

## GROUP INCOME PROTECTION INSURANCE POLICY

The **schedule** and the **policy** conditions are to be read together as one contract. Certain terms used in this **policy** are expressly defined and they are shown in bold print throughout this **policy**.

### SCHEDULE

#### GENERAL TERMS

<b>effective date</b>	1 July 2009
<b>policy number</b>	900321
<b>policyholder</b>	Arachas online
<b>commencement date</b>	1 April 2008
<b>policy accounting date</b>	1 September
<b>policy review date</b>	1 September 2010
<b>policy conditions</b> applicable	GIPPOL/04/2008(ARA)

This **policy** is issued by Unum Limited to the **policyholder**.

Signed on behalf of Unum Limited



Chief Executive Officer



Chief Actuary

## **SCHEDULE**

### **OVERRIDING PROVISIONS**

**effective date**     1 July 2009

There are no overriding provisions applicable to this **policy**.

## SCHEDULE

### CATEGORY TERMS – PROFESSIONAL RUGBY PLAYERS

**effective date** 1 July 2009

**eligibility category**

1. He is a full-time **player**,
2. aged 16 or more but not over age 35,
3. on joining, is fit for selection to play as a professional rugby player,
4. has agreed to pay contributions in respect of his membership, provided always that he continues to pay the aforesaid contributions while he is a full-time **player**.

**player** means an professional rugby player with a written contract of employment with an **employer** and is a member of the Professional Rugby Players Association of England, Wales or Scotland.

**entry date** daily

**terminal age** 31st August following the **player's** 35th birthday

If a **member** is on a fixed-term contract, his **terminal age** for the purpose of:

(a) remaining a **member**, is the last day of his fixed-term contract or the 31st August following his 35th birthday if earlier.

(b) payment of **basic benefit**, is the 31st August following his 35th birthday.

The **basic benefit** in respect of a **member** can be paid beyond the **terminal age** but only so that **basic benefit** is paid for a minimum period of 3 years, subject to the **member** continuing to be **incapacitated**.

**limited benefit cover** **basic benefit** is payable for a maximum payment period of 10 years

**deferred period** 26 consecutive weeks

**basic benefit** 50% of a **member's insured earnings**

**basic benefit** is restricted to £175,000 per annum

**insured earnings** 50% of the combined total of:

- The player's salary
- An amount equivalent to the player's contractual fee for starting 16 matches in the season in which **incapacity** commences (or in the most recently ended season if **incapacity** commences in the close season)
- Contractual payments by the Club to the player's image company as part of his salary

- Living accommodation allowance, subject to a maximum of £7,000 per annum, and agreed in the player's contract and paid to the Club.

in the 12 months prior to **incapacity**.

## GROUP INCOME PROTECTION INSURANCE POLICY

This **policy** is issued by Unum Limited (called **Unum** in this **policy**) to the **policyholder** named in the **schedule**.

1. This **policy** consists of these paragraphs numbered 1. and 2., the **policy conditions**, the **schedule**, any proposal or supplementary proposal made to and accepted by **Unum** by or on behalf of the **policyholder**, and any special provisions or endorsements expressly stated to be incorporated into this **policy**.
2. In consideration of the **policyholder** paying the **premiums** to **Unum** as described in this **policy**, and complying with all of the other terms, conditions and provisions of this **policy**, **Unum** agrees to pay to the **policyholder** (or any other company or person described in this **policy**) the **benefits** described in this **policy**, when they become payable under the terms of this **policy**.

Signed on behalf of Unum Limited



Chief Executive Officer



Chief Actuary

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## 1. INTERPRETATION

The following clarifications should be read in conjunction with the **policy**:

- 1.1 In the event that the terms set out in the **schedule** to this **policy** differ from, or contradict, anything in this **policy**, then the terms in the **schedule** shall prevail.
- 1.2 Unless the context clearly requires otherwise any term in the singular may be read to include the plural, and vice versa, and any term of a masculine gender may be read to include the feminine gender.
- 1.3 This paragraph describes the relevance of the **effective date** of the **policy** for **members**.

Except for the circumstances in (a) and (b) below, where this **policy** contains alterations or amendments to an existing **policy** then this **policy** supersedes the previous one from the **effective date**.

- (a) Once a **member** is **incapacitated** the terms and conditions of the **policy** at the date of his **incapacity** will continue to determine his **benefit**.
- (b) A **member** immediately prior to the **effective date** shall remain a **member** even if he does not fulfil any age or **service** requirements as specified in the **eligibility category**, provided:
  1. he continues to meet all the other provisions of the **eligibility conditions**, and
  2. he does not exceed the **terminal age**.

## 2. DEFINITIONS

Certain terms used in this **policy** are expressly defined and the meanings of these terms are given in this section. To help identify these terms they are shown in bold print throughout this **policy**. Where definitions relate to a particular selection (for example, the **benefit**) the general definition of the term is given in this section and the specific element of the definition is given in the **schedule**.

**adjusted pre-incapacity earnings** means an amount based upon the **member's** pre-incapacity **insured earnings** increased as specifically described in paragraph 6.6. This adjustment is specifically used when calculating **proportionate benefit** for an **incapacitated member** and is designed to make an allowance for the effect of inflation upon the **member's** pre-incapacity **insured earnings** when calculating such **proportionate benefit**.

