

Income Protection Solutions



Income Protection Solutions Key Features Document



This Key Features document gives you the main points about the Aviva Income Protection Solutions policy you're considering; it should be read with your illustration. Please read it carefully and keep it with your other policy documents.

This Key Features follows the Association of British Insurers' Statement of Best Practice for Income Protection Insurance.

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

Its Aims

To give you a regular benefit if you suffer illness or accidental injury leading to incapacity and a loss of earnings. Your benefit can replace some of your lost earnings, or if you do not work, it can meet additional expenditure.

Your commitment

- To give us all the medical and other information we ask for when applying for your policy and when claiming benefit. If you don't do this, we may not pay your benefit and may terminate your policy.
- To make all the regular premium payments we need for the length of the policy.
- To tell us if you retire or if you become unemployed.
- To tell us of any claim within the time limits we set.
- To choose an appropriate level of cover and review it regularly to make sure you have enough for your needs but not more than we'll pay.



Risks

- You won't be covered if you stop paying premiums. However, premiums are not payable when you're receiving regular benefit from us having made a claim.
- The cover may be less than you need if you don't review it regularly to keep it in line with your earnings. On the other hand, if you select a higher level of cover than your income/earnings justify, then your benefit will be reduced. We won't give you back any of your premiums if this happens.
- The benefit we pay under the policy may affect your claim to some means-tested State benefits. Your entitlement to Employment and Support Allowance (contribution based) won't be affected.
- State benefit rules may change.
- The benefit we pay under this policy may affect your claim to benefits under other income protection policies.
- The present tax-free treatment of the policy's benefits may change.
- If you select the reviewable option we may in the future change the premiums on your policy because of factors such as our claims costs and interest rates, but this won't happen for at least five years and we'll tell you beforehand.
- Certain causes of claim are not covered (see 'When will the policy not pay out?', on page 6).

All of the information in this booklet is subject to the terms of the policy. Full details of standard cover and exclusions are given in the Policy Wording document, a copy of which is available on request.

What is the Aviva Income Protection Solutions policy?

It's a policy designed to give you a regular benefit if you suffer illness or accidental injury that meets the definition of incapacity (see 'Definition of Incapacity' on Page 5), and leads to a loss of earnings. You select the features of the policy to make sure the cover is right for you.

- You decide:
 - the amount of benefit you require
 - how soon you need the benefit to start
 - for how long you want the cover to last
 - whether you wish your benefits to increase annually (to help keep pace with increasing costs of living), and
 - whether you want to guarantee your premium rates throughout the lifetime of your policy (to help you plan financially)
- You pay regular premiums to keep the cover in force
- We provide cover until your policy ends no matter how many eligible claims you make
- You tell us when illness or accidental injury has stopped you working
- We pay you a monthly income for as long as the claim is valid.

Who is eligible?

You must be a resident of the UK, Channel Islands or Isle of Man aged 18 to 54 years of age when you take out the policy.

Temporary Accident Cover

Aviva's 'Temporary Accident Cover' is designed to provide you with free accident cover starting on the date that we receive your application for Income Protection Solutions. The temporary accident cover is available for a maximum of 90 days, and covers you in case you are accidentally injured and can't work after making your application for Income Protection Solutions before we've made a decision on your application.

This temporary accident cover ends on the earliest of:

- 90 days from the date we receive your application for Income Protection Solutions, regardless of whether an underwriting decision has been made on your application; or
- the start date for your Income Protection Solutions policy: or
- if we make an underwriting decision to decline or postpone your application, the date of that decision; or,
- you cancel your application for Income Protection Solutions.

How do I select the policy's features so that it meets my needs?

This section deals with the choices you make when setting up your policy.

The amount of benefit that can be paid

You choose the amount of benefit you'll need.

Remember that tax and National Insurance are deducted from your normal earnings but not from the benefits we pay you. This means that you shouldn't need benefit which is more than our maximum benefit.

