

Pure Protection

All you need to know



My Definitions

Where you see the following words used in this document, please refer to these definitions to find out exactly what they mean.

Benefit

The insured benefit is the amount of cover as stated on your policy schedule.

Finishing date

The age you select when you apply for your Pure Protection policy, when the policy and all benefits will end.

Houseperson

A person who has not had a paid occupation for a period of at least 3 months during which time they have been looking after their home or caring for children.

Illness or injury

Any illness or injury which results in you being totally unable to work in your own occupation for a period of time.

Occupation

This is every trade, profession or type of work that you undertake, it is not a specific occupation with any particular employer. We will always assess a claim based on your occupation at the point you suffered an illness or injury.

Personal taxable income

Income is separated into three categories, depending on whether you are employed, self-employed or a director of your own company:

Employed

- Your personal taxable income from your employment.

Self-Employed

- Your personal taxable income from your business.

Company Directors

- Your personal taxable income and any dividends from your business.

Policy

Our contract of insurance with you.

Premium

The monthly cost of your Pure Protection policy. This cost includes your cover for illness and injury.

Similar insurance benefits

Regular benefits paid by other illness or income protection policies where benefits are paid to you or on your behalf as a result of illness or injury.

Start of benefit

Once your claim is accepted, this is the date at which your waiting period ends. From this point onwards you are entitled to receive benefit fortnightly in arrears.

Unemployed

A period of at least 3 months when you have not undertaken any occupation, paid or unpaid.

Waiting period

The period of time stated in your policy schedule from when you are first totally unable to work due to illness or injury, until when a claim could first be accepted.

We/Our/Us

Exeter Friendly Society Limited, trading as Exeter Family Friendly.

Working week

A maximum of 48 hours per week.

You/Your

The person named in the policy schedule.

Welcome to Pure Protection

This document contains the terms & conditions of Pure Protection, which together with your policy schedule forms your policy with us. To help you, we have signposted the features of the plan that we think are the most important with a magnifying glass; please take extra time to read and understand these. We have also included guidance and examples throughout the document to help you get the most from your policy.

Before you decide to apply for Pure Protection, we recommend that along with your own adviser you read the “My Cover”, “My Exclusions”, and “My Costs” sections. The next sections focus on what you need to know during your application and after your policy has started. These are “My Application”, “My Options”, “My Claim” and “My Insurance Company”.

Pure Protection pays you a regular, tax-free sum of benefit (under current legislation) if you are totally unable to work due to ill health or injury. You can use this benefit in any way you choose. Most people use it to meet their regular outgoings such as their mortgage, utility bills or general household expenditure; however the choice is yours.

It is important to note that Pure Protection **does not** provide benefit solely because you become unemployed or you are made redundant and **does not** provide a lump sum to repay a loan.

My Cover

My Cover

Pure Protection is an income protection plan designed to pay you a regular benefit if you are totally unable to work as a result of illness or injury.

This section details the features and benefits of Pure Protection, including the important choices you have to make which will have an impact on how your policy works for you.

Your own financial adviser will guide you through these features and benefits, advise whether the policy is right for you and if so, help you make the right choices to get the most from Pure Protection.

My Cover

Your Choices

When you apply for Pure Protection you can design your policy to fit your personal circumstances. The following 4 choices you make will have an impact on the cost of your cover.

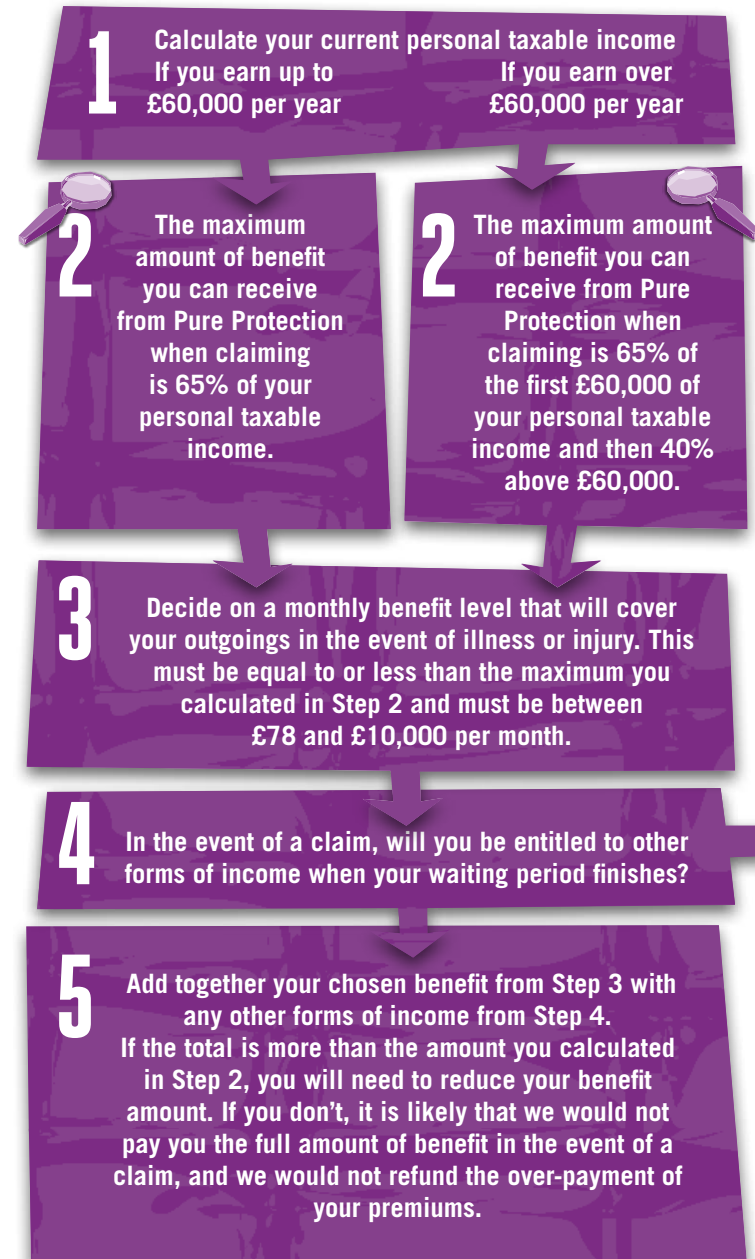
1) Amount of benefit

You need to choose the amount of income that you wish to cover; this is described as the regular tax-free benefit you will receive if you are totally unable to work due to illness or injury.

The amount of benefit that you choose is up to you. Our experience is that most people choose sufficient benefit to cover their main household commitments and other normal living expenses.

