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IMPORTANT DOCUMENT  
– PLEASE READ

# KEY FEATURES AND ILLUSTRATION OF THE PERSONAL INCOME PROTECTION PLAN

Medical students and  
newly qualified doctors

**WESLEYAN**  
*we are all about you*



# KEY FEATURES AND ILLUSTRATION OF THE PERSONAL INCOME PROTECTION PLAN

The Financial Conduct Authority is a financial services regulator. It requires us, Wesleyan Assurance Society, to give you this important information to help you decide whether our Personal Income Protection Plan is right for you. You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.

Wesleyan Assurance Society, founded in 1841, is a mutual organisation. It provides a range of financial products for a number of specialist professional markets.

This document gives the main points about our Personal Income Protection Plan. It doesn't explain all the definitions and exclusions or include all the terms and conditions – that information is in the Plan Document, which we send you when we accept your application. If you'd like a copy, please contact our Head Office.

This plan is designed to adapt with your career and the stages of your life, providing income protection cover and flexible options that meet your changing needs as a medical professional.

In this document, 'we', 'us' and 'our' refer to Wesleyan Assurance Society, who provides the cover for the Personal Income Protection Plan. For details of all definitions and exclusions, please read the full Plan Document.

If, after reading this document, you are not sure if this product is right for you, you should get financial advice.

Once your plan is in place, we also recommend that you get advice from your Wesleyan Financial Services Consultant before making changes to it.

The Wesleyan Personal Income Protection Plan is a single, long-term insurance plan which you can take out at one of three career stages: Phase 1 – Student Cover, Phase 2 – New Doctor Cover and Phase 3 – Flexible Cover. Exactly which of the three phases applies to you depends on where you are in your career.

## HOW TO USE THIS DOCUMENT

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This document is split into four separate sections. It's important to make sure you're referring only to the sections that apply to you at any given time.

### Section 1 – Student Cover

This section applies if you are taking out the plan as a medical student. It's only relevant while you're still a student (or if you started claiming under the plan when you were a student and the claim is still ongoing). At this stage of the plan, you will not have received any financial advice on this product from Wesleyan Financial Services Limited.

### Section 2 – New Doctor Cover

This section applies if you're taking out the plan as a newly qualified doctor or after Student Cover finishes. You're treated as a 'new doctor' for the five years following the year in which you qualified as a doctor. This section is also relevant if you have an ongoing claim which started while you were treated as a new doctor under the plan.

### Section 3 – Flexible Cover

This section applies after New Doctor Cover finishes.

### Section 4 – Important information that applies at all stages of the plan

This section applies to all plan holders and you should read it with the relevant career stage that applies to you as covered in this Key Features Document. You should also read the example illustration included on pages 18 and 19 of this document.

## ITS AIMS

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The plan is designed to give you a regular monthly income if you cannot work because you have suffered an illness or injury which leads to a loss of earnings. Or, if you are a student and unable to continue with your studies because you have suffered from an illness or injury, it can pay some benefit to help with your expenditure.

## YOUR COMMITMENT

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We ask you to do the following.

- ▶ Provide us with all the information we ask you for when applying for your plan and when claiming benefit. (If you don't do this we may not be able to pay your benefit).
- ▶ Make all the regular premium payments for the length of the plan.
- ▶ Tell us about any claim within the time limits we set (where reasonably possible).
- ▶ Review your level of cover regularly to make sure you don't have more cover than you can claim for.

## RISK FACTORS

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- ▶ You won't be covered if you stop paying premiums when they are due.
- ▶ Your cover may not be enough to meet your needs if you don't review it regularly to keep it in line with your earnings.
- ▶ We may not pay out the full cover amount under the plan if it cannot be supported by your earnings when you make a claim. We won't give you back any of the premiums you have paid if this happens.
- ▶ The benefit we pay under the plan may affect your claim to some means-tested state benefits and benefits paid under other income protection policies.
- ▶ At present, you do not pay tax on the benefits under this plan, but this may change.
- ▶ Unless, when we give you the choice, you choose guaranteed premium rates, your premium payments may increase if certain assumptions we make about factors such as claim costs and interest rates change. We will tell you before we make any change to the premiums you pay.

## QUESTIONS AND ANSWERS

### How does this plan meet my needs?

The plan is designed to provide you with cover that adapts to your career and your changing personal income protection needs, from when you are a medical student through to a fully qualified medical professional.

There are three phases of the plan, as shown here. You will move between these stages as your career progresses. This means that different parts of this document may apply to you at different times.

You should also read 'Important information that applies to all three phases of the plan' on page 14. There are example illustrations on pages 18 and 19, which include an explanation of the levels of benefit you may be entitled to during each phase of the plan.

### How do I know if the Personal Income Protection Plan is right for me?

The Personal Income Protection Plan may be right for you if you are looking for protection against the financial implications of not completing your studies, or of losing your personal earned income once you start working, because of illness or injury. The plan is designed to pay out a regular monthly income if this should happen to you.

If you start the plan as a student or newly qualified doctor, the benefits are fixed but, at Phase 3, the plan allows you to choose from a number of options, including the period of time you want to be covered for, the amount of benefit you could receive, how long after the start of your incapacity (you becoming unable to work) you want the income to start, and how long you would like the income to be to be paid for.

It may not be right for you if:

- ▶ you want a cash lump sum (rather than a regular income)
- ▶ the range of available options does not adequately meet your needs, or
- ▶ you need the cover for less than five years.

#### Phase 1 – Student Cover

Cover for medical students in the final year of medical school is paid for by us

#### Phase 2 – New Doctor Cover

Subsidised cover with benefits during the five years after you qualify as a doctor

#### Phase 3 – Flexible Cover

Flexible options to update your cover as you progress in your career and life from the start of the sixth year after you qualify as a doctor



## PHASE 1 – STUDENT COVER

### Who can take out Student Cover?

You can take out Student Cover under the plan if you are:

- ▶ a medical student approaching or in your final study year at medical school
- ▶ at least 20 years old but under 34, and
- ▶ a UK resident.

You cannot take out the plan if you are about to start an intercalation year. This is when you take a break from your medical studies to follow a different university course.

You can have only one Wesleyan Personal Income Protection Plan in your name as a student at any one time.

