

Voluntary Group Critical Illness



Technical Guide

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- Technical Guide for 'Commercial customers' and their advisers.
- This product is only available from appropriately authorised intermediaries who have signed our Terms of Business Agreement.
- This document is a guide to the features of our Voluntary Group Critical Illness product and should be read in conjunction with the quotation which accompanies it. If anything stated in the quotation differs from what is in this guide, then what is stated in the quotation overrides the guide.
- In the event of a discrepancy between the policy document, the quotation and the content of this guide, the wording of the policy document will prevail.
- Full details of the insurance cover will be contained in the policy document. The policy is issued subject to the Laws of England.
- We have classed the customers for this product as 'Commercial' within the context of the Financial Services Authority's (FSA) Insurance Conduct of Business (ICOB) Rules.

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This document does not provide definitive tax advice that can be relied upon in the specific circumstances of a particular Policyholder or in respect of any member insured under the policy. This includes but is not limited to any potential liability to corporation tax and income tax. Policyholders should take advice from their own professional advisers to ensure that they understand the impact of tax and legislation.

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A. Terms explained

Automatic Entry Limit (AEL) means a level of benefit which will normally be granted to an individual regardless of their state of health provided they are otherwise eligible to become a member, subject to the pre-existing conditions exclusion (see Section F 2.3 'What is not covered?').

Commencement date is the date from when we have agreed to provide the quoted cover.

Conditional Cover is a procedure by which we agree to provide the quoted cover from the required commencement date for a period of up to 30 days pending receipt of the information detailed in Section F 1.2 'When will cover commence?'.

A **Critical Illness event** is the occurrence of one of a number of defined medical conditions or listed surgical procedures covered under the policy.

The policy **Terminal Age** is the age at which cover under the policy ceases. The maximum Terminal Age is 70.

Permanent Total Disability (PTD) is defined as a permanent disability caused by any illness (not just a Critical Illness event) or any injury.

The **policy accounting date** is the date with effect from which the premium due for the next policy accounting period is calculated.

The **policy accounting period** is defined as the period from the commencement date of the policy up to the first policy accounting date and from one policy accounting date to the next policy accounting date.

The **policy review date** is the date when the premium rate and terms of the policy are reviewed and guaranteed for a further period (typically 2 years).

QAAF is the acronym for Quotation Acceptance and Application Form.

Spouse means the legal husband or wife or the civil partner of the member.

B. Product objectives

- A policy taken out by the employer to provide a lump sum benefit to be paid to an employee who is diagnosed with one of a number of defined medical conditions or undergoes one of the listed surgical procedures; collectively, the Critical Illness events.
- Membership of the policy is entirely voluntary. Employees who join the policy are required to pay their own contribution to maintain cover (see Section E 'How does the policy work?').
- The policy benefit is paid once the employee survives for at least 14 days after the Critical Illness event or 6 months in the case of PTD benefit.
- To offer employers the choice of providing Base Cover (which insures against some of the most serious Critical Illness events) or Extra Cover (which covers a number of additional serious conditions).

C. Your commitment as the Policyholder

- You must provide us with all the information we ask for when you apply for your policy, at each policy accounting date or when you make a claim. You must advise us if these details change. If you do not provide this information, we may not be able to pay your claims.
- You agree to provide regular premiums on time in sterling.
- You choose at the outset the conditions of eligibility that govern who can be covered by the policy.
- You agree to notify us in writing if you wish to amend the eligibility criteria of the policy, for example; by closing the policy to new entrants.
- You agree to notify us in writing if you acquire another company and you wish to offer cover to the employees of the new company under the policy.
- You agree to notify us in writing if you dispose of a company whose employees are covered under the policy and will no longer be offered cover under the policy.

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- If you wish to make a claim, you agree to notify us within 90 days of a Critical Illness event having occurred or having been diagnosed.
- You agree to supply us with all the information we ask for at a policy review date.

D. Risk factors

The policy carries the following risks:

- You should take legal advice on the need to outline the benefits provided by the policy in employees' contracts of employment and that the benefits, as promised, are not discriminatory.

The Employment Equality (Age) Regulations 2006 that are effective from 1 October 2006 will make it unlawful for an employer to discriminate directly or indirectly against an employee on any aspect of their employment or benefits, based on their actual age or their apparent age. The Regulations do not directly apply to insurance policies.

- You will not be covered if you fail to comply with the terms and conditions of the policy or if you stop paying across to us the premiums that you have collected from your employees as their contribution for the cover being provided.
- If you terminate your policy or if an employee's cover is terminated (e.g. because they leave your employment) the only claims we will consider are those where the Critical Illness event occurred during the period of cover for which premiums have been paid.
- Certain types of claim may be excluded (see Section F 2.3 'What is not covered?').
- For all policies, the premium rate and policy terms and conditions will usually be guaranteed for 2 years. However, we reserve the right to amend these terms if, in the opinion of Unum, there is a significant change in the risk profile, this could include but is not limited to:
 - A variance of 25 per cent or greater in the number of members or benefit insured
 - The inclusion of a new subsidiary
 - The disposal of a participating company or closure of a part of the employers business

- The inclusion of a new member category
- A change in policy design such as an alteration of benefit level, terminal age or terms of eligibility
- A change to the level or basis of the social security or income tax systems

In the case of quotes for new or existing policies we reserve the right to review the terms offered if there is a 10 per cent or more change to the data provided to produce the quote.

- If the number of members drops below 50 at any time, we reserve the right to cancel the policy at any subsequent policy accounting date.

