

# Breathing Space

## Product suitability wording



For adviser use only

### How to use

To use our Breathing Space suitability wording simply select the section(s) appropriate to your clients, copy and paste the relevant text and insert into an e-mail for your clients.

You will need to tailor the sections marked with '<>' to suit the client recommendation you're making.

We've taken care to provide up to date and accurate information, but we don't accept any 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 an amount 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 throughout the term of the policy.

We then discussed the Income Protection solution offered by insurance provider British Friendly, with their Breathing Space 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 you must meet certain eligibility criteria. 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 also 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 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, health checks and second medical opinions through Square Health.

## Your financial situation

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

### <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.

### <Employed>

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

## 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. <for clients who do have other policies> I have taken these policies into account within 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 on 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 deferred period you should choose on your Breathing Space policy.

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

### Benefit amount

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

Having assessed your monthly financial commitments and outgoings, I was able to calculate how much benefit you would need. I recommended the Breathing Space policy which provides you with a <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 Breathing Space 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 used to assess illness and injury when a claim is made. British Friendly offers an “own occupation” definition, which means you are covered if you are unable to do the main tasks of your occupation and you lose some or all of your income because of this, and you’re not doing any other paid or unpaid work. 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.

Breathing Space provides cover that will last throughout the term that we have agreed on.

### 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 you select the <X year> claim period option. This would pay out a regular benefit payment for a set period, if you are unable to work due to illness or injury. As 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>

### 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 on your age and the policy options we agreed on. It also assumes that you are accepted on standard rates of premium.

Your Breathing Space 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.

<The personal illustration I have given you shows the cost over the term of your policy so you can see how the premiums will increase.>

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

### **Increasing cover**

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 increasing cover option at the time of your application. Each year British Friendly will adjust your benefit based on the Retail Price Index, up to a maximum of 10% 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'd like 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.

### **Increasing your benefit**

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

You may have other options if you want to increase your benefit amount over and above any increasing cover option that might automatically apply. A Guaranteed Insurability Option requires no medical information but is specific to certain circumstances relating to your policy and your personal details. It is also subject to certain limits. These circumstances are specific events including marriage or civil partnership, birth or adoption, new or increased mortgage payments, new or increased rent payments or a rise in salary if you're employed. Outside of these circumstances you may also be able to 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 date. British Friendly may need 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.

<Week 1 deferred periods only>For deferred periods of 1 Week a COVID-19 exclusion is applied.

<Deferred periods of 4 weeks or more only>There are no standard exclusions on British Friendly Breathing Space product for deferred periods of 4 weeks and over.

Please note, 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 before your policy starts. 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 not covered for, please see the Breathing Space terms and conditions.

## Fracture Cover

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

During our discussion you expressed an interest in adding Fracture Cover on to your Breathing Space policy, at an additional cost of £4 per month. Fracture Cover will pay you a lump sum of up to £6,000 in the event of a claim, if you suffer from one of the specific bone fractures covered. You can make a Fracture Cover claim once per policy year.

## 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 they 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.