There is a maximum amount of benefit you can receive, depending on your personal taxable income and the income you would receive if you become ill or injured and totally unable to work; this is explained in the diagram on the right.

We recommend you read this diagram carefully as it contains some important terms and conditions surrounding the amount of benefit you can receive.



Other forms of income:

- Any payments you receive from your employer e.g. Company Sick Pay (but not Statutory Sick Pay)
- Any continuing income or dividends from your business
- Pension payments (unless you received these before your policy started)
- Similar insurance benefits which are paid, as a result of illness or injury, on a regular basis to you or to a financial institution on your behalf
- State benefits (after 52 weeks of a claim).

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Example:

Greg is 32 and earns £35,000 per year. He can take out Pure Protection for a maximum of 65% of this personal taxable income, which works out at £1,895 per month.

Greg decides that he would like his Pure Protection policy to provide the maximum benefit available to him in the event of illness or injury, £1,895 per month.

Greg's sick pay from his employer would stop after 26 weeks of illness or injury, so he chooses a waiting period of 26 weeks. He doesn't have any dividends with his employer and due to his age he does not receive any payments from his pension.

However, Greg receives a small amount of income protection from his employer, which provides him with £200 per month benefit in the event of illness or injury.

As Greg has chosen the maximum benefit available to him, when he adds the £200 he would receive from his employer to this chosen benefit, it amounts to more than 65% of his personal taxable income. He therefore reduces his chosen benefit by £200, to £1,695 per month, before applying for Pure Protection.

2) Indexation option

You need to decide whether you want your benefit to increase in line with inflation. We know that the cost of living usually rises every year as a result of inflation, so we want to make sure that you have the option to adjust your cover to account for this. With your Pure Protection application you can select an “Indexation Option”.

If you select this option we will adjust your benefit each year based on the average of the rise in two indices which record rises in earnings and the price of goods that you buy. These indices are:

- i) The Average Weekly Earnings Index
- ii) The Retail Price Index

We will use an equivalent index if the above are not available. It is important to understand that your monthly premium will be adjusted in line with the change in your benefit.

For example, if during one year, the rise in the two indices was:



Average Weekly Earnings Index	5%
Retail Price Index	3%
<hr/>	
Average Rise	4%

Before increasing your premium, we will write to you to let you know what your new premium will be so that you have the chance to consider whether you wish the price and benefit rise to apply to your policy that year.

If you choose this indexation option the maximum increase in your benefit will be 12% in any one year whilst you are claiming.

Please note that if you choose to add indexation to your policy at any time after the start date, you are effectively increasing your cover and we will need to re-assess your application, explained fully in the “My Application” section

This would mean we would increase your cover and your premiums by 4%. However, it is important to note that as we price our premiums yearly by age the actual increase in premium will be more than 4%.

3) Waiting periods

You need to decide when you want the benefit to start. For example, will it start on your first day of illness or after six months? Many people choose a waiting period that coincides with their sick pay arrangements from their employer. Again, the choice is yours, but the sooner the policy starts to pay out the more expensive it is.

Pure Protection is one of the few income protection plans to offer you a no waiting period option.

The table opposite lists the waiting periods that you can choose (sometimes other insurers call these “deferred periods”).

Waiting period	Start of benefit
Day 1 (no waiting period)	You can claim after being totally unable to work for at least 3 consecutive days excluding Sundays - we will then backdate the claim to the first day you were absent from work due to illness or injury.
1 week	Your benefit will start 1 week after you were first totally unable to work.
4 weeks	Your benefit will start 4 weeks after you were first totally unable to work.
8 weeks	Your benefit will start 8 weeks after you were first totally unable to work.
13 weeks	Your benefit will start 13 weeks after you were first totally unable to work.
26 weeks	Your benefit will start 26 weeks after you were first totally unable to work.
52 weeks	Your benefit will start 52 weeks after you were first totally unable to work.

4) Finishing date

You need to decide when you want your policy to end; this is known as the finishing date. This can be any year between the age of 50 and 68 - as long as your policy is due to last for at least five years and begins before your 60th birthday.

Other features and benefits

There are some features and benefits which are integral to Pure Protection regardless of who you are or the choices you make about your policy.

It is important that together with your own financial adviser you read and understand these features, as they may have an impact on your decision as to whether Pure Protection is right for you.

Own Occupation

With your Pure Protection policy you are able to claim when you are totally unable to work due to illness or injury. Unlike some other insurers we only consider your ability to carry out your own occupation when we assess your claim.



Claiming on Pure Protection

Pure Protection is a long-term policy which protects you until your chosen finishing date. This means that you can claim many times during the life of your policy.

Of course, some people will never claim, but some will claim for a number of different illnesses throughout their lives. On the other hand, it may be that some people make only one long-term claim, which will continue to be paid until their finishing date.

Where you are covered with Pure Protection

Pure Protection is designed to offer you cover if you live and work in the UK.

When you apply for Pure Protection you must have been a resident of the UK for the last 3 years and have no intention of moving abroad in the immediate future.

If you become ill or injured in a country outside of the UK, you may still be able to receive benefit. For your claim to be

paid, you must either return to the UK, any country within the European Union, or one of the following countries:

- Australia
- Canada
- Channel Islands
- Gibraltar
- Iceland
- Isle of Man
- New Zealand
- Norway
- Switzerland
- United States of America

Example 1: If you are in Spain and become ill or injured, resulting in you being totally unable to return to work when you planned to, your claim will be paid under your Pure Protection policy.



Example 2: If you are in Egypt and are totally unable to return to the UK, any country within the European Union, or one of the countries listed above due to illness or injury, which in turn meant that you couldn't return to work when you planned to, you would not be covered by Pure Protection.

Housepersons/Homemakers

If you are a houseperson or homemaker and do not have a job for which you are paid an income you can still apply for Pure Protection.

As a houseperson or homemaker the maximum benefit from your Pure Protection policy is £10,400 per year or £867 per month.

If you need to make a claim we will not request evidence of income (as we would for someone who is employed or

self employed), but we will still request medical evidence of your illness or injury. We will assess your ability to go outdoors without assistance from any other person and seek employment in your normal occupation.

However, it is important to note that we will ask you to show us that your illness or injury has led to an increase in household costs, for example, you have had to employ a cleaner.

Occupations we don't cover

If you do one of the following jobs, we won't be able to offer a Pure Protection policy:

- Armed forces personnel
- Divers
- Underground miners
- Oil rig workers
- Professional sportspersons
- Nightclub security personnel
- Police officers
- Fire-fighters
- All flight crew (excluding flight attendants)
- Certain equestrian professions, for example riding instructors
- Money brokers/stock brokers.

Individual consideration will be given to applications from offshore fishermen and trawlermen.