E. How does the policy work?

- We currently require a minimum of 50 lives for a Voluntary Group Critical Illness policy.
- A lump sum benefit is paid to employees covered by the policy who suffer one of the Critical Illness events listed in the policy. For those events that are medical conditions, the date of the event is the date that formal diagnosis is made; for the surgical procedures, the date is the date of actually undergoing the procedure. The employee must survive the event by 14 days, or by 6 months for PTD.
- You decide which type of cover you require. You, the employer, can select Base Cover or Extra Cover (see Section F 1.4 'What choice of cover is available?'). Your employees do not have the option to select Base or Extra Cover.
- Employees' spouses may be covered (see Section F 1.6 'Can employees' families be covered?').
- Employees' children (including step-children and legally adopted children) aged between 6 months and 18 years are automatically covered at no extra cost. There is no upper limit to the number of children we will cover (see Section F 1.6 'Can employees' families be covered?').
- While you are paying premiums, we provide cover no matter how many of your employees make a claim. If you terminate your cover, we will continue to consider and pay claims where the Critical Illness event occurred during the period for which premiums were paid.

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- All employees within a well defined group must be offered the opportunity to become a member of the policy.
- Entry to the policy is optional for each employee.
- Each employee who joins the policy must pay an appropriate contribution to be collected by you, for the cover provided to them under the policy. The aggregate of those contributions is provided To Unum by you, as the premiums for the policy.
- You must make the claim on behalf of your employee. Benefit is paid by cheque directly to an employee free of tax.
- You should provide us with the information we require when you make a claim (see Section F 6 'Claiming benefits').
- The guarantee period advised in your quotation applies to both the premium rate and the terms and conditions contained in the policy. When the guarantee expires at the policy review date, both the premium rate and the terms and conditions of the policy are subject to review.

F. Product details

1. What factors should be considered in deciding what benefits to provide?

Our Voluntary Group Critical Illness policy offers a range of options, allowing cover to be designed that is consistent with your business needs and those of your workforce.

1.1 Who can be covered?

An employee can become a member if they satisfy the conditions of eligibility defined in the policy. Cover for children is automatically provided and Spouses' cover is an option.

1.1.1 Eligibility conditions of cover

Conditions of cover for the policy must be selected. For example:

- the categories of employee you wish to be covered and to what benefits you want each category to be entitled
- the date on which new entrants will be covered and when existing members will be eligible for increases in insured benefits; this might be:
 - the policy accounting date (annual entry), or
 - the first day of the month (monthly entry), or
 - immediately, if all other eligibility requirements of the policy are satisfied (daily entry).

If cover is dependent on membership of the employer's pension scheme, the current eligibility requirements of the pension scheme must also be specified.

Membership of the policy is entirely voluntary for employees who meet the eligibility criteria of the policy. Eligibility conditions must be the same for each member within a defined category.

Part-time employees and fixed-term employees may also be included in the policy if they satisfy the above conditions.

1.1.2 Actively at Work

As cover up to the AEL is subject to a pre-existing condition exclusion and any benefit above AEL is medically underwritten, an Actively at Work requirement is not applied.

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1.1.3 Switch Terms

Where cover is being transferred from another insurer to Unum and on the same policy basis, although an individual will not normally be subject to stricter underwriting terms than those imposed by the previous insurer this can not be guaranteed. This is referred to as providing No Worse Terms. We will require details of employees whose cover has been subject to special terms by the previous insurer showing for each member:

- name
- date of birth
- gender
- full underwriting decision (including percentage loadings and amount of benefit above which the loading/restriction applied)
- sum assured 'on risk' at termination.

Special terms refer to adverse medical underwriting decisions and include premium loadings, restrictions and declinatures.

1.2 When will cover commence?

We will provide Conditional Cover on receipt of:

- written instructions from your intermediary to assume risk from the commencement date, and
- satisfactory written answers to any Risk Relevant and any Price Relevant caveats that were included in our quotation.

This is subject to receiving a fully completed QAAF signed by the Policyholder during the period of Conditional Cover. The QAAF incorporates a customer verification statement that, if requested, should be signed by your intermediary.

In order to continue cover after the period of Conditional Cover, in addition to the fully completed QAAF, we require membership data as at the commencement date.

1.3 When will cover cease?

1.3.1 Under normal circumstances

We cannot cancel the policy unless the number of employees insured under the policy is fewer than 50, premiums are overdue or you fail to provide all the information we ask for when applying for the policy, administering the policy or when claiming for benefit in respect of a member.

You can cancel the policy at any time, provided you do so in writing. Cover will then cease and you will not be liable to make payments for any period after this date. Cancellation cannot be backdated. In this case you must communicate to your employees that you have cancelled our policy.

If the policy is cancelled, we will still consider and pay claims for a Critical Illness event arising during the period we provided cover and for which premiums had been paid.

A member's cover will cease on leaving service.

Provided the employer continues to make the respective premium payments, the benefit may be maintained:

- in cases of illness or injury and during Statutory absences such as maternity, adoptive, paternity, unpaid parental leave - for a maximum period of 36 months not exceeding the Terminal Age.
- for any other reason such as sabbaticals, unpaid, compassionate leave - subject to prior agreement by Unum, for a maximum period of 36 months not exceeding the Terminal Age.

At the start of the policy you can choose to extend this period to the policy Terminal Age, in respect of absence due to a prolonged illness or injury.

1.3.2 Ceasing Conditional Cover

The fully completed QAAF and membership data must be provided as requested within the 30 day period of Conditional Cover. Cover will cease if this has not been provided within this period.