If you are sponsored by the Ministry of Defence (MOD), Student Cover is available under the plan. However, once you graduate and become employed by the MOD, you will no longer be eligible for cover under the plan.

### When will the plan pay out?

With Student Cover, you can claim under the plan if you become incapacitated. By this we mean that because of your illness or injury, you are unable to carry out the essential activities of a medical student as required by the curriculum at your medical school and that your inability to carry out these activities is likely to delay your qualification as a doctor.

We will need evidence from a member of the faculty staff at your medical school to support your claim. We will also ask for a medical report from the medical practitioner in charge of your case and we may ask for further medical information if we need it to assess your claim.

### How much benefit can I get?

If we accept your claim, we will pay benefit of £210 per week.

### When will benefit payments start?

We won't pay any benefit for the first six weeks after you become incapacitated during Student Cover. This is called the deferred period.

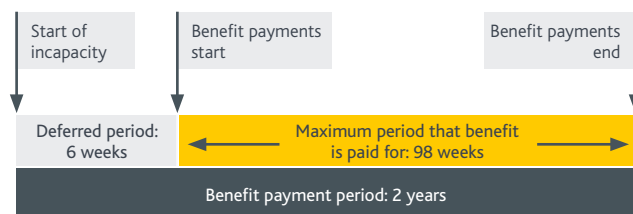
### How long will benefits be paid for?

We will pay benefits for up to two years from when you first become incapacitated. We call this the 'benefit payment period'.

If you would prefer benefits to be paid up to your planned retirement age, you can apply for a longer benefit payment period when the plan moves into the Flexible Cover phase. We may do this by issuing you with a new plan in place of this one.

The benefit payment period starts on the first day of your incapacity, although we will only pay benefits after the

deferred period ends. This means that, during the Student Cover phase, the maximum period you can receive benefits for is 98 weeks.



### How much will I pay?

Cover for medical students is paid for by us.

### Is there a deadline for claiming?

To avoid a delay in us paying your claim, you should make your claim in writing within two weeks of the date your incapacity started, where reasonably possible. If your incapacity prevents you from telling us yourself, certain close family members or people legally authorised to act for you can tell us.

### What if I need to claim again?

If you need to claim again within 26 weeks of restarting your studies following a claim, you may not have to wait for six weeks before we pay out again. Please see condition A6 of the Plan Document for more details.

### How many claims can I make?

There is no limit to the number of claims you can make.

### Can I increase the cover while I am a student?

We fix benefits during Student Cover to £210 per week and you cannot increase them.

### What if I don't pass my exams first time or I need to resit my examinations?

Student Cover will end if you fail your exams and, as a result, don't qualify as a doctor in the year you expected to.

However, if you need to resit an examination, or repeat any part of your final year, you can apply for a new plan to extend the period of Student Cover you need. You can only apply for one further Wesleyan Income Protection Plan as a student if you do this.

### What happens to my plan after I qualify as a doctor and take up my first NHS post?

On 1 August, in the year that you qualify from medical school, the plan will automatically move to New Doctor Cover.

## PHASE 2 – NEW DOCTOR COVER

You should also read the section entitled 'Important information that applies to all three phases of the plan' on page 15. There are example illustrations on pages 18 and 19, which include an explanation of the levels of benefit you may be entitled to during this phase of the plan.

### Who can take out New Doctor Cover?

If you took out the plan as a medical student, you will automatically move to New Doctor Cover at the end of Student Cover.

Otherwise, you can take out the plan and qualify for New Doctor Cover if you:

- ▶ apply within 12 months of the date you received confirmation of your qualification as a doctor
- ▶ are at least 20 years old but under 34, and
- ▶ are a UK resident.

You can only hold New Doctor Cover under one Wesleyan Personal Income Protection Plan.

### When does New Doctor Cover start?

If you started the plan as a medical student, New Doctor Cover starts automatically on 1 August of the year when you complete your final year at medical school.

If you apply for the plan within 12 months of qualifying as a doctor, New Doctor Cover starts as soon as we accept your plan application.

### How much benefit can I get?

The amount of cover provided during New Doctor Cover is designed to reflect the typical starting salary and increases in the early years of your career. When we accept your claim, the maximum amount of benefit you will initially be eligible for is £380 per week.

To help make sure that your cover reflects typical salary increases as well as increases in the cost of living, this will automatically increase by 10% in August each year in the first four years following that in which you qualified as a doctor. We will write to tell you about each of these increases before they happen.

You can choose not to accept any of these fixed increases in cover. If you do refuse them, you will lose the right to future fixed increases within New Doctor Cover.

Although tax and National Insurance are deducted from your normal earnings, they won't be deducted from the benefit we pay you.

The benefit we will pay you depends on your actual income and takes account of certain ongoing payments you receive.

To work out the benefit we will pay, we first calculate your insurable income by using the formula shown in the table below.

Level of your annual income before a claim	How we calculate your insurable income
If your income before a claim is £40,000 or less	<ol style="list-style-type: none"> <li>1. We take 60% of your income before a claim, then</li> <li>2. we divide the result by 52 to give us a weekly equivalent.</li> </ol>
If your income before a claim is £110,000 or less	<ol style="list-style-type: none"> <li>1. We take 60% of the first £40,000 of your income before a claim (£24,000), then</li> <li>2. we add on 55% of your income before a claim between £40,000 and £110,000.</li> <li>3. We divide the result by 52 to give us a weekly equivalent.</li> </ol>
If your income before a claim is more than £110,000	<ol style="list-style-type: none"> <li>1. We take 60% of the first £40,000 of your income before a claim (£24,000), then</li> <li>2. we take 55% of your income before a claim between £40,000 and £110,000 (£38,500), then</li> <li>3. we add on 50% of your income before a claim which falls above £110,000.</li> <li>4. We divide the result by 52 to give us a weekly equivalent.</li> </ol>

Once we have worked out your insurable income, we then take off other payments you may be receiving from other sources such as an employer's sick pay scheme, income you continue to receive from other occupations you're still able to carry out or benefits paid under other insurance policies that provide regular benefit if you suffer an illness or injury.

