

BREATHING SPACE  
Policy Summary

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### **Important Note**

This document summarises important information about your Breathing Space 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 Breathing Space 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 Breathing Space is right for you.

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# BREATHING SPACE

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## What is Breathing Space?

**Breathing Space 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 an 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.**

**Breathing Space is suitable for the self-employed, casual or part time workers or those with irregular incomes because it provides you with flexible options and doesn't require any proof of income at any stage. You will need to prove you were working before suffering a loss of income.**

### Things to consider...

- Will my sick pay from my employer be sufficient if I'm unable to work due to illness, injury or accident?
- Who will give me sick pay if I am self-employed and unable to work due to illness, injury or accident?
- Do I have enough savings to support myself and my family if I'm unable to work due to illness, injury or accident?
- Am I even eligible for State benefits and is it enough to support my lifestyle?

### Eligibility requirements

- Age 18-59
- 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

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## What are the key features?

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

Breathing Space provides a regular benefit for 1, 2 or 5 years if you are unable to carry out your job/occupation due to sickness or injury leading to a complete or partial loss of income.

Breathing Space covers you until your chosen retirement which can be any age from 50-65 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 of the Breathing Space Terms and Conditions for more details.

Benefit options start from £125 per week (£6,500 per year) up to a maximum of £250 per week (£13,000 per year), paid weekly into your bank account.

### What is not covered?

Breathing Space will only cover you for your chosen benefit amount and payment period if you are unable to carry out your occupation due to sickness or injury leading to a loss of income. You will not be eligible to receive benefits 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 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 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 chosen 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.

### Premium pricing and payments

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

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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, the length of your benefit and deferred period, your benefit amount and the Society's need to review premiums. Please see section 4 of the Breathing Space 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 Breathing Space 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 and apply for an increase or decrease to the amount of benefit you receive. Any application to increase the amount of benefit is subject to

assessment and approval by the Society.

### **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 at least 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.

### **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.

### **Membership of the Society**

If you purchase a Breathing Space 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 along with the other members of the Society.

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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 weeks - notify us within 8 weeks.

We request that you return the completed claim form and any other requested documents to us within the above timescales so we can process your claim quickly.

If you do not notify us and submit your claim form within the above time frame you will only be entitled to benefit payments from the date that we receive your documents.

#### **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 Breathing Space 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 unemployed, a student, retired or a house person when your sickness or injury starts or if you become unemployed or are made redundant without suffering from any sickness or injury. You will also not be able to make a claim until after your chosen deferred period has ended.

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

You can claim benefits from £125 to £250 per week as chosen and stated in your Policy Schedule.

### **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 that you are in active employment at the time of your sickness or injury.

In the event of a claim we will ask to see proof that you have an income. We do not need to check the level of income produced or the number of hours you work. Please see section 5.9 of the Terms and Conditions for further details.

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

We will assess your claim based on the medical evidence you supplied and whether you are unable to carry out your occupation due to your sickness or injury. If the supporting documents such as Medical Certificates and proof that you were in active employment or self-employment before your sickness or injury do not give us enough information we will ask you or your Doctor to provide additional information required to enable us process your claim.

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

Any other benefit payments you receive during your sickness or injury will not affect the amount of cover you will receive from the Society when claiming on your Breathing Space Policy. We recommend that you 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 a benefit level of £200 per week through your Breathing Space policy, but you are already receiving £150 per week in sick pay. Because we ignore any other benefits you receive, you will get the full £200 per week in benefit from your Breathing Space policy.

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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.

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

Once your claim has been approved and following your chosen deferred period, you will start to receive your weekly benefits paid directly into your bank account.

#### **Example**

If your policy has a 4 week deferred period. Once the Society has approved your claim you will begin to receive benefit in the 5th week of your sickness or injury.

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

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

- your Doctor declares that you are fit enough to work,
- your policy ends at your chosen retirement age,
- you reach the end of the stated payment period in your policy (1, 2 or 5 years),
- any agreed rehabilitation or proportionate benefit ends,
- you cancel your policy,
- you die,
- you are resident or temporarily resident abroad and reach the end of the period for which the Society will make benefit payments (please see section 5.15 of the Breathing Space Terms and Conditions).



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

There is no limit to the number of claims that you can make on your Breathing Space policy and you can claim more than once for the same sickness or injury.

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 the benefit period you have chosen. 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 will start after your chosen deferred period.
- If you need to claim again for a different sickness or injury, the benefit payments will start after your chosen deferred period.

### **Example**

You choose the Breathing Space policy with a 5 year benefit payment period, 4 week deferred period and a retirement age of 65. You start claiming for a sickness or injury at age 45 and we pay your benefits for 5 years, which is the maximum benefit period on your policy. Before you can claim again for the same sickness or injury you must have returned to your occupation for a continuous period of at least 26 weeks without any recurrence of your original sickness or injury. If you need to claim again for a different sickness or injury your 4 week deferred period will apply.

### **Tax status of benefit payment**

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

### **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.

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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 Breathing Space 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 Breathing Space 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. The definition of 'terminal illness' is outlined in the Breathing Space Terms and Conditions.

### 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 become unemployed, a house person or a student,
- you retire,
- 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 104 weeks:

- |                   |                 |
|-------------------|-----------------|
| ■ 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. More information can be found in section 5.15 of the Breathing Space Terms and Conditions.

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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 Complaints 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 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).

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It feels good to be covered