A premium will be charged for the 30 day period of Conditional Cover provided. This premium will be calculated on a pro-rata basis, based on the time we have provided cover

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1.4 What choice of cover is available?

We offer two types of cover, namely Base Cover and Extra Cover.

Base Cover

Base Cover provides cover for some of the most serious Critical Illness events. The following conditions are covered:

- Alzheimer's Disease before age 60*
- Cancer*
- Coronary Artery Bypass Grafts*
- Creutzfeldt-Jakob Disease (CJD).
- Heart Attack*
- Hodgkin's Disease.
- Kidney Failure*
- Major Organ Transplant*
- Motor Neurone Disease*
- Multiple Sclerosis*.
- Parkinson's Disease before Age 60*
- Pre-senile Dementia.
- Stroke*.

Extra Cover

Extra Cover covers all the conditions listed under Base Cover plus a wide range of additional Critical Illness events. These are:

- Aorta Graft Surgery*.
- Balloon Angioplasty.
- Balloon Valvuloplasty.
- Benign Brain Tumour*.
- Blindness*.
- Coma*.
- Chronic Lung Disease, including Emphysema.
- Deafness*.

- Heart Valve Replacement or Repair*.
- HIV Infection/AIDS (though only as a result of the instances described in Section F 2.2 'Defined conditions - Extra Cover'). *
- Loss of Hands or Feet*.
- Loss of Speech*.
- Open Heart Surgery.
- Paralysis of Limbs*.
- Permanent Total Disability (PTD).
- Pulmonary Artery Surgery.
- Rheumatoid Arthritis.
- Terminal Illness*.
- Third Degree Burns*.
- Traumatic Head Injury*

*The Association of British Insurers (ABI) produced a model definition for many Critical Illness events. Where an ABI model definition exists, our Group Critical Illness Cover matches, or provides wider cover than, the ABI's definition.

Section F 2 'Definitions' of this Technical Guide contains a full description of all these Critical Illness events.

1.4.1 Levels of benefit

Benefit may be provided as a fixed amount or as a multiple of earnings. The maximum benefit payable per employee is currently four times earnings to a maximum £500,000 or £150,000 with no salary based limitations.

Fluctuating earnings such as dividends, commission and bonuses can normally be included when calculating benefit levels. If these fluctuating earnings are more than 20 per cent of the employee's basic salary a 3 year average will be taken.

The level of benefit must be clearly defined for each category of employee included in the policy.

An AEL of £150,000 per employee is usually included as part of the policy.

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1.5 When is the lump sum payment due?

The employee, spouse or child, as appropriate, must survive 14 days (6 months for PTD benefit) from the Critical Illness event, after which we will process the claim.

1.6 Can employees' families be covered?

1.6.1 Cover for spouses

Spouses' cover is available as an option under both Base and Extra Cover.

The maximum benefit payable is currently the lower of the employee's benefit or £100,000.

Spouses' cover will cease when the Spouse reaches the termination age applicable to the insured employee. The Spouse must be:

- the legal Spouse or Civil Partner of the employee, and
- living with the employee.

The Spouse will benefit from the same type of cover (i.e. Base or Extra Cover) as the employee. In respect of a PTD claim, benefit will be payable if the Spouse satisfies the conditions under the PTD benefit (Activities of Daily Living) basis.

A pre-existing condition clause will apply to the full amount of the Spouse's cover.

1.6.2 Cover for children

Cover for children aged 6 months to 18 years (including stepchildren and those who are legally adopted) is automatically provided under both Base Cover and Extra Cover. There is no upper limit to the number of children we will cover. The 14 day survival clause will also apply to children's cover.

The benefit for each child is currently 25 per cent of the employee's benefit up to a maximum of £20,000.

Under Extra Cover, children are also covered under the PTD option. In the event of a claim, benefit will be payable if, by treating the child as an adult, they were unable to perform the activities under the definition Any Occupation. The 6 month survival period will apply to children's PTD cover.

A pre-existing condition clause will apply to the full amount of the children's cover.

1.7 Extended cover

If a member works beyond the policy Terminal Age cover may be continued up to age 70 subject to medical underwriting. An additional premium would be charged based on the Single Premium costing method.

Members with Extended Cover do not benefit from:

- an AEL; the total benefit at Terminal Age and all subsequent increases in cover must be medically underwritten; and
- Temporary cover pending completion of medical underwriting.

Cover in temporary absence is not provided beyond the end of the member's contract of employment, current on the day before temporary absence, to a maximum of age 70.

Note: Requests for Extended Cover should be made as soon as possible after extended employment has been agreed, to ensure cover is accepted and in place at the extension start date. We will confirm the terms of that cover in writing, if granted.

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2. Definitions

2.1 Defined conditions - Base Cover

The following are the defined conditions under which benefits are payable and which must be established to the satisfaction of Unum's Chief Medical Officer.

Alzheimer's Disease before Age 60

A definite diagnosis of Alzheimer's disease before age 60 by a Consultant Neurologist, Psychiatrist or Geriatrician. There must be permanent clinical loss of the ability to do all of the following:

- remember
- reason; and
- perceive, understand, express and give effect to ideas.

For the above definition, the following are not covered:

- Other types of dementia.

Cancer

Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue.

The term malignant tumour includes leukaemia, lymphoma and sarcoma.

For the above definition, the following are not covered:

- All cancers which are histologically classified as any of the following:
 - Pre-malignant
 - non-invasive;
 - cancer in situ;
 - having either borderline malignancy; or
 - having low malignant potential.
- All tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0.
- Chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A.