**We will never pay out more than the amount of cover you have chosen under the plan. As the result of this calculation could mean that you receive less benefit than you have paid for under the plan, you need to make sure that the level of benefit you've chosen under it accurately reflects your income and takes account of the ongoing payments we'll deduct. We will not refund any of the money you have paid to us if this happens.**

Please see the section entitled 'What makes up my income before a claim?' under 'Important information that applies to all three phases of the plan' on page 15, and conditions B6 and B7 of the Plan Document for more information.

### When will benefit payments start?

New Doctor Cover is designed to start paying benefit when you need it and so usually begins when your NHS sick pay stops or reduces. The earliest date that we can pay benefit from is four weeks after the start of your incapacity.

## How much will I pay?

If you took out the plan as a student, when the plan moves from Student Cover to New Doctor Cover the cost of your cover will be subsidised by us. What's more, to give you some breathing space while you settle into your new career, you will not have to start paying the premiums yourself until the November of the year that you qualify as a doctor. If you take the plan out after this time, your premiums will start immediately.

The standard initial monthly premium is £15. The premium may be higher due to your own and family medical history and other lifestyle factors. If this is the case, we will tell you before your cover begins what premium you will have to pay.

Premiums are paid each month by direct debit.

## Will my premium change?

Your premium will increase by 10% in the August following your first premium payment, and again in August in the three years after that. We will write to you before each increase happens.

## When will the plan pay out?

You can claim under the plan if you become incapacitated. By this we mean that because of your illness or injury, you are totally unable to carry out the essential duties of one or more of your insured occupations (which would normally be as a doctor unless you are carrying out any other occupations as well). Essential duties are those that cannot be left out without affecting your ability to carry out the insured occupation.

Even if you are not working immediately before you become incapacitated, the plan can pay some benefit. In this case, we'll assess whether you're incapacitated based on your ability to do certain day-to-day activities (such as walking, reading and writing). Please see conditions B2 and B3 of the Plan Document for more information.

## How will you assess my claim?

- ▶ We'll look at the nature of your illness or injury, the duties of your occupation (or occupations) and your ability to do them.
- ▶ We'll ask for evidence of your income and of any relevant payments you're continuing to receive.
- ▶ If we haven't already seen it, we'll ask for evidence of your age.

We will also ask for a medical report from the medical practitioner in charge of your case and we may ask for further medical information if we need it to assess your claim.

Please see condition E8 of the Plan Document for more information.

## Example:

John currently has New Doctor Cover. Under John's employment contract, if he's unable to work because he has suffered an illness or injury, he receives full sick pay for four months, followed by half pay for a further four months. He has no other income.

If John becomes incapacitated, he's likely to receive a small amount of benefit under the plan after four months once his sick pay drops to half, to supplement his reduced sick pay. The actual benefit payments he is entitled to will be based on the rules as described in 'How much benefit can I get?' on page 6.

After eight months of incapacity, John's sick pay stops altogether, although he is still too ill to work. John is likely to receive more benefit under the plan after this point.

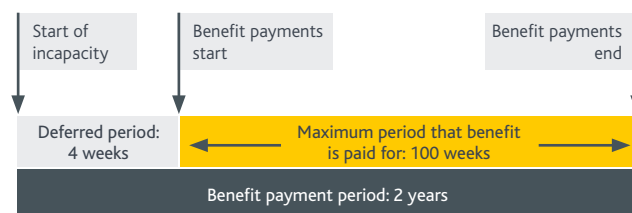
## Is there a deadline for claiming?

To avoid a delay in paying your claim, you should tell us as soon as possible and no later than two weeks from the date your incapacity started. If your incapacity prevents you from telling us yourself, certain close family members or people legally authorised to act for you can tell us.

## How long will benefits be paid for?

We will pay benefits for up to two years from when you first become incapacitated. We call this the 'benefit payment period'.

The benefit payment period starts on the first day of your incapacity, although we will normally only pay benefits once your NHS sick pay reduces. Please see the example above. This means that, during the New Doctor cover phase, the period you can receive benefits for will depend on the length of your service with the NHS. So, the maximum length of time you can claim for is 100 weeks.



If you would prefer benefits to be paid up to your planned retirement age, you can apply for a longer benefit payment period when the plan moves into the Flexible Cover phase. We may do this by issuing you with a new plan in place of this one.

### **What if I need to claim again?**

If you need to claim again within 26 weeks of having returned to work following a previous claim, you may not have to wait before we pay out again. Please see condition E4 of the Plan Document.

### **How many claims can I make?**

There is no limit to the number of claims you can make. However, you must restart paying premiums when your claim ends so that your cover is maintained.

### **Can I increase the cover?**

You can choose to increase the cover provided under the plan while in New Doctor Cover. If you do this, we will base your premiums for the extra cover on your age, state of health and whether you smoke at the time you apply for the increase. Please see condition B9 of the Plan Document for more information.

### **Can I reduce the cover?**

You cannot reduce the cover provided in New Doctor Cover.

### **When does New Doctor Cover end?**

New Doctor Cover will end on 31 July, in the fifth year after that in which you qualified as a doctor. At this point, the plan will automatically move to Flexible Cover.

If you want to move to Flexible Cover before this date, you can cancel your existing plan and take out a new Wesleyan Income Protection Plan at the Flexible Cover phase. You can only do this after 1 August in the year after that in which you qualified as a doctor. We will not ask for any evidence of your state of health for the new plan.





## PHASE 3 – FLEXIBLE COVER

You should also read the section entitled 'Important information that applies to all three phases of the plan' on page 15. There are example illustrations on pages 18 and 19, which include an explanation of the levels of benefit you may be entitled to during this phase of the plan.

At this stage of the plan, you can change many of its features to more closely suit your changing circumstances. We recommend that you get advice from your Wesleyan Financial Services Consultant to make sure that you make the best use of your plan's flexibility.

### When does Flexible Cover start?

Flexible Cover starts automatically on 1 August in the fifth year after that in which you qualified as a doctor. We will write to you beforehand to tell you about the move from New Doctor Cover to Flexible Cover.

### How much benefit can I get?

If you didn't turn down any of the fixed 10% increases during New Doctor Cover, the normal amount of cover you can expect at the start of Flexible Cover will be £556 per week.

If you chose to increase your cover above £380 per week, when you had New Doctor Cover, the starting cover in the Flexible Cover phase will reflect this increase. If you refused any of the 10% fixed increases during this phase of the plan, the starting cover may be less.

