

CENTURY EARNINGS REPLACEMENT PLAN

Key Features Document



**BRITISH
FRIENDLY**

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Important Note

This is an important document which you should read along with your Personal Illustration. The purpose of this document is to give you a summary of information to ensure you have a full understanding of the plan before you decide whether to purchase.

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About this document

The Prudential Regulatory Authority and the Financial Conduct Authority are the independent financial services regulators. They require us, British Friendly Society Limited (“we”, “BFS”, “British Friendly” or “the Society”), to give you this important information to help you to decide whether our Century Earnings Replacement Plan (the “Policy”) is right for you.

You should also read and keep safe your Personal Illustration which shows you what the cover may cost. This document sets out the benefits and risks of, and your key obligations under, the Plan. It also explains the principal features of the Plan, but it does not set out the full terms and conditions of the Policy. You should therefore read the separate Century Tables together with this Key Features Document. Where appropriate, this document cross-refers to relevant sections of the Century Tables. Copies of the Century Tables are available on our website:

www.britishfriendly.com or you can request a copy from the Society at any time.

We will not provide you with any advice or recommendations in relation to this Plan so it is important you understand the terms of the Plan before deciding whether it's appropriate for you. You should speak to a Financial Adviser if you are unsure whether the Plan is right for you.

What other documents should you read?

You should also read the following documents and keep them together with this Key Features Document for future reference:

- The Society's Main Privacy Policy, the latest version of which can be accessed at members.britishfriendly.com/privacy-policy/
- The Century Tables
- Your Policy Schedule
- Your Personal Illustration
- The Memorandum and Rules of the Society which are available on our website: www.britishfriendly.com or by request from the Society.

What is the Century Earnings Replacement Plan?

The Century Earnings Replacement Plan is designed to provide members with sickness or accident benefit until age 60, death or recovery subject to continuation of membership. The Plan also includes a capital sum that is free of personal Income Tax and Capital gains Tax under current legislation, payable on or after the members 60th birthday.

Is the Century Earnings Replacement Plan for me?

Is the Century Earnings Replacement Plan for me? The Plan is for you if you are looking for a sickness and accident Income Protection policy with a linked investment that is income tax free.

You should always consult with your Financial Adviser if you are unsure about the suitability of the plan for your individual circumstances.

What are your commitments?

- You agree to pay the required premium during your membership.
- Give the Society all the medical and other information we ask for when you apply for the Plan or when making a claim for benefit payments and when receiving benefit payments. If you are in any doubt whether a fact is relevant, you should disclose it. If you do not do this we may not pay your benefit and/or your Plan may be cancelled.
- You agree to provide as much information as the Society needs to ensure that only valid claims are paid.
- You agree to inform the Society within 14 days of the onset of an illness or injury, if you intend to make a claim.

What are the benefits of the Plan?

- Up to £2,600 a month sickness benefit
- Funds can be withdrawn without penalty from the age of 21 to help pay off student debts
- Long term – gives your investment time to grow
- Tax-friendly – no income or capital gains tax to pay under current legislation

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What are the risks?

- You will not be covered for sickness if you stop paying your premiums.
- Where day one cover is selected, you must be sick for 8 continuous days, after which sickness benefit will be paid retrospectively from day one of your sickness. Sickness benefit will not be paid if you are sick for less than 7 days.
- Your cover may be less than you need if you do not review it regularly to keep it in line with your earnings.
- The benefit you receive from the Society may affect your claim to some means tested state benefits or other income protection insurance policies.
- The value of your capital sum is not guaranteed and will depend upon annual bonus and apportionment rates declared from year to year.
- Depending on your age when you join the Century Earnings Replacement Plan and when you cease membership, it is possible that the amount you pay in premiums will exceed the amount you receive from your Capital Account.
- Your premium rates are not guaranteed and may need to be increased to meet benefit demands.
- If payments to members exceed the total income of the Society (plus any reserves), members' funds could be drawn upon to meet the payments.
- The current tax free treatment of benefit payments under the Plan may change in future.
- Better returns on your investment may be available elsewhere.

How does the Century Earnings Replacement Plan work?

For a monthly premium, you are allocated a number of units, each of which provides you with sickness and accident cover plus a share of the Society's annual surpluses. Your surpluses begin to accrue in a special Capital Account from your first month of membership by way of apportionment and annual bonus, each of which may vary from year to year, depending upon the

Society's performance.

Is the money taxed?

Under current legislation, any benefit paid by the Society is free of income tax while you pay your premiums. Please note that this may change in future depending on HMRC rules.

Who can apply?

Anyone from age 18 to 59.

How do I make a claim for sickness benefit?

You can request a claim form by phone, email or in writing. We will post or e-mail the form to you on request. Alternatively, a claim form can be downloaded from our website www.britishfriendly.com.

How is the Benefit paid?

You will receive full benefit for the first six months, half benefit for the next six months, reduced benefit thereafter until recovery, age 60 or death subject to continuation of membership and any applicable deferred period.

How long after joining will cover commence?

Cover will commence from the date the policy is set in force.

Will premiums increase as I get older?

Yes, premiums are age-banded so that each age group pays for its own particular risk.

Can the Society cancel my Plan?

No, not unless you stop paying your premiums. We cannot cancel your Plan in response to changes to your health. If you stop paying your premiums the plan would be cancelled and a penalty imposed upon the Capital Account.

Can I cancel my Plan?

Yes, just contact us or alternatively return the cancellation notice enclosed with your policy to British Friendly. Please note that cancelling before the scheduled maturity date may incur a penalty, as

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explained in the Century Tables.

Can I change my mind?

Yes. You can cancel the Plan at any time. If you change your mind within 30 days of it starting, any premiums paid will be refunded to you. If you cancel at any other time, your cover will end and any premiums paid will not be refunded.

To cancel the Plan you will need to complete and return the cancellation notice enclosed with your policy document to British Friendly, 45 Bromham Road, Bedford, MK40 2AA or telephone us on 01234 358344.

Can I change my level of cover?

Yes, you may apply to increase your cover (subject to age and a medical questionnaire) within the following minimum and maximum levels. Under the age of 60, you may take up optional annual increases subject to underwriting.

Age	Units of cover/Benefit	
0-15	30 units	500 units
	£18.00 per week	£300 per week

What happens when my Plan matures?

Under current legislation, at age 60, the whole Capital Account may be withdrawn free of Personal Income Tax and Capital gains Tax without penalty. Alternatively, you may remain as a commuted member for investment purposes only. Please refer to the Century Tables for more information on becoming a commuted member.

How do I complain?

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 358344 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 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.

Is my Plan protected?

The Plan is covered by the Financial Services Compensation Scheme. This Scheme is designed to protect the member, 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.

For up-to-date information on the applicable limits, please contact the 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.

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.

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