My Exclusions

My Exclusions

Like any insurance plan, Pure Protection is designed to cover a specific need; which means that there are many things it isn't designed to cover.

Whilst we don't have to detail these, we think it's important you understand as much about the policy as possible. We have therefore selected a few misconceptions about what income protection does, and explained why Pure Protection does not cover you against these events.

It is important for us to confirm that while there are no standard exclusions under Pure Protection, you may have a personal exclusion added to your policy after we have assessed your application. This is also explained in this section.

My Exclusions

Personal exclusions



When you apply for Pure Protection you may be advised of a personal exclusion which relates to a past or existing illness or condition, or a hobby or activity. We will write to you to let you know about any personal exclusions relating to your policy, which will give you time to consider whether you still wish to take out Pure Protection.

Things that this policy is not designed to cover

It is important to point out a few things that the policy is not designed to cover:

Unemployment

You cannot claim just because you become unemployed or made redundant. The core benefit of Pure Protection is to provide cover if you are totally unable to work due to illness or injury.

Pregnancy

We will not pay benefit for any claim which is made solely as a result of normal pregnancy or childbirth. This is because we do not consider pregnancy and childbirth to be an illness or injury.

Cosmetic surgery & sterilisation

If you choose to have cosmetic surgery or sterilisation that is not medically required, any illness or injury caused as a direct result will not be covered by your Pure Protection policy.

My Costs

My Costs

This section will tell you how we calculate the cost of Pure Protection for you.

We price all of our plans to ensure that you never pay more than you need to, which means that your premiums will rise with your age.

Also, we like to keep our pricing simple. The basic amount you pay will not change because of your job, whether you are male or female or whether you smoke. You will find that this is not always the case with other plans.

My Costs

Age-Costed premiums

We price your premiums according to your age, so they will rise every year. This is a “pay as you go” approach to your cover, which makes Pure Protection as affordable as possible to new applicants. It also means that you never pay more than is necessary.

Simple, one pricing structure for all

Pure Protection offers a simple structure, regardless of your occupation, gender or whether you smoke. This means that the only factors that influence your premium when quoting are:

- Your age;
- The amount of cover that you want;
- The waiting period;
- The age at which your policy will finish.

Please note that we may increase your premiums after we have completed our application assessment.

Reviewable rates and premiums

Your costs are based on rates which change for your increasing age. The current rates are printed at the back of this section, so you can calculate your yearly premiums in advance.

The rates shown in these tables are reviewable, which means that we can review and either increase or decrease them by any amount each year. However, any change will be fair and reasonable and will be advised to you in advance so that you can change or cancel your cover if you wish. The rates that are charged determine the premium that you pay - i.e. if there is an increase to your rates your premium will increase.

There are a number of instances when we may change rates. For example, if we experience, or expect to experience in the future, a change in the number and value of claims that we receive.

Other factors which could have an impact on rates are:

- Our total expenses;
- Actual or expected future investment returns;
- Reinsurance costs;
- Inflation;
- Economic and environmental factors;
- Financial reserving requirements;
- Taxation;
- Legislative and/or regulatory changes, and;
- Policy persistency (rates of mortality and lapsation).

We will not review rates on an individual basis, so if rates increase or decrease this will be applied to all Pure Protection policies. We will always give you at least 30 days notice if we review your rates and advise your new premium.

It is important to note that we will not review your premium rates within the first 3 years of your policy starting. The only increase will be related to benefit increases due to inflation and your increasing age.

Should you decide to make changes to your cover such as increasing your benefit amount, reducing your waiting period or extending your Finishing date, your premium will also increase.

Paying your premiums

You must continue to pay your premiums regularly by monthly Direct Debit. If you fall behind on your premium payments you will not be able to make a claim.

If you do not pay your premiums for up to three months you will need to pay any premiums you missed.

If you do not pay your premiums for between three and six months, you will need to pay any premiums that you missed and we will also require evidence of your health before your cover can start again.

If you do not pay your premiums for six months or longer, we will cancel your policy with effect from the first unpaid premium. If you want to re-join you will need to complete a new application.



PREMIUM FOR £1 PER MONTH BENEFIT FOR A FINISHING AGE OF 50-60

Paying your premiums during a claim

Whilst receiving benefit under your policy after making a claim, depending on the length of the claim and the waiting period you choose, we will pay your premiums for you. This is known as a “Waiver of premium” and is explained fully in the “My Claim” section.

How to calculate your premium

1. Find the right table for you according to the finishing age you want.
2. Find the right rate for you, based on your age and the waiting period you want to have.
3. Multiply this rate by the monthly benefit you want.
4. This is your monthly premium.

Example:

Louise is 37 and wants a Pure Protection policy which would pay her £1,000 in benefit per month, with a waiting period of 4 weeks. She wants her policy to finish when she is 58.

Her rate from the contribution table is 0.03799.

So $0.03799 \times £1,000 =$ A monthly premium of £37.99

Age	Waiting Period in weeks						
	0	1	4	8	13	26	52
16-30	0.03846	0.03558	0.03077	0.02692	0.02436	0.02179	0.01955
31	0.03945	0.03649	0.03151	0.02783	0.02541	0.02282	0.02054
32	0.04044	0.03740	0.03226	0.02876	0.02645	0.02385	0.02153
33	0.04142	0.03831	0.03299	0.02967	0.02750	0.02487	0.02250
34	0.04241	0.03922	0.03373	0.03058	0.02854	0.02590	0.02349
35	0.04385	0.04056	0.03514	0.03203	0.02995	0.02722	0.02465
36	0.04529	0.04190	0.03656	0.03346	0.03137	0.02853	0.02583
37	0.04673	0.04323	0.03799	0.03491	0.03279	0.02983	0.02699
38	0.04818	0.04456	0.03941	0.03635	0.03422	0.03115	0.02815
39	0.04991	0.04617	0.04114	0.03808	0.03595	0.03162	0.02960
40	0.05164	0.04905	0.04287	0.03981	0.03768	0.03323	0.03104
41	0.05423	0.05153	0.04460	0.04154	0.03941	0.03485	0.03249
42	0.05722	0.05436	0.04679	0.04295	0.04053	0.03717	0.03392
43	0.06018	0.05718	0.04964	0.04568	0.04318	0.03974	0.03524
44	0.06199	0.05888	0.05155	0.04751	0.04478	0.04100	0.03635
45	0.06378	0.06059	0.05345	0.04932	0.04640	0.04226	0.03756
46	0.06559	0.06231	0.05536	0.05114	0.04801	0.04354	0.03877
47	0.06738	0.06401	0.05726	0.05297	0.04963	0.04479	0.03999
48	0.06918	0.06573	0.05915	0.05478	0.05124	0.04606	0.04126
49	0.07244	0.06881	0.06254	0.05809	0.05446	0.04887	0.04281
50	0.07569	0.07191	0.06591	0.06138	0.05769	0.05169	0.04545
51	0.07895	0.07501	0.06928	0.06469	0.06092	0.05449	0.04808
52	0.08221	0.07809	0.07267	0.06800	0.06414	0.05731	0.05072
53	0.08536	0.08109	0.07603	0.07129	0.06737	0.06013	0.05335
54	0.08964	0.08517	0.07977	0.07274	0.06860	0.06214	0.05599
55	0.09394	0.08924	0.08378	0.07421	0.06983	0.06417	0.05862
56	0.09822	0.09331	0.08779	0.07731	0.07279	0.06697	0.06126
57	0.10251	0.09738	0.09181	0.08042	0.07574	0.06978	0.06388
58	0.10681	0.10146	0.09582	0.08353	0.07871	0.07259	0.06653
59	0.11109	0.10554	0.09983	0.08664	0.08165	0.07540	0.06915
60	0.11538	0.10962	0.10385	0.08974	0.08462	0.07821	0.07179

