

Group Life Assurance Technical Guide

Registered Group Life Assurance for
death in service benefits under registered
occupational pension schemes



About us

We are Omnilife, a specialist insurer providing Group Risk benefits for employers that want to provide financial protection for their employees in the event of death or ill-health. We have been providing financial protection to customers for over 30 years and have a proven track record when it comes to our service delivery to the schemes we manage and look after. Based in the UK, with our head office in the heart of the London, our team of experts are always on hand to help.

Learn more

We are here to help and want employers to be there to support their employees when it counts. Should you need to, visit our website to learn more about our products and services at www.omnilife.co.uk, or by calling a member of the Omnilife Team on 020 7374 0123.

Support services

More than just providing Group Life cover, at Omnilife we want to offer support and guidance, which is why all of our Group Life policies offer employers and employees access to an **Employee Assistance Programme**¹ (EAP). Our EAP supported by the leading EAP provider in the UK, Care first, gives employees access to a qualified counsellor 24/7 through a dedicated telephone service.

Should they need to, they will have access to structured telephone counselling sessions, where a counsellor will spend the time they need on a particular issue (up to six structured session a year).

A team of highly skilled counsellors can provide guidance on a range of issues including:

- Bereavement and probate,
- Health and medical information,
- Stress and anxiety, or
- Manager support and coaching through tough workplace issues.

¹ The Employee Assistance Programme is a non-contractual benefit, available if you have a Group Life Assurance policy with Omnilife. The service is provided as an added benefit and as such can be altered or withdrawn at any time.

Technical Guide

This is an important document outlining the main features of this product which compliments the issued quotation illustrating the main costs of your policy.

You should take the time to review both sets of documents to understand the feature before we are asked to provide cover. Please keep both in a safe place in the event of a future claim or query.

For the detailed terms and conditions of your policy please refer to our Policy Conditions. This document should not set out, or override these terms.

You can request a copy of any items relating to your policy by:

- Writing to **Admin Group, Omnilife, 24 Chiswell Street, London, EC1Y 4TY**, or
- Emailing **AdminGroup@omnilife.co.uk**, or
- Calling **020 7374 0123** (lines are open Monday to Friday, 9am to 5pm).

This technical guide is based on the 'best practice' standard format recommended by Group Risk Insurance Development (GRiD) and Association of British Insurers (ABI).

Contents

	Page
Terms and Expressions We Use	5
Its Aims	9
Your Commitment	9
Risk Factors	9
How the Policy Works	9
1.0 Factors to consider when deciding which benefits to provide	10
1.1 Who can be covered	10
1.2 Termination of cover	11
1.3 Types of cover available	12
1.4 Supplementary Scheme Benefits	13
2.0 Setting up the Scheme	13
2.1 Requirements for Scheme set-up	13
2.2 Evidence of health to be provided before Members are covered	14
2.3 Claims occurring during the Underwriting period	14
3.0 Cost of cover	15
3.1 Premium calculations	15
3.2 Additional premiums	15
3.3 Commission	15
3.4 Discount for good claims experience	16
4.0 Scheme accounting	16
4.1 Information required for accounting purposes	16
4.2 Adjustments for Members who join, leave or have Benefit increases during the year	16
4.3 Cancelled Schemes	16
5.0 Making a claim	16
6.0 What is not covered	17
7.0 Overseas Cover	17
8.0 Taxation Considerations	17
Further Information	18
Questions and Complaints	18
Compensation	18
Law	18

Terms and Expressions We Use

In this guide, when we refer to 'we', 'us' or 'our' we mean Omnilife Insurance Company Limited. When we refer to 'you' or 'your', we mean the Trustees of the Scheme as detailed in the Policy.

Some terms have specific meanings and are referenced by capital letters in your Policy literature. These terms are listed below in alphabetical order together with their meanings. The singular is deemed to include the plural where relevant.

Actively at Work

Actively at Work means that an employee has not received medical advice to refrain from work and is not only present at their place of work on the prescribed day, but is mentally and physically capable of discharging fully the normal regular duties associated with the job for which they are employed and working their normal contracted number of hours, either at their normal place of business or at a location to which the business requires them to travel.

Aggregate Benefit

The total Benefits payable on the death of an individual from all Policies insured by us including any Lump Sum Benefits plus the cash equivalent value of any death in service Pension Benefits. The cash equivalent value is found by multiplying the Pension Benefit by the Capitalisation Factor.

