

# BREATHING SPACE

Terms and Conditions

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**BRITISH  
FRIENDLY**

It feels good to be covered

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## Terms and Conditions

### 1. Policy definitions

In these Terms and Conditions the following terms and expressions shall have the meaning set out below.

#### **Benefit**

The benefit payments which you have requested under the policy as stated in your Policy Schedule, subject to any automatic annual increases and subject to the maximum benefit level.

#### **Breathing Space policy**

In the event that you are unable to work due to incapacity, the Breathing Space policy will make benefit payments for a period of up to 1, 2 or 5 years, depending on which payment period you select.

#### **Career break**

This refers to a period of suspension of premium payments as described in section 6.

#### **Deferred period**

This is the period, starting on day one of your incapacity, during which time no benefit payments are made. Benefit payments will start the week after the expiry of your chosen deferred period of either 1, 4, 8 or 13 weeks. Your chosen deferred period is shown in your Policy Schedule.

#### **Doctor**

A duly qualified and registered general practitioner or consultant or specialist. The Society may specify the type of medical practitioner who will qualify as a "Doctor" for these purposes.

#### **EU**

The Member States of the European Community.

#### **Excluded occupations**

These are occupations for which the Society does not offer cover as specified in section 2.3 and as amended by the Society from time to time.

#### **Family history**

Details of medical conditions or ailments suffered by any of your biological brothers, sisters, mother or father (whether alive or deceased).

#### **Financial Adviser**

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

#### **Higher premium**

This means a higher premium which applies to your policy as a result of the underwriting process. If applicable, this will be shown in your Policy Schedule and calculated in accordance with section 2.9.

#### **Income**

The term "income" means any of the following, as applicable to your circumstances:

- Employed income: this is your personal taxable income from your employment. Your personal taxable income is your gross annual earnings and P11D benefits before the deduction of income tax.
- Self-employed income: this is your personal taxable income from your business. Your personal taxable income from your business is your gross annual earnings from your business, less any amount allowable as expenses against income tax, before deduction of income tax. In other words this is your annual share of pre-tax profits from your occupation or occupations.
- Company dividends: income includes taxable income received from your business in the form of company dividends provided that the dividends are paid direct to you in lieu of regular wages or salary in the 12 month period immediately preceding the onset of your incapacity; the dividends are consistent with the level of regular wages or salary which the paying company's trading position reasonably allows on a continuing basis; and the dividends cease in the event of incapacity.

#### **Incapacity or incapacitated**

This means that you are totally unable to carry out your occupation due to physical or mental illness or injury resulting in a complete or partial loss of income.

#### **Maximum benefit level**

This means the maximum amount of benefit payable by the Society.

#### **Medical Certificate**

This is a signed written confirmation from your Doctor that you are unable to carry out your occupation due to incapacity. Photocopies are acceptable. The Society may specify additional reasonable requirements in relation to Medical Certificates in certain circumstances.

#### **Occupation**

This is your current occupation(s) from which you derive your income.

#### **Policy**

This refers to your Breathing Space policy.

#### **Policy Schedule**

This is the document which shows a summary of the terms applicable to your policy including any special terms or higher premium.

#### **Premium**

This is the monthly premium that you pay to the Society in order to secure your entitlement to benefit.

#### **Proportionate benefit**

Proportionate benefit applies to members who take up a new, lower paid occupation.

#### **Rehabilitation benefit**

Rehabilitation benefit applies to members who return to their own occupation, but in reduced capacity.

#### **Retirement age**

This is the age when your policy will end and entitlement to benefit under the policy will cease.

#### **RPI**

The Retail Prices Index issued by the Office for National Statistics.

#### **Society's Medical Adviser**

A registered medical practitioner or health professional appointed by the Society.

#### **Society representative**

An employee of the Society, the Society's Medical Adviser or any other person authorised to act on behalf of the Society.

#### **Society/We/Us/Our/BFS/British Friendly**

British Friendly Society Limited.

#### **Special terms**

These are specific exclusions (if any) which apply to your policy as a result of the underwriting process. If applicable, these will be shown in your Policy Schedule. Full details are set out in section 2.9.

#### **Tele-interviewing**

The process used by the Society, through a service provider, to capture lifestyle and medical information from you over the telephone to assist in the Underwriting process.