Our maximum benefit allows you to insure 60% of the first £25,000, of your pre-incapacity earnings plus 50% of the remainder.

This is the maximum percentage of your earnings which we'll pay out.

We won't provide benefit of more than £180,000 a year, regardless of your earnings. However, if you have selected to index-link your policy, your increases will be on top of this amount.

See also the section 'Other income which may reduce your benefit', on page 6.

The earnings on which to base your cover

When choosing your cover remember that, if you claim, we'll pay benefit based on your pre-incapacity earnings in the 12 months before you became unable to work. If you are self-employed you have the option to base your benefit on the annual average of your pre-incapacity earnings in the three years before you became unable to work, or based on your pre-incapacity earnings in the 12 months before you became unable to work. If you are self-employed you need to tell us on your application which of these options you would like. This means:

- if you're employed, your pre-tax earnings for PAYE assessment purposes
- if you're self-employed, your share of pre-tax profit from your trade, profession or vocation after deduction of trading expenses, as described in Schedule D Case I and II of the Income and Corporation Taxes Act 1988. Often this is your share of your business net profit.

Benefits in kind

The provision of a car, living accommodation and Private Medical Insurance are treated as salary up to a taxable total of £10,000 a year.

Dividends

If your income includes company dividends or distributions we will treat them as earnings as long as they:

- are paid direct to you instead of regular salary in the
 12 months before you became unable to work; and
- are consistent with the level of regular salary which the paying company's trading position reasonably allows on a continuing basis.

Note: Aviva will consider a spouse's or civil partner's share of the profits/dividends/salary subject to written confirmation of the following:

- the spouse/civil partner has no actual role in the business; and
- the share of profits/dividends/salary will cease in the event of the Insured Person's Incapacity; and
- the spouse/civil partner's share of profits/dividends/salary are not covered by any other insurance.

Income received from savings and investments isn't taken into account. We'll require financial information to support your claim.

Sick Pay Solutions – for NHS Doctors and Surgeons

If you are a Doctor or Surgeon who has been directly employed by the NHS in the UK for less than five years and are registered with the General Medical Council, you're eligible for our Sick Pay Solutions. This lets you take out cover with a single deferred period of 26 or 52 weeks or a dual deferred period of 26 weeks followed by 52 weeks, (see, 'When benefit payments start', on page 3).

Because NHS sick pay entitlement changes with each of the first five years of NHS service, Sick Pay Solutions will pay benefit early based on how long you have been working for the NHS. Please see 'Benefit Terms' on page 5 of the Policy Wording document for further information.

Increasing your cover

You may increase your benefits if you are eligible to use the Extra cover at life events (guaranteed insurability) option under your policy (see Extra cover at life events (guaranteed insurability) on page 7). By using this option the increase will not be subject to evidence of health, or to any minimum levels of premium or policy charges.

If you aren't eligible to use the Extra cover at life events (guaranteed insurability) option you may still apply to increase your cover under a top-up policy. We may need evidence of your health but our minimum levels of premium or policy charges won't apply.

The premiums for any increase in cover under the Extra cover at life events (guaranteed insurability) option and top-up policy are based upon the rates prevailing at the time of the increase.

Automatic increases to your benefit payments

If you wish you can select the index-linking option. If selected your benefit will automatically increase in line with the Retail Prices Index (the monthly index used by the Government that demonstrates the movement of retail prices in the United Kingdom) on each anniversary date of the policy, even if you are claiming. (This is subject to a maximum of 12% whilst in claim).

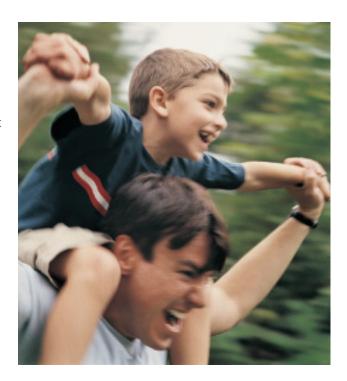
Your premium will increase for any increases in benefit, however you have the option to decline the increase at each policy anniversary.