PREMIUM FOR £1 PER MONTH BENEFIT FOR A FINISHING AGE OF 61-65

Age	Waiting Period in weeks						
	0	1	4	8	13	26	52
16-30	0.03846	0.03558	0.03077	0.02692	0.02436	0.02179	0.01955
31	0.03945	0.03649	0.03151	0.02783	0.02541	0.02282	0.02054
32	0.04044	0.03740	0.03226	0.02876	0.02645	0.02385	0.02153
33	0.04142	0.03831	0.03299	0.02967	0.02750	0.02487	0.02250
34	0.04241	0.03922	0.03373	0.03058	0.02854	0.02590	0.02349
35	0.04385	0.04056	0.03514	0.03203	0.02995	0.02722	0.02465
36	0.04529	0.04190	0.03656	0.03346	0.03137	0.02853	0.02583
37	0.04673	0.04323	0.03799	0.03491	0.03279	0.02983	0.02699
38	0.04818	0.04456	0.03941	0.03635	0.03422	0.03115	0.02815
39	0.04991	0.04617	0.04114	0.03808	0.03595	0.03162	0.02960
40	0.05164	0.04905	0.04287	0.03981	0.03768	0.03323	0.03104
41	0.05476	0.05201	0.04460	0.04154	0.03941	0.03485	0.03249
42	0.05787	0.05499	0.04746	0.04360	0.04118	0.03782	0.03392
43	0.06100	0.05795	0.05046	0.04649	0.04399	0.04054	0.03603
44	0.06322	0.06005	0.05277	0.04871	0.04600	0.04221	0.03749
45	0.06544	0.06215	0.05508	0.05094	0.04801	0.04386	0.03895
46	0.06763	0.06424	0.05738	0.05317	0.05003	0.04554	0.04040
47	0.06985	0.06636	0.05969	0.05540	0.05206	0.04721	0.04186
48	0.07206	0.06846	0.06201	0.05763	0.05408	0.04886	0.04332
49	0.07713	0.07327	0.06717	0.06271	0.05908	0.05344	0.04722
50	0.08218	0.07808	0.07233	0.06779	0.06408	0.05800	0.05113
51	0.08724	0.08288	0.07751	0.07290	0.06909	0.06256	0.05503
52	0.09231	0.08769	0.08268	0.07799	0.07409	0.06714	0.05894
53	0.09737	0.09250	0.08785	0.08306	0.07910	0.07171	0.06285
54	0.09854	0.09362	0.08895	0.08410	0.08003	0.07246	0.06317
55	0.10374	0.09855	0.09273	0.08518	0.08095	0.07321	0.06532
56	0.10931	0.10385	0.09782	0.08624	0.08187	0.07472	0.06874
57	0.11487	0.10913	0.10290	0.09037	0.08538	0.07836	0.07217
58	0.12045	0.11442	0.10797	0.09449	0.08931	0.08200	0.07560
59	0.12601	0.11971	0.11306	0.09862	0.09322	0.08564	0.07903
60	0.13158	0.12500	0.11814	0.10273	0.09714	0.08928	0.08245
61	0.13714	0.13028	0.12322	0.10686	0.10106	0.09292	0.08587
62	0.14272	0.13558	0.12829	0.11099	0.10499	0.09656	0.08931
63	0.14828	0.14087	0.13338	0.11510	0.10890	0.10021	0.09273
64	0.15385	0.14615	0.13846	0.11923	0.11282	0.10385	0.09615
65	0.15941	0.15145	0.14354	0.12336	0.11674	0.10749	0.09958

PREMIUM FOR £1 PER MONTH BENEFIT FOR A FINISHING AGE OF 66-68

Age	Waiting Period in weeks						
	0	1	4	8	13	26	52
16-30	0.04024	0.03723	0.03219	0.02817	0.02549	0.02281	0.02046
31	0.04128	0.03818	0.03297	0.02913	0.02658	0.02387	0.02149
32	0.04231	0.03914	0.03374	0.03009	0.02768	0.02495	0.02253
33	0.04333	0.04009	0.03453	0.03104	0.02877	0.02603	0.02355
34	0.04437	0.04104	0.03529	0.03200	0.02986	0.02709	0.02458
35	0.04588	0.04244	0.03677	0.03350	0.03135	0.02847	0.02579
36	0.04738	0.04383	0.03827	0.03501	0.03283	0.02985	0.02703
37	0.04890	0.04523	0.03974	0.03653	0.03431	0.03122	0.02824
38	0.05041	0.04663	0.04123	0.03803	0.03579	0.03260	0.02946
39	0.05222	0.04831	0.04304	0.03985	0.03762	0.03308	0.03097
40	0.05403	0.05133	0.04486	0.04165	0.03942	0.03477	0.03247
41	0.05729	0.05442	0.04667	0.04346	0.04123	0.03646	0.03399
42	0.06056	0.05754	0.04967	0.04563	0.04309	0.03956	0.03550
43	0.06383	0.06064	0.05281	0.04865	0.04603	0.04242	0.03771
44	0.06615	0.06283	0.05522	0.05096	0.04813	0.04415	0.03923
45	0.06846	0.06504	0.05763	0.05329	0.05024	0.04590	0.04076
46	0.07077	0.06723	0.06005	0.05564	0.05235	0.04765	0.04227
47	0.07309	0.06944	0.06246	0.05797	0.05447	0.04938	0.04381
48	0.07541	0.07163	0.06490	0.06031	0.05659	0.05113	0.04533
49	0.08071	0.07667	0.07028	0.06562	0.06182	0.05591	0.04941
50	0.08600	0.08169	0.07569	0.07095	0.06705	0.06069	0.05350
51	0.09353	0.08929	0.08203	0.07642	0.07229	0.06547	0.05779
52	0.10145	0.09717	0.09003	0.08428	0.07950	0.07056	0.06413
53	0.10937	0.10505	0.09804	0.09214	0.08721	0.07754	0.07046
54	0.12442	0.12012	0.11288	0.10681	0.10164	0.09147	0.08287
55	0.13947	0.13519	0.12773	0.12147	0.11608	0.10540	0.09528
56	0.15453	0.15027	0.14256	0.13614	0.13053	0.11932	0.10769
57	0.16958	0.16533	0.15741	0.15081	0.14496	0.13326	0.12010
58	0.18463	0.18041	0.17226	0.16547	0.15940	0.14718	0.13251
59	0.20260	0.19841	0.19029	0.18338	0.17705	0.16364	0.14497
60	0.22056	0.21642	0.20835	0.20131	0.19471	0.18009	0.15742
61	0.23853	0.23442	0.22638	0.21923	0.21236	0.19654	0.16987
62	0.25650	0.25242	0.24442	0.23714	0.23001	0.21299	0.18233
63	0.27446	0.27044	0.26247	0.25506	0.24768	0.22944	0.19478
64	0.27446	0.27044	0.26247	0.25506	0.24768	0.22944	0.19478
65	0.27446	0.27044	0.26247	0.25506	0.24768	0.22944	0.19478
66	0.27446	0.27044	0.26247	0.25506	0.24768	0.22944	0.19478
67	0.27446	0.27044	0.26247	0.25506	0.24768	0.22944	0.19478
68	0.27446	0.27044	0.26247	0.25506	0.24768	0.22944	0.19478