While tax and National Insurance are deducted from your normal earnings, they won't be deducted from the benefit we pay out.

The benefit we will pay you depends on your actual income and takes account of certain ongoing payments you receive.

To work out the benefit we will pay, we first calculate your insurable income by using the formula opposite.

Level of your annual income before a claim	How we calculate your insurable income
If your income before a claim is £40,000 or less	<ol style="list-style-type: none"> <li>1. We take 60% of your income before a claim, then</li> <li>2. we divide the result by 52 to give us a weekly equivalent.</li> </ol>
If your income before a claim is £110,000 or less	<ol style="list-style-type: none"> <li>1. We take 60% of the first £40,000 of your income before a claim (£24,000), then</li> <li>2. we add on 55% of your income before a claim between £40,000 and £110,000.</li> <li>3. We divide the result by 52 to give us a weekly equivalent.</li> </ol>
If your income before a claim is more than £110,000	<ol style="list-style-type: none"> <li>1. We take 60% of the first £40,000 of your income before a claim (£24,000), then</li> <li>2. we take 55% of your income before a claim between £40,000 and £110,000 (£38,500), then</li> <li>3. we add on 50% of your income before a claim which falls above £110,000.</li> <li>4. We divide the result by 52 to give us a weekly equivalent.</li> </ol>

Once we have worked out your insurable income, we then take off other payments you may be receiving from other sources, such as an employer's sick pay scheme, income you continue to receive from other occupations you're still able to carry out, income from a pension, or benefits paid under insurance policies that provide regular benefit if you suffer an illness or injury.

**We will never pay out more than the amount of cover you have chosen under the plan. However, as the result of this calculation could mean that you receive less benefit than you have paid for under the plan, you need to make sure that the level of benefit you've chosen under it accurately reflects your income and takes account of the ongoing payments we'll deduct. We will not refund any of the money you have paid to us if this happens.**

Please see the section entitled 'What makes up my income before a claim?' under 'Important information that applies at all three phases of the plan' on page 14, and conditions C5 and C6 of the Plan Document for more information.

### When will the plan pay out?

During Flexible Cover, you can claim under the plan if you become incapacitated. By this we mean that because of an illness or injury, you are totally unable to carry out the essential duties of one or more of your insured occupations. Essential duties are those that cannot be left out without affecting your ability to carry out the insured occupation.

Even if you are not working immediately before you become incapacitated, the plan can pay some benefit. In this case, we'll assess whether you're incapacitated based on your ability to do certain day-to-day living tasks (such as walking, reading and writing). Please see conditions C1 and C2 of the Plan Document for more information.

### How much will I pay?

When the plan moves from New Doctor Cover to Flexible Cover, you will start to pay the premium yourself. Your new premiums will be based on your age at the time you applied for the plan and whether or not you told us you were a smoker.

Your premiums in Flexible Cover will be reviewable, which means they might change in the future. When the plan moves from New Doctor Cover to Flexible Cover, you will also have the opportunity to choose guaranteed premium rates instead, which means the premium rates won't change in the future. We've explained over the page in more detail what we mean by 'reviewable' and 'guaranteed' premium rates and how these work.

We will write to you before Flexible Cover starts to tell you what your reviewable premium will be and the options available to you.

If you want to opt for guaranteed premium rates, you will need to tell us this before you move to Flexible Cover. After this point, you will not be able to switch between guaranteed and reviewable premium rates.

### Will my premium payments change in the future?

Unless you have opted for guaranteed premium rates, when we carry out a premium review your premium may change if our views on the expected costs of providing cover change.

The first premium review will take place on the fifth anniversary of the date that Flexible Cover starts and on the same date in each year that follows. The premium may go up or down, or it may stay the same as a result of the review. We can increase or reduce your premiums by any amount and there is no limit to the size of any change.

We will review premiums in a fair and reasonable way by considering:

- ▶ our experience to date on our individual income protection product and all other similar Wesleyan income protection plans
- ▶ information reasonably available to us on the actual and expected experience of insurers of similar income protection plans, and
- ▶ economic information such as interest rates and tax rates.

The reviews will compare the costs allowed for in your premium with what we think future costs will be. We will not look to recover past losses or redistribute past profits as part

of a review, and your premium will not be directly affected by whether you have claimed or not.

We will give you at least 14 days' notice of any changes that result from a premium review. If we tell you that we plan to increase the cost of providing your cover, we will increase your premium so the level of cover is continued. However, you can also leave your premium unchanged for a reduced level of benefit, which will be based on the revised cost of providing cover.

If the cost of providing cover reduces, we will reduce your premium and the level of cover will remain unchanged.

Please see condition D5 of the Plan Document for more details, including an explanation of what we take into account when reviewing your premiums.

If, when we give you the choice, you choose guaranteed premium rates, we will not review your premium rates and they will stay the same throughout the length of your plan. However, the actual premium you pay could change if you choose to alter your cover or as a result of yearly increases in the cover we provide.

The type of premium rates you choose will affect the amount you pay. Guaranteed premium rates can be more expensive than reviewable premium rates at first, as your premiums will include a cost for the guarantee that the rates will not increase. Reviewable rates can (but won't necessarily) become more expensive in later years, if the premiums increase.

### How will you assess my claim?

- ▶ We'll look at the nature of your illness or injury, the duties of your occupation (or occupations) and your ability to do them.
- ▶ We'll ask for evidence of your income before your illness or injury took place, and of any relevant payments you're continuing to receive.
- ▶ If we haven't already seen it, we'll ask for evidence of your age.

We will also ask for a medical report from the medical practitioner in charge of your case and we may ask for further medical information, if we need it, to assess your claim.

Please see condition E8 of the Plan Document for more information.

### When will benefit payments start?

There will be a period when you are first incapacitated for which we do not pay benefit. This is called the deferred period.

## NHS sick-pay guarantee

We understand that, if you are employed by the NHS, your entitlement to sick pay from your employer, if you are ill or injured, changes over time.

If you are a doctor or surgeon directly employed by the NHS in the UK and registered with the General Medical Council (GMC), or a nurse or midwife employed by the NHS in the UK and registered with the Nursing and Midwifery Council (NMC), we will apply a 'specially enhanced' deferred period, which means that we'll start paying benefit to cover your NHS earnings when they reduce or stop because you have become unable to work.