#### **Terminal Illness**

This means an advanced or rapidly progressing incurable illness where, in the opinion of an attending Doctor and the Society's Medical Adviser, life expectancy is no more than 12 months.

#### **Underwriting**

The process the Society uses to determine whether or not (and on what terms and conditions) to accept your application.

#### **You/your**

The person named in the Policy Schedule.

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### 2. Terms of admission and policy options

#### 2.1 - Applying for a policy

All applications must be made on the prescribed application form, which must be completed in full and submitted to the Society.

#### 2.2 - Who can apply?

You may apply for a policy if you are:

- normally resident in the UK and have been for the last 36 months or more;
- aged between 18 and 59 years;
- a UK tax payer and hold a UK bank or building society account;
- registered with a UK GP for at least the last 3 consecutive years and your current UK GP must have access to your medical records for at least the last 3 years;
- employed or self-employed and not due to retire within the next 5 years; and
- working in an occupation(s) which is not an excluded occupation.

#### 2.3 - Excluded occupations

When you apply for, and throughout the lifetime of your policy, you must not be engaged in any of the following occupations, which are excluded from cover under this policy:

- armed forces or merchant navy personnel including members of a military reserve force;
- occupations requiring the handling of explosives;
- divers;
- underground miners;
- oil rig workers;
- equestrian professions;
- nightclub security personnel or bodyguards;
- police officers including Police Community Support Officers and Special Constables;
- professional or semi-professional sports persons;
- fire-fighters including reserve or retained fire-fighters;
- occupations that require you to work at heights of 40ft or above will be looked at on an individual basis – dependent on percentage of time spent working at 40ft or above; or
- offshore fishermen/trawlermen will be looked at on an individual basis – dependent on time spent at sea.

If you hold any excluded occupation on a part-time or reserve basis, even if you hold another occupation which is not an excluded occupation, you will be excluded from cover under this policy.

The Society may review and amend this list from time to time. However, any changes to the list of excluded occupations following acceptance of your application by the Society will not apply to your policy.

#### 2.4 - Choosing your level of cover

You can select a level of benefit payments from £125 per week (or £6,500 per year) up to a maximum of £250 per week (or £13,000 per year). The minimum and maximum levels of benefit payments may be amended by the Society from time to time. However, any such amendments will not affect your existing level of benefit under the policy. Amendments to the minimum and maximum levels of benefit payments will only apply to you if, during the life of your policy, you want to change your level of benefit under the policy (please see section 7). The current minimum and maximum levels of benefit payments will be published on the Society's website: [www.britishfriendly.com](http://www.britishfriendly.com).

#### 2.5 - The term of the policy

The policy will end at your chosen retirement age. Your retirement age can be any age between your 50th and 65th birthday provided that there is a minimum of five years between the date that you submit your application form and your chosen retirement age.

If your circumstances change, you may apply to extend your selected retirement age or to bring it forward (please see section 7).

#### 2.6 - Deferred periods

You may choose when you want benefit payments to commence in the event of your incapacity. You can choose from a 1, 4, 8 or 13 week deferred period. The amount of your premium will vary accordingly.

You will receive no benefit payments for the duration of your deferred period. You will receive no benefit payments at all if your incapacity does not last longer than your deferred period.

#### 2.7 - Automatic annual benefits increase

If you have chosen the automatic annual increase option, the level of your benefit payments will increase automatically each year. You can choose how the increase is calculated: either at a fixed rate of 5% or linked to inflation. If you choose to link your automatic annual increase to inflation, we will apply the published rate of RPI for the previous September, subject to a maximum of 10%. Where the measure of RPI is negative, we will not apply any decrease and your benefit payments will remain at the same level for that year.

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An annual increase takes effect on 1 January each year. Payment of benefits will be paid at the increased level from that date. Your monthly premium will also increase at the same rate from that date. No premium increase based on automatic benefit increase will take place during the first 12 months of your policy or the first 12 months of any subsequent benefit increases. This is to ensure that your premium will remain at the same level for at least 12 months. If during the term of your policy you decide to cancel this option you cannot reinstate it at a later date. Where an automatic annual increase takes effect, the maximum benefit payment as specified in 2.4 (currently £13,000 per year) will be increased if necessary to allow for the automatic annual increase.

### 2.8 - Assessing your application

When you apply for your policy or to vary your cover, your application will be subject to underwriting. In some instances we may offer immediate acceptance, subject to you meeting certain criteria, as set out by the Society.