Anniversary Date

The annual anniversary of the Commencement Date of the Policy. Prior to the Commencement Date, the Policyholder may choose a different Anniversary Date. In this case, all future Anniversary Dates will align with the date chosen by the Policyholder.

Benefit

The benefit or benefits set out in your Quotation which represents the amount payable to an individual Member in the event of a valid claim. The amount of cover will be determined in accordance with the Scheme Benefit Rules.

Capitalisation Factor

These are factors used to convert pension regular income benefits into an equivalent lump sum.

Catastrophic Event Limit

The total aggregate amount payable in the event of a Catastrophic Event

Catastrophic Event

A Catastrophic Event means one originating event, cause, occurrence or incident, or a series of related originating events, causes, occurrences or incidents, that directly or indirectly results in deaths of one or more Members, irrespective of the date of deaths or the period of time or area over which the originating events, causes, occurrences or incidents take place. Originating events, causes, occurrences and incidents include, but will not be limited to:

- war (whether declared or not);
- terrorist activities;
- earthquakes;
- windstorm;
- flood;
- sudden release of atomic energy nuclear radiation or radioactive contamination (whether controlled or uncontrolled);
- biological or chemical substances.

We will determine whether a claim event is to be classified as a Catastrophic Event.

Commencement Date

The Policy Commencement Date as shown in the Policy Schedule.

Dependant's Pension Benefit

The pension payable to a Dependant of the member calculated in accordance with the Scheme Benefit Rules.

Discretionary Entrant

An individual who does not meet the scheme Eligibility Conditions but who you wish to include in the Policy.

Eligible Child

A Member's natural or legally adopted child or any other child who is financially dependent on the Member and who is also under the age 23 at the date of death of the Member.

Eligible Dependant

A person who is financially dependent on the member and who qualifies under the Rules of the Scheme for a pension when the member dies.

Eligible Employee

Anyone that meets the Eligibility Conditions for inclusion in the Policy.

Eligibility Conditions

These refer to the Eligibility Conditions shown in the Policy Schedule.

Employee

An employee of the Principal Employer or any Associated Employers shown in the Policy Schedule. This can include those who have proprietorial interest (for example, Partners in a Limited Liability Partnership) but cannot include self-employed contractors of the Employer.

Employer

The Principal Employer and any Associated Employers shown in the Policy Schedule.

Escalation Rate

The rate at which Pension Benefits increase each year. The increases will be effective on the anniversary of the start of the pension.

Expected Retirement Age

The age agreed between us as being the age at which cover for a Member ceases as set out in your Quotation. The maximum age must not exceed a Member's 75th birthday.

Free Cover Level

This is the total amount of cover we will provide on standard terms and without the need for Medical Underwriting.

HMRC

HM Revenue & Customs.

Insured Benefit

The total Benefit or Benefits for which the Member has been included in the Policy.

Late Entrant

Late Entrants are Members who do not join on the first date on which they become eligible for membership of the Scheme.

Lifetime Allowance

As defined in the Glossary to the HMRC Registered Pension Schemes Manual and is the maximum amount of benefits that can be taken from a pension before additional tax is payable.

Long Term Absentee

An employee who has been absent from their place of work, or is not mentally or physically capable of discharging fully the normal regular duties associated with the job for which they are employed, or are not working their normal contracted number of hours, either at their normal place of business or at a location to which the business requires them to travel for a period of greater than three months at the relevant time. Any Member who is currently an income protection (also known as permanent health insurance or PHI) claimant will also be a Long Term Absentee.

Lump Sum Benefit

This is a Scheme Benefit that is paid as single one-off payment rather than a regular income.

Medical Underwriting

The process whereby the medical evidence that we need to include a Member, or part of a Member's Benefit, within the policy is obtained and assessed.

Member

An employee who has been admitted to membership of the scheme and so included in the Policy.

Pension Benefit

This is a Scheme Benefit that is paid as a regular income rather than a single one-off payment.

Policy

The legal contract between us, the insurer and you, the insured. It comprises the Policy Terms and Conditions, which set out the standard terms of the contract, and the Policy Schedule.

Policyholder

The insured party named as the Policyholder in the Policy Schedule.

Policy Schedule

The Policy Schedule provides a summary of the key financial terms and cover provided by the Policy. It forms part of the legal contract.

Policy Year

The period running from the Commencement Date of the Policy up to the day preceding the Anniversary Date inclusive in the first Policy Year and the period running from the Anniversary Date to the day preceding the Anniversary Date inclusive in successive Policy Years.