The level of benefits you receive, and when you are entitled to receive them, will depend on your entitlement to sick pay from your employer and certain other payments. These are set out in conditions C5 and C6 of the Plan Document.

This specially enhanced deferred period applies only to earnings from employment with the NHS or where your employer has adopted the NHS sick pay arrangements. It does not apply to any income you receive from a private practice, or income you receive from employment by GP partnerships or other healthcare businesses where your employer has sick pay arrangements that are different to those of the NHS.

Other than the specially enhanced deferred period described above, the standard deferred periods are 26 and 52 weeks, with half of the overall cover amount split equally between the two deferred periods. This means we will pay a maximum of half the benefit (50% of the insured benefit) after 26 weeks of incapacity and up to the full benefit (100% of the insured benefit) after 52 weeks of incapacity, depending on the maximum described under 'How much benefit can I get?'

You can apply to change this and to add up to a further three deferred periods during this phase of the plan (see 'How flexible is my cover?'). The alternative deferred periods you can choose are 0, 2, 4, 8 or 13 weeks. If any part of the benefit under your plan has no deferred period, you won't be able to make a claim until you have been incapacitated for at least seven days.

## How long will benefits be paid for?

We will pay benefits for up to two years from when you first become incapacitated. We call this the 'benefit payment period'.

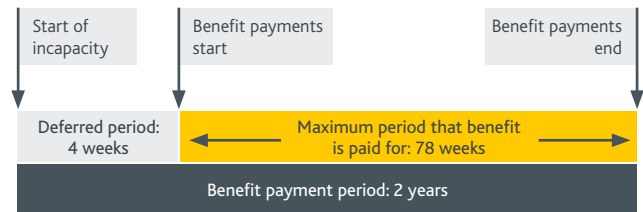
At the Flexible Cover phase, you can choose a different benefit payment period of five years or a period to match the plan end age you have chosen for the plan. (We may do this by issuing a new plan in place of this one).

The benefit payment period starts on the first day of your incapacity, although we will only pay benefits after the

deferred period ends. This means that the maximum period you can receive benefits for is the length of time from the end of the deferred period up to the end of the benefit payment period.

If you have chosen more than one deferred period, the same benefit payment period will apply to each of them.

The illustration below shows how we would pay benefits for a plan with a two-year benefit payment period and a 26-week deferred period.



## Is there a deadline for claiming?

You should tell us as soon as possible that you want to make a claim. If your incapacity means you can't tell us yourself, certain close family members or people who are legally authorised to act for you can tell us.

The table below shows the timescales within which you should tell us that you've become incapacitated.

Shortest deferred period under the plan	When you should tell us about your incapacity
None (zero weeks) or 2 weeks or 4 weeks	Within <b>2 weeks</b> of the start of your incapacity.
8 weeks	Within <b>3 weeks</b> of the start of your incapacity.
13 weeks or 26 weeks or 52 weeks	Within <b>8 weeks</b> of the start of your incapacity.

If you do not tell us about your incapacity within these periods, payment of your claim is likely to be delayed. Please see condition C4 of the Plan Document for more details

## What if I need to claim again?

If you need to claim again within 26 weeks of having returned to work following a previous claim, you may not have to wait before we pay out again. Please see condition E4 of the Plan Document.

## How many claims can I make?

There is no limit to the number of claims you can make. However, you must restart paying premiums when your claim ends so that your cover is maintained.

## Will my benefits keep up with increases in the cost of living?

During Flexible Cover, we will increase your cover in line with rises in the Retail Prices Index (up to a maximum of 12% per

increase). We call this indexation. If this index is not available, we will use an appropriate replacement index instead. Your cover will increase on each anniversary of the date that Flexible Cover starts under your plan.

You can choose not to accept any of these increases in cover or stop them completely. You can restart indexation increases, without having to provide evidence of your state of health, even if you have chosen not to accept increases in the past. When this happens we will restart indexation increases from the next anniversary of the start of Flexible Cover.

We will not allow you to add to the plan any indexation increases that you have refused in previous years. However, you may increase the cover amount using other options available under the plan. See "What other options do I have to increase my cover?" on page 13.

Your premium payments will increase when we make an indexation increase. We will tell you about any change in premium when the change takes place.

### How flexible is my cover?

The Personal Income Protection Plan allows you to update your cover as you progress in your career or if your personal circumstances change (or both). The plan offers valuable options such as:

- ▶ increasing your cover without having to provide evidence of your state of health (we call these 'Guaranteed Increase Options'), and
- ▶ suspending cover during breaks from your career to cover certain 'life events' such as having a baby, caring for a dependant or taking a sabbatical break.

During this phase of the plan, you can ask us to change the two-year benefit payment period to five years or to match the plan end age. If you do this before your 36th birthday, depending on certain restrictions, we will not normally ask for up-to-date evidence of your state of health. You can find more information about this option in conditions C8 and C9 of the Plan Document.

You can also apply to increase your cover, make changes to the plan end age (the age you want your plan to end) and deferred periods on the plan.

If you apply to increase your cover, extend the plan end age, or shorten deferred periods, we may need further medical evidence to support your application.

If we accept your application, your premium payments will normally increase as a result.

If you want to change the benefit payment period we may do this by issuing a new plan in place of this one.

You can also apply to reduce the cover that you have (as long as this does not go below our minimum monthly premium of £10).



In the table below, we have summarised the events that may entitle you to use a Guaranteed Increase Option.

