

# Income Protection Options



## Policy Summary

### keyfacts<sup>®</sup>

This summary tells you the key things you need to know about our Income Protection Options policy. It doesn't give you the full terms of the policy. You can find these in our policy conditions.

When you take out a policy, we'll send you a policy schedule. You should read this carefully because it shows what's included on your policy. If something isn't included on your policy, it may be because you didn't select it, it wasn't available for you to select, or you selected it but we've excluded it due to underwriting.

Income Protection Options is provided by Aviva Life & Pensions UK Limited.

### What is Income Protection Options?

Our Income Protection Options policy pays out if, during the policy term, you can't work and suffer a loss of earnings due to illness or accidental injury.

You can choose:

- the monthly benefit amount
- when you want to start receiving benefit
- how long you want to receive benefit for.

### Can I apply for an Income Protection Options policy?

You can apply if you're:

- a permanent resident of the UK, the Channel Islands, Isle of Man or Gibraltar
- aged between 18 and 59
- working either full time or part time and are either employed or self-employed.

You can only take out a policy to cover your own earnings.

### How long does the policy last?

- The policy can last between five and 52 years.
- The policy term can be in full years or until you reach a specific age.

- The policy cannot end before you turn 50.
- The policy must end before you turn 71 or you reach your planned retirement date (whichever is earlier).

### What do I need to do?

- You need to give us medical information, details about your job (including earnings) and other personal circumstances as part of your application and if you make a claim. We use this information to decide what you're covered for and how much you'll pay for your policy.
- You must answer all of our application questions completely, truthfully and accurately. If you don't, we may amend or cancel your policy, or we may not pay a claim. If we need additional medical information, such as a report from your doctor, we'll pay for it.
- You need to tell us if any of the information you've given us changes between completing your application and us confirming when your policy will start.
- You need to pay all your premiums (except when we're paying you benefit).
- You need to tell us when an illness or accidental injury has stopped you working.
- You need to regularly review the cover you've got. If you don't, it may be less than you need. Or, it may be more than your income/earnings justify so we'd have to reduce your benefit. If this happens, we won't give you any of your premiums back.

### What types of cover can I choose?

You can choose from two types of cover:

- Full cover to term – This is a long term option. There's no limit on the length of any claim or on the number of claims you can make.
- Limited payment term – There's no limit on the number of claims you can make, but once we've paid 24 monthly benefit payments, your policy will end.

Your premiums will stay the same throughout the term of your policy, as long as you:

- keep the same level of cover
- don't select the increasing option.

## What other benefits can I choose?

### Automatic increases to your benefit payments

If you choose the increasing cover option, your benefit amount will increase each year, even if you're claiming. Your benefit will increase in line with the Retail Prices Index up to a maximum of 10%. However, you can choose to decline the increase at each policy anniversary.

## What else is included on the policy?

Your Income Protection Options policy includes a range of additional benefits at no extra cost:

### Waiver of premium

If we accept your claim, we'll pay your premiums from the end of your deferred period to when we stop paying benefit. You should continue to pay premiums until we accept your claim. You need to start paying your premiums again when your claim ends to make sure your cover continues.

### Back to work benefit

We'll pay you a reduced benefit which takes into account any partial loss of earnings after you've returned to work.

We'll pay it if you were in an occupation before incapacity and:

- you're in a different occupation because of your incapacity; or
- you return to your occupation but the illness or injury that caused incapacity restricts what duties you can do or hours you can work; and
- your earnings are reduced.

#### Example:

Mr Smith was earning £30,000 a year working full time as an engineer when he took out a policy for a benefit amount of £1,375 per month.

He received full benefit following incapacity. He returned to work part time meaning he has a 40% reduction in his earnings. So he'll continue to receive 40% of his benefit amount, which is £550 month.

OR:

Mr Smith did not take any time off work due to his incapacity, but he's only able to work part time. This means he has a 40% reduction in his earnings. He will receive 40% of his benefit amount if he is still only able to work part time at the end of his deferred period.

## Hospital benefit

We'll pay this if you're hospitalised as a result of your incapacity for more than seven consecutive nights during your deferred period. We'll pay £75 for each additional night you spend in hospital up to a maximum of 90 nights.

## Death benefit

We'll pay this if you die during the first year of your claim from the same accidental injury or illness. We'll pay 12 times the monthly benefit, minus the amount we've already paid.