You must provide us with any information we reasonably require to help us in assessing your application. This may include, without limitation, information on your current health, income, lifestyle, occupation(s), medical history, family history and any other factors relevant to the Society's decision on whether or not to accept your application.

We will use tele-interviewing to obtain information from you and you will be contacted in advance to arrange a convenient time.

You must take reasonable care to answer all questions honestly and to the best of your knowledge. If you do not answer the questions correctly your policy may be cancelled, or your claim rejected or not fully paid. If you are unsure whether or not any details are relevant, you should disclose them. We may also ask for your consent to request a medical report from your Doctor or ask you to undergo medical tests. We will pay any medical fees involved.

If you refuse to comply with our reasonable requests under this section 2.8, we cannot proceed with your application.

We may also request from you:

- Evidence of employment or occupation(s) and income.
- Evidence of your address and identity to enable the Society to discharge its duties under applicable anti-money laundering law and regulation.

When applying for your policy or to vary your cover, you must notify the Society straight away if there are any changes to the information that you have given to the Society, including, without limitation, changes to your health, occupation(s), family history, or country of residence, up until you receive written confirmation from us that your application has been accepted.

### 2.9 - Special terms and higher premiums

Following the underwriting process, we may:

- accept your application with special terms. Special terms will take the form of a medical exclusion or an excluded activity. A medical exclusion means that a particular condition or part of your body will not be covered under the policy. An excluded activity means that we will not cover any injuries or illnesses arising as a result of a particular activity. The special terms (if any) that apply to your policy will be stated in your Policy Schedule.
- accept your application subject to payment of a higher premium. If your policy is subject to a higher premium, this will be shown in your Policy Schedule and will be expressed as a fixed percentage increase to the standard premium rates. For example, where the standard monthly premium is £30.00, a higher premium of 50% will mean the actual premium you pay will be £45.00. In the event of any subsequent changes to premium rates (in accordance with sections 4.4 and 4.5), the fixed percentage increase will be applied to the revised standard rate of premium.

### Review of special terms and higher premiums

Special terms and higher premiums may be reviewed by the Society upon your request if you consider that the circumstances or medical condition which gave rise to the special terms or higher premiums no longer apply. In the case of a medical condition, you must be free of any symptoms and must not be receiving any ongoing treatment for this condition. Unless otherwise stated by the Society, you will be required to pay for any medical evidence we may need from your Doctor as part of the review. The Society will discuss with you:

- the type of medical evidence that is likely to be required for a review;
- the likely level of expense associated with such medical evidence and
- whether a review is likely to lead to the removal of special terms or higher premiums.

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### **Society's right to refuse**

Although we will always act reasonably in considering your request for a review or when carrying out a review, we reserve the right to:

- refuse to carry out a review which is unlikely to be successful or which would lead to you incurring unreasonable or unnecessary levels of expense in providing the required medical evidence; and/or
- refuse to remove special terms or higher premiums following a review.

If we do this, you still have the right to cancel the policy and cease paying further premiums.

### **2.10 - Cancelling/cooling off period**

You will have a 30 day 'cooling off' period from the date you receive your policy documents in which to change your mind. If you decide to cancel your application, you will need to complete and return the cancellation notice enclosed with your policy documents or telephone us. Any premiums paid will be refunded to you. However, premiums will not be refunded if you cancel after the 30 day 'cooling off' period has expired.

## **3. The general duties of policyholders**

### **3.1 - Changes in personal circumstances**

You must inform the Society, as soon as reasonably possible (and in any event within 2 calendar months), of any of the following changes in your 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 become unemployed, a house person or student
- You retire
- When you are claiming benefit, you are fit enough to return to work.

If you change your occupation to an excluded occupation, the Society will cancel your policy as we can no longer provide you with cover. We will notify you if this is the case. If your circumstances change such that you are no longer earning any income, you will not be entitled to claim any benefit payments under the policy. If these circumstances are likely to be long-term, you should cancel the policy.

Alternatively, you may choose the "career break" option (See section 6) if you intend to return to work (and will start to earn income)

within 2 years.

## **4. Premiums**

### **4.1 - Payment of premiums**

You must pay regular monthly premiums by direct debit throughout the term of the policy. Premiums will be collected from your bank account on or around either the 1st or the 15th of each month, depending on which date you choose.

