



# Your Income Protection Plan

Individual Income Protection

## Welcome

Thank you for choosing to protect your income and lifestyle with Unum. We hope that you will enjoy the peace of mind that your cover provides.

This leaflet reminds you of the key benefits of your policy. It will also explain the options available to you if you need to change your plan's features.

This leaflet tells you more about:

- **The need for income protection**
- **Benefits of your plan**
- **A policyholder's story**
- **Future changes to your plan**
- **Rehabilitation services**
- **Things you need to tell us**
- **If you need to claim**
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## The need for income protection

Most people tend to take their good health for granted. However, did you know that at any one time, over 1.2 million people are off work for a period of 5 years or more?\*

If you were to become unable to work because of an accident or illness, for example, you may be eligible for State benefits. However, these only provide enough income to support the most basic of lifestyles. Under the Government's Employment and Support Allowance (ESA), those people who are seriously incapacitated and unlikely to ever return to work as a result could be eligible to receive a weekly benefit of up to £113.90. Those who are less seriously incapacitated for whom eventual return to work is much more likely, can look forward to just £94.25 per week\*\*.

You may be eligible for other means tested benefits but your other assets and savings would reduce these.

Your income protection plan will provide you with a replacement income to support you and your family. It is tax free and State benefits are not deducted from it. You will be able to stop worrying about finances and concentrate on getting better.



## Benefits of your plan

### **Benefit when you need it most**

Your plan is designed to start paying you after you have been ill and unable to work for a certain period of time - called the 'deferred period'. You will have chosen this when you took out your plan. Usually the deferred period will match the period that your employer provides you with sick pay or the length of time you can rely on other savings or other sources of income.

### **Benefit payments if you return to work**

If your health improves sufficiently so that you can go back to work, but on a part time basis or in another role earning less money, your plan will continue to pay you a benefit in proportion to your loss of earnings.

### **Freedom to suspend your cover**

If you choose to take time off work for example to study, travel or have a baby, you can suspend your cover for up to a year. Similarly, if you are made redundant, you can suspend your cover until you start work again. Remember that while your premiums are suspended you cannot claim any benefit.

Alternatively, if you are not in a paid occupation, you may wish to continue cover on the basis that benefit is paid depending upon your inability to perform certain physical and mental activities.

### **Increase your cover without any further medical requirements**

If your plan includes our flexible Guaranteed Insurability Options, you can increase your cover after certain events such as a significant promotion or pay rise, moving house and childbirth without having to tell us about any change in your medical details. You can increase your cover by up to 50% of your original benefit amount (annual limits apply). Remember though, you can never claim more than 50% of your gross earnings.

### **Benefits that increase with inflation**

Some income protection plans allow you to increase your cover automatically in line with the Retail Price Index up to a maximum of 12% a year. Your premiums will increase to reflect the additional cover. You can choose to turn down this increase, although if you do this two years running, your guaranteed right to increase your cover will be lost.

**You should contact your financial adviser or refer to your contract conditions for further information.**

# A policyholder's story



## Meet Greg Jones...

**Greg enjoyed a very fulfilling and rewarding career as Head of Sciences and Housemaster until he suffered from severe Rheumatoid Arthritis in 2005 which left him unable to work.**

### The Case

Throughout his career Greg had enjoyed a very healthy lifestyle. He was the school rugby coach and spent all his spare time tearing around the rugby pitch. In 1996, Greg started to feel some discomfort in his joints and soon after was diagnosed with Rheumatoid Arthritis. The condition did not initially affect his teaching but he found he could no longer coach rugby. Two years later the condition worsened and caused Greg significant discomfort. However, he was determined to keep doing what he loved and continued to teach with the assistance of state of the art specialist equipment.

In June 2005, Greg's joint function deteriorated significantly. He was assessed by his GP, a Consultant Rheumatologist and a Consultant Occupational consultant and told that his condition was too severe for him to continue teaching safely, given his



1:6 - the estimated risk of long term incapacity due to illness or injury

Source: General Lifestyle Survey, Office for National Statistics , 2009

specialist subject and regular handling of dangerous chemicals.

Fortunately Greg had taken out an Income Protection policy

with Unum when he was still fit and in his early 30s. The annual benefits he received of over £20,000 provided him with the vital financial support that he would need until his retirement.

### Greg's Perspective

'I used to be able to run 10 miles and play rugby full tilt. The last thing in our minds was the possibility that I would

develop a disease which would be crippling to the extent that I could no longer work...'

'...At the time in your life when everything is rosy, Income Protection is the last thing you think about. When I gave up work it was psychologically traumatic - going from working from 7 in the morning till 7 at night, 6 days a week with huge responsibilities to virtually nothing. It was very life changing'.