## Retirement benefit

We'll pay this if you've received monthly benefit for incapacity in the 12 months before your policy ends. We'll make a single payment of 3 times the last monthly benefit paid.

Your income protection policy may also include the following additional benefits which are subject to eligibility:

## Sick pay solutions for NHS doctors and surgeons

If you're a doctor or surgeon employed by the NHS and registered with the General Medical Council, you're eligible for sick pay solutions. This means we'll pay benefit when your sick pay from the NHS stops, or reduces. This means you can set up your policy for the deferred period(s) you will need when you reach the maximum entitlement of sick pay from the NHS.

#### Example:

Dr Smith earns £40,000 pa and has taken out a policy with benefit of £501 pm after a deferred period of 26 weeks plus an additional £1,332 pm after a deferred period of 52 weeks giving a total benefit of £1,833.

This provides maximum benefit once Dr Smith is on the maximum level of sick pay from the NHS.

Dr Smith has been working for the NHS for 2.5 years when he becomes incapacitated. As he has only been working for the NHS for 2.5 years the NHS would pay him full pay for 2 months, followed by half pay for 2 months.

Dr Smith would receive £501 benefit from us after 2 months followed by an additional £1,332 after 4 months.

## Life change benefit

The life change benefit lets you increase your benefit amount by taking out a new policy without answering any more medical questions.

You can use the life change benefit if we accepted your original policy on standard terms and you haven't received any benefit payments from us. If you want to use our life change benefit, you'll need to do it within 90 days of the life change event and we'll need evidence of what's changed.

The increase can be up to 20% of your original benefit amount, subject to a minimum increase of £100 per month and the maximum yearly amount stated in 'How much can I be covered for?' You can use the life change benefit whenever your circumstances change before you turn 55.

You can use it for the following important life changes:

- Getting married or entering into a civil partnership.
- Divorce, separation or the dissolution of a civil partnership.
- Becoming a parent.
- A mortgage increase due to a house move, purchase or major home improvements.
- A salary increase of 20% or more following a promotion or change of employer.

The premium you'll pay for the new policy will be based on the rates available at the time and your age. The policy conditions in force at the time will apply to the new policy.

There are some restrictions on how and when you can increase your benefit amount; you can find full details in the policy conditions.

## How much can I be covered for?

- The maximum yearly amount we'll pay is 55% of your gross earnings up to a maximum of £240,000 a year (£20,000 a month).
- If you choose the increasing cover option, your increases can be on top of this maximum amount.
- The minimum benefit is £500 a month. This means 55% of your gross earnings need to be at least this much.

## What are my earnings based on?

- If you're employed, we'll pay benefit based on your earnings in the 12 months immediately before you became incapacitated.
- If you're self-employed, we'll pay benefit based on the income from your business before tax, in the 12 months before you became incapacitated. This means your share of the pre-tax profit from your trade, profession or vocation after trading expenses, as described in Schedule D Case I and II of the Income and Corporation Taxes Act 1988. Often this is your share of your business net profit.
- Benefits in kind – We treat the provision of a car, living accommodation and private medical insurance as salary up to a taxable total of £10,000 a year.
- Dividends – If your income includes company dividends or distributions we'll treat them as earnings as long as they're:
  - paid to you instead of regular salary in the 12 months immediately before you became incapacitated; and

- consistent with the level of regular salary which the paying company's trading position reasonably allows on a continuing basis.

We'll consider a spouse or civil partner's share of the profits/dividends/salary if we get written confirmation that the:

- spouse/civil partner has no role in the business; and
- share of profits/dividends/salary will stop if you're incapacitated; and
- spouse/civil partner's share of profits/dividends/salary aren't covered by any other insurance.

## What might reduce my benefit?

We'll reduce your benefit if any of the following take you over our maximum yearly amount:

- Continuing payments from your employment such as sick pay, benefits in kind or dividends.
- Continuing payments from your business.
- Pension payments, unless you would have received them if you were still working.
- Other insurance benefits (except waiver of premium) paid because of your incapacity that either make payments to you or make regular payments on your behalf, such as mortgage payment protection, loan or credit card protection, pension premium protector.

If the income is taxable, we'll take 80% of the gross amount payable into account.

### Example:

Mr Smith earns £25,000 a year. He wants to cover 55% of his salary with a monthly benefit of £1,146 a month and a deferred period of 26 weeks.