Premium

The amount payable to provide insurance cover under the Policy. The cost of the Policy will be determined by the Premium Rate and the level of Scheme Benefits.

Premium Rate

The rate shown in the Policy Schedule used to determine the cost of cover.

PSTR

The Pension Scheme Tax Reference is the unique reference allocated by HMRC when a pension scheme has been successfully registered.

Quotation

The Quotation provides the rate and key terms and conditions applicable for your Scheme and is based on, amongst other things, scheme eligibility, benefit options, membership profile and claims history along with any underwriting decisions.

The Quotation will usually be guaranteed for three months unless stated otherwise.

Rate Guarantee Period

This refers to the period at which the Premium Rate is guaranteed not to change. For Unit Rate schemes, the Premium Rate is usually guaranteed for two successive Policy Year periods.

Registered Occupational Pension Scheme

A scheme set up under a discretionary or standalone life assurance trust that is a registered occupational pension scheme in accordance with Part 4, Chapter 2 of the Finance Act 2004.

Rules of the Scheme

The Scheme rules governing Benefits, Eligibility, Beneficiaries and Dates as shown in the Policy Schedule, the Policy Conditions and any Endorsements to the Policy.

Scheme

The Registered Occupational Pension Scheme named as the Scheme in your Policy.

Scheme Benefit Categories

Members with the same Scheme Benefit Rules will fall under one Scheme Benefit Category. Where Scheme Benefit Rules differ across Members for example due to grade, additional Scheme Benefit Categories will be required.

Scheme Benefit Rules

The rules for determining the Benefits for each Member. These are usually in line with the Rules of the Scheme and will depend upon, amongst other things, how base salary and Pension Benefits are defined.

Spouse

The Member's legally married partner or civil partner. For reference to a claim, this will be defined as the Spouse at the time of the claim event and not previous partners unless specifically stated otherwise.

Spouse's Pension Benefit

The pension payable to the Spouse of the Member calculated in accordance with the Scheme Benefit Basis.

State Pension Age (SPA)

The earliest age at which the Member can start to receive the UK State pension, or any benefit which may replace it.

Termination Date

The date on which cover under the Policy ceases.

Trustee(s)

The Trustee(s) as specified in the Trust Deed governing the Scheme.

Its Aims

The aim of this Policy is to provide a lump sum or regular income in the event of the death of a Member of a Registered Occupational Pension Scheme.

Your Commitment

- To provide us with complete and accurate information that we request when you apply for your Policy and at each Anniversary Date and to advise us if this information changes.
- To pay all Premiums as they fall due.
- To comply with all of the Policy Terms and Conditions.
- To notify us of potential claims as soon as possible, but in any event no later than 12 months after the Member's death.
- To provide us with complete and accurate information that we request when you make a claim and to advise us if this information changes.
- To agree at outset the Eligibility Conditions of the Scheme.
- To notify us promptly of any Discretionary Entrants or Late Entrants.
- To notify us promptly of any Member's Aggregate Benefits that exceeds the Free Cover Level.
- To notify us promptly of any changes to the companies participating in the Scheme and the relationships between them.
- To notify us promptly if there are any changes to the nature of the business of the companies participating and of any changes in their location (including postcode information).
- To establish and maintain an appropriate discretionary trust under which the 'Registered Scheme' Group Life Policy (or Policies) will be held and which is registered with HM Revenue & Customs (HMRC) for the period we provide cover.
- The Scheme administrator will need to register the Scheme with HMRC. You will need to provide confirmation of registration to us and notify us of the Pension Scheme Tax Reference (PSTR).

Risk Factors

- Cover will cease upon failure to comply with the Policy Terms and Conditions or if Premiums are not paid when they are due.
- We may decline claims if you do not fulfil Your Commitments.
- The Premium Rates for Schemes with 20 or more employees are normally guaranteed for two years, however these rates will become reviewable should the total number of lives or total Aggregate Benefit change by 25 per cent or more before the end of the normal Rate Guarantee Period.
- If there is a change made to the Scheme Benefit Rules or the agreed Eligibility Conditions we may review the Premium Rate.
- Payment of Benefits may be delayed or declined if we are not notified of a claim within the specified time limits.
- Benefits that require Medical Underwriting may be subject to special terms or exclusions.
- Specific terms and conditions that apply to a Policy that are detailed in the Quotation will usually be guaranteed for three months only.
- There may be changes to legislation, regulation, state pension age, HMRC practise or tax rules affecting this Policy, the Benefits or premiums.