When benefit payments start

There will be a period when you are first unable to work for which we don't pay benefit. This is known as the deferred period. You can choose 4, 8, 13, 26, 52, 56, 104 and 112 consecutive weeks. For deferred periods of 13 weeks or longer, multiple periods of sickness absence (for the same reason) lasting at least one continuous week may be linked, provided the deferred period is satisfied within a period twice its length. Dual deferred period policies are also available (to pay a reduced benefit after an initial deferred period) unless you have selected a Limited Payment Term.

The longer the deferred period the cheaper the premium will be. As benefit is paid monthly in arrears benefit will be due after one month from the end of the deferred period.

Your choice should allow for any earnings which you expect to continue after you stop working, such as sick pay, or how long you're prepared to live on your savings.



How long the benefits can be paid

Benefits will be paid until the first of these events:

- you're no longer incapacitated
- you're no longer suffering a loss of earnings
- you reach the policy termination age
- you reach the end of your Limited Payment Term (see below)
- you reach the end of your restricted benefit term
- you are remanded in custody (the benefit will be retrospectively paid if you are not convicted of the offence) or become subject to a custodial sentence; or
- you die.

Limited Payment Term

You can choose to limit your benefit payment term. If you opt for a Limited Payment Term the total amount you can claim for incapacity will be limited to an aggregate maximum of 5 years' worth of benefit. Once 5 years' benefit has been paid your policy will end.

How long the cover should last

You choose for your policy to end when you think you would no longer need the benefits but no later than your planned retirement date. You can choose any age from 50 to 70 inclusive (age restrictions may apply).

Medical and other details we may need

Your application will include questions about your medical history, earnings, occupation and other personal



circumstances. At our expense we may ask for more medical evidence to support your application.

How flexible is it?

This section deals with choices you can make once your policy has started.

Regular review of your cover

You should consider how your earnings and living costs have changed since you last reviewed your cover. If you wish to increase your cover, or you have selected to index link your policy and you wish to increase by more than the Retail Prices Index on the anniversary date of the policy, please contact us. It will be subject to a fresh assessment of your health, earnings, occupation and pastimes.

If we agree to increase your benefit, your premium payments to us will increase.

If you wish to decrease your cover, please contact us.

If you stop working

If you stop working, for example to look after young children, take a career break, become a full time carer or are made unemployed, you'll still be able to maintain cover at the level of Restricted Benefit. See 'How we assess your claim' on page 5 to see what benefit you would receive.

Under 'Restricted Benefit' benefit will be paid for a maximum of 12 months.

Please also refer to page 6 'When will the policy not pay out?'

Changing your occupation

You do not need to tell us if you change your occupation, however you should ensure that you review your level of cover in line with any change in earnings and sick pay.

When will the policy pay out?

When to claim

Subject to the terms of the policy, when you're unable to work, because of illness or accidental injury which results in a loss of earnings. Some types of illness or accidental injury aren't covered (see, 'When will the policy not pay out?', on page 6).

The deadline for claiming

Tell us as soon as possible, but before you have been incapacitated for **two months** or before the end of the deferred period if shorter.

If you do not notify us within these limits we may postpone or refuse your claim.

How to contact us in the event of a claim

If you need to make a claim, you can write to us at:

Income Protection Department
Aviva Life & Pensions UK Limited
Chilworth House
Hampshire Corporate Park
Templars Way
Eastleigh
Hampshire
SO53 3RY

or you can call us on:

0800 1583 103 Monday – Friday 8:30am - 5:00pm or fax us on:

023 8035 1182 or email us on: hciprsc@aviva.co.uk

Calls to and from Aviva may be monitored and/or recorded.

How will you assess my occupation if I am unable to work?

The definition of incapacity:

Own Occupation

Total Benefit is payable if you:

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

If immediately before the start of your incapacity you were employed, occupation means each and every occupation you were following in the 12 months immediately before the start of incapacity.