- Any skin cancer other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

Coronary Artery Bypass Surgery

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist to correct narrowing or blockage of one or more coronary arteries with by-pass grafts.

Creutzfeldt-Jakob Disease

Diagnosis of Creutzfeldt-Jakob Disease or New Variant CJD made by a Consultant Neurologist, evidenced by a significant reduction in mental and social functioning so that permanent supervision or assistance by a third party is required.

Heart Attack

The death of a portion of heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:

- Typical clinical symptoms (for example, characteristic chest pain).
- new characteristic electrocardiographic changes;
- the characteristic rise of cardiac enzymes, or troponins recorded at the following levels or higher;
 - Troponin T > 1.0 ng/ml
 - AccuTnl > 0.5 ng/ml or equivalent threshold with other Troponin I methods.

The evidence must show a definite acute myocardial infarction.

For the above definition, the following are not covered:

- Other acute coronary syndromes including but not limited to angina.

Hodgkin's Disease

Covered as part of the Cancer definition.

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Kidney Failure

Chronic and end stage failure of both kidneys to function, as a result of which regular dialysis is necessary.

Major Organ Transplant

The undergoing as a recipient of a transplant of bone marrow or a complete heart, kidney, liver, lung, pancreas, or inclusion on an official UK waiting list for such a procedure.

For the above condition, the following is not covered:

Transplant of any other organs, parts of organs, tissues or cells.

Motor Neurone Disease

A definite diagnosis of motor neurone disease before age 60 by a Consultant Neurologist. There must be permanent clinical impairment of motor function.

Multiple Sclerosis

A definite diagnosis by a Consultant Neurologist of Multiple Sclerosis. There must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least 6 months.

Parkinson's Disease before Age 60

A definite diagnosis of Parkinson's disease before age 60 by a Consultant Neurologist. There must be a permanent clinical impairment of motor function with associated tremor, rigidity of movement and postural instability.

For the above definition, the following is not covered:

- Parkinson's disease secondary to drug abuse.

Pre-senile Dementia

Progressive deterioration in mental function of at least 6 months duration resulting in abnormal behaviour or deterioration of intellectual capacity such that permanent supervision or assistance is required to maintain existence. The deterioration must be due to organic brain disease, diagnosed by an appropriate consultant who is satisfied there is no other discernible cause.

Stroke

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following is not covered:

- Transient ischaemic attack.
- Traumatic injury to brain tissue or blood vessels.

2.2 Defined conditions - Extra Cover

The following are the defined conditions under which benefits are payable and which must be established to the satisfaction of Unum's Chief Medical Officer.

Aorta Graft Surgery

The undergoing of surgery for disease to the aorta with excision and surgical replacement of a portion of the diseased aorta with a graft.

The term aorta includes the thoracic and abdominal aorta but not its branches.

For the above definition, the following are not covered:

- Any other surgical procedure, for example the insertion of stents or endovascular repair.
- Surgery following traumatic injury to the aorta.

Balloon Angioplasty

The undergoing of any interventional technique, on the advice of a Consultant Cardiologist, involving the use of transluminal coronary catheters to correct significant stenosis of at least 50 per cent diameter narrowing of two or more coronary arteries as part of a single procedure. Angiographic evidence to support the necessity for the above operation will be required.

Balloon Valvuloplasty

The actual insertion on the advice of a Consultant Cardiologist of a balloon catheter through the orifice of one of the valves of the heart and the inflation of the balloon to relieve valvular abnormalities.

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Benign Brain Tumour

A non-malignant tumour or cyst in the brain, cranial nerves or meninges within the skull, resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- Tumours in the pituitary gland
- Angiomas.

Blindness

Permanent and irreversible loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.

Coma

A state of unconsciousness with no reaction to external stimuli or internal needs which,

- requires the use of life support systems for a continuous period of at least 96 hours; and
- results in permanent neurological deficit with persisting clinical symptoms.

For the above condition, the following is not covered:

- Coma secondary to alcohol or drug misuse is not covered.

Chronic Lung Disease, including Emphysema

Severe and permanent restrictive lung disease where there is a dyspnoea at rest with markedly abnormal pulmonary function tests. The diagnosis must be evidenced by all of the following:

- the need for continuous daily oxygen therapy.
- Vital Capacity being less than 50 per cent of normal.
- FEV1 (Forced Expiratory Volume at 1 second) being less than 50 per cent of normal.

Deafness

Total and irreversible loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.

Heart Valve Replacement or Repair

The undergoing of surgery requiring median sternotomy (surgery to the breastbone) on the advice of a Consultant Cardiologist to replace or repair one or more heart valves.

HIV Infection/AIDS contracted in the course of duty

Infection by any Human Immunodeficiency Virus (HIV) resulting from:

- a blood transfusion given as part of a medical treatment;
- a physical assault; or
- and incident occurring during the course of performing normal duties of employment; after the start of the policy and satisfying all of the following:
 - The incident must have been reported to the appropriate authorities and have been investigated with the established procedures.
 - Where HIV infection is caught through a physical assault or as a result of an incident occurring during the course of performing normal duties of employment, the incident must be supported by a negative HIV antibody test taken within 5 days of the incident.
 - There must be a further HIV test within 12 months confirming the presence of HIV or antibodies.
 - The incident causing infection must have occurred in the E.C., North America or Australasia.

For the above definition, the following is not covered:

- HIV infection resulting from any other means, including sexual activity or drug abuse.

