

How to use

Please find below our Protect suitability wording which is suitable for both Short Term and Long Term Protect clients.

You can simply select the section(s) appropriate to your clients then copy and paste the relevant text and insert into an e-mail for your clients.

Sections marked with the following symbols '<>' will need to be tailored to the product choice of your specific client.

We've taken care to ensure the accuracy of the information at the time of issue, but we do not accept liability resulting from your use of it.

Introduction to Income Protection

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

You recently expressed interest in protecting your income in the event you became unable to work due to illness or injury.

As a result, we discussed the key benefits of Income Protection insurance, which I have again highlighted below:

1. Income Protection pays you a regular income to replace some of your lost income if you become too ill to work due to illness or injury so you can continue to meet your financial commitments and living expenses
2. Income Protection covers both physical and mental illnesses and injuries that prevent you from working
3. Income Protection pays a benefit amount until you can return to work, or until the end of your chosen benefit period
4. Income Protection policies are not limited to a single claim. You can make a separate claim each time you become too ill to work within the term of the policy

We then discussed the Income Protection solution offered by insurance provider British Friendly, with their Protect policy.

Eligibility

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

To apply for an Income Protection policy with British Friendly certain eligibility criteria must be met. You confirmed that you have been resident in the UK for the last two years and have been registered with a UK based GP for the same period. You must be employed or self-employed.

Why British Friendly

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

British Friendly is a mutual provider that provides Income Protection insurance and a range of added-value services through their discretionary Mutual Benefits and BF Care programmes.

British Friendly is a mutual Society and has no shareholders to pay, so it is managed and run solely for the benefit of its customers who become members when they start a policy. Founded in 1902, British Friendly has over a century of experience and expertise in serving its members, putting them at the heart of everything they do.

Through the Mutual Benefits and BF Care programmes they also offer a range of additional discretionary services including a Death Benefit, monthly cash prize draws worth £100 and a range of health services including access to physiotherapy, counselling and Health MOTs through Square Health.

Your financial situation

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

<Employed>

During our discussion, you indicated that your employer would continue to pay your full income for <X weeks/months> should you become ill or injured. Your employer would then continue to pay you a reduced income of <£X> for a further <X weeks/months>

<Self-employed>

During our discussion you indicated that as you are self-employed, you would have no sick pay in place to cover your income if you were unable to work due to illness or injury.

Other insurance policies

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

You confirmed that you <do/do not> currently have other insurance policies in place, which would provide you with a regular benefit if you were unable to work due to illness or injury. <I have taken account of these policies in my recommendation.>

Savings

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

You confirmed that, although you currently have savings, you don't want to rely upon these to meet your bills and financial commitments if illness or injury meant that you were unable to work.

Deferred Periods

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

After considering employer sick pay and other alternative sources of income, we discussed the waiting period you should choose on your Protect policy.

I recommended that you select a deferred period of <Day 1/ 1 Week/ 4 Weeks/ 8 Weeks/ 13 Weeks / 26 Weeks / 52 Weeks> meaning that you could claim benefits under your policy after you have been unable to work due to illness or injury for <1 day/ 1 Week /4 Weeks / 8 Weeks/13 Weeks / 26 Weeks / 52 Weeks> consecutively.

<Day 1 only> If you selected Day 1 cover, your benefit will be paid from day one of your incapacity, provided you are unable to work more than three consecutive days and your claim would then be backdated to the first day you were absent from work due to illness or injury.

Benefit amount

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

The maximum benefit you can choose is 70% of your annual taxable income or pre-tax profit if you are unable to carry out your job due to sickness or injury. This doesn't include any income from savings or investments. When you make a claim the payments from any other Income Protection or accident and sickness policies you have will be taken in to account. This may reduce the total monthly income you receive from your Protect policy when you make a claim. British Friendly will not take into account any state benefits for the first 12 months of any claim.

Having assessed your monthly financial commitments and outgoings, I was able to calculate how much benefit you would need. I recommended you take out the Protect policy which provides you with a maximum <monthly/weekly> benefit of <£X>

Policy end date

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

You indicated that you aim to retire at the age of <X> so we chose the same end age for your Income Protection plan.