How the Policy Works

- This Policy is a contract between us, the insurer and you, the Policyholder. In exchange for you paying the Premium and following the Policy terms and conditions, we will provide cover to the Members. If a Member has a claim that meets the Policy Terms and Conditions, then we will pay the Benefit to the Policyholder.
- Our Policy is available to groups of two or more Members.
- You decide the Eligibility Conditions, Scheme Benefit Categories and Scheme Benefit Rules for your Policy.
- You decide the Expected Retirement Age at which cover expires. This may be a fixed age up to a maximum of 75 or linked to State Pension Age.
- You must include all Eligible Employees in the Scheme when they first become eligible.

- The Scheme administrator will need to register the Scheme with HMRC. You will need to provide confirmation of registration to us. We can provide details of how to register a Scheme if needed.
- If a valid claim is made, we will pay the Benefit to the Trustees of the Scheme who will then be responsible for paying the Benefit to the Member's dependants.
- The total aggregate amount due in respect of a Catastrophic Event is subject to the Catastrophic Event Limit imposed for the Scheme as a whole. This limit will be specified in the Policy Schedule. A separate limit may also apply to events where Members are travelling together.
- The Policy will continue to be in-force as long as you meet the Policy Terms and Conditions and you pay all the Premiums due. You can select to pay Premiums for the Policy on a monthly, quarterly, biannual or annual basis.
- The Policy will have no surrender or maturity value.
- It can be possible to link Policies so that they have the same Premium Rate and Free Cover Limit and a combined Catastrophic Event Limit. In the event this is required, please let us know when you request a quotation from us. If we agree to link the Policies, we will issue one Quotation which will set out the basis of linking the policies. In the event one of the linked policies is cancelled, this may review the Premium Rate and / or Terms and Conditions of the remaining Policy or Policies.

1.0 Factors to consider when deciding which benefits to provide

- Any promises regarding benefits you have made to your Members.
- The salary basis you wish to use to calculate the Benefit.
- Whether you wish to place a cap on Members' benefits.
- Whether all Members will have the same level of cover or whether you require different levels of cover for different categories of employee.
- Your budget.
- We offer a comprehensive range of standard and flexible options which can help you to design the most appropriate level of cover to fulfil your company's objectives and cost constraints.

1.1 Who can be covered

Employees can be covered for the Policy Benefits once they become Members of the Scheme and have met the agreed Eligibility Conditions. The Eligibility Conditions must be clear and agreed with us before cover can commence. Unless we agree otherwise, everyone who satisfies the Eligibility Conditions and Actively at Work requirements must be included in the Policy automatically.

If you wish to change the Eligibility Conditions or the Scheme Benefit Categories after the Policy has started, you must also agree these changes with us first.

Eligibility Conditions

The eligibility criteria will be agreed prior to cover commencing and will include:

- minimum and maximum ages for Scheme entry;
- the Expected Retirement Age at which cover expires;
- any service qualification applicable;
- Scheme Benefit Categories if more than one category of Members is to be included. For example, Scheme Benefit Category 1: Directors; and Scheme Benefit Category 2: All other Employees;
- when new entrants may join the scheme. For example, daily, monthly or annual entry.

The conditions for when an employee can join, entry dates and entry ages, must be the same for each employee within each Scheme Benefit Category.

Permanent full-time and part-time employees can be covered. Fixed term contract workers may be covered for a period no longer than the expiry date of their fixed term contract. You cannot include workers who are self-employed, unless they are salaried partners in a Limited Liability Partnership.

Schemes usually allow cover to continue while a Member is off work. Our standard basis for temporary absence is to cover up to the earlier of Expected Retirement Age and State Pension Age as a result of illness or injury and 3 years for any other reason. We will also consider other periods of temporary absence to match your needs.

If either the Eligibility Conditions or the Scheme Benefit Categories depend on inclusion in a scheme for pension retirement benefits, you must tell us what the eligibility conditions are for those benefits. We will also require you to tell us the percentage of Eligible Employees who have chosen to join the pension scheme. To join the life insurance Scheme covered by this policy, a Member must be Actively at Work on the date of joining the Scheme and meet one of the following conditions:

- join the pension retirement benefits scheme within six months of first becoming eligible to do so; or
- join the pension retirement benefits scheme at an auto enrolment date; or
- join the pension retirement benefits scheme at an auto re-enrolment date.

A Member who does not fulfil these criteria will be treated as a Late Entrant.

New Schemes and Schemes Insuring for the First Time

Any employee who is to be included in the Policy on the Commencement Date must satisfy the Actively at Work requirements on that date.