Shortest deferred period under the plan	
<b>Large Earnings Increase Option</b>	<p><b>This option is only available up to your 36th birthday.</b></p> <p>You can use this option if your earnings increase as a result of significant progress in your career (such as promotion or gaining a professional qualification). You can ask us to increase the cover relating to each individual deferred period under your plan to an amount up to twice the existing level of cover related to that deferred period. For details of specific career progression events, please see condition C9 of the Plan Document.</p> <p><b>You can only use this option once and your benefit cannot increase by more than £480 per week overall.</b></p>
<b>10% Earnings Increase Option</b>	<p><b>This option is only available up to your 56th birthday.</b></p> <p>You can use this option if your income increases by at least 10%. You can ask us to increase the cover relating to one or more of the deferred periods under your plan by a maximum of 10%.</p> <p><b>You can only use this option three times during the plan term</b></p>
<b>Mortgage Increase Options</b>	<p><b>This option is only available up to your 56th birthday.</b></p> <p>You can use this option if your mortgage payments increase as a result of moving home or if you borrow more on your mortgage to pay for home improvements. You can ask us to increase the cover relating to one or more deferred periods under your plan by up to 50%.</p> <p><b>The maximum increase to your plan is limited to the weekly equivalent of the increase to your mortgage payments..</b></p>
<b>Marriage or Civil Partnership Option</b>	<p><b>This option is only available up to your 56th birthday.</b></p> <p>You can use this option if you marry or enter into a registered civil partnership. You can ask us to increase the cover relating to one or more deferred periods under your plan by up to 50%</p>
<b>Childbirth or Legal Adoption of a Child Option</b>	<p><b>This option is only available up to your 56th birthday.</b></p> <p>You can use this option if you have a child, or if you legally adopt a child (this must be legally recognised in the UK). You can ask us to increase the cover relating to one or more deferred periods under your plan by up to 50% of your existing cover.</p>

### What are Guaranteed Increase Options?

Guaranteed Increase Options allow you to increase your cover without providing further evidence of your state of health on certain specific occasions (see the table over the page for further details). We'll tell you before your plan starts which Guaranteed Increase Options apply to you (if any).

You won't be able to increase your cover amount by using a Guaranteed Increase Option if you are incapacitated. This will also be the case if you have already suffered an illness or injury but you haven't yet made a claim.

You will need to use Guaranteed Increase Options within 90 days of the event they relate to. Please see condition C9 of the Plan Document for more details.

### What other options do I have to increase my cover?

If you can't increase your cover using a Guaranteed Increase Option, you can still apply to increase your cover at any time but we will ask for evidence of your state of health when we consider your application. Whenever we increase your cover, your premium payments will also increase.

You can't increase the cover under your plan to more than £4,000 per week.

When increasing your cover, you may want to take advice to make sure that the cover amount is right for your circumstances and that you will not be paying for more cover than you can claim.

### What if my employer's sick pay arrangements change?

If a career change results in a change to your entitlement to sick pay under a contract of employment, you may want to change the deferred periods on your plan so that benefit payments start sooner (or maybe later). You can apply to change the deferred periods on your plan. However, you may need to provide us with medical evidence. Your premium payments will normally change as a result of any changes to the deferred period (or periods).

### What are my options if I take a break from my career?

This plan offers flexible options for the times when you may decide to take a break from your career.

### Continuing cover during a break from employment

If you take a break from employment for the reasons listed in the table over the page, you can choose to continue your cover. Although while you're on a break you won't be doing any paid work for the period of time shown, we will treat you as if you are. As a result, we will base your income on what it was before the break started.

We will assess your claim based on whether or not, if you had been at work, your incapacity would have prevented you from doing one or more of your insured occupations.

	What are my options	For how long?
<b>Maternity or Paternity Break</b>	If you take a recognised period of maternity or paternity leave.	Up to 12 months
<b>Sabbatical Break</b>	If you are temporarily excused (with written agreement beforehand from your employer) from carrying out your normal occupation with a guaranteed position to return to.	Up to 24 months
<b>Carer's Break</b>	If you stop all paid work to provide unpaid help to a person, and they could not manage without this support. As a carer, you may be supporting a relative, partner or friend, who is ill, frail or disabled, or who has mental-health or substance-misuse problems.	Up to 12 months

If your break lasts longer than the periods shown above or if your break is for any other reason, we'll treat you as if you're unemployed for the purposes of working out how much benefit you're entitled to if you claim. This means you'll only receive a maximum of £300 per week (or your insured benefit if this is lower) if you have to claim. To make sure you're not paying for cover you can't claim, it's important that you consider reducing your level of cover if you stop working. If you do reduce your cover and within five years of the start of your break you apply to increase your cover again (to no more than it was before), we won't ask you for new evidence of your state of health when we consider your application.

### Suspending cover during a break from employment

Instead of continuing cover, you can choose to suspend cover and premiums for the following reasons for up to the maximum periods shown above (opposite).

You won't be covered if you become incapacitated while you've suspended your cover and you won't be able to reinstate it if you're incapacitated. If you want to suspend your cover, you need to tell us before the start of the break.

	What are my options	For how long?
<b>Maternity or Paternity Break</b>	If you take a recognised period of maternity or paternity leave.	Up to 12 months
<b>Sabbatical Break</b>	If you are temporarily excused (with written agreement beforehand from your employer) from carrying out your normal occupation with a guaranteed position to return to.	Up to 24 months
<b>Carer's Break</b>	If you stop all paid work to provide unpaid help to a person, and they could not manage without this support. As a carer, you may be supporting a relative, partner or friend, who is ill, frail or disabled, or who has mental-health or substance-misuse problems.	Up to 12 months
<b>Career Break</b>	If you leave employment but intend to return to the same occupation (or occupations) you were doing immediately before the break started.	Up to 60 months

At the end of your break (or at the end of the maximum period shown if this happens sooner), we will reinstate your cover and you'll need to start paying premiums again. We will base your premiums for the increased cover on your age and premium rates in force at the time of the increase. We'll tell you the premium that will apply when your plan is reinstated.

If you don't reinstate your cover by the end of the period shown, your plan will end and you won't be able to reinstate it.

For more details on breaks, including eligibility and conditions, please see condition E3 of the Plan Document.

## Can I reduce my cover?

You can choose to reduce your cover amount at any time when the plan is in the Flexible Cover phase (as long as this does not mean your premium payments would go below our minimum of £10 per month).

## How long will the cover last?

Your plan normally ends when you reach age 65 (your 'plan end age'). During Flexible Cover, you can apply to change this. There must be at least five years between the date you make the change and your new chosen plan end age and you shouldn't choose an age which is later than your planned retirement date. See the 'Plan Definitions' section of the Plan Document for more details on available plan end ages. The plan must end no later than your 70th birthday. For some occupations there may be an earlier limit to the plan end age. We will tell you before your plan starts if this applies to you.

If you apply to extend the plan end age, your premium payments will increase and you will need to provide evidence of your state of health.

## IMPORTANT INFORMATION THAT APPLIES AT ALL THREE PHASES OF THE PLAN

### What personal information will you need to set up my plan?

The application process will include questions about your medical history and we may ask for further medical evidence to support your application. This may be as part of your application or later, as part of assessing a claim.