My Application

We have made the application process for Pure Protection as straightforward as possible. This section describes how you can join Pure Protection and how we assess your application.

If you need an explanation of any policy features or details, please speak to your own financial adviser.

Your application is really important, you need to give totally accurate information, so if you are not sure about an answer, please don't guess - go away and do some research first.



My Application

We have tried to make the application process for Pure Protection as simple as possible.

Before you apply

The following eligibility rules applies to Pure Protection:

- You must be between the ages of 16 and 59 when you apply
- Your Pure Protection policy must be due to start at least 5 years before your chosen finishing date
- You must have been resident in the UK for at least 3 years immediately before applying.

How to apply - your options

Before you apply, you have to decide how you would like to provide us with the personal and medical information we need to assess your application. If you are over 55 years old you must proceed with option 2 below, whereas if you are 55 years old or younger you can choose between the two options below.



When you apply you must be aware that it is extremely important for you to provide truthful and accurate information throughout your application. If you do not, we may not pay a future claim and may also cancel your policy.

1) Short initial application form and telephone interview

For option 1 you can complete a short initial application form online followed by a telephone interview.

Short initial application form

We will ask you to confirm a few questions about your personal and medical history.

Telephone interview

To gather the remainder of your personal and medical information that we will need to assess your application, a member of our staff or a trained medical professional working for us will call you and ask you a series of questions. These questions will take approximately half an hour but this can vary according to the information that you give.

Please note we will call you to arrange a convenient time for the telephone interview to take place, so you don't need to worry about your phone bill.

The quicker we can complete your telephone interview, the sooner we will be able to assess your Pure Protection application.

When we speak to you, it is your responsibility to ensure that you provide us with all the information we ask for. It is important that you tell us about any personal or medical information that could affect your application, regardless of how insignificant it may seem to you.



We understand that this information about you is personal and sensitive. We handle it with the greatest care and security.

Following your telephone interview, we will decide whether we can offer you cover and on what basis. We may need to contact your GP for a report or for further details about any medical information that you have included. We will not approach your GP without your authority.

If we do ask your GP for further information or a medical report, we will pay for this.



2) Full medical underwriting application form

For option 2 you can complete a full medical underwriting application form which gathers all of the information we need to assess your application. It is important that you tell us about any personal or medical information that could affect your application, regardless of how insignificant it may seem to you.

Although this form is available as a paper or online application, completing it online may save time and remove the need for us to ask for any additional information.

After we have assessed your application form, we will decide whether we can offer you cover and on what basis. We may need to contact your GP for a report or for further information or we may ask you to provide further details. We will not approach your GP without your authority.

If we do ask your GP for further information or a medical report, we will pay for this.

Evidence of income

If you choose a benefit of £70,000 per year (£5,833 per month) or below, you do not need to provide us with evidence of your income when you apply. If you choose a benefit above this, you need to provide us with the following evidence of income from your occupation before your policy can begin:

If you are employed:

- Your last 3 months' payslips or equivalent
- Your last years' P60s.

If you are self-employed:

- Your last years' HMRC Self Assessment tax returns
- Copies of your certified accounts from the last year.

If you are a company director:

- Your last 3 months' payslips or equivalent
- Your last years' P60s
- Your last years' HMRC Self Assessment tax returns
- Copies of your certified company accounts from the last year.

What's next?

Once we have gathered all the information and assessed your personal and medical situation we will advise you of the terms under which we can offer you the policy. These are explained on the following page:

Standard terms (no exclusions or change in premium)

If we are happy with the personal and medical information that you have provided, we will offer you a Pure Protection policy on standard terms.

This means that you will have the same level of cover that you requested in your application form. This will be at the same cost as shown in your original quote unless your birthday has passed, which may result in an increased premium.

If we offer you standard terms on your Pure Protection policy, we will send a policy pack to your own financial adviser. This will include a policy schedule detailing your cover, a policy summary and a copy of this document.

Your policy will either start immediately or on the start date that you have chosen in your application if that is a later date.

Special terms (personal exclusions and/or increased premiums)

If the personal or medical information that you have provided with your application has highlighted a condition which means you are more likely to make a claim, we may offer you a Pure Protection policy on what is called "Special" terms.

This means that we may:

- Exclude or temporarily exclude a medical condition or part of your body from your cover (this usually happens when you have previously experienced an illness or injury and there is a risk it can reoccur)
- Exclude any illness or injury you may suffer by participation in a particular sport, hobby or activity. For example, if you practice martial arts or mountaineering in your spare time, any future injury suffered as a result is likely to be excluded
- Ask you to pay an increased premium (known as "premium loading").

Details of any special terms will be put in writing. This will give you the chance to consider whether you still wish to take out Pure Protection. If you are happy with what we have proposed, you or your own financial adviser will need to sign and return the form to accept the special terms. Once we have received this form, your policy can start immediately or the start date you have chosen if that is a later date. When your policy starts, we will send a policy pack to your own financial adviser. This will include a policy schedule detailing your cover, a Policy Summary and a copy of this document.