If an employee is absent from work on the Commencement Date on account of ill health or incapacity, cover will commence once the employee has been back to working their normal hours for 5 consecutive working days.

This reduces to immediately upon return to working their normal hours if the Scheme is 20 lives or over.

This condition will usually be waived for Schemes with at least 100 Members.

Existing Insured Schemes switching to Omnilife

When cover is switched to us from another insurer on the same basis as previously insured and with less than 20 Members, the employee must be Actively at Work on the date the Scheme is switched to us.

An employee not Actively at Work will be covered for Benefits up to the Free cover Limit. Full cover will commence after the employee has been back to working their normal hours for 5 consecutive working days.

For Schemes with 20 or more Members and cover is switched to us from another insurer on the same basis, Actively at Work will be waived for all Members who were covered by the previous insurer.

New Members joining after Commencement Date

Members who join the Scheme on the first date on which they become eligible and who are Actively at Work will be immediately covered for Benefits up to the Free Cover Level.

If an employee is absent from work on the first date on which they become eligible on account of ill health or incapacity, cover will commence once the employee has been back to working their normal hours for 5 consecutive working days.

This reduces to immediately upon return to working their normal hours if the Scheme is 20 lives or over.

1.2 Termination of cover

i) Under Normal Circumstances

A Member's cover will normally cease on the earlier of:

- reaching their Expected Retirement Age; or
- leaving service; or
- no longer satisfying the Eligibility Conditions; or
- their contract of employment ending; or
- reaching age 75.

ii) Cancellation of the Policy by us

We reserve the right to cancel the Policy if:

- you fail to pay any Premiums due within a reasonable timescale required by us; or
- you fail to comply with any reasonable request to provide information; or
- new legislation or regulations are introduced, or changes are made to existing legislation which affect registered group life assurance policies or the Policy.

If this happens, we will write to you to inform you of the Termination Date of the contract.

iii) Cancellation of the Policy by you

You can end the Policy at any time provided that:

- notification is given in writing, clearly showing your intended Termination Date.

Cover will then cease and you will not be liable for Premiums for any period after that date. Cancellation cannot be backdated.

We will pay any valid claims that occurred before the date of cancellation.

1.3 Types of cover available

i) Lump Sum Benefit

This is a Lump Sum Benefit paid on the death of a Member. The lump sum can be either a multiple of salary (for example six times salary) or a fixed amount (for example £250,000).

It is possible to have different levels of benefit for different categories of staff.

You can also have a multiple of salary subject to a cap such as the Lifetime Allowance.

ii) Pension Benefit

You can provide for a Pension Benefit to be payable on the death of the Member. The pension can be either a Spouse's Pension or a Dependant's Pension.

A Spouse's Pension can only be payable to a Member's legally married partner or civil partner.

A Dependant's Pension can be payable to anyone who is financially dependent on the Member.

The pension can be expressed as a proportion of the Member's salary or Prospective Pension.

You can also provide a separate children's pension on a Member's death to an Eligible Child.

Pension Benefits will be paid monthly in arrears from the date of the Members' death.

Pension Benefits for a Spouse or Eligible Dependant will be paid until they die. We can continue to pay the pension to any surviving child if the cover includes this option at outset. This is called an orphan's pension.

Pension Benefits to an Eligible Child will stop at the age of 23 or as per your Registered Occupational Pension Scheme rules if earlier.

We can inflation proof the Pension Benefits by applying an increase at a fixed percentage, the Retail Price Index (RPI), or the Consumer Price Index (CPI). Increases are subject to a maximum of 5% per annum and will be applied on the anniversary of the Member's death.

Please note that we do not administer the pension but purchase a pension from a leading annuity provider. The Trustees will also have the option of taking the equivalent lump sum and purchasing the pension themselves. The lump sum offered is the capitalised value of the pension determined by our Actuary.

iii) Definition of Salary

To ensure the correct benefits and premiums are payable, the Scheme's definition of salary will need to be agreed at outset. Some examples of acceptable benefits are:-

- Basic salary only.
- Basic salary plus agreed basis for variable payments from the employer. For example overtime, commissions or bonuses. We will usually average these payments over the previous 36 months.
- Total P60 earnings in the preceding tax year.

If the Benefit is a multiple of earnings, you may want to apply a benefit cap such as the Lifetime Allowance.

We will need data to be provided that is consistent with the salary definition you wish to use. In the absence of any explicit arrangement it will be assumed that basic salary is the preferred basis.