If your premiums are more than 7 days in arrears we will only pay you benefit from the date that all arrears are paid.

If your premiums are 4 months in arrears the Society will cancel your policy without your request or permission. No payment will be due to you on cancellation. You will lose the cover provided by your policy and you will need to reapply for a new policy which will be subject to underwriting.

The only occasions when you are not required to pay premiums are during a "career break" which has been approved by the Society (in accordance with section 6) or if your claim for benefit has entered the "waiver of premiums" phase, as described in section 4.2 below.

### **4.2 - Waiver of premiums**

You do not need to pay premiums when you are receiving benefit payments under the policy.

Once your claim has been in payment for at least 28 days, we will not collect any further premiums from your bank account until you cease to be in receipt of benefit.

The Society will recommence the collection of premiums by direct debit when you are no longer receiving benefit payments.

### **4.3 - Premium rates**

The premium rates which we use to calculate your premium are guaranteed for the life of your policy. However, the premium that you pay will vary according to your:

- age;
- chosen level of benefit payments;
- choice of deferred period;
- chosen retirement age;
- current health and medical history; and
- premium changes (please see section 4.4).

### **4.4 - Premium changes**

Premiums increase on 1st January each year based on your age on that date. We will give you at least 10 days' notice of a change to your premium based on your age.

When you have selected the automatic annual increase option, your premium will increase on 1st January each year at the same



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rate as the increase to your benefit payments as set out in section 2.7.

No premium increase based on age will take place during the first 12 months of your policy or the first 12 months of any subsequent benefit increases.

Notification of premium changes will be issued in accordance with the direct debit guarantee.

### **4.5 - Admission of age**

If at any time your date of birth is discovered to have been incorrectly recorded we reserve the right to correct your premium payments accordingly and collect any underpaid premiums or refund any overpaid premiums.

## **5. Payment of benefit**

### **5.1 - Incapacity**

In order to claim benefit, you must be Incapacitated as set out in our definition of incapacity.

The Society will determine whether you are Incapacitated based on the evidence you provide and in consultation with the Society's Medical Adviser. Please see section 5.5 for details on how we assess claims.

### **5.2 - Payment of benefit**

If we accept your claim, benefit payments will commence following the expiry of your chosen deferred period.

Benefit is payable on a 7 day a week basis for every qualifying day of incapacity. A qualifying day of incapacity is each day for which you provide medical evidence of your incapacity in the form of a Medical Certificate. Benefit payments will be made by direct credit to your own bank account on a weekly basis.

Benefit will be paid up until the first of any of the following outcomes:

- Your Doctor declares that you are fit enough to carry out your occupation. In other words you no longer meet our definition of incapacity
- You no longer suffer any loss of income
- Your policy finishes at your chosen retirement age
- You reach the end of the stated payment period in your policy (1, 2 or 5 years)
- You voluntarily cancel your policy
- You die
- You are resident or temporarily resident abroad and you reach the end of the period for which the Society will make benefit payments (please see section 5.14).

### **5.3 - Notice of incapacity**

You must notify us of your incapacity by

telephone, by email or by post 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 weeks - notify us within 8 weeks.

If you notify us of your claim later than the deadline above we may not pay backdated benefit payments; you will only be entitled to receive benefit payments from the date that we receive your claim form. Please see section 5.4.

### **5.4 - Claims procedure**

Once you have notified us of your claim, a claim form will be sent to you. You must return the completed claim form together with any other documents requested by the Society within 7 days of receipt of the claim form. This will allow us to assess your claim and commence your benefit payments in a timely manner. You will only be entitled to benefit payments from the date that we receive your claim form.

You do not need to submit a Medical Certificate in respect of the first seven days of incapacity unless requested to do so by the Society.

You must provide a Medical Certificate after your first seven days of incapacity, for each day of incapacity throughout the duration of your benefit payments. The Society will not pay benefit for any day of incapacity that is not supported by medical evidence in the form of a Medical Certificate.

You must ensure that all Medical Certificates are received by the Society within 14 days of expiry of the previous Medical Certificate in order to avoid a suspension of benefit payments. In exceptional circumstances, such as a severe deterioration in your health or your admission to hospital, we may grant an extension of a further 14 days in order that you or someone on your behalf may forward a Medical Certificate without any suspension of benefit payments.