Postpone

If you are awaiting any investigations or tests, we may postpone your application until we have received the outcome of these.

If we identify a condition which has occurred recently that may make you much more likely to claim, we may postpone your application until we have monitored the condition for a certain period of time.

In many cases we will advise you how long this period will be but unfortunately this isn't always possible. Please note that it will be up to you to contact us if you want us to reassess your application at a later date.

Decline

Unfortunately, in some cases we are unable to accept an application as a result of the personal and medical information you have provided. We will send you this in writing.

Can I change my mind?

After you join Pure Protection, you will receive a notice of your right to cancel. Following this you have 30 days to change your mind. If you cancel within 30 days of taking out Pure Protection we will refund any premiums you have paid, as long as you have not made a claim. If you cancel the policy after the 30 day period there is no cash-in value and any premiums you have paid will not be refunded.



My Options

Having joined Pure Protection, there are a number of options available to you to make sure your policy always meets your needs.

If you need to update your details, review your cover or make any other changes, let this section be your guide.

My Options

When you applied for Pure Protection you made a few choices based on your circumstances at that time. We have designed Pure Protection to be flexible to your changing needs. This section explains what to do if your circumstances change and the options available to you to make changes to your policy.

Your changing circumstances

Please let us know if any of your following personal details change; while these will not change the terms of your policy it is important that we hold accurate and up to date information about you.

- You change your occupation
- You change your address or your country of residence
- You change your name, for example if you get married or enter a civil partnership
- You change your name for any other reason, such as following a divorce or by deed poll.

If you become unemployed or you become a houseperson

Should your circumstances change and you become unemployed or a houseperson while you are a member, you can still continue your policy.



It is important to note that as soon as you become unemployed or a houseperson, you will only be eligible for benefits of up to £10,400 per year. If this is lower than your previously chosen benefit, your premiums will reduce in line with the reduction.

Once you have been unemployed or a houseperson for 3 months, the way we assess a claim will be different to the way we would have assessed a claim when you were employed or self-employed, see “How we assess a claim” on page 28 for more details.

Changing your policy options

In some circumstances you can make changes to your Pure Protection policy that we can process quickly and easily. These are shown in the table below:

Option	Outcome
Decreasing your benefit	You will not need to provide any medical or personal information for these options.
Removing the indexation option	
Lengthening your waiting period	Your premiums may decrease as a result and we will provide you with details of this before making changes to your policy.
Making your finishing date earlier	

In other circumstances, making changes to your Pure Protection policy will require you to provide us with more information and a new application. These are shown in the table below:

Option	Outcome
Increasing your benefit	We will ask you to provide an update of your personal and medical information and you will need to complete a new application.
Adding the indexation option	
Shortening your waiting period	Your premiums may increase as a result and we will provide you with details of this before making changes to your policy.
Making your finishing date later	

It is important to remember that your new benefit must not be greater than the maximum benefit available to you, as explained in the diagram on page 6.

Policy breaks and suspension

We know that sometimes a change in circumstances means that you no longer need or want to continue your income protection cover. For example, you may want to take a break from your occupation to study or raise a family, or it could be that your financial situation has changed and you feel you can no longer afford your policy.

Pure Protection gives you the option to put your policy “on hold” during this time, meaning you can retain the existing terms of your policy and reinstate it again quickly and easily. There are three options available to you, as described here:

Short-term policy break

You can have a short-term policy break for up to 52 weeks, which means for a year you can reduce your benefit to a minimum amount, and reinstate it very easily.

You can reduce the amount of benefit you have to any level between £78 per month and £867 per month - your premiums will be reduced in line with the reduction in benefit.

You then have the option to reinstate your policy to its previous level at any point during the first 52 weeks of your policy break without the need for you to provide any further medical information, or any further application assessment by us.

If your circumstances mean you cannot or do not want to reinstate your policy within 52 weeks, it will continue at a reduced benefit level. If you later decide that you want to reinstate your policy back to its previous level, you will need to complete a new application.

Long-term policy break

In some circumstances, you may wish to put your Pure Protection policy on hold for longer than a year. For example, it may be that you are travelling, or want to take an extended break from your career to raise a family.

A long-term policy break enables you to reinstate your Pure Protection policy quickly and easily without having to provide further medical information or go through the application process again.

If you choose a long-term policy break, you will need to pay us a monthly premium equal to 10% of your current premium. During this period, you will not have any benefit available to you if you become ill or injured.

To benefit from this option:

- Your policy needs to be more than three years old and you must have paid your premiums continuously over the last three years
- You need to decide how long you wish the long-term policy break to last. Your policy must be re-instated either 2, 4, 8 or 10 years after the exact date the policy break started
- Once your policy break has finished, your policy must have at least 10 years to run before the finishing date.

Once your policy is reinstated

When your policy is reinstated on the date you have chosen, your full level of benefit is resumed and your premiums will be based on your age at reinstatement (for full details see “My Costs” on page 13). You will need to provide evidence of your income to support the reinstatement of your full level of benefit.

If you are unemployed at the time your policy is reinstated, the maximum benefit you will be able to receive is £10,400 per year and the way we will assess a claim will be different. See “How we assess a claim” on page 28 for more details.

During the period of your Long-Term Policy Break, if your health changes and you develop a medical condition that may have an impact on your return to work in your usual occupation, you must let us know. A change to your health will not have an impact on the terms of your policy but it is important that we hold accurate and up to date information about you.

Policy suspension

If you change your job it is possible that your new employer will offer you replacement income benefits as part of their employment package. In these circumstances you may not need the cover provided by your Pure Protection policy.

Pure Protection gives you the option of suspending your policy during this time. To be eligible, you must have had your policy for a continuous period of 36 months from the start date.

A policy suspension means you can suspend your cover whilst you are in your employer's scheme and reinstate your cover without having to provide further personal or medical information when you leave your employer's scheme. To do this, you will need to pay us a monthly premium equal to 10% of your current premium. Whilst the policy is suspended you will not have any benefit available to you if you become ill or injured.

Reinstating your policy

You are able to reinstate your policy in either of the following circumstances:

- You become self employed
- You start a new job with an employer that does not offer replacement income benefits.

In order to reinstate your cover, you firstly need to let us know as soon as you leave your employer's replacement income benefit scheme; this must be within 90 days of leaving the scheme. You also need to provide evidence that this cover has ended.

You can only reinstate your cover if you are not receiving disability income replacement benefits from either your previous employers scheme or another income protection policy.

When your policy is reinstated and your full level of cover is resumed, your premiums will be based on your age at reinstatement (for full details see “My Costs” on page 13).