1.4 Supplementary Scheme Benefits

The following benefits are available but may be subject to an additional Premium.

1.4.1 Cover for Members who have been made redundant

Lump sum cover can continue for up to two years for someone who leaves active employment due to redundancy. The Benefit payable cannot exceed the Lump Sum Benefit the Member was entitled to immediately before leaving service.

1.4.2 Cover for Members who retire before their Expected Retirement Age

Cover for Lump Sum Benefits may also continue for Members who leave active service and are granted an early retirement pension from the employer's Registered Occupational Pension Scheme.

The cover will cease at the Member's Expected Retirement Age and the Benefit payable cannot exceed the amount of the defined Lump Sum Benefit the Member was entitled to immediately before retirement.

1.4.3 Cover for Members who work beyond their Expected Retirement Age

Cover may continue for Members who continue in active employment beyond the Expected Retirement Age stated in the Policy. Cover can be to a given age or for a specified period that you have agreed with the Member. Cover may also be subject to the provision of evidence of insurability or to the Member satisfying Actively at Work conditions.

Extending cover will, in any event, cease no later than the date at which the Member reaches age 75.

1.4.4 Flexible Benefits

We can provide a Quotation for Flexible Benefits for Schemes with greater than 100 lives.

2.0 Setting up the Scheme

We prepare your Quotation based upon a specification provided by your intermediary. The specification will detail the Eligibility Conditions, Benefit options and membership data, together with claims history for the last five years or such shorter period the Scheme may have been insured along with any Underwriting decisions and details of any Long Term Absentees.

The Quotation terms will usually be guaranteed for three months.

If the inception data differs by more than 10% over the Quotation data, we may need to issue a new Quotation, which may result in a change of cost and / or the Policy Terms and Conditions.

2.1 Requirements for Scheme set-up

A Scheme must be registered with the HMRC before cover can commence; we require full details of the scheme, including the following:

- Employer details;
- Pension Scheme Tax Reference (PSTR);
- Eligibility Conditions;
- Scheme Benefit Rules;
- any other requirements that we have set out in our Quotation.

In order for the cover to continue we will require:

- a fully completed application form;
- the deposit premium or a completed Direct Debit mandate;
- completed Actively at Work and/or continuation of cover declarations;
- complete and accurate membership data at the date of inception;
- details of any Member with Benefits in excess of the Free Cover Level;

- details of any Member who has been absent for a period of three months or more due to illness or injury;
- evidence of Expected Retirement Age if this is above age 65 or State Pension Age;
- any other requirements we have asked for in our covering letter confirming risk.

Premiums will normally be paid annually by electronic funds transfer. Monthly payment is also available by Direct Debit.

Cover for your Scheme will cease if the above is not provided within 30 days of the start date.

2.2 Evidence of health to be provided before Members are covered

Our Quotation will usually provide a Free Cover Level. This is the total amount of cover we will provide on standard terms for a Member before Medical Underwriting is required.

If a Member has cover equal to or below the Free Cover Level and provided an employee satisfies the rules for joining the Scheme and satisfies our Actively at Work requirement then no evidence of health is required.

If the Member has cover above the Free Cover Level then evidence of health will be required. Initially the Member will be asked to complete an employee health declaration. On receipt of this we may require further medical evidence which could involve applying to the Member's own doctor for a report, or require the Member to attend a medical examination or undergo other medical tests.

Once we have completed the Medical Underwriting process this may result in extra Premiums being charged or exclusions being applied to that part of the Member's Benefit in excess of the Free Cover Level. In some cases we may be unable to provide cover for that part of the Benefit in excess of the Free Cover Level.

If the Free Cover Level increases, we will not automatically enhance the Free Cover Level applicable to a Member who has been Medically Underwritten or who has had their Benefit restricted to a previous Free Cover Level.

To avoid frequent Medical Underwriting, we will accept some increases to Benefits will be on the same terms as the most recently Medically Underwritten Benefits. This will apply where a Member's Benefits immediately following an increase do not exceed his/her previously Medically Underwritten Benefits by more than the Forward Underwriting Limits shown in the Quotation.

2.2.1 Discretionary Entrants and Late Entrants

Discretionary Entrants

Discretionary Entrants (ie an employee who does not satisfy the normal rules for joining the Scheme) will be subject to evidence of good health for their full Benefit and cover will be at our discretion. Initially the employee will be required to complete an employee health declaration and further medical evidence may be required.

Late Entrants

Late Entrants are members who do not join on the first date on which they becomes eligible for membership of the Scheme.