**basic benefit** means an amount of **benefit** intended to partially replace earnings lost through **incapacity** as a result of illness or injury. The rate of **basic benefit** applicable to each **eligibility category** is specified in the **schedule**.

**benefit** means in general any amounts paid to or for the **policyholder** under the terms of this **policy** by reason of the **incapacity** of a **member**.

**commencement date** means the date **Unum** first assumed risk for the **policy** and is specified in the **schedule**.

**current earnings** is a term used specifically for the purposes of **proportionate benefit** and has the meaning defined in paragraph 6.6.

**deferred period** means the period of time from the date that a **member** becomes **incapacitated** until the date that **benefit** becomes payable. The **deferred period** applicable to each **eligibility category** is specified in the **schedule**.

Paragraph 5.1 describes the circumstances where **Unum** will consider the **deferred period** to be served without the continuous absence of an **incapacitated member**.

**earnings loss** is specifically used when calculating **proportionate benefit** for an **incapacitated member** and has the meaning specifically defined in paragraph 5.3.2.

**effective date** means the date on which the terms and conditions of the **policy** commence. The **effective date** of this **policy** is defined in the **schedule**.

**eligibility category** means the conditions a **player** must satisfy in order to become a **member**, and are specified in the **schedule**.

**eligibility conditions** means the conditions of the **eligibility category** specified in the **schedule** and the conditions of paragraph 4.1.

**employer** means the rugby club (company, corporation or firm) in the United Kingdom with which the **player** has a written contract of employment to play as a professional rugby player.

**entry date** means the date on which an individual may become a **member** after fulfilling the **eligibility conditions** in accordance with paragraph 4.1. The **entry date** applicable to each **eligibility category** is specified in the **schedule**.

**full benefit** means, as regards each individual **member**, the maximum amount of **benefit** payable at a given time in the event of the **incapacity** of that **member**.

**incapacity** and **incapacitated** mean the state or condition described in paragraph 5.2.

**incapacitated member** means a **member** who is **incapacitated** under the definition (contained in paragraph 5.2) which is applicable to him under the terms of this **policy**.

**index** means the United Kingdom General Index of Retail Prices for the purposes of calculating **adjusted pre-incapacity earnings** (paragraph 6.6.1). **Unum** reserves the right to substitute another index should the General Index of Retail Prices be discontinued, or in the opinion of **Unum**, be materially altered. The **index** figure used in calculations in this **policy** is the figure for the month which is 3 months prior to the relevant date for the calculation.

**insured earnings** means the nature of earnings on which **benefit** is calculated. The **insured earnings** applicable to each **eligibility category** is defined in the **schedule**.

**insured occupation** means the gainful occupation as a professional rugby player that the **member** was actively undertaking for the **employer** immediately prior to **incapacity**.

In the case where:

- (a) a **member** has returned to work for the **employer** after a period of **incapacity**, and
- (b) payment of **benefit** (including **proportionate benefit**) has ceased for a period of 52 weeks,

then from the end of that 52 week period **insured occupation** shall mean the gainful occupation that he was following for the **employer** immediately prior to any new period of **incapacity**.

**limited benefit cover** means that payment of **benefit** in respect of an **incapacitated member** is limited to a maximum payment period.

Periods of **incapacity** arising from the same or related cause will be aggregated so that payment of **benefit** will cease when payments have been made for the maximum payment period.

After **benefit** has been paid for the maximum payment period, the individual may be re-admitted into membership at a later date when he is fit for selection to play as a professional rugby player and fulfils the **eligibility conditions**. On resuming membership payment of **benefit** shall be restricted to periods of **incapacity** arising from a different and unrelated cause to any for which **benefit** has been paid for the maximum payment period.

If **limited benefit cover** is applicable to an **eligibility category** the **schedule** will specify the maximum payment period.

**linked benefit claim** means a claim which is linked with a previous period of **incapacity** in accordance with the conditions of paragraph 5.4.

**material and substantial duties** means the duties that are normally required for the performance of the **member's insured occupation**, and which cannot reasonably be omitted or modified by the **member** or the **employer**.

**medical practitioner** means a person who is currently registered as such by the General Medical Council or by an appropriate equivalent national body if resident outside the United Kingdom.

**member** means a **player** who has been admitted to membership under the **policy**, and who remains for the time being a **member** in accordance with all the conditions set out in both the **eligibility category** in the **schedule** and section 4 of this **policy**.

**player** means an professional rugby player with a written contract of employment with an **employer** and is a member of the Professional Rugby Players Association of England, Wales or Scotland.

**policy** means collectively the paragraphs numbers 1. and 2. on the first page of this document, these **policy conditions**, the **schedule**, any proposal or supplementary proposal made to and accepted by **Unum** by or on behalf of the **policyholder**, and any special provisions or endorsements expressly stated to be incorporated into this **policy**.

**policy accounting date** means the anniversary of the **policy** each year, or such other date as may be agreed from time to time, in writing, between **Unum** and the **policyholder**. The **policy accounting date** applicable at the **effective date** of this **policy** is specified in the **schedule**.

**policy accounting period** means whichever of the following periods is to apply:

- from the **effective date** of the **policy** up to the first **policy accounting date**.
- from one **policy accounting date** up to the next.
- from the **policy accounting date** prior to the date of termination of the **policy** up to and including the date of termination.