Own Occupation cover

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

Your Protect policy covers you against the financial impact of illness and injury and not for the illness or injury itself.

We discussed how income protection plans across the market employ different "definitions of incapacity", the method by which illness and injury are assessed when a claim is made. British Friendly offers an "own occupation" definition, which means that it only considers your ability to carry out your own occupation resulting in a complete or partial loss of income when they assesses your claim.

This compares favourably to other Income Protection plans that employ definitions of incapacity that can make it harder to make a successful claim. For example, some plans require you to be unable to work in any occupation as a result of illness or injury, or an occupation that you are deemed to have the suitable skills to perform.

Protect provides cover that will last throughout the term that we have agreed upon.

Benefit period

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

Having assessed your financial situation and needs, I recommended that you select the **<X year or until policy end age>** claim period option. This would pay out a regular benefit payment if you are unable to work due to illness or injury until your chosen policy end age – so long as the claim remains valid.

In the event of a claim, the cover will be payable **<for a maximum of 1 year> <for a maximum of 2 years> <for a maximum of 5 years> <throughout the remainder of the term of the cover>**

Premium

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

The premium quoted by British Friendly is based upon your age and the policy options we agreed upon. It also assumes that you are accepted on standard rates of premium.

Your policy with British Friendly will be subject to age-costed guaranteed premiums, which means the cost will start cheaper and increase as you get older. Guaranteed premiums mean that your policy will increase in price by a set amount each year. If you selected the indexation option, then your premiums will additionally increase each year due to the higher benefit that your policy would pay.

Waiver of premium is automatically included within your policy and will apply once your claim has been accepted.

Indexation

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

We discussed how inflation might affect the value of your benefit over time, potentially decreasing its value in real terms.

As a result, I recommended protecting against this risk by adding the indexation option at the time of your application. Each year British Friendly will adjust your benefit based on the Retail Price Index, to a maximum of 5% in any one year. The increase in benefit will lead to an increase in premiums. British Friendly will contact you each year to let you know what this increase will be.

Changing your policy in the future

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

Your personal circumstances could change before your policy ends. It is very important that you review your cover on a regular basis because your income protection needs could change. If you wish to make any changes to your policy, please contact me and I can arrange for these to be made.

Reducing your benefit

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

If you need to reduce the amount of benefit you have, you can do so at any time by getting in touch with British Friendly. Your premiums will reduce in line with the reduction in benefit.

This section is continued on the next page.

Increasing your benefit

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

You have two options if you wish to increase your monthly benefit over and above any indexation increases that might automatically apply. The first requires no medical information but is specific to certain circumstances relating to your policy and personal details and subject to certain limits. This is called a Guaranteed Insurability Option. These circumstances are specific events including marriage or civil partnership, birth or adoption, new or increased mortgage payments, increased rent payments or a rise in salary. Outside of these circumstances you can increase your benefit amount at any time but this will require more information from you and a new application in respect of the proposed increase in benefit only.

Other changes to your policy

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

There are a number of other changes that you can make to your policy such as changing your deferred period or policy end age. British Friendly may require further information to make these changes.

What you are not covered for

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

While there are no standard exclusions on British Friendly Protect product for deferred periods of 4 weeks and over.

For deferred periods of Day 1 and 1 Week there is a COVID-19 exclusion applied.

However your ability to claim may be affected by:

1. Any personal exclusion added to your policy when you apply based on pre-existing health conditions
2. Your place of residency or location if outside of the UK at the point you claim

We will discuss the implications of these restrictions prior to your policy starting. If you plan to live, or travel outside of the UK, either permanently or for a prolonged period during your policy term, please contact me and I will look into any implications this has on your cover.

Income Protection does not cover you should you be unable to work due to redundancy, unemployment or dismissal.

For more information on what you are covered for, please see the Protect terms and conditions.

Benefits and Tax

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

Under current UK legislation, if you pay your premiums from your personal taxable income, British Friendly will not deduct tax or National Insurance from your benefits should we pay a claim.

There is no tax relief on premiums paid in these circumstances. Please note that tax rules could change in the future, so this is not guaranteed.

Standard warnings

Simply select, copy and paste our pre-written paragraphs into a word document/e-mail and edit accordingly.

The policy has no cash-in value at any time.