### **5.5 - Assessing your claim**

Upon receipt of your claim form, we will assess whether you fall within our definition of incapacity. We will base our assessment on medical evidence and objective medical criteria where possible. In cases of doubt, the opinion of the Society's Medical Adviser will be final.

We will require evidence that you are under the care of a Doctor and that you are following all treatments and investigations recommended by that Doctor. We must also

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be satisfied that you are not behaving in a manner which is likely to delay your recovery. We will also need confirmation that suitable treatment options have been investigated. We may ask you to provide further information or undergo further investigations or tests, including an examination by the Society's Medical Adviser. All such investigations or tests will be carried out at our expense. If you refuse to comply with our reasonable requirements, we will not be able to proceed with your claim and we will not make benefit payments to you. If after 14 days you still refuse to comply with our reasonable requirements, we will not be able to pay you any further benefit for the remainder of your incapacity.

### 5.6 - Ongoing assessment

All claims are subject to ongoing assessment. When you are receiving benefit payments, we may therefore ask you for updates on your condition from time to time. This may require the Society's Representative to visit you and interview you in your own home.

We may ask you to provide further information or undergo further investigations or tests. We may also request your consent to approach your Doctor for a medical report, or your employer or other third party for additional information which we consider relevant to your claim.

If you refuse to comply with or withhold your consent for any of our reasonable requirements, we will suspend the payment of benefit to you. If after 14 days you still refuse to comply with our reasonable requirements, we will not be able to pay you any further benefit for the remainder of your incapacity.

### 5.7 - Circumstances in which we will not pay benefit

We will not pay benefit:

- in respect of any deferred period – benefit will only be paid for any period of continuous incapacity which continues beyond the expiry of your chosen 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 incapacity starts - we will not pay your claim if you do not have any income;
- if you become unemployed or you are made redundant without suffering from any incapacity or after incapacity;
- If you do not agree to us processing your personal information in accordance with our relevant privacy policies. Please see section 9.9 for further information.

### 5.8 - Amount of benefit payable when you claim

If we accept your claim and you are working in your normal occupation or occupations when incapacity starts, we will pay the full amount of benefit stated in your Policy Schedule (plus any automatic annual increases).

### 5.9 - Your income before incapacity

In the event of a claim we will ask to see proof that you have an income, although we will not look at the level of income, this may be in the form of:

- Recent bank statements
- If you are employed, your printed payslips and a P60
- If you are self-employed, your most recent agreed HM Revenue and Customs Tax Computation and Self-Assessment together with a copy of the accounts that relate to this
- If you are a director of a limited company, printed payslips, a P60 and the most recent copy of your company accounts as submitted to HM Revenue and Customs.

### 5.10 - Claiming again after returning to work

You can claim more than once in respect of the same incapacity. There is no limit to the number of claims you can make under your policy. However, you will not be able to claim if you return to your occupation against the advice of your Doctor.

Throughout this section we refer to the "same incapacity" or a "different incapacity". The question of whether you have already made a claim in respect of the same or a related condition, illness or injury will be determined in accordance with medical evidence. In cases of doubt, the opinion of the Society's Medical Adviser will be final.

The length of time for which benefit payments will be made for each period of incapacity will be limited to 1, 2 or 5 years depending on which benefit payment period you have chosen. After the benefit payment period (1, 2 or 5 years) has expired, all benefit



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payments will cease. Before you can claim again for the same incapacity, you must have returned to your occupation for a continuous period of at least 26 weeks without suffering from a recurrence of the original illness or injury and your chosen deferred period will apply. If you need to claim again for a different incapacity, your chosen deferred period will apply.

If you are able to return to your occupation before your benefit payment period (of 1, 2 or 5 years) has expired, but then during the following 26 weeks you need to claim in respect of the same incapacity, then:

- your chosen deferred period will not apply; and
- the second period of incapacity will be taken as a continuation of the earlier period of incapacity. This means that the earlier period of incapacity will be added to the second period of incapacity for the purposes of calculating your benefit payment period of 1, 2 or 5 years.

### 5.11 - Terminal illness

If you fulfil our definition of incapacity and you are diagnosed with a terminal illness, any deferred period applicable to your policy will not apply.

If there is a difference of opinion between the attending Doctor and the Society's Medical Adviser, the Society retains the right to base its final decision on the opinion of our Medical Adviser.

If the terminal illness is diagnosed whilst you are already in receipt of benefit, any benefit that you did not receive during any applicable deferred period will be paid to you retrospectively.