Loss of Hands or Feet

Permanent physical severance of any combination of 2 or more hands or feet at or above the ankle or wrist joints.

Loss of Speech

Total permanent and irreversible loss of the ability to speak as a result of physical injury or disease.

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Open Heart Surgery

The undergoing of open heart surgery, on the advice of a Consultant Cardiologist, to correct valvular and/or structural abnormalities of the heart.

Paralysis of Limbs

Total and irreversible loss of muscle function to the whole of any two limbs.

Permanent Total Disability (PTD)

PTD is defined as a permanent disability caused by any illness (not just a Critical Illness event) or any injury. PTD cover is automatically provided with the Extra Cover option and, subject to our agreement, you can choose under what circumstances you want claims to be paid.

Benefit will not be paid under PTD if the disability is directly or indirectly as a result of infection by any Acquired Immune Deficiency Syndrome (AIDS) or any Human Immunodeficiency Virus (HIV) or any similar or related condition or syndrome.

- Any Occupation

Employees will be entitled to benefit under PTD if, as a result of illness or injury, they have been unable to perform any occupation for a continuous period of 6 months and will remain unable to do so for the remainder of their life.

- **Activities of Daily Living**

Employees will be entitled to benefit under PTD if, as a result of illness or injury they satisfy one of the following four Activities of Daily Living for a continuous period of 6 months and with the benefit of the medical technology available at the date of diagnosis will continue to do so for the remainder of their life:

- permanent confinement to a wheelchair
- permanent hospitalisation/residence in a nursing home on the advice of a medical practitioner

- severe intellectual impairment as a result of an organic disease or trauma as determined by standard tests resulting in the employee being unable to perform everyday activities, such as, recognising the transactional value of money, handling basic household finances, taking prescribed medication, being able to answer the telephone and reliably taking a message; or
- being permanently unable to fulfil 3 of the following activities unassisted by another person:
 - walk 100 metres
 - get into and out of a vehicle
 - put on and take off all necessary items of clothing
 - using normal cutlery, eating food that has already been prepared
 - wash themselves all over
 - climb stairs.

- **Current Occupation**

Employees will be entitled to benefit under PTD if, as a result of illness or injury, they have been unable to perform the material and substantial duties of their own occupation for a continuous period of 6 months and with the benefit of the medical technology available at the date of diagnosis will remain unable to do so for the remainder of their life. If this option is selected, your premium will increase according to the occupation in question. It is not available for all types of occupation.

For a member aged 60 or over the definition of PTD switches to Any Occupation as defined above.

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Pulmonary Artery Surgery

The actual undergoing of surgery on the advice of a Consultant Cardiothoracic Surgeon for a disease of the pulmonary artery to excise and replace the diseased pulmonary artery with a graft.

Rheumatoid Arthritis

Widespread joint destruction with major clinical deformity of three or more of the following joint areas; hands, wrists, elbows, cervical spine, knees, ankles, metatarsophalangeal joints in the feet. The severity of the disease shall be such that the employee will have been unable to perform the material and substantial duties of their own occupation and any other to which suited by education, training or experience for a continuous period of 6 months.

Terminal Illness

Advanced or rapidly progressing incurable illness where, in the opinions of an attending Consultant and our Chief Medical Officer, the life expectancy is no greater than 12 months. We shall not consider a claim for this event submitted after the death of the member.

Third Degree Burns

Burns that involve damage or destruction of the skin to its full depth through to the underlying tissue and covering at least 20% of the body's surface area.

Traumatic Head Injury

Death of brain tissue due to traumatic injury resulting in permanent neurological deficit with persisting clinical symptoms.

2.3 What is not covered?

2.3.1 Pre-existing conditions

A pre-existing condition exclusion will apply to a member's benefit that is subject to an AEL. It will apply to existing members and new entrants unless a new entrant requires benefit greater than the AEL. In this case, the full benefit for the new entrant will be subject to medical underwriting. If our medical underwriting decision is to decline, this means that all cover, including that subject to the pre-existing condition exclusion, is declined.

For a policy where an AEL is offered, conditions in existence prior to the policy coming into force will not be covered. This has the effect that:

- if an employee has previously suffered from any defined condition they will not be able to claim for any further incidence of that condition. For the purpose of this clause the suffering or undergoing of a Heart Attack, Coronary Artery Bypass Surgery, Heart Transplant or Stroke will be considered to be the same condition, and
- no benefit will be paid in respect of any defined condition where the employee had been treated for or had been aware of a related condition prior to inception of cover.
- if an employee suffers/has suffered from any malignant tumour(s) defined as cancer, no benefit shall be paid in respect of any subsequent cancer whether or not such cancer is connected or associated with the prior diagnosis of cancer.
- if an employee suffers from 'Terminal Illness' no benefit will be paid for any other Critical Illness event due to the same or related condition.
- if an employee has previously suffered any Critical Illness event or a related condition, no benefit is payable under the PTD or Terminal Illness conditions.

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For all Critical Illness events, with the exception of PTD, Paralysis of Limbs and Terminal Illness the related conditions (see Section F 2.4 'Definitions of related conditions for Base Cover and Extra Cover') will be disregarded if the employee does not suffer a Critical Illness event covered by the policy within 2 years from the date of inclusion to the policy. In the case of increases in benefits in line with earnings increases, the 2 year exclusion period for related conditions will not be imposed for the amount of the increase.

Related conditions for PTD, Paralysis of Limbs and Terminal Illness remain applicable indefinitely (see Section F 2.4 'Definitions of related conditions for Base Cover and Extra Cover').