Benefits of £250,000 or Less

Late Entrants with Benefits of £250,000 or less will be subject to Actively at Work

Benefits over £250,000

Late Entrants with Benefits over £250,000 will be required to complete a Late Entrant form for consideration and may be subject to further Medical Underwriting.

2.3 Claims occurring during the Underwriting period

We will provide cover from the first date we are advised of a Member who requires Medical Underwriting for a period of up to 90 days to enable the completion of the Medical Underwriting process.

We provide this temporary cover for the Members full Benefit, provided they have not previously been declined by us or another insurer (in this instance no cover will be provided). The proportion of the Member's Aggregate Benefit that requires medical evidence will be subject to a pre-existing conditions exclusion and to any other underwriting restrictions we may specify.

3.0 Cost of cover

The calculated Premium depends on the Scheme design and the level of Benefits provided. The information used to determine Premiums include:

- the level of cover provided;
- age and gender profile of employees covered;
- occupation of employees covered;
- Eligibility Conditions;
- location of the workforce;
- claims' history (for previously insured Schemes);
- payment frequency.

The minimum annual premium applicable to a Scheme is currently £500. This increases to £1,800 for Schemes that do not pay annually.

3.1 Premium calculations

(a) Schemes covering 2 to 19 employees

Single Premium costed Schemes

Premiums are calculated separately for each individual Member.

With single premium costed Schemes the rate will vary each year and will be dependent on the Member's age, gender, occupation and location and the Premium Rates in-force at that time.

If the number of Members increases to 20 or more, the Scheme may be administered and costed on a Unit Rate basis as detailed below.

(b) Schemes with 20 or more employees

Unit Rate costed Schemes

Member's Premiums are prepared as those for single premium Schemes however these are then aggregated in order to provide a Unit Rate normally expressed as a per mille (per thousand) of the total Lump Sum Benefits and as a percentage of total Pension Benefits. This Unit Rate will normally be guaranteed for 2 years.

If the number of Members falls below 20 we may administer the Scheme on a Single Premium basis as set out above.

3.2 Additional premiums

Extra Premiums may be charged for:

- Members Medically Underwritten and for whom special terms apply to the part of the Benefit in excess of the Free Cover Level;
- Discretionary Entrants or Late Entrants;
- Members who are older than the Expected Retirement Age and still require cover.

You will be notified of any increase in the Premiums and the date from when they will be payable.

If any of the information provided by you to us used to calculate the Premiums is incomplete or incorrect this could mean you are not paying the correct Premium. In this circumstance, we may revise the Premium amount.

3.3 Commission

The Premium is inclusive of any commission payable to your financial adviser. The commission rate is shown on the front of our Quotation.

3.4 Discount for good claims experience

The claims experience is one of the factors we use to calculate the final Premium and good experience will usually be reflected in the final Premium charged.

4.0 Scheme accounting

The Policy usually operates on one year accounting periods.

At each Anniversary Date we need new complete and accurate data in order to charge the correct Premium. Until we receive this data we will charge approximate Premiums. Once accounts have been finalised we will advise you of what arrears are due, or if you have overpaid, we will make a refund to you.

4.1 Information required for accounting purposes

A full list of all Employees in the Scheme is required at each Anniversary Date. The list must show:

- name;
- gender;
- date of birth;
- salary;
- post code of Member's work location;
- Scheme Benefit Category (if more than one category of Membership);
- date of joining Scheme (if a new Member);
- date of leaving Scheme (if applicable) and
- date of salary change(s) (only if the Scheme has less than 20 Members).

It is also necessary to advise us if a Member's Benefit exceeds the Free Cover Level during the Policy year, of any Member who is not Actively at Work and of any Member who is resident overseas or who undertakes regular business travel outside of the European Economic Area or North America.

4.2 Adjustments for Members who join, leave or have Benefit increases during the year

(a) Single Premium costed Schemes

At each Anniversary Date we will calculate a Premium adjustment for the amount and duration of the cover actually provided since the last anniversary (or Commencement Date if later).

(b) Unit Rate costed Schemes

At each Anniversary Date we will calculate a Premium adjustment to allow for any increases or decreases in salaries or membership since the last Anniversary Date. We will assume that all changes occurred halfway through the Policy Year.

If there is any change to the

- Scheme Benefit Rules;
- Eligibility Conditions;
- Scheme Benefit Categories;
- legislative or tax regime;
- Premium Rate applicable;

during that period, we will calculate adjustments for the periods before and after the change took effect.