If you are working, we will also ask about your earnings and occupation.

### What makes up my income before a claim?

If you're employed, this is your personal taxable income from your employment. By this we mean your earned income before you pay any income tax, less any expenses that are allowed against tax. It also includes the before-tax equivalent of the following 'benefits in kind'.

- ▶ Company car.
- ▶ Living accommodation.
- ▶ Private medical insurance.

You'll find information on your income and benefits in your latest P60 and P11D Form or in your latest tax return.

If you're self-employed, this is your share of before-tax profits. By this we mean your gross earnings from your business each year, less any amount allowed as expenses against income tax, before income tax is deducted. You'll find this information in your tax return.

If your income is received in the form of dividends, we take account of income received from a limited company in which you work, but only if:

- ▶ the dividend income is related to your work activities and is paid direct to you instead of a regular salary or the period being considered, and dividends are paid out of company profits and not out of retained profits, and
- ▶ the dividends are consistent with a level of salary that the company's trading position allows on a continuing basis.

If you make a claim, we'll look at your income over the previous 12 months. If all or part of your income relates to self-employment or to income paid in the form of dividends, we will average your self-employed income or income from dividends over the last three years. If fewer than three years' records are available, we will base our calculation on what information is available so that we can reach a fair and representative equivalent.

### How long will benefits be paid for?

We will pay benefits until the first of the following happens.

- ▶ You are no longer incapacitated.
- ▶ Unless you are a student, the income you continue to receive during your incapacity increases to the point that you are no longer entitled to benefit under the plan (see 'How much benefit can I get?').
- ▶ You reach age 65 (or your chosen plan end age if you've opted to change it).
- ▶ You reach the end of the maximum benefit payment period.
- ▶ You die.

### What happens if I return to work part-time following a claim, or return to a job that pays me less money?

You may be able to claim some benefit if you return to work part-time or need to take up a less well-paid position due to your incapacity.

If you return to work in the same job on a part-time basis, we'll stop paying benefits once you're able to work the number of hours you were working in that job before you were incapacitated (or once you're able to work for at least 30 hours per week).

Please see conditions E5 and E6 of the Plan Document for more information.

### What happens if I change my occupation (or occupations)?

You do not need to tell us if you change your occupation. We will assess any claim based on the occupation (or occupations) you had immediately before you became incapacitated.

### Will you still pay benefit if I am outside the United Kingdom?

We will cover you if you suffer an illness or injury anywhere in the world. However, there are restrictions on how long we will pay benefit for.

We will pay benefit while you are in the United Kingdom, any country or territory which is a member of the European Union or if you are in one of the following:

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

If you are not in one of the countries or territories listed we will only pay benefit for a maximum of six months (depending on the deferred periods you have chosen) from the start of your incapacity. This means that you will not receive benefit on deferred periods of 26 weeks or more if you are outside of the countries or territories listed.

If, however, you have chosen to change the deferred period (or periods) as explained under 'How flexible is my cover?', you won't receive any benefit under the plan that relates to a deferred period of 26 weeks or more.

Please see condition E10 of the Plan Document for more information.

### When will the plan not pay out?

The plan has no standard exclusions.

However, please note that the plan is designed to pay benefits if you are ill or injured – you cannot claim because you become unemployed.

Pregnancy is not an illness, so you cannot claim if a condition arises from the normal effects of pregnancy or childbirth (or both). However, we will cover complications associated with pregnancy.

### Are there any other significant or unusual exclusions or limitations?

We may apply exclusions, conditions or limitations in some cases, depending on your medical or family medical history and on certain aspects of your lifestyle. If so, we'll tell you before your plan starts.

### Does the plan have a cash-in value?

No, the plan has no cash-in value.

### What about tax?

- ▶ Tax and National Insurance are not deducted from the benefits we pay you on this plan.
- ▶ You do not get income tax relief on premiums.

This is how we understand the current tax rules, but they may change in the future. Your actual tax treatment depends on your personal circumstances.

### What if I stop paying premiums?

If you miss a premium and do not pay it within 30 days of the date it was due, your plan and cover will end. You won't get any money back.

You can restart your plan within six months of missing the first premium. You will have to pay all the premiums you have missed and give us evidence that you are in good health.

### What charges apply to my plan?

The premiums you pay include all the costs of administration, underwriting, claims and selling expenses along with any fees you have to pay for medical examinations we may ask you to have. A plan fee of £3 per month is also included in your premium. The plan fee doesn't apply during Student Cover.

### Can I change my mind?

After we accept your application, you have three months in which to change your mind. To do this you will need to send us a completed Cancellation Notice, which we will give you when you take out your plan.

If you cancel your plan within this three-month period, we will refund any premiums paid after we have deducted any benefits we may have paid you.

You can cancel your plan at any time after the three months has ended, but we won't refund any premiums.



## OTHER INFORMATION

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### How to complain

We do everything we can to make sure we always give you the best possible service. If you are unhappy with any part of the service we have given you and want to complain, you can contact us in the following ways.

- ▶ Speak to our Customer Relationship Centre team on 0800 092 1990. Our lines are open from 8.30am to 6.30pm, Monday to Friday and from 9am to 2pm on Saturdays.
- ▶ Fill in the online contact form which you can find by visiting our website [www.wesleyan.co.uk](http://www.wesleyan.co.uk)
- ▶ Email the Complaints Team at [complaints@wesleyan.co.uk](mailto:complaints@wesleyan.co.uk)
- ▶ Write to:  
Complaints Team  
Risk and Regulatory  
Wesleyan Assurance Society  
Colmore Circus  
Birmingham  
B4 6AR
- ▶ You can also fax your letter to us on 0121 200 9210.

If, after receiving our response, you're still not happy, you can refer your complaint to the Financial Ombudsman Service.

Financial Ombudsman Service  
Exchange Tower  
London E14 9SR

Phone: 0800 023 4567 or 0300 123 9123  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

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

### Law

The plan is governed by the law of England.