### Looking Ahead

Greg has had an incredible determination and commitment throughout his incapacity. He is now retired, but is dedicated to providing help and support to others in a similar position. Greg has now taken up the position of chairman of his local network of ARMA, the Arthritis and Musculoskeletal Alliance, bringing together people with arthritis and other musculoskeletal conditions with clinicians and allied health professionals.

## Future changes to your plan

Your income protection plan would have suited your requirements when you applied for your plan. But what happens if things change in the future?

### Increasing your cover

If you have a significant increase in your earnings but your plan does not include Guaranteed Insurability Options, you will need to complete a new application form for a top-up policy. Your Financial Adviser will be able to help arrange this for you.

### Reducing your cover

If you change your occupation, you may find that your new employer has improved sick pay arrangements or you might be earning less money. If this happens, you can reduce your cover to avoid paying for benefits you could never claim. Simply write to us with details of the amount by which you wish to reduce your cover, including any changes to your deferred period, and we will change it for you at your next policy anniversary date.

**If you would like more information about any of these options please call us on 0117 910 7733 and we will be happy to explain each option in more detail. If you require any advice about which option would suit you best, please arrange to see your Financial Adviser.**

## Rehabilitation services

### Advice and support on returning to work

After a serious illness or accident, you may need support and guidance in adjusting to your new circumstances. That is why we have our own team of Vocational Rehabilitation Consultants who may be able to assist you in returning to work or advising on alternative options. This service is provided free of charge.



## Unum Lifeworks™

You also have access to Unum LifeWorks™\*\*\*, offering unlimited telephone and online support to you and your immediate family to help deal with everyday challenges. You can use the service as many times as you like, for as long as you hold an income protection policy with us. What's more the service is confidential and is included at no extra charge.

**Unum LifeWorks™ freephone number: 0800 048 2713.**

## Things you need to tell us

To ensure that we provide the best service and run your plan efficiently for you, please ensure that you let us know if you:

- change your bank or building society details
- change your name and/or address
- change your normal retirement date (you may need to change the date your cover ends)
- join an employer's Income Protection scheme (to make sure you are not paying for benefits you could never claim)
- become unemployed or take a career break.

**You can contact us on 0117 910 7733, Monday to Friday between 8am and 6pm.**

\*\*\*LifeWorks™ is a registered trademark of Ceridian UK Limited. Unum LifeWorks™ is delivered by Ceridian UK Limited, a market leading HR outsourcing provider.

Please note that Unum LifeWorks™ does not form part of the standard terms and conditions for any product from Unum's individual income protection range and we reserve the right to withdraw the benefit at any time.



## If you need to claim

If you think your illness or injury might mean you could claim on your policy, please let us know as soon as possible so we can ensure that you receive your benefit when it is due to you. Please don't wait until the end of the deferred period before you contact us. (This is particularly important if you have a deferred period of less than 13 weeks.)

If you would like a guide to claiming benefit please call us on 0117 910 7733

## If you need to complain

If you ever have to complain, first write to our Customer Feedback Team at:

Unum,  
Milton Court, Dorking,  
Surrey, RH4 3LZ.

If you're not satisfied with our response, you can complain to:

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

Complaining to the Ombudsman won't affect your legal rights.

## Contact Details

Unum  
Milton Court, Dorking  
Surrey, RH4 3LZ  
0117 910 7733  
individual@unum.co.uk  
www.unum.co.uk

\*Department for Work and Pensions, State Incapacity Claimants, 2010

\*\*Please note that benefit figures relate to the Employment and Support Allowance, for the tax and benefit year 2011-2012. Those ESA benefits included for the most seriously incapacitated claimants are the Basic Allowance, Additional Support Component and Enhanced Disability Premium. Those benefits included for less seriously incapacitated ESA claimants are the Basic Allowance and Work Related Activity Component.



## About Unum

Unum is one of the UK's leading providers of financial protection, with almost 40 years' experience safeguarding individuals from the consequences of serious illness, injury or death.

At the end of 2009, Unum protected more than 1.6 million people in the UK and paid claims of £268 million - of which £200 million related to income protection benefits - providing security and peace of mind to individuals and their families.

In the UK, Unum has a financial strength rating of A- (Strong) from Standard and Poor's and A- (Excellent) by AM Best.

Its US parent company, Unum Group, traces its history back to 1848 and is one of the leading providers of employee benefits products and services, and the largest provider of group and individual disability insurance in the United States. Premium income for Unum Group and its subsidiaries totalled \$7.5 billion in the year ended 31 December 2009, with reported revenues for the group totalling \$10.1 billion. Total assets were \$54.5 billion at 31 December 2009.

For more information please visit **[www.unum.co.uk](http://www.unum.co.uk)** for consumer-facing literature or **[www.unum.co.uk/forAdvisers/Individual](http://www.unum.co.uk/forAdvisers/Individual)** for adviser materials.

**unum.co.uk**

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