms and Conditions.

# PROTECT

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## Additional information

### Premium increases and reviews

Premiums increase each year on the 1 January in line with your age at that date. No premium increase based on age will take place during the first 12 months of your policy. If you have selected the automatic annual increase option, your premiums will increase on the 1 January each year at the same rate as the increase to your benefit payment. More information can be found in section 4.4 of the Protect Terms and Conditions.

The Society also reserves the right to review monthly premiums and in certain circumstances may need to increase or decrease premiums across all policyholders. If the Society does need to review policy rates we will notify you in writing of any changes at least one month in advance. More details of the circumstances when the Society may need to increase or decrease premiums can be found in section 4.5 of the Protect Terms and Conditions.

### Terminal illness

If you are diagnosed with a terminal illness (life expectancy is no more than 12 months) and otherwise meet the criteria for claiming benefit we will not apply any deferred period and you will be entitled to benefit payments from the first day of your sickness or injury. Please see the Protect Terms and Conditions for a specific definition of 'terminal illness'.

### What happens if I die?

If you die before your chosen retirement age then your policy will end and there is no cash value or lump sum.

### Reviewing your cover

We always recommend that you review your policy regularly to ensure that it continues to meet your needs.

### Changes to your circumstances

It is important that you notify us of any of the following changes to your personal circumstances as these may affect your entitlement to benefit under the terms of your policy:

- you change your address or country of residence,
- you change your occupation or the country in which you work,
- you change from being employed to self-employed or vice versa,
- you become unemployed, a house person or a student,
- you retire,
- you have a decrease in your annual income of more than 10%,
- your employer changes your sick pay entitlements,
- when claiming benefit, you are fit enough to return to work.

### Foreign residency

If you are a resident or temporary resident in another EU country or the following listed countries when you make a claim we will only pay claims for a maximum of 2 years:

- |                   |                 |
|-------------------|-----------------|
| ■ Andorra         | ■ New Zealand   |
| ■ Australia       | ■ Switzerland   |
| ■ Canada          | ■ USA           |
| ■ Channel Islands | ■ Vatican State |
| ■ Iceland         | ■ Norway        |
| ■ Isle of Man     | ■ Gibraltar     |
| ■ Liechtenstein   |                 |

If you are a resident or temporary resident anywhere else in the world when you make a claim, we will only pay claims for a maximum of 26 weeks. You can find more information in section 5.15 of the Protect Terms and Conditions.

# PROTECT

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## **Making a complaint**

We hope that you will be satisfied with British Friendly's products and services, however, we encourage members to let us know if they've had a problem or any concerns so we can do our best to help. Call us on 01234 358 344 if you have any concerns you wish to raise.

If we are unable to resolve your issue and you wish to register a formal complaint you will need to call or write to us. Your complaint will be acknowledged in writing within 5 business days and passed to the Society's Compliance Officer for investigation.

You will receive within 4 weeks either a final response or a holding letter if more information is required. Copies of the Society's Complaints Handling Procedure are available on request.

If you are not satisfied with the outcome of your complaint, please contact the Financial Ombudsman Service, Exchange Tower, London E14 9SR. Telephone 0800 023 4567.

## **Compensation**

The Protect policy is covered by the Financial Services Compensation Scheme. This Scheme is designed to protect the policyholder, in the unlikely event that the Society becomes insolvent. If the Financial Services Compensation Scheme judges the Society to be in default, compensation will be paid subject to the applicable limits. Details of applicable compensation limits are published on the FSCS website - <http://www.fscs.org.uk/> or by telephone or email.

Financial Services Compensation Scheme, 10th Floor Beaufort House, 15 St. Botolph Street, London EC3A 7QU. Telephone 0800 678 1100 or 020 7741 4100. Email [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk).

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**BRITISH  
FRIEND:LY**

It feels good to be covered