### Compensation

If we cannot meet our financial obligations to you, you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) under the Financial Services and Markets Act 2000. You can get details of the scheme from the FSCS at:

- ▶ FSCS  
PO Box 300  
Mitcheldean GL17 1DY  
  
Phone: 0800 678 1100 or 020 7741 4100  
Email: [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)  
Website: [www.fscs.org.uk](http://www.fscs.org.uk)

### Conflicts of interest

You can find a copy of our Conflicts of Interest policy on our website at [www.wesleyan.co.uk/pdf/wesleyan-conflicts-of-interest-and-anti-bribery-policy](http://www.wesleyan.co.uk/pdf/wesleyan-conflicts-of-interest-and-anti-bribery-policy), or you can ask us for a copy.

### How to contact us

If you have any questions about this plan, please contact us in any of the following ways.

- ▶ Call us on 0345 351 2352. Our lines are open from 8.30am to 6.30pm, Monday to Friday and from 9am to 2pm on Saturdays. Calls may be recorded to help us provide, monitor and improve our services to you.
- ▶ Write to us at:  
Wesleyan  
Colmore Circus  
Birmingham B4 6AR
- ▶ Fax us on 0121 200 2971.
- ▶ Visit our website at [www.wesleyan.co.uk](http://www.wesleyan.co.uk)
- ▶ You should send instructions to us in writing to the address above. However we may accept instructions other than in writing from time to time. We can only communicate with you in English. We can contact you by phone or other ways to get instructions about your account.

If you have any questions about making a claim, we will try to answer them promptly.

### Claims

If you want to tell us about a claim:

- ▶ call us on 0345 351 2352
- ▶ write to the Health Claims Department at the address above
- ▶ email [phiclaimsadmin@wesleyan.co.uk](mailto:phiclaimsadmin@wesleyan.co.uk), or
- ▶ fax us on 0121 200 9718.

You can find more information about our claims process at [www.wesleyan.co.uk](http://www.wesleyan.co.uk)

# KEY FEATURES ILLUSTRATION OF PREMIUMS AND BENEFITS FOR THE FIRST FEW YEARS OF COVER

In this example, we assume you are aged 23 and a non-smoker (at the time you take out the plan).

## PHASE 1 – MEDICAL STUDENT COVER

The plan is taken out during the final year of your medical studies.

### Premium

We will cover the cost at this phase of the plan.

### Benefit

£210 per week.

### Deferred period

If we accept your claim, we will start to pay benefit after you have been incapacitated for six weeks.

## PHASE 2 – NEW DOCTOR COVER

Once you have successfully qualified, you automatically move to the New Doctor Cover.

### Premium and maximum insured benefit

You will pay an initial premium of £15 per month. This represents a substantial discount on the true cost of providing this type of cover and is subsidised at this phase by us. Your premiums depend on the medical and health information you provided us with at the time you applied for your plan and they may be higher.

During this phase of the plan, your monthly premium and insured benefit will increase by 10% on 1 August each year. You can choose not to accept these fixed increases to your cover.

The typical monthly premiums you will pay and the levels of insured benefit under New Doctor Cover would increase as follows.

	Qualification	Monthly Premium	Insured Benefit
New Doctor Cover	1st year	£15.00 (starting on 1st November)	£380.00
	2nd year	£16.50	£418.00
	3rd year	£18.15	£460.00
	4th year	£19.97	£506.00
	5th year	£21.96	£556.00

The amount you actually receive will depend on whether you are entitled to sick pay and certain other payments you may receive at the time of claim. This means you may not receive the full insured benefit shown above if you need to claim.

### Deferred period

The plan is designed to pay benefits when you need them. This is usually when any entitlement you may have to sick pay reduces or stops.

## PHASE 3 – FLEXIBLE COVER

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On 1 August in the fifth year after that in which you qualified, your plan will automatically move to Flexible Cover.

### **Premium and maximum insured benefit**

We will calculate your premium payments based on your age and whether or not you told us you were a smoker at the time you applied for the plan.

We will write to you before your plan changes to Flexible Cover to tell you what your new premium will be and to explain your options.

Based on a maximum insured benefit of £556.00 per week at that point, and assuming you are aged 28, the typical reviewable premium in this example would be £26.76 per month.

The level of insured benefit and monthly premium will increase each year in line with inflation. You can choose not to accept these increases.

The amount you actually receive will depend on whether you are entitled to sick pay and certain other payments you may receive at the time of the claim. We will establish this at the claim stage.

### **Deferred period**

As in Phase 2, the plan is designed to pay benefits when you need them. This is usually when any entitlement you may have to sick pay reduces or stops. If necessary, you can change the deferred period to better suit your needs.

### **Plan end age**

Your plan normally ends when you reach 65.

## FURTHER INFORMATION

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The plan has no cash-in value at any time and the premium you pay depends on the medical and health information you provided us with at the time you applied for your plan. There is a plan fee of £3 per month which only applies at Flexible Cover stage.

## WHAT ARE THE CHARGES FOR ARRANGING THIS PLAN?

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If you take out the plan at the Student Cover stage, we will pay commission to Wesleyan Financial Services Limited of £520.00 immediately for arranging this contract.

If you take out the plan at the New Doctor Cover stage, we will pay commission to Wesleyan Financial Services Limited of £520.00 immediately for arranging this contract.

## We are all about you.

Since we were founded over 175 years ago, we have cherished our mutual status. It's an integral part of who we are and with no shareholders, our focus is on members and customers. We work to benefit those who invest in our business. Not only today, but also in the future.

It's why 'we are all about you'.

A guide to the many ways in which the Wesleyan Group of companies can help you to plan, prioritise and secure your financial future.

### For you



### For your business



For more information about the Wesleyan Group of companies, visit [wesleyan.co.uk/ourcompanies](https://www.wesleyan.co.uk/ourcompanies)

If you would like this document in Braille, large print or audio format, please contact **0800 975 3710**.



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\*WESLEYAN\* is a trading name of the Wesleyan Group of companies.

Wesleyan Assurance Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Advice is provided by Wesleyan Financial Services Ltd (Registered in England and Wales No. 1651212) who is authorised and regulated by the Financial Conduct Authority and is wholly owned by Wesleyan Assurance Society. Incorporated in England and Wales by Private Act of Parliament (No. ZC145). Registered Office: Colmore Circus, Birmingham B4 6AR. Telephone: 0345 351 2352. Fax: 0121 200 2971. Calls may be recorded to help us provide, monitor and improve our services to you.