**policy conditions** means this document.

**policy number** is the number allocated to this **policy**. This is for reference purposes only and should be quoted on all correspondence. The **policy number** for this **policy** is specified in the **schedule**.

**policy review date** means the day on which **Unum** may revise the **premium rate** applied to this **policy** in accordance with paragraph 3.3 and vary the **policy** terms and conditions in accordance with paragraph 8.1. The **policy review date** applicable at the **effective date** of this **policy** is specified in the **schedule**. When the **premium rate** and/or the **policy** terms and conditions are revised a new **policy review date** will apply; this will be notified to the **policyholder** in writing.

**policyholder** means the person or organisation named as the policyholder. The **policyholder** is specified in the **schedule**. If the **policyholder** is a partnership then the **policyholder** is the partners for the time being or their successors in title.

**premium** means the sums paid to **Unum** by or for the **policyholder** in return for the insurance provided in this **policy**.

**premium rate** means the annual rate of **premium** for each £100 of **insured earnings** as **Unum** will notify, in writing, to the **policyholder**.

**proportionate benefit** means **benefit** which is paid for an **incapacitated member** in accordance with paragraphs 5.3 and 6.6.

**schedule** means the **schedule** of the **policy** and comprises the General Terms, Overriding Provisions and Category Terms in respect of each **eligibility category**. The **schedule** sets out certain selections the **policyholder** has made concerning the options available for matters such as, for example, the level of **benefit**.

**service** means employment in the service of the **employer**. For the purposes of the **policy**, a transfer from one **employer** to another participating in the **policy** shall not be taken as termination of **service**.

**terminal age** means for each **member** the age at which they will cease to be a **member**. The **terminal age** applicable for each **eligibility category** is specified in the **schedule**. If a **member** is on a fixed-term contract, he will cease to be a **member** at the end of his fixed-term contract current on the day before **incapacity**.

**Unum** means the company called Unum Limited incorporated under the laws of England and Wales, with its registered and head office at Milton Court, Dorking, Surrey, RH4 3LZ.

### 3. **PREMIUMS**

This section explains about the calculation, adjustment and payment of **premium**.

#### 3.1 **Calculation of premium**

3.1.1 The **policyholder** will calculate the **premium** due for each calendar month, taking into account all relevant factors, including:

- (a) The **benefits** of the **members** on the first day of the calendar month.
- (b) **Unum's premium rates** then in effect.

3.1.2 The **policyholder** shall be required by **Unum** to provide information by the end of each calendar month detailing the **members**, their levels of **benefit** and the **premium** in their respect, as at the first day of the calendar month.

Failure to provide the information within 2 months of the end of a calendar month shall give **Unum** the right to:

- (a) vary the terms and provisions of this **policy**, or
- (b) terminate the **policy**, or
- (c) take such other action as **Unum** determines to be appropriate. including varying the level of **benefits**, the definition of **incapacity**, the eligibility of an individual to be a **member**

by giving 30 days written notice to the **policyholder**.

#### 3.2 **Payment of premium**

**Premium** is due at the end of each calendar month.

If payment of premium is not forthcoming **Unum** may commence debt collection proceedings against the **policyholder** in accordance with paragraph 3.4.

The **policyholder** is responsible for the payment of all **premiums**, which may include contributions collected from **members** by the **policyholder**.

**Premium** will be paid in pounds sterling (or, if different, the lawful currency of the United Kingdom) to **Unum's** head office, or at such other place as **Unum** may direct.

#### 3.3 **Premium rate revision**

The **premium rate** is guaranteed from the **effective date** until the **policy review date**. After this time, **Unum** may revise the **premium rate**. The **policy review date** is stated in the **schedule**.

#### 3.4 Non-payment of premiums

In the event of the **policyholder** not paying **premiums** or part of a **premium**, interest applicable or any sum which is payable, or in the event of the **policyholder** ceasing to be entitled to pay **premiums** under the **policy**, **Unum** shall have the right to terminate this **policy**. **Unum** will give the **policyholder** 14 days notice in writing of the intention to terminate.

**Unum** remains able in its sole discretion to determine that the **policy** shall terminate at any time until all such sums are paid. The **policyholder** ceasing to pay **premiums** does not terminate this **policy**. The **policyholder** is entitled to terminate this **policy** at any time by giving **Unum** notice in writing in advance, in accordance with paragraph 8.3.

Any outstanding **premiums** in respect of cover provided up to the date of termination of this **policy** will remain due.

**Unum** reserves the right to charge interest (of the Bank of England base rate plus 3%) and a reasonable administrative charge for late payment of any **premium**, or part **premium**, even if **Unum** has agreed not to deem the **policy** to have terminated.

#### 4. MEMBERSHIP

This section explains about becoming a **member**, remaining a **member**, and the circumstances under which a **player** ceases to be a **member**.

##### 4.1 Player who is eligible to become a member

A **player** becomes a **member** on his **entry date** provided all the following conditions are met:

- (a) The **policyholder** has requested, and **Unum** have agreed in writing, that the **player** may become a **member**.
- (b) The **policyholder**, **employer** and the **player**, as appropriate, meet all of the special conditions, special terms or underwriting requirements specified in writing by **Unum**.
- (c) His normal place of employment is in the United Kingdom. A **player** working in the Channel Islands, the Isle of Man or Ireland will be regarded as ordinarily employed in the United Kingdom, provided his **employer** is registered in the United Kingdom, the Channel Islands or the Isle of Man.