4.3 Cancelled Schemes

A final account will be produced based on the cover provided up to the date you cancelled the Policy and either a refund will be paid or any outstanding Premiums requested.

5.0 Making a claim

We aim to make the claim process as simple as possible and would normally request that you contact us and a member of the Claims Team will guide you through the process.

If you want to make a claim you must notify us as soon as practically possible after a Member's death, but no later than 12 months after the date of death.

We will normally need the following from you:

- a fully completed claim form; and
- an original copy of the Member's death certificate; and
- evidence of the Member's earnings.

For a Spouse's or Dependant's Pension Benefit, we will require a legal document such as a marriage or birth certificate confirming the basis of the relationship to the Member.

Where a Spouse or Dependant is significantly younger than the Member, we may reduce the Spouse's or Dependant's Pension Benefit. This reduction will be in line with the Scheme Benefit Rules.

Once we have received all our initial requirements, we will advise you:

- of any further information we require to assess the validity of the claim; or
- if we are unable to admit the claim and the reason (s) why; or
- if we have all the information we require, after assessment, we can admit the claim.

If we cannot consider the claim, we will initially call and explain the rationale for the decision. We will then follow this up in writing.

We aim to process each stage of a claims' process within five working days. However, this process may take longer where we need specialist external reports such as a medical or consultant's report.

The Benefits payable under the Policy will be paid by Omnilife to the Policyholder in UK currency.

6.0 What is not covered

There are no specific exclusions in the Policy.

If we agree to provide cover in special circumstances where Medical Underwriting has been required, there may be certain causes of death that are not covered. This will be detailed in the Quotation or when we communicate the outcome of Medical Underwriting on a case by case basis.

Our Quotation may include a Catastrophic Event Limit. This will restrict the total aggregate Benefit payable in the event of a Catastrophic Event. A separate limit may also apply to events where Members are travelling together.

7.0 Overseas Cover

Overseas cover can be provided for UK-based companies for Employees temporarily based outside of the UK. Special terms may apply dependent on the geographical cover required. Cover for any Member travelling to areas contrary to Foreign & Commonwealth Office advice will be restricted to death by natural causes only.

For UK-based companies with employees not paid in UK currency, Premiums and benefits will be fixed to UK currency on an open market exchange rate applicable at the Commencement Date or previous Anniversary Date whichever is later. The Benefits payable under the Policy will be paid by Omnilife to the Policyholder in UK currency.

All Premiums must be paid in UK currency.

8.0 Taxation Considerations

As with all tax matters, Omnilife would recommend seeking financial advice since:

- rules can be complex;
- advice requires understanding relating to specific circumstances of the Policyholder;
- advice may require discussion with your local tax inspector;
- rules are subject to change.

The following does not constitute tax or financial planning advice but represents our current understanding of the treatment of Premiums and Benefits.

- Premiums paid by the Policyholder are usually treated as a business expense;
- Premiums are not treated as a P11D benefit for employees;
- Lump Sum Benefits are free of income and inheritance tax subject to the Lifetime Allowance;
- Benefits paid as a pension must be treated as earned income and may be subject to income tax.

Further Information

Group Life Assurance policies are issued by Omnilife Insurance Company Limited whose office is incorporated in the United Kingdom. Registered number 2294080. The office address is:

Omnilife Insurance Company Limited
24 Chiswell Street
London
EC1Y 4TY

Phone: **020 7374 0123**

Email: **AdminGroup@omnilife.co.uk**

Questions and Complaints

If you have any questions or wish to make a complaint about your Policy, you should first speak to the financial adviser who arranged it for you.

If you then still need to speak to us, you should send the details of your question or complaint to the address above.

Omnilife Insurance Company Limited
24 Chiswell Street
London
EC1Y 4TY

Phone: **020 7374 0123**

Email: **AdminGroup@omnilife.co.uk**

Compensation

Complaints which we cannot settle can be referred to the Financial Ombudsman Service:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: **0800 023 4567** or, for mobile phone users:

0300 123 9123

E-mail: **complaint.info@financial-ombudsman.org.uk**

Website: **www.financial-ombudsman.org.uk**

Making a complaint will not prejudice your right to take legal proceedings.

If we cannot meet our liabilities, you may be entitled to compensation under the Financial Services Compensation Scheme. Further information is available from the Financial Services Compensation Scheme.

Law

The construction, validity and performance of the Policy will be governed by the Law of England and Wales.

Under the Policy, Members do not have any rights under the Contracts (Rights of Third Parties) Act 1999.