If he can't work due to sickness or accident, he gets full pay for 26 weeks (£2,083 a month) and then half pay for the next 26 weeks (£1,042 a month).

We'll reduce £1,042 by 20% as it's subject to tax. So, we'll take £834 into account.

We'll then take this amount from his monthly benefit of £1,146 to give him a maximum monthly benefit of £312 whilst he is receiving half pay from his employer.

After 52 weeks Mr Smith's employer stops paying him, so we'll pay him the full monthly benefit of £1,146.

This means Mr Smith will need a dual deferred period to cover him for a monthly benefit paying £312 after 26 weeks and an additional £834 after 52 weeks.

We won't reduce your benefit as a result of:

- employment and support allowance from the Department of Work and Pensions; or
- investment income.

The benefit we pay on this policy may affect a claim on any other income protection policies you have. It may also affect your eligibility for means-tested state benefits. State benefit rules may change in the future.

## When will benefit payments start?

There'll be a period when you're first unable to work where we won't pay benefit. This is known as a deferred period. You can choose to wait 4, 8, 13, 26, 52, 56, 60, 65, 80, 84, 92, 104, 108, 112, 130 or 156 consecutive weeks.

For deferred periods of 13 weeks or longer, multiple periods of incapacity (for the same reason) lasting at least one continuous week may be linked, provided the deferred period ends within a period twice its length.

### Example:

Mr Smith has a deferred period of 13 weeks and is off work for three weeks with a back problem. He returns to work for four weeks but is unable to continue working because of his back problem. He's off work for a further 10 weeks.

This means Mr Smith has been off work with the same illness for 13 weeks in a 17 week period. As he would need to be off work for 13 weeks in a 26 week period in order to link multiple periods of incapacity, he's able to make a claim.

You can choose a dual deferred period and receive a reduced benefit after an initial period. This is to allow for any earnings which you expect to continue after you're incapacitated, such as sick pay. For example, you could choose to receive some of your benefit after 26 weeks and the rest after 52 weeks. The dual deferred period you choose should also take into account how long you're prepared to live on your savings. The longer the deferred period the cheaper the premium will be.

## When will benefit payments stop?

We'll pay your monthly benefit until the first of these events:

- You're no longer incapacitated.
- You're no longer suffering a loss of earnings.
- You reach the policy end date.
- You reach your planned retirement age.
- You reach the end of your limited payment term (see 'What types of cover can I choose?').

- You reach the end of your restricted benefit term.
- You're remanded in custody (the benefit will be retrospectively paid if you're not convicted of the offence) or become subject to a custodial sentence.
- You die.

## When won't the policy pay out?

We won't pay benefit if:

- your policy ends because you haven't paid your premiums
- you cancel your policy
- you haven't answered all the questions on the application completely, truthfully, and accurately
- you've been made redundant
- you've retired before your policy ends
- you don't follow any agreed programme or treatment plan for drug or alcohol addiction agreed with your doctor.

We may, dependent on your own personal circumstances, exclude a medical condition you have, or an activity you do from your policy. If so, we'll tell you before you start the policy.

## What happens if I stop working once I've taken out my policy?

If you stop working, for example to look after young children, take a career break, become a full time carer or if you become unemployed, you'll still be able to keep your cover. However, we'll pay restricted benefit. This means we'll pay benefit for a maximum of 12 months and then the policy will end, even if you're still incapacitated. Please read the policy conditions for more details.

## What happens if I go on maternity or paternity leave or shared parental leave once I've taken out my policy?

If you become ill or have an accidental injury whilst you are off work on maternity or adoption leave (up to 52 weeks), paternity leave (up to 2 weeks after the birth of your child) or shared parental leave (up to 52 weeks minus any weeks of maternity or adoption leave already taken) you can claim 'full benefit'. If you take extended maternity or paternity leave and then become ill or have an accidental injury you can claim for 'restricted benefit'. Please read the policy conditions for more details.

Maternity, paternity and shared parental leave rules may change in the future.

## Premiums

Your premiums are guaranteed. They'll stay the same throughout the policy term unless you change your policy or choose the increasing option.

Your premiums depend on your age, occupation, smoking and alcohol drinking habits, pastimes, medical history, height and weight ratio and the type of cover you choose. We'll tell you what your premium will be when we've assessed your application. You'll need to pay your premium by monthly direct debit.