Evidence of the **player's** state of health shall be required before any cover is granted.

##### 4.2 Notification and evidence required

###### 4.2.1 Evidence to be provided

When a **player** in all other respects becomes eligible to become a **member**, or when there is an increase in **benefit** or a different **benefit** applies in respect of a **member**, the **policyholder** shall provide to **Unum** any information that **Unum** requires. This information may include such things as:

- (a) Proof of age.
- (b) Evidence of the average number of hours per week that the **player** is working in his usual occupation.
- (c) Details of a **player's** contract of employment.
- (d) Evidence of the **player's** state of health, where required under the **policy**.
- (e) Any other evidence which **Unum** requires in order to determine whether there is an increased risk that the **player** might become **incapacitated** at any time in the future.

The cost of any medical examination and any tests (including blood tests and saliva tests) required by **Unum** will be paid for by **Unum** at the rates charged in the United Kingdom. **Unum** shall not be liable for any costs incurred by the **policyholder** or **player** in attending a medical examination and any tests or in supplying any other information.

Any information requested by **Unum** will be provided in the form requested and within the time specified by **Unum**.

#### 4.2.2 All data from the **policyholder**

The **policyholder** shall notify **Unum** in writing, in such form and at such times as **Unum** requires, of all **players** who meet the **eligibility conditions** and failure to do so shall give **Unum** the right to:

- (a) vary the terms and provisions of this **policy**, or
- (b) terminate the **policy**, or
- (c) take such other action as **Unum** determines to be appropriate which may include reducing the **free cover limit**, varying the level of **benefits**, the definition of **incapacity**, the eligibility of individuals to be **members**, or
- (d) refuse to pay any new claim notified whilst the requested information remains outstanding,

by giving 30 days written notice to the **policyholder**.

#### 4.3 Termination of membership

A **player** ceases to be a **member** on the earliest of the following:

- (a) The date he ceases to be contracted to an **employer**, other than in circumstances where the cessation is caused by injury.
- (b) The date he ceases to meet the **eligibility conditions** (other than any maximum entry age or **service** requirements).
- (c) The date he attains his **terminal age**.
- (d) The date he dies.
- (e) The date his normal place of employment ceases to be in the United Kingdom. A **player** working in the Channel Islands, the Isle of Man or Ireland will be regarded as ordinarily employed in the United Kingdom, provided his **employer** is registered in the United Kingdom, the Channel Islands or the Isle of Man.
- (f) The date the **policy** is terminated.
- (g) In the case of an **incapacitated member** the date he undertakes any alternative work without the knowledge and consent of the **policyholder**.
- (h) In the case of an **incapacitated member** the date on which **benefit** has been paid for the **limited benefit cover** maximum payment period.

## 5. ELIGIBILITY FOR BENEFIT

This section explains about who is eligible for payment of **benefit**, how much **benefit** is to be paid, how long **benefit** is paid for, and the circumstances under which **proportionate benefit** might be paid.

### 5.1 Entitlement for payment of benefit

**Benefit** is paid when a **member** is **incapacitated**, was actively working on the day immediately prior to the start of the **incapacity**, and evidence has been provided to **Unum** which satisfies **Unum** of the **incapacity**. Payment of **benefit** will begin on the first day after the end of the **deferred period** and will continue to be paid for the duration of the **incapacity**, as long as the individual in respect of whom **benefit** is paid remains a **member** under this **policy**.

**Unum** in its absolute discretion may reduce or cancel any **benefit** in course of payment if the **member** fails to follow any reasonable advice given to him by a medical advisor where **Unum** considers that his following that advice would have been beneficial to recovery from his **incapacity**, in total or in part.

Although the **deferred period** is normally a period of continuous absence **Unum** will link periods of absence of at least 2 weeks duration through **incapacity** arising from the same cause provided the **deferred period** is completed within twice the length of the **deferred period**.

As long as the **member** is **incapacitated** throughout the **deferred period** **Unum** will consider the **deferred period** to be served where the **incapacitated member** is working for his **employer** either:

- (a) in another occupation, or
- (b) in his **insured occupation** on a reduced or part time basis.

### 5.2 Definition of incapacity

The definition of **incapacity** which applies is:

A **member** is **incapacitated** if:

- (a) **Unum** is satisfied that the **member** is unable, by reason of illness or injury, to perform the **material and substantial duties** of his **insured occupation**, as evidenced by a material and objective deterioration in his physical or mental health, and
- (b) the **member** is not following any occupation, except as provided under paragraph 5.3 (the **proportionate benefit** clause).

### 5.3 **Proportionate benefit**

This paragraph gives the circumstances under which **benefit** may be paid in respect of a **member** who, although **incapacitated**, is still able to work either on a reduced basis in his normal occupation for a reduced level of earnings, and does so, or adopts a different and less well paid occupation.

5.3.1 **Proportionate benefit** is payable in respect of a **member**, if the conditions set out in the following paragraphs, numbered (a) and (b), are met:

(a) Either:

1. The **member** is **incapacitated**, except that the **member** is performing his **insured occupation**, but only on a reduced basis, or
2. The **member** is **incapacitated** under the applicable definition of **incapacity**, but nonetheless performs some other employment, whether full-time or part-time

(b) and, the **member** has suffered an **earnings loss**.