With regard to Switch cover, we will not re-apply the 2 year clause from the date of the cover switching to Unum, provided the cover under both policies is, in our opinion, comparable. However, the balance of the remaining 2 year pre-existing period defined within the clause must be served with Unum before related conditions will be disregarded.

2.4 Definitions of related conditions for Base Cover and Extra Cover

2.4.1 The defined related conditions for Base Cover are:

Alzheimer's Disease

Organic brain disease, circulatory brain disorder, disease of the central nervous system, Parkinson's Disease, epilepsy, depression, dementia, amnesic (memory) disorder, aphasia, psychosis.

Cancer

Polyposis coli, papilloma of the bladder, or any carcinoma-in-situ.

Creutzfeldt-Jakob Disease

Organic brain disease, circulatory brain disorder, disease of the central nervous system, Parkinson's Disease, epilepsy, depression, dementia, amnesic (memory) disorder, aphasia, psychosis.

Heart Attack and Coronary Artery Bypass Surgery

Any disease, or disorders of the heart, hypertension, diabetes mellitus or any obstructive or occlusive arterial disease.

Hodgkin's Disease

There are no related conditions.

Kidney Failure

Hypertension, familial polycystic kidney disease, diabetes mellitus or any chronic renal disease or disorder.

Major Organ Transplant

Cardiomyopathy, coronary artery disease, cardiac failure, chronic liver disease, chronic pancreatitis, pulmonary hypertension, chronic lung disease or chronic kidney disease.

Motor Neurone Disease

Progressive muscular atrophy, primary lateral sclerosis, progressive bulbar palsy.

Multiple Sclerosis

Any form of neuropathy, encephalopathy or myelopathy (disorders of function of the nerves) including but not restricted to the following:

- abnormal sensation (numbness) of the extremities, trunk or face
- weakness or clumsiness of a limb
- double vision
- partial blindness
- ocular palsy
- vertigo (dizziness)
- difficulty of bladder control
- optic neuritis
- spinal cord lesion
- abnormal MRI scan.

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Parkinson's Disease

Treatment with psychotropic medication, tremor, extra pyramidal disease.

Pre-senile Dementia

Organic brain disease, circulatory brain disorder, disease of the central nervous system, Parkinson's Disease, epilepsy, depression, dementia, amnesic (memory) disorder, aphasia, psychosis.

Stroke

Hypertension, atrial fibrillation, transient ischaemic attack, diabetes mellitus, intracranial aneurysm or occlusive arterial disease.

2.4.2 The defined related conditions for Extra Cover are:

Aorta Graft Surgery, Balloon Angioplasty, Balloon Valvuloplasty, Heart Valve Replacement or Repair and Open Heart Surgery

Any disease, or disorders of the heart, hypertension, or any obstructive or occlusive arterial disease.

Benign Brain Tumour

Neurofibromatosis (Von Recklinghausen's Disease), haemangioma (Von Hippel-Lindau Disease).

Blindness

Glaucoma, pituitary tumour, optic atrophy, papilloedema, retrobulbar neuritis, sarcoidosis, malignant exophthalmos, diabetes mellitus, transient ischaemic attack, stroke, multiple sclerosis, uveitis.

Coma

Self-inflicted injury or misuse of drugs or alcohol.

Chronic Lung Disease, including Emphysema

Chronic obstructive airways disease.

Deafness

Acoustic nerve tumour, neurofibromatosis (Von Recklinghausen's Disease).

HIV Infection/AIDS contracted in the course of duty or contracted due to a blood transfusion or other specified transfusion therapies

No benefit will be payable under the AIDS Critical Illness event conditions in respect of an employee who, at any time prior to the date of entry into the policy, has been infected with any Human Immunodeficiency Virus (HIV) or has demonstrated any antibodies to such virus.

Loss of Hands of Feet

Peripheral vascular disease, bone and soft tissue cancer.

Loss of Speech

Stroke, transient ischaemic attack, motor neurone disease, brain or throat tumour, laryngeal polyps.

Paralysis of Limbs

Multiple sclerosis, muscular dystrophy, motor neurone disease, or any disease or disorder of the brain, spinal cord or column.

Permanent Total Disability (PTD)

The following related conditions for PTD remain applicable indefinitely; Multiple Sclerosis, muscular dystrophy, Motor Neurone Disease or any disease or disorder of the brain, spinal cord or column, chronic or recurrent mental illness, fatigue, back, neck, joint or muscle pain, arthritis.

Pulmonary Artery Surgery

Pulmonary valve stenosis, Fallot's tetralogy, patent ductus arteriosus.

Rheumatoid Arthritis

Inflammatory polyarthropathy.

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Terminal Illness

All Defined Conditions.

Third Degree Burns

There are no related conditions.

Traumatic Head Injury

There are no related conditions.

3. Setting up the policy

3.1 Process for setting up the policy

We prepare a quotation based upon the risk specification supplied by your intermediary together with the membership data, claims history over the last 5 years if previously insured, the occupation and location profile of the members and details of any members who have had benefits declined or have had adverse underwriting decisions. We require the membership data to be as up-to-date as possible and to show details that relate to a date within the last 12 months of the quotation request date

Your intermediary must contact us in writing to advise us that you wish us to commence risk for your policy with effect from a specified date in line with our quotation. We will accept risk immediately after midnight, so for example for a 1st January commencement date we will assume risk at 00.01 a.m. of 1st January, subject to satisfactory answers to any specific caveats shown in our quotation.