## Can I make changes to my policy?

The policy is flexible so you can change the amount of cover you have.

Depending on the change you want to make, we may change or replace your original policy. Or we may have to issue a new policy.

Also, you may need to give us some medical information.

You don't have to tell us if you change your occupation, but you may choose to tell us. If it's a lower risk occupation, your premium may reduce. If you change your occupation it's important you review your level of cover in line with any change in earnings and sick pay.

For more information on making changes to your policy, please read the policy conditions.

## When do I need to contact you about a claim?

If you can't work due to an illness or accidental injury, you should tell us as soon as possible. This should be before you've been off work for two months, or one month if you've chosen a deferred period of 4 weeks. If you don't tell us within this time, it may delay the payment of your claim or may mean we can't pay your claim at all.

## How will you assess my occupation if I can't work?

If you're off work due to illness or accidental injury, we'll pay benefit if you:

- were following a full time or part time occupation immediately before your incapacity
- are unable to perform on a full time or part time basis the duties of your occupation; and
- are not following any other occupation.

We'll look at the duties of every occupation you have been doing in the 12 months before your illness or accidental injury, your ability to do them and whether adjustments can be made to help you do them.

## Restricted benefit

If you're not working immediately before your illness or accidental injury for any reason other than retirement (and you're receiving a pension), we'll assess your claim on the occupation you were doing in the 12 months before you stopped working. If your claim is successful, we'll pay benefit for a maximum of 12 months. Once we've paid for 12 months, the policy will end even if you're still incapacitated.

## What proof of earnings will you need when I claim?

If you were working immediately before your illness or accidental injury, we'll need:

- **If employed** – the last 12 months' payslips or the last P60 certificate. If you're a director, we'll also need evidence of dividends as assessed for income tax purposes and declared to, and agreed by, HM Revenue & Customs, plus the profit and loss accounts relating to this.
- **If self-employed** – evidence of personal earnings in the 12 months immediately before your illness or accidental injury as assessed for income tax purposes and declared to, and agreed by, HM Revenue & Customs, together with the profit and loss accounts which relate to this.

We may also need a certified copy of your passport or birth certificate. If you've changed your name due to marriage or civil partnership, we'll need a certified copy of your marriage or civil partnership certificate.

## Can I claim if I am living abroad?

Yes, but we'll restrict benefit payments to a maximum of six months or three years, if you're living outside of the United Kingdom, Channel Islands, Isle of Man or Gibraltar. For more information, please read the policy conditions.

## What about tax?

- In the UK, the payments we make are free from income and capital gains tax, and you should not be claiming tax relief on the premiums you are paying for this cover.
- If you live in Gibraltar, we have to tell you that no tax relief is allowable on premiums. Normally no tax is payable on the payments we make.
- Wherever you live, we'd always recommend that you get independent financial advice. This is because your individual circumstances can affect your tax position.
- Please remember that tax rules may change in the future.

## Can I claim again after returning to work?

There is no limit to the number of claims you can make. If you need to claim again for the same reason within 12 months of returning to work, we'll start paying you benefit again straight away without you having to wait until the end of your deferred period (as long as you've not reached the end of your limited benefit term). This is known as a 'linked claim'.

## What happens at the end of my limited benefit term?

If you've chosen a limited benefit term, your policy will end once we've paid the maximum number of benefit payments, even if you still can't work.

## Can I change my mind?

Starting from the date you get your policy schedule, or the day we confirm when your policy will start (whichever is the later), you get 30 days to change your mind. If you cancel within this period, we'll refund any premiums you've paid.

If you want to cancel the policy after 30 days you can, but you won't get any money back.

## How do I contact you about my policy?

If you have one, your financial adviser will usually be your first point of contact. If you haven't, you can get in touch with us:

Call us on 0800 285 1098. From outside the UK, the number is +44 (0) 1603 603 479.

Lines are open Monday to Friday 8.00am – 8.00pm, Saturday 9.00am – 5.00pm and Sunday 10.00am – 4.00pm.

Email us at [protection@aviva.com](mailto:protection@aviva.com)

Write to us at Aviva, PO Box 520, Norwich, NR1 3WG.

## How to make a claim

Call our claims department:

- Call us on 0800 158 3105. Lines are open Monday to Friday 8.30am – 5.00pm.
- Fax us on 0800 015 5039
- Email us at: [hqipry@aviva.co.uk](mailto:hqipry@aviva.co.uk)
- Write to us at: Income Protection Claims Department, Aviva Life & Pensions UK Limited, Chilworth House Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire SO53 3RY.