5.3.2 As used in this paragraph 5.3 the term **earnings loss** means the difference between the **member's current earnings** and his **adjusted pre-incapacity earnings**. **Earnings loss** shall apply only when the **current earnings** are less than the **adjusted pre-incapacity earnings** and when such loss occurs during and by reason of **incapacity**.

**Earnings loss** does not include any loss of potential earning capacity.

5.3.3 The amount of **proportionate benefit** payable is calculated according to the formula given in paragraph 6.6.

5.3.4 **Full benefit** does not have to be paid prior to **proportionate benefit** becoming payable in respect of an **incapacitated member**.

#### 5.4 Linked benefit claims

Having first returned to work with the **employer**, if a **member** suffers further periods of **incapacity** there is no **deferred period** applicable to such further periods of **incapacity**, if all the following conditions are met:

- (a) **Benefit** was paid in respect of the **member** for the first period of **incapacity**, and
- (b) The **member** is absent from work for any subsequent period of **incapacity** within 52 weeks from his return to work from the previous period of **incapacity**, and,
- (c) **Unum** is satisfied that both periods of **incapacity** are due to the same or a related cause.

In such cases, **benefit** will be resumed from the date of commencement of the further absence at the same level previously paid.

This **linked benefit claims** provision only applies as long as the **policy** remains in force.

If the **employer** has continued Group Income Protection cover with another insurer then the **linked benefit claims** provisions will continue to apply. However, if the individual has satisfied the new insurer's 'actively at work' requirements, **benefit** payments will cease when the individual has satisfied the new insurer's deferred period (or the earlier date when he is no longer **incapacitated** or he attains his **terminal age** or he dies).

#### 5.5 Continuation of **benefit** during retraining or vocational rehabilitation

For the avoidance of doubt where, with **Unum's** agreement, an **incapacitated member** undertakes retraining or vocational rehabilitation **full benefit** or **proportionate benefit** as appropriate will continue to be payable for such period as **Unum** considers reasonably appropriate provided and for so long as the **member** remains **incapacitated** and is suffering a loss of earnings.

## 6. AMOUNT OF **BENEFIT**

This section explains about the amount of **benefit** to be paid in respect of a **member** who is **incapacitated** and has completed the **deferred period**.

### 6.1 Annual rate of **basic benefit**

The annual rate of **basic benefit** applicable to each **eligibility category** is specified in the **schedule**.

### 6.2 Not used

### 6.3 **Benefit limits**

- (a) The rate of **basic benefit** in respect of a **member** shall not exceed 50% of his **insured earnings**.
- (b) The total of the **basic benefit** in relation to a **member**, is limited to £175,000 per annum.

**Unum** may introduce new limits from time to time. A new limit will be notified to the **policyholder** in writing and will be applied to the **policy** from the **policy accounting date** first following the date on which **Unum** introduced the new limit.

### 6.4 Escalation of **benefit**

There is no escalation of **benefit** under this **policy**.

### 6.5 Deduction from **basic benefit** of certain **income from other sources**

Payments of **basic benefit** are reduced by the amount of certain types of payments received by the **incapacitated member**. Examples of such payments would be some types of retirement pension, and payments from other income protection insurance policies.

- 6.5.1 The total of **basic benefit** (excluding any increases by reason of escalation of **benefit**) plus any **income from other sources** (as this phrase is specifically defined in this paragraph) shall not exceed 50% of his gross earnings immediately prior to his **incapacity** (to the extent of the earnings which have ceased as a result of his **incapacity**).
- 6.5.2 As used here in paragraph 6.5, the term **income from other sources** means the total of payments received by the **member** from the following sources:
  - (a) Benefits paid in respect of the **member's** own injury or illness from any other accident, sickness or income protection insurance policy where the maximum benefit period is greater than 2 years.

- (b) Any retirement pension received by the **member**, but excluding:-
1. any standard increases in such pension,
  2. any pension which was already in payment at the date he become an **incapacitated member** and any subsequent standard increases in such pension, and
  3. any pension paid because the **incapacitated member** has attained the age at which the pension automatically starts, and any subsequent standard increases in such pension.

However, if at the date a pension starts to be received **Unum** considers that the **member** is totally and permanently unable by reason of illness or injury to follow his own or any other occupation, then that pension will be ignored for the purposes of this paragraph.

- (c) Any uninsured sickness payments or benefits received by the **member** from the **employer**.
- (d) Any form of income which is included in **insured earnings** and which continues to be received by the **member**.

Any **income from other sources** shall be the amount receivable by the **incapacitated member** before the exercise of any option to commute part or all of it to a cash payment.

**Unum** assumes that any **income from other sources** is not assessable to income tax. Where such income is assessable to income tax **Unum** will reduce the gross amount of such income by one-third for the purpose of determining the limit in paragraph 6.5.1.

## 6.6 Amount of proportionate benefit

This paragraph sets out the method of calculating the amount of **proportionate benefit**. All the conditions contained in paragraph 5.3 must be satisfied before this paragraph is applied.

### 6.6.1 Calculation of proportionate benefit

The **proportionate benefit** is equal to the amount of **benefit** which would otherwise be paid multiplied by the **member's percentage income loss**.