Once you have accepted our quotation, you will need to provide the following information to enable us to set up your policy:

- a fully completed QAAF signed by the Policyholder
- membership data at the commencement date
- details of any employees with benefits in excess of the AEL.

Where the basis of risk differs from our quotation, we will advise you of any additional requirements and the revised premium.

3.2 Evidence of health to be provided before employees are covered

An AEL of £150,000 per employee is normally offered below which no evidence of health is usually required for employees to be covered. The AEL is reviewed from time to time. Benefit up to the AEL is subject to a pre-existing conditions exclusion (see Section F 2.3 'What is not covered?').

If the policy AEL subsequently increases, this will not apply to any member who has been accepted on special terms previously (i.e. had cover over the previous AEL restricted, or had medical loadings applied).

If employees elect cover that is greater than the AEL, the full benefit will be subject to medical underwriting. Each such employee will be required to complete a medical declaration form. Reports from an employee's General Practitioner and/or a medical examination may also be required.

Where a new member's benefit is subject to medical underwriting, the total amount of insured benefit will be underwritten. This means that the pre-existing condition exclusion will not apply to that member. Consequently, their cover may be accepted on normal terms or be subject to an additional premium or specific exclusion or may be declined outright.

3.3 What happens if a claim arises before we have agreed full cover?

Where medical underwriting is required, cover for the amount of benefit being underwritten will be provided under Extra Cover only, on a temporary basis for up to 2 months.

If a member becomes a claimant after the temporary cover period begins but before we have agreed full cover, benefit is restricted to:

In the case of new business

Either our quoted AEL, or, if the cover was previously insured, any different amount that the member was covered for and which we have agreed to accept without additional medical underwriting

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In the case of existing business

The amount on risk with us immediately prior to the effective date of the increase being underwritten

3.3.1 Temporary cover

Temporary cover starts from:

- either the date the member joins the policy with benefits above the AEL, or
- the effective date of an increase in benefit above the AEL.

Temporary cover is subject to the following restrictions:

- the employee must be under the age of 55
- we must receive a fully completed Scheme Member's Application form.

Temporary cover ceases on the first date either of the two following events occur:

- we issue acceptance terms following completion of medical underwriting, or
- the 2 month period of temporary cover expires.

3.3.2 Exclusions from temporary cover

We will not provide cover under this arrangement if an employee suffers any of the Critical Illness events included within Base Cover, or PTD (on an Own Occupation basis).

The pre-existing condition exclusion will also apply. Benefits will not be paid under temporary cover arrangements for conditions resulting from hazardous pursuits, attempted suicide or self inflicted injury.

4. What premiums will be charged for the cover?

4.1 How will premiums be calculated?

4.1.1 What factors determine the rate used to calculate premiums?

The premium calculated depends on factors which include the nature and amount of the benefits to be provided and details of the employees to be insured. The information used to calculate premiums includes, but is not limited to:

- level of benefits
 - whether Base or Extra Cover is chosen by the employer
 - the type of PTD cover chosen under Extra Cover
- eligibility and entry conditions
- age and gender of the eligible employees
- age at which cover ceases
- occupation, industry and locations of eligible employees
- claims history over the last 5 years if the cover has been insured previously
- an eligible employee's annual business mileage, if in excess of 20,000 miles per annum.

4.1.2 All policies

To obtain the cost at the beginning of the policy accounting period, we calculate the individual premium applicable to each member's cover either using age specific or age banded premium rates and then add up all the individual premiums. This method is known as Single Premium Costing and means that the annual cost will be affected by any changes in the amount of benefit insured and the age profile of the members.

The underlying age-banded rate table is usually guaranteed for 2 years.

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4.2 Will there be any unexpected extra premiums?

There may be an additional charge to employees who have been subject to medical evidence because their cover exceeds the AEL.

This additional charge may be due to a particular medical condition or hazardous pursuits the employee may undertake. If applicable, these additional charges will become payable from the date the medical underwriting decision is made and acceptance terms are issued.

4.3. Is there a discount for good claims experience?

Past claims experience is a factor in assessing the premium applicable to an existing policy and therefore, for a large voluntary policy, a good claims history will usually be reflected in the premiums charged.

4.4 What commission is allowed for in the premium?

Any commission paid to your intermediary is a percentage of the gross premiums paid; the premium shown in our quotation includes the level of commission payable.

5. How does the policy accounting work?

Your policy usually operates on a 1 year policy accounting period.

Premiums are normally paid monthly by cheque or Bank Automated Credit System (BACS).

Our current loading for non-annual premiums is 5 per cent.

5.1 What information is required for policy accounting purposes?

At the commencement date and at each policy accounting date, a list of all members will be required showing for each member:

- name, date of birth, gender, salary, sum assured, spouse's benefit (if applicable), date of joining or date of leaving (if applicable)

We will need individual information for any employees whose benefits exceed the AEL or who are joining outside the normal eligibility conditions.

Details of new entrants will be required at the time of joining. It is therefore preferable to receive monthly membership data to ensure the policy accounting is as up to date as possible.

5.2 How are accounts adjusted for members who join, leave or have benefit increases during the year?

If a member's earnings increase, this will normally be reflected in the benefit, provided it remains below the AEL.

Where requested, increases in benefit arising from salary increases during the policy accounting period can be covered automatically. This will require monthly membership data and premium billing. If a member's benefit exceeds the AEL, satisfactory evidence of health will be needed before Unum can consider the increase.

Details of new entrants will be required at the time of joining.

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6. Claiming benefits

This section deals with common questions that arise when a member suffers from one of the insured Critical Illness events.