## What if I want to complain?

You can:

Call us on 0800 285 1098. From outside the UK, the number is +44 (0) 1603 603 479. Lines are open Monday to Friday 8.00am – 8.00pm, Saturday 9.00am – 5.00pm and Sunday 10.00am – 4.00pm.

Email us on [protection@aviva.com](mailto:protection@aviva.com)

Write to us at  
Aviva Customer Relations,  
PO Box 3182,  
Norwich,  
NR1 3XE.

If you are not satisfied with our response, you may be able to take your complaint to the Financial Ombudsman Service.

The Financial Ombudsman Service can look at most complaints and is free to use. You do not have to accept their decision and will still have the right to take legal action. Their contact details are:

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Telephone: 0800 023 4567

E-mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

If you have taken a product out online with or by calling Aviva and are unhappy with the product or the service you received, you can use the European Commission's Online Dispute Resolution service to make a complaint. The purpose of this platform is to identify a suitable Alternative Dispute Resolution (ADR) provider and we expect that this will be the Financial Ombudsman Service. Please be aware that the Financial Ombudsman Service will only be able to consider your complaint after Aviva have had the opportunity to consider and resolve this.

Website: [www.ec.europa.eu/odr](http://www.ec.europa.eu/odr)

## Law

You and we have a free choice about the law that can apply to a contract. This policy is issued in England, under English law. By entering into the contract, you agree that English law applies. The Courts of England and Wales will have non-exclusive jurisdiction in legal disputes. We'll always write and speak to you in English.

- We're regulated by the Financial Conduct Authority:  
The Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS
- We're also regulated by the Prudential Regulation Authority:  
The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

## Compensation

Our Income Protection Options policy is covered by the Financial Services Compensation Scheme. If we become insolvent and we can't meet our obligations under this policy, the scheme may cover you for 100% of any successful claim you make.

For more information on this scheme, please visit [fscs.org.uk](http://fscs.org.uk) or call 0800 678 1100 or 0207 741 4100.

## Our Protection Promise – Underwriting Cover

We understand how important it is to have income protection cover in place. That's why we'll aim to give you a decision as quickly as possible.

If we need more information before we can give you a decision, our Protection Promise will cover you for accidental injury free of charge.

After we've received a fully completed application form, we'll confirm that your free cover has started. The cover will end on the earliest of:

- the start date of your Income Protection Options policy, or
- the date we decide to defer or decline your application, or
- the date you withdraw your application, or
- 90 days from our confirmation that your cover has started.

The amount we pay will be the cover amount you have applied for up to a maximum of £20,000 per month or £240,000 a year. The benefit will be payable after the deferred period on your application. Please refer to 'What might reduce my cover?' for full details.

The benefit under the Protection Promise will be paid until the first of these events:

- You're no longer incapacitated.
- You're no longer suffering a loss of earnings.
- You reach the policy end date requested on your application.
- You reach your planned retirement age.
- You reach the end of your limited payment term (see 'What types of cover can I choose?').
- You're remanded in custody (the benefit will be retrospectively paid if you're not convicted of the offence) or become subject to a custodial sentence.
- You die.

Our Protection Promise provides security and protection against an accidental injury – this means it doesn't provide cover if you're off work due to illness. You also won't be covered for any accidental injury you had when you applied for the policy.

### Important:

Your Protection Promise and policy will be invalid if you've not provided us with truthful and accurate information on your application. You need to tell us about any changes in your health or medical history as soon as possible before we tell you when the cover will start, or we decline or defer the application. If you don't, we may not be able to pay a Protection Promise claim, or any subsequent claim on a policy.

Until we confirm the Protection Promise has started, we can change or withdraw it at any time.

## Braille, large font, audio material

You can order our literature in braille, large font or audio.

Just call us on 0800 285 1098 (+44 (0)1603 603 479) or email us at [protection@aviva.com](mailto:protection@aviva.com)

to tell us:

- the format you need
- your name and address
- the name or code of the document (found at the bottom of the back page of most documents).

Our customer call centre is open Monday to Friday 8.00am – 8.00pm, Saturday 9.00am – 5.00pm and Sunday 10.00am – 4.00pm.