The **percentage income loss** means the percentage income loss calculated by using the following formulae:

$$\text{Percentage Income Loss} = \frac{\text{adjusted pre-incapacity earnings} - \text{current earnings}}{\text{adjusted pre-incapacity earnings}}$$

For example, if an **incapacitated member** has **adjusted pre-incapacity earnings** of £20,000 annually and now earns £6,000 annually, the **percentage income loss** calculation would be:

$$\frac{\pounds 20,000 - \pounds 6,000}{\pounds 20,000} = .70 = 70\%$$

In this example the amount of **proportionate benefit** in respect of the **member** would be 70% of the amount of **benefit** which would otherwise be paid.

**adjusted pre-incapacity earnings** means

- (a) on the first occasion **proportionate benefit** becomes payable the amount of a **member's insured earnings** increased by the percentage increase in the **index** between the figures for the months which are 3 months prior to the month in which the **member** became **incapacitated** and the month in which **proportionate benefit** becomes payable, and
- (b) thereafter from time to time shall be further adjusted by the lesser of the variation in the **index** and the variation to the **current earnings** in percentage terms to that previously used for the purposes of calculating **proportionate benefit**.

**current earnings** means the **member's** level of annual earnings for the year for which **proportionate benefit** is being calculated under paragraph 6.6. The term **current earnings** also means the amount **Unum** considers to be the market rate of pay for any work which the **member** performs either without being paid, or for below the market rate of pay.

#### 6.6.2 Other provisions relating to **proportionate benefit**

- (a) **Proportionate benefit** cannot exceed the amount of full **basic benefit** which would be payable in respect of the **member** under the **policy**.
- (b) When a deduction in respect of the **state long term incapacity benefit** is made when calculating the **basic benefit** such deduction shall be ignored when calculating the **proportionate benefit**.

## 7. CLAIMING BENEFIT

This section contains provisions relating to claiming **benefit**.

### 7.1 Payment of benefit

7.1.1 **Benefit** becomes payable in respect of an **incapacitated member** at the end of the **deferred period**. **Benefit** is paid in equal calendar monthly instalments, in arrears. A proportionate payment will be made for any period of less than a month.

**Benefit** payments will continue in respect of the **member** until **benefit** is no longer payable under this **policy**. Any adjustments to the amount of the **benefit** payments under this **policy** will be made immediately, unless some other time is given in this **policy**.

7.1.2 The **benefit** payable in respect of a **member** under this **policy** shall be paid to the **member**.

The receipt by the **member** or by any person, persons or corporation authorised by the **member**, with the approval of **Unum**, of any moneys paid by **Unum** under this **policy** shall be a good and sufficient discharge to **Unum**. **Unum** has no duty or obligation to see the application of any moneys so paid.

7.1.3 **Benefit** is payable in pounds sterling (or, if different, the lawful currency of the United Kingdom) to an address or to an account in the United Kingdom designated by the **policyholder**.

7.1.4 If the **policyholder** fails to pay the **premium** due under the **policy** in any **policy accounting period**, then **Unum** shall pay no **benefit** under this **policy** with respect to a **member** who became **incapacitated** during such **policy accounting period**.

### 7.2 Notification and evidence required for a claim

#### 7.2.1 Notification of absence

The **policyholder** is required to notify **Unum** in writing of the prolonged absence of a **member**, due to illness or injury, immediately the **member** has been absent for half their **deferred period**. However, if the **deferred period** is 28 weeks or more, notification is required immediately after 14 weeks of absence.

No **benefit** shall be payable for any period of time before written notice of the absence is received by **Unum**. If written notice of the **member's** absence is not received within 90 days from the end of the **deferred period**, **Unum** shall have no liability to pay **benefit** in respect of the **member**.

A claim shall be submitted in the form requested by **Unum**.

Contact the Customer Care department for the appropriate forms on telephone number 01306 873243.

### 7.2.2 Evidence to be provided

The **policyholder** is required to provide to **Unum** all information requested by **Unum** to investigate the claim properly and subsequently to review the claim from time to time. This information may include such things as:

- (a) Proof of membership.
- (b) Proof of the **member's insured earnings**.
- (c) The **member's** original birth certificate.

If the date of birth previously notified to **Unum** proves incorrect, **Unum** may make whatever adjustment to the **benefit** or **premium** it considers appropriate to the circumstances.

- (d) Medical evidence to substantiate **incapacity** and continuing **incapacity** including:-
  1. evidence of the presence of an impairment of sufficient severity and duration to satisfy the definition of **incapacity**;
  2. continuing attendance by the **member** of a **medical practitioner** or practitioners whose training and speciality are appropriate to such an impairment and as frequently as such a practitioner would reasonably recommend;
  3. evidence which demonstrates to the satisfaction of reasonable medical opinion that all appropriate treatment options have been thoroughly investigated and appropriately explained to the **member**; and
  4. medical reports by one or more **medical practitioners** or consultants selected by **Unum**. The **member** may be required to undergo a medical examination by such **medical practitioners** or consultants at such times and places as **Unum** or the practitioners or consultants may require. The **member** will provide appropriate samples for any tests, including blood tests and saliva tests.
- (e) Any other information, evidence, test, evaluation or report that may be requested at any time by **Unum** or by the **medical practitioners** or consultants.

The cost of any medical examination and any tests (including blood tests and saliva tests) required by **Unum** will be paid for by **Unum** at the rates charged in the United Kingdom. **Unum** shall not be liable for any costs incurred by the **policyholder** or **member** in attending a medical examination and any tests or in supplying any other information, except where reasonable costs have been agreed in advance by **Unum** with consideration to the **incapacitated member's** circumstances.