Starting a policy break or policy suspension

To start a policy break, please contact our Service Centre, ideally by phone, so that we can discuss your needs.

Tel: 0300 123 3200

Email: member@exeterfamily.co.uk

To start a policy suspension, please contact your own financial adviser.

Cancelling your policy

We don't want you to leave, but understand that sometimes circumstances change and you may wish to cancel your policy.



You can cancel your policy at any time. If you cancel within 30 days of taking out Pure Protection, we will refund any premiums you have paid, as long as you have not made a claim. If you cancel the policy after the 30 day period there is no cash-in value and any premiums you have paid will not be refunded.

If you want to cancel your Pure Protection policy, please contact our Service Centre on 0300 123 3200, send us an email to member@exeterfamily.co.uk or write to us using the address at the back of this document.

My Claim

The true test of any insurance policy is whether or not it will pay out when you need it most. Our expert claims team will provide you with personal support during this difficult time.

With your Pure Protection policy you are able to claim when you are totally unable to work due to illness or injury. Unlike some other companies, we only consider your ability to carry out your own occupation when we assess your claim, this is commonly known as an “Own Occupation” definition.

This section details the principles of how we will assess any claim you make. However, as every illness or injury is different, what we ask from you may change.

When you let us know you need to make a claim, we will send you a claims guide; you should read this for a more detailed description of the processes involved.

My Claim

How do I claim?

You can make a claim by sending us a letter, fax, email or by phone. You will need to let us know your policy number, the nature of your illness or injury and when it started or occurred.

Tel: 0300 123 3200

Email: member@exeterfamily.co.uk

When do I claim?

You must advise us of your wish to claim within the time limits shown below; these are dependant on the waiting period you have chosen. The more notice we have of a claim the better, as it gives us more time to assess the claim before the start of benefit.

Waiting period	Time limit from when your illness starts
Day 1 (no waiting period)	2 weeks
1 week	2 weeks
4 weeks	2 weeks
8 weeks	4 weeks
13 weeks	4 weeks
26 weeks	8 weeks
52 weeks	8 weeks



If you do not notify us of any claim you wish to make within the time limit, we may not be able to pay your claim.

How we assess a claim

There are three aspects to our claims assessment,

1) Medical assessment



When we assess your illness or injury, we will require information and evidence from you, your GP and other medical professionals. If this is not provided, we will not be able to pay your claim.

If you are employed or self-employed (including if you are taking a short-term policy break):

We will assess whether your illness or injury has totally prevented or is totally preventing you from carrying out your own occupation.

If you are unemployed (including if you are taking a short-term policy break):

We will assess your ability to go outdoors without assistance from any other person and seek employment in your normal occupation.

Remember, with Pure Protection you cannot claim just because you become unemployed or made redundant.

If you are a houseperson or homemaker:

We will assess whether your illness or injury has totally prevented or is totally preventing your ability to carry out your normal household duties.

2) Employment and occupation assessment (employed or self-employed only)

In order to complete our assessment of your illness or injury and the impact it has on your ability to work in your own occupation, we may need to contact you or your employer.

If we do, we may ask for clarification of your employment history, the main duties of your occupation and the possibilities for your return to work.

3) Financial assessment

When you applied for Pure Protection, one of the key decisions you had to make was how much monthly benefit you needed.

The diagram on page 6 talked you through this decision making process and the factors you had to consider to make sure your benefit isn't greater than the maximum you can receive from Pure Protection. It also explained that we take into account other sources of income you may receive when you are ill or injured and totally unable to work, specifically when your waiting period has finished.

During our financial assessment of your claim, we follow a similar process to ensure your benefit isn't greater than the maximum you can receive. We've detailed this process over the page, together with what action we will take if your benefit is too high.

1

We gather evidence of your personal taxable income in the 12 months immediately before your illness or injury, requiring the following information:

If you are employed:

- Your last 3 months payslips or equivalent
- Your last P60

If you are self-employed:

- Your last HMRC Self Assessment tax return
- A full copy of your latest certified accounts.

If you earned up to £60,000

If you are a company director:

- Your last 3 months' payslips or equivalent
- Your last P60
- Your last 3 years' HMRC Self Assessment tax returns
- A full copy of your latest certified company accounts

If you earned over £60,000

2

We calculate the maximum amount of benefit you can receive from Pure Protection, which is 65% of your personal taxable income.

2

We calculate the maximum benefit you can receive from Pure Protection, which is 65% of the first £60,000 of your personal taxable income and then 40% above £60,000.

3

We calculate the other forms of income that you may receive when your waiting period finishes; gathering the following information:

- Any payments you receive from your employer e.g. Company Sick Pay (but not Statutory Sick Pay)
- Any continuing income or dividends from your business
- Pension payments (unless you received these before your policy started)
- Similar insurance benefits which are paid, as a result of illness, on a regular basis to you or to a financial institution on your behalf
- State benefits (after 52 weeks of a claim).

4

We deduct the other forms of income calculated in Step 3, from the maximum amount of benefit you can receive from your income, calculated in Step 2.

5

We will pay you either your chosen benefit, or the benefit calculated in Step 4, whichever is lower. It is important to note that we will not refund any over-payment of your premiums.

If you are a houseperson

If you are a houseperson, you will be eligible for benefits up to £10,400 per year (or the reduced benefit you have chosen if you are on a short-term policy break). If you have been a houseperson for 3 months or longer, evidence of income will not be required but you will still need to send us a claim form completed by you and your doctor.



It is important to note that you will need to show us that your illness or injury has led to an increase in household costs, for example, you have had to employ a cleaner.

If you are unemployed

If you are unemployed, you will be eligible for benefits up to £10,400 per year (or the reduced benefit you have chosen if you are on a short-term policy break). If you have been unemployed for 3 months or longer, evidence of income will not be required but you will still need to send us a claim form completed by you and your doctor.

Working week

We understand that everyone's working week is a little different in terms of duration and what days and hours they have to, or choose to work.



We will assess your claim (including claims under Return to Work on Page 31) against what we believe is a reasonable amount of hours. We define a 'working week' as a maximum of 48 hours.

Waiver of premium

Waiver of premium is a feature that means you no longer need to pay your premiums during a claim. It gives you one less expense to worry about, leaving you to concentrate on the thing that matters most; your health.

Your entitlement to the waiver of premium feature will depend on your waiting period, as described below:

If you have no waiting period (day 1), 1 week, 4 week or an 8 week waiting period:

You only have to pay your premiums for a period of 3 months following the day you became ill or injured. We will then pay your premiums for you until your claim ends or your policy reaches its finishing date.