For a claim to be valid, the following criteria must be met:

- the Critical Illness event, which occurs or is diagnosed, must be in the list of Critical Illnesses covered by your policy.
- the employee or spouse or child (if applicable) must survive for 14 days after the date that a Critical Illness event is diagnosed, or the listed surgical procedure is undergone, or 6 months for PTD benefit provided under Extra Cover.

Notification of claim

Please notify us of a claim under this policy as promptly as possible after the event or diagnosis, ideally within 21 days, by telephoning our Customer Care department on telephone number **01306 873243**.

We will issue you with the appropriate claim forms.

We will not consider a claim notified to us more than 90 days after the event or diagnosis.

6.1 How are claims made?

The evidence we require includes the following:

- evidence of inclusion in the policy and earnings
- a claim form completed by the policyholder
- a claim form completed by the claimant which includes the claimant's consent under the Access to Medical Reports Act granting us the authority to obtain further information from the claimant's doctors
- member's original birth certificate
- confirmation of claimant's survival for 14 days from the date of diagnosis or surgery (6 months for PTD)
- if cover is provided for a spouse and/or children, the spouse and/or children's original birth certificates and original marriage certificate for the spouse.

6.2 Claims processing

Upon receipt of all the necessary documentation, we will process the claim.

We will review the medical evidence to ensure the diagnosis satisfies the policy conditions. The benefit will be paid if the claimant survives the event by 14 days (6 months for PTD).

Claims are paid by cheque direct to the claimant tax free.

6.3 Can a further claim be made if the member suffers from a recurrence of the same event?

Once a claim has been admitted for a specific Critical Illness event, no further claims can be made in respect of that event. Cover will automatically continue for the remaining Critical Illness events.

6.4 How to appeal a claim decision

An appeal process is provided. In the case of an appeal, Unum will consider any additional evidence submitted in support of that appeal. Any appeal should be made in writing within 3 months of notification from Unum that a claim has been declined.

The Financial Ombudsman Service provides an independent dispute resolution service for eligible disputes. Where you remain dissatisfied with the outcome of your appeal, you can contact the Financial Ombudsman Service at the address below. Your legal rights and those of the member are not affected if this organisation is contacted.

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Tel: 0845 080 1800

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7. Can cover be provided for an employee who is not in the UK?

We are prepared to cover members travelling or working overseas or seconded to other organisations, provided that:

- they meet the eligibility conditions of cover for the policy, and
- they have a contract of employment with a UK registered company (which is covered by the policy), and
- if seconded, then the period overseas must not exceed 3 years or 10 years if seconded to another company within the same group of companies as their UK employer; we may be prepared to extend the cover period on a case by case basis, and
- all premiums must be provided in sterling by the Policyholder.

Cover is subject to full details being provided of where each overseas employee will be working and for how long. We will then assess individual cases.

Benefit will be paid to eligible employees, provided that we can obtain satisfactory medical evidence, in English.

If we require a claimant located overseas to undergo a medical examination, we will contribute an amount towards the cost of the examination in the foreign country, normally the equivalent cost of a similar examination in the UK.

8. Taxation

Employee contributions do not qualify for tax relief.

Benefits are paid to the employee free of tax.

This information is based on our understanding of current tax legislation. Employers should refer to their professional advisers for advice on the tax implications for themselves and their employees.

9. Continuation Option

A continuation option allows portability of cover for employees leaving your service.

This option is not available under our policy.

10. Third Party Rights

Third Party Rights under the Contracts (Rights of Third Parties) Act 1999 do not apply.

11. Surrender value

The policy does not acquire a surrender value.

12. Complaints handling

We want you to be entirely satisfied with your Voluntary Group Critical Illness policy. If you do have a query or complaint, then in the first instance please contact the intermediary who arranged the policy for you. If you have not appointed an intermediary, please contact Unum directly.

If this does not resolve the matter then please write to:

The Head of Customer Feedback
Unum
Milton Court
Dorking
Surrey
RH4 3LZ

Tel: 01306 887766

If the matter remains unresolved, you may be eligible to contact the Financial Ombudsman Service at the address below. Your legal rights are not affected if you contact this organisation.

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

Tel: 0845 080 1800

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13. Compensation

If we cannot meet our liabilities you may be entitled to compensation under the UK Financial Services and Markets Act 2000. Information about this is available on request from us.

14. Further information

About Unum

Unum is the UK's leading provider of group income protection insurance, with over 35 years of experience. Our critical illness and life insurance products enable our customers to purchase complementary protection solutions that together make a comprehensive protection package.

Our income protection customers benefit from our expertise in the specialist areas of disability, rehabilitation and return-to-work. We enable individuals to protect their incomes, ensuring their financial security if they are unable to work because of illness or injury. For employers, we safeguard one of their most valuable resources by helping employees return to work following long-term absence.

At the end of 2006, Unum protected almost 2 million lives through almost 18,600 schemes. During 2006 we paid total benefit claims of £285 million – of which more than £191 million related to income protection claims.

Our US parent company, Unum Group, traces its history back to 1848 and is today the market leader of group and individual income protection insurance in the United States. Premium income for Unum Group and its subsidiaries exceeded \$7.9 billion in the year ended 31 December 2006. Total assets were \$52.8 billion at 31 December 2006.

For more information visit

www.unum.co.uk

unum.co.uk

Unum Limited is authorised and regulated by the Financial Services Authority.
Registered in England 983768.

We monitor telephone conversations and e-mail communications from time to time for the purposes of training and in the interests of continually improving the quality of service we provide.

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