The **policyholder** must ensure that the **member** attends any examination when notified to do so, and will provide any other information requested under this paragraph within 28 days of the date of the request by **Unum**. If a **member** fails to attend an examination, or the **policyholder** fails to provide requested information in the time provided, the claim may be declined for that **member** by **Unum**, and, where any **benefit** has been paid, any further **benefit** may be discontinued.

**Unum** is not responsible for any errors or omissions from any information or evidence provided to it from any source.

### 7.3 Rehabilitation and reasonable adjustment

In respect of a **member**, **Unum** will require evidence that the **employer** has:

- (a) investigated and implemented any reasonable adjustments to the working conditions, the physical features and any other arrangements relating to the **member's** occupation which would enable the **member** to continue working for the **employer**, and
- (b) investigated and, where appropriate, made reasonable efforts to implement any rehabilitation and reintegration programmes designed to enable the **member** to return to work with the **employer**.

### 7.4 Notification of other employment or change in condition

The **policyholder** must notify **Unum** immediately of any change in the **incapacitated member's** condition or circumstances which would or might affect payment of **benefit**. By way of example only, changes that must be notified to **Unum** would include:

- (a) The **member** undertaking any work or employment, even if the work is unpaid.
- (b) Any change in the **member's** health, medical condition or prognosis.
- (c) Any change in the **member's** address or residence.

### 7.5 Incapacitated member overseas

As is the case for a **member** residing in the United Kingdom, **benefit** may be paid only upon the **policyholder** giving **Unum** any information concerning the eligibility for payment of **benefit** and of the **member's** health, as provided under this **policy** or as requested by **Unum**. Any information provided must be in a form satisfactory to **Unum**.

The cost of any medical examination and any tests (including blood tests and saliva tests) required by **Unum** which is carried out outside the United Kingdom will be paid for by **Unum** at the rates reasonably expected to be paid in the United Kingdom. **Unum** shall not be liable for any costs incurred by the **policyholder** or **member** in attending a medical examination and any tests or in supplying any other information.

#### 7.6 Declining a claim after failure to comply

Failure to comply with the provisions of this section 7 may entitle **Unum** to decline or cease a claim or take such other steps as are appropriate in the circumstances, which may include an adjustment of **benefit**.

#### 7.7 Complaint against a claim decision

In the event that a **member** is unhappy with **Unum's** decision to either decline liability or to stop making **basic benefit** payments on review of their claim, the **member** may challenge this decision. On notification of the decision to decline liability or stop paying benefit the **member** will be made aware of the ways in which the decision can be challenged. These are:

1. If additional medical information has become available, which should have been considered as part of the claim assessment, this should be sent to **Unum's** Claims Department who will take it into account.
2. If no further information is available, the **member** can request that the claim file be reviewed afresh by the Customer Feedback Department. This is a separate Department, independent of the Claims Department, that will review the claim decision afresh and in line with **Unum's** complaint handling process. The Customer Feedback Department will issue **Unum's** final decision on the claim.

If the **member** remains dissatisfied, details of the Financial Ombudsman Service will be provided. The **member** may escalate the matter to the Financial Ombudsman within 6 months of the final decision being made. The FOS can be contacted on:

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London, E14 9SR  
Tel: 0845 0801800  
[www.financial-ombudsman.org](http://www.financial-ombudsman.org)

## 8. AMENDMENT AND TERMINATION

This section contains provisions relating to the amendment or termination of the **policy**.

### 8.1 Terms of policy

**Unum** reserves the right to vary the terms and conditions of this **policy** at any time the **premium rate** is revised in accordance with paragraphs 3.3 or from the **policy review date**.

**Unum** will give the **policyholder** 1 month's notice in writing in advance of the revised terms and conditions, unless this is not practicable in which case **Unum** will give as much notice as is possible in the circumstances.

The revision of the terms and conditions of this **policy** does not constitute a new contract but takes effect as a continuation of this **policy**, subject to the revised terms and conditions.

### 8.2 Amendment of the policy

The **policyholder** can request this **policy** be amended at any time. **Unum** may in its discretion consider amending the **policy** subject to the **policyholder** providing all information required by **Unum** to give the request consideration.

If **Unum** agrees to amend the **policy** then **Unum** will advise the **policyholder** in writing of the revised terms and conditions. The **policyholder** must confirm acceptance to **Unum** in writing of the revised terms and conditions as advised by **Unum**, though payment of the required premiums by the **policyholder** will be treated by **Unum** as acceptance of the revised terms and conditions as advised by **Unum**.

Amendment of the **policy** for any reason cannot pre-date the date of the **policyholder's** written acceptance of the revised terms and conditions advised by **Unum**, except at the sole discretion of **Unum**.

**Unum** can amend the **policy** in accordance with paragraph 3.1.2 or 4.2.2.

If the **policy** is amended the entitlement to **benefit** in respect of a **member** who was **incapacitated** prior to the amendment will be paid in accordance with the **policy conditions** applicable at the date the **member** became **incapacitated**.

### 8.3 Termination of the **policy**

The **policyholder** will be entitled to terminate this **policy** at any time by giving **Unum** notice in writing in advance.