If you have a 13 week, 26 week or a 52 week waiting period:

You only have to pay your premiums during your waiting period. We will then pay your premiums for you until your claim ends or your policy reaches its finishing date.

How long we will pay a claim

Pure Protection is a long-term policy which protects you until your chosen finishing date.

We will continue to pay your claim until the first of the following events happens:

- You are no longer able to meet the "Medical Assessment" criteria, as explained on page 28
- You are no longer suffering a loss of earnings
- You do not follow medical advice
- Your policy reaches your chosen finishing date
- You die.



How we pay a claim

We will pay your claim fortnightly in arrears by BACS direct into your bank account.

Tax

At the time of going to print, any benefit paid under Pure Protection will be tax-free. However, these rules could change in the future, so this is not guaranteed.

Return to work

We know how important both health and work is and the last thing we want is for you to lose out financially by going back to work following an illness or injury. We understand that sometimes an illness or injury means that you will be totally unable to go back to work in your previous occupation, but that it may not stop you from working altogether. You may go back to work on a part-time basis or to a different occupation, meaning that your income will reduce as a result.



If this is the case we will pay you a reduced benefit in proportion to your reduction in income. Rehabilitation and proportionate benefits are available up to a maximum period of 24 months.

Rehabilitation benefit

This is designed to pay you a reduced level of benefit if you return to the same occupation you had before falling ill or injured, but only on a part time basis. We will continue to pay a rehabilitation benefit until:

- Your income from part time work is equal to or more than your income before falling ill or injured
- You are able to return to your previous occupation on a full time basis or for a full working week
- Your chosen finishing date
- You do not follow medical advice
- You die.

Proportionate benefit

This is designed to pay you a reduced level of benefit if you remain totally unable to work in your own occupation but you return to work in a different occupation with a lower income. We will continue to pay a proportionate benefit until:

- Your income from your new occupation is equal to or more than your income before falling ill or injured
- You are able to return to the occupation you had before falling ill or injured
- Your chosen finishing date
- You do not follow medical advice
- You die.

After I return to work, how long is it before I can claim again?

You can claim again on Pure Protection straight away. If the claim results from a different illness or injury, your waiting period will apply again.

If we pay you benefit and you then claim again for the same illness or injury within a 6 month period after returning to work, your waiting period will not apply (this is known as linking claims). However, this will not be the case if you returned to work against medical advice.

Cancelling your policy

We never want to cancel your policy, but in the following circumstances we will have to do so:

- If you have acted dishonestly and/or knowingly claimed for benefits to which you were not entitled. In this event we will recover any benefits paid to you and will not refund any premiums.
- If you did not disclose facts with your application that would affect the terms of your policy.

Fraudulent activity

If we identify fraudulent activity, we will share information with the police, other insurers and similar bodies.

My Insurance Company

Over 100 years of experience has taught us the importance of financial protection and the reassurance of the crucial support that it can provide when people need it most.

We are an integrated healthcare company that provides a range of complementary protection products for the benefit of our customer and their families, enabling them to minimise the impact and cost of ill-health.

Our company is a mutual friendly society which means we are not owned by external shareholders (like a PLC) but work for, and only answer to members like you. We are authorised and regulated in the United Kingdom to provide Income Protection and Private Medical Insurance through intermediaries.

The rest of this section provides information about us, how we handle information about you and what you can do if you want to make a complaint.

My Insurance Company

Contacting us

If you are thinking about buying Pure Protection, please contact your own financial adviser.

If you already have an Pure Protection policy, please contact our Service Centre:

Telephone: 0300 123 3200
Email: member@exeterfamily.co.uk
Opening times: Monday to Friday 8am – 6pm
or visit our website: www.exeterfamily.co.uk

Our Chief Executive, Andy Chapman, is interested in hearing your views and opinions. If there is anything in particular that you would like to mention to Andy, please contact him by email at andrew.chapman@exeterfamily.co.uk or in writing using the address at the back of this document.

How we handle information about you

Due to the nature of what we do, we hold personal information about you. This means that we can make sure we provide the best quality cover that you expect. You have our assurance that this information will always be treated with confidence.

We will use the information to assess your application, to contact you about your policy at renewal, and when you are making a claim.

However, there are other reasons why we would use this information, such as:

- Cooperation with fraud prevention agencies
- Passing information to carefully selected parties (including the intermediary who arranged your cover, if any) to administer your policy
- Passing information to carefully selected parties for research, advertising, marketing or selling purposes (for example to tell you about new products).

Further information about why we hold this information can be found in the Register of Data Controllers. You can view and obtain a copy from the Office of the Information Commissioner at www.ico.gov.uk.

We don't always get it right

We aim to provide our members with the service that you expect, but we don't always get it right. If you are not satisfied with any aspect of the service we provide:

Firstly

Contact our Service Centre on 0300 123 3200 who will help you resolve your query. If their response isn't satisfactory, please ask to be referred to a manager to discuss your concerns. This nearly always brings a conclusion that is satisfactory to everyone.

If you remain unhappy

Please contact our Customer Complaints Handler. Your complaint will be acknowledged within 5 working days and we will contact you with an update if it hasn't been resolved in 20 working days.

Email: customercomplaints@exeterfamily.co.uk

Customer Complaints
Exeter Family Friendly
Lakeside House
Emperor Way
Exeter EX1 3FD

Finally

If you are not happy with our response or we do not provide it within 40 working days, you have the option of asking the independent Financial Ombudsman Service to investigate the matter on your behalf. You can visit their website at www.financial-ombudsman.org.uk or you can contact them at:

Tel: 0800 023 4567

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Language and law

All documents relating to Pure Protection, including any communications with you will be in English. The laws of England and Wales are applied to Pure Protection.

Financial Services Compensation Scheme (FSCS)

Exeter Family Friendly is covered by the FSCS, which was established under the Financial Services and Markets Act 2000.

This means that you may be entitled to compensation if we become insolvent and are unable to meet our obligations.

Further details are available from the FSCS at www.fscs.org.uk or you can phone them on 0800 678 1100 or 020 7741 4100.

Tell us how we are doing

It's always nice to hear if we're doing a good job but equally we need to know if we can improve things. If you have any comments, good or bad, please contact us:

Telephone: 0300 123 3200

Email: member@exeterfamily.co.uk

In writing: Exeter Family Friendly
Lakeside House
Emperor Way
Exeter EX1 3FD



Exeter Family Friendly, Lakeside House, Emperor Way, Exeter EX1 3FD
Members: T: 0300 123 3200 e: member@exeterfamily.co.uk
Financial Advisers: T: 0300 123 3203 e: adviser@exeterfamily.co.uk
www.exeterfamily.co.uk

Calls may be recorded and monitored.

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