Payments of premium will cease in accordance with "waiver of premiums" as set out in Section 4.2.

### 5.12 - Claiming whilst abroad

We will consider your claim for benefit if you are resident or temporarily resident outside of the UK.

If you are resident in another EU country or in one of the following countries at the time of your claim, we will only pay benefit for a maximum of 2 years in total:

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

If you are resident anywhere else in the world at the time of your claim, or any subsequent claim(s), we will only pay benefit for a

maximum of 26 weeks in total.

If you have previously made a claim for benefit whilst resident or temporarily resident outside of the UK, all earlier benefit payment periods will be added together for the purposes of applying the maximum payment periods stated above.

Benefit will be paid only if you provide us with the information we need to assess your claim in accordance with these Terms and Conditions and in a form which is reasonably acceptable to us. Your medical evidence must be provided in English.

You must have a UK bank account for payment of your premiums and benefit.

### 5.13 - Overpayment of benefit

You shall be required to repay to the Society any overpayment of benefit which has been made to you either in error or as a result of you being able to return to your occupation earlier than expected. The amount of benefit overpaid must be repaid within 30 days of a request by the Society. Otherwise the Society reserves the right to charge interest on the amount outstanding at the Bank of England lending rate prevailing at the time.

## 6. Career break

### 6.0 - Career break

You may suspend your cover and your premium payments for a minimum period of 3 months up to a maximum of 24 months. Such a suspension of premium payments is referred to in this policy as a "career break".

The following conditions will apply:

- You must contact the Society to request a career break by phone, email or post.
- The Society will notify you if your career break has been agreed and the start and end date of the career break.
- Premium payments and entitlement to benefit will be suspended for the duration of the career break and you will be unable to apply to vary your cover during this time.
- You will need to have paid premiums for at least 12 months before you can apply to take a career break.
- You can apply to suspend premiums for up to 4 years in total during the life of your policy. Any applications to exceed this period will be considered at the discretion of the Society at the time of application.
- If your premium payments are in arrears when you apply for a career break, you can only suspend your cover from the date the arrears are paid.

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- You can cancel a career break at any time before the career break starts.
- Once your career break has started, you may only cancel the career break if the Society agrees to such cancellation.

At the end of your career break, premium collection and your entitlement to benefit will recommence. If you do not resume your premium payments at the end of your career break, your policy will end and you will need to reapply for the cover you require which will be subject to underwriting.

Where a career break is taken within 6 months of the expiry of an earlier one then it shall be taken as a continuation of the former one for the purposes of applying the maximum period of 24 months.

## 7. Variations to your policy

### 7.1 - Variations without underwriting

You can apply to the Society to make the following changes at any time; these changes will not be subject to underwriting:

- Reduce your level of benefit payments provided that you do not reduce your benefit payments below the Society's current minimum level of benefit (please see section 2.4).
- Increase your deferred period up to a maximum of 13 weeks.
- Bring forward your selected retirement age provided that not less than 5 complete years remain until you reach your new selected retirement age.

The Society will confirm in writing when these changes will take effect and the amount of your premium. In some situations (e.g. if you want to reduce the amount of benefit), the amount of premium will usually be reduced.

### 7.2 - Variations subject to underwriting

The following changes can only be made with our agreement; your application will be subject to underwriting (please see section 2.8):

- Increase your level of benefit payments provided that you do not increase your benefit level above the Society's current maximum. You must be under the age of 60 when you apply and your policy must have more than 5 years to run to your retirement age. The minimum amount of additional benefit you can apply for is £20 per week.
- Reduce your deferred period.
- Extend your selected retirement age to any age, up to the age of 65, provided that not less than 5 complete years remain from

the date that your application is received until your new selected retirement age; and you have not made more than 2 previous applications to change your retirement age.

- Change the benefit payment period of 1, 2 or 5 years provided that your policy has more than 5 years to run to your retirement age.

We will not allow any variation under this section 7.2 if you do not meet the eligibility criteria in section 2.2, if your premiums are in arrears or if you are claiming or are in receipt of benefit. We may ask you to pay a different level of premium (potentially including higher premiums) or accept special terms.

### Society's right to refuse

Although we will always act reasonably in considering your application to vary your cover, we do reserve the right to refuse your request. If we do this, you still have your right to cancel the policy and cease paying further premiums.