Termination of the **policy** for any reason cannot pre-date the date of the **policyholder's** written notification of the termination of the **policy**, except at the sole discretion of **Unum**.

**Unum** is entitled to terminate the **policy** in accordance with paragraphs 3.1.2, 3.4, 4.2.2 and 8.4.

The **policyholder** shall be required by **Unum** to provide information as at the date of termination in order to determine the **premium** payable in connection with the termination. If this information is not provided within 1 month of its being requested, **Unum** shall determine what **premium** is payable having regard to the information then available, and any sum or sums which had been payable to **Unum** shall remain payable.

If the **policy** is terminated the entitlement to **benefit** in respect of a **member** who was **incapacitated** prior to the termination will be paid in accordance with the **policy conditions** applicable at the date.

If the **policy** is terminated, no further **player** shall become a **member** after the date of termination.

### 8.4 Cessation of business of the **policyholder**

8.4.1 In the event that the **policyholder** ceases to carry on business, or if an order is made or a resolution passed for the winding up of the **policyholder** then the insurance under this **policy** shall terminate and the provisions of paragraph 8.3 will apply.

8.4.2 If the business of the **policyholder** is assigned to or succeeded to by another person, and the new person undertakes all the duties and responsibilities of the **policyholder**, then provided **Unum** receives written notification and evidence of the assignment or succession which **Unum** confirms in writing as being satisfactory, the new person may continue the payment of **premium** under this **policy**. In this case, the new person or organisation shall take the place of and be treated for all the purposes of this **policy** as the **policyholder**, from the date that the assignment or succession takes place.

## 9. MISCELLANEOUS

This section contains miscellaneous provisions relating to the **policy**.

### 9.1 Ability to terminate a member's employment

Payments in respect of the **incapacity** of a **member** are made without thereby admitting any legal liability in respect of such **incapacity** on the part of the **policyholder** and **employer** and nothing in this **policy** shall be taken to prejudice any right of an **employer** to terminate a **member's** employment or to create any obligation between the **employer** and **member** to keep the **member** in employment.

### 9.2 Law

The **policy** is to be construed and governed in accordance with English Law and any dispute shall be subject to the exclusive jurisdiction of the English Courts.

### 9.3 Special circumstances

Should there be any change in the law affecting the **policy**, or any other changes in circumstances which, in the opinion of **Unum** renders it impractical or impossible to give full effect to the provisions of the **policy**, those provisions and **benefits** confirmed may be varied by **Unum**, in writing, in such a manner as is considered appropriate to enable the provisions to take effect as early as possible.

### 9.4 Basis of the contract

The **policy** is issued on the basis of the information provided in the quotation request or specification and the application form completed by the **policyholder**, in addition to any questionnaire completed by a **member**.

The **policy** contains all the terms of the contract and **Unum** accepts liability solely in accordance with these terms.

No provision or condition of the **policy** may be waived or modified except by an endorsement issued by **Unum** and signed by an authorised official of **Unum**.

The **policy** has been classed by **Unum** as appropriate to 'commercial' customers within the context of the Financial Services Authority's Insurance Conduct of Business rules.

The **policy** is a non-investment insurance contract, does not acquire a surrender value and does not participate in the profits of **Unum**.

If **Unum** cannot meet its liabilities the **policyholder** may be entitled to compensation under the UK Financial Services and Markets Act 2000.

#### 9.5 Contracts (Rights of Third Parties) Act 1999

Except for the right expressly granted to an **incapacitated member** below, it is the intention of the **policyholder** and **Unum** that no term or provision of this **policy** may be enforced in any circumstances by any third party. The **policy** may be amended or terminated without the consent of or reference to any third party.

An **incapacitated member** may enforce the terms of the **policy** where they relate to his claim for **benefit**. The **incapacitated member** may appeal **Unum's** decision and refer his complaint to the Financial Ombudsman Service or to the Courts.

#### 9.6 Data Protection Act 1998

- (a) For the purposes of the Data Protection Act 1998 **Unum** is a Joint Data Controller with the **policyholder**. Personal data and sensitive personal data are provided by the **policyholder** in order that **Unum** may decide the manner in which this data will be processed, to provide and administer a Group Income Protection insurance policy.
- (b) **Unum** has the right to request such data as is required to quote for and administer the **policy**. **Unum** will record such information accurately and keep it confidential and secure and will use it solely for the purpose of quoting for, providing and administering the **policy** and for marketing other **Unum** products to the **policyholder**.
- (c) The **policyholder** will ensure that the data is correct at the time it is provided to **Unum** and that alterations are notified to **Unum** in reasonable time.

#### 9.7 Complaints

Complaints in connection with this **policy** should be referred initially to the Intermediary who arranged it.

If the matter is not resolved satisfactorily, the complaint should be referred to:

Customer Feedback Manager,  
Unum Limited,  
Milton Court,  
Dorking,  
Surrey, RH4 3LZ  
telephone 01306 887766

Your complaint will be managed by the Customer Feedback Department who will independently review the matter in line with **Unum's** complaint process and issue a final decision. If the **policyholder** remains dissatisfied, the matter may be escalated to the Financial Ombudsman Service (if eligible) at the address below. The **policyholder's** legal rights are not affected by contacting this organisation.

Financial Ombudsman Service,  
South Quay Plaza,  
183 Marsh Wall,  
London, E14 9SR  
telephone 0845 080 1800