### Changing your mind

If following acceptance of your application you change your mind, you can cancel your application within 30 days and any additional premiums paid will be refunded to you. However, additional premiums will not be refunded if you cancel after the 30 day 'cooling off' period has expired.

## 8. Right to cancel the policy

### 8.1 - The Society

We reserve the right to cancel your policy or to amend its terms if:

- You make an untrue statement
- You make a misleading statement
- You fail to disclose a relevant fact when you apply for a policy or to vary your cover or make a claim
- You are the subject of a custodial sentence
- You make a fraudulent claim. This would apply for instance if you are claiming other benefits or you are working and claiming benefit and have not notified the Society
- You change to an excluded occupation.

We reserve the right to demand the refund of any benefit paid as a result of the events in (1), (2), (3), or (5) above and no further benefit will be paid to you.

If your premium payments are four months in arrears we will cancel your policy automatically as explained under section 4.1. You will not get any money back.

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

### 8.2 - You

You may cancel this policy at any time by

# BREATHING SPACE

## Terms and Conditions

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notifying us in writing. You will not get any money back. The policy has no cash-in value at any time.

### 9. Other

#### 9.1 - Tax status

Benefit is paid free of personal income tax and capital gains tax in the UK under current legislation, provided premiums are paid from a personal bank or building society account and not a corporate account. Premiums paid by individuals are not allowable as an expense for tax purposes. The current tax free treatment of benefits under this policy may change.

#### 9.2 - Charges

The premium payment shown in your Policy Schedule includes the cost of administration, underwriting, claims and commission and any fees incurred in obtaining further medical information to assess your application. You will only be required to pay for the costs of obtaining medical evidence in the limited circumstances where you ask the Society to review special terms or higher premiums as set out in section 2.9.

#### 9.3 - Law

This policy is governed by the laws of England and Wales.

#### 9.4 - Language

All policy documents and terms and conditions will be in English and all correspondence and communication between you and the Society will be in English.

#### 9.5 - Changes to the Terms and Conditions

The information contained in this document is correct at the time of issue. Please be aware that we may change these Terms and Conditions where this is necessary to reflect a change in applicable law or regulation or the applicable tax treatment of benefit payments under the policy. Wherever possible, we will give you at least 30 days' advance notice of any changes. However, it may be necessary for such changes to take effect immediately. If this is the case, we will advise you within 30 days of making the change.

#### 9.6 - Complaints

Should you wish to register a complaint, please either call or write to us, using the contact details shown at the end of this document. Alternatively, please e-mail [compliance@britishfriendly.com](mailto:compliance@britishfriendly.com). Your complaint will be acknowledged in writing within 5 business days and passed to the Society's Compliance Officer for

investigation. Within 4 weeks, you will receive either a final response or a request for further information from the Society. Copies of the Society's Complaints Handling Procedure are available from the Society on request. If you are not satisfied with the outcome of your complaint, you can contact:

**Financial Ombudsman Service**  
**Exchange Tower, London E14 9SR**  
**Telephone: 0800 023 4567**

Your legal rights will not be affected by registering a complaint.

#### 9.7 - Compensation

The Breathing Space 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)**

#### 9.8 - Assignments

This policy is personal to you: it is not transferable.

#### 9.9 - How do you use my personal information?

The Society obtains and processes your personal information in accordance with our Main Privacy Policy (which can be viewed at <https://members.britishfriendly.com/privacy-policy/>). If you make a claim then our Privacy Policy for Claimants (which can be viewed at <https://members.britishfriendly.com/privacy-policy/>) will also apply. You should receive a copy of our Main Privacy Policy with your policy application form. As well as being available online, you can request a copy of our privacy policies at any time by calling us on 01234 358344 or by writing to 45 Bromham Road, Bedford, MK40 2AA.

#### 9.10 - No waiver

Nothing done or said by, or on our behalf, is to be interpreted as a waiver of any of our rights under this policy.

#### 9.11 - Currency

All payments made under this policy will be made in sterling at the rate ruling in England.

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**British Friendly Society Limited**

Registered Office:

45 Bromham Road, Bedford MK40 2AA

Telephone:

**01234 358344**

Fax:

**01234 327879**

Email:

**enquiries@britishfriendly.com**

Web:

**britishfriendly.com**

Facebook:

**British-Friendly**

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It feels good to be covered