If immediately before the start of your incapacity you were unemployed, occupation means the last occupation you performed before the start of incapacity.

Please also refer to page 6 'When will the policy not pay out?

Restricted Benefit

If you are not working for any reason other than retirement before the start of incapacity, we will assess your incapacity on 'Own Occupation' and it will be based on the occupation you were doing in the 12 months prior to stopping work.

If you are incapacitated after stopping work you will receive your full insured benefit if your claim is successful but benefit will be paid for a maximum of 12 months.

How we assess your claim

We'll look at the duties of every occupation you have been engaged in during the 52 weeks preceding incapacity, or if not working at the point of incapacity, the 52 weeks you were last working, your ability to do them, and whether adjustments can be made to help you do them.

We'll ask for evidence of your loss of earnings if you were working immediately prior to incapacity and as a minimum we will require:

- if employed, the last 12 months' payslips or the last P60 certificate. If you are a Director, we will also need documentary evidence of dividends as assessed for income tax purposes and declared to and agreed by HM Revenue and Customs, plus the profit and loss accounts relating to this.
- if self-employed, documentary evidence of personal earnings during the 12 months prior to incapacity (or if you have selected to have your benefit calculated based on the annual average of your pre-incapacity earnings during the three years prior to incapacity, evidence of personal earnings during the 36 months prior to incapacity), as assessed for income tax purposes and declared to and agreed by HM Revenue & Customs, together with the profit and loss accounts which relate to this.

We'll require your passport or birth certificate. If you have changed your name due to marriage or civil partnership, we will require your marriage or civil partnership certificate, (or a certified copy).

You'll qualify for benefit if you fulfil the definition of incapacity (see 'The definition of incapacity', on page 5).

Claiming again after returning to work

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

If you need to claim again for the same cause within 12 months of returning to work then the deferred period won't be re-applied.

However if you have selected the Limited Payment Term option your claim will only be paid for a total aggregate maximum term of 5 years.

Back to Work Benefit - returning to part-time or less well paid work

In addition to the money you earn we'll pay you a reduced benefit which takes account of partial lost earnings either in your own occupation or in another occupation.

We will pay back to work benefit if, before incapacity, you were in an occupation, and following incapacity:

you now follow a different occupation because of your incapacity; or

- you return to your occupation but the illness or injury that caused incapacity restricts the scope of your duties, and
- in either case, your earnings are reduced.

How benefits are paid

Benefit is paid monthly in arrears, so we pay benefits monthly starting one month from the end of the deferred period.

Premium payments when claiming

You should continue to pay premiums until we accept your claim. However, you don't need to pay premiums to us while regular benefit is being paid, by us to you. You must restart paying premiums when your claim ends to make sure your cover is maintained.

Other income which may reduce your benefit

We'll reduce your benefit if any of the following take you over the maximum allowable (which is explained in 'The amount of benefit that can be paid', on page 2):

- continuing payments from your employment such as sick pay, benefits in kind or dividends.
- continuing payments from your business.
- pension payments unless you would have received them if you were still working, prior to incapacity.
- other insurance benefits (except waiver of premium) if they arise because of your incapacity and either result in regular payments to you or make regular payments on your behalf - such as mortgage payment protection, loan or credit card protection or other income protection benefits.

Where any such income is taxable, the relevant amount we will take into account will be 80% of the gross amount payable.

If your benefit is reduced we don't refund any of your premium payments and your cover remains unchanged, unless you choose to reduce it.

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

- 'Employment and Support Allowance' from the 'Department of Work and Pensions' (however benefit payment from your policy may affect your eligibility for means-tested State benefits); or
- investment income.

When will the policy not pay out?

You may travel or reside in any part of the world but benefit payments will be restricted to an aggregate maximum of six months throughout the period of incapacity whilst you are outside the European Union, United Kingdom, Channel Islands, Isle of Man, USA, Canada, Australia and New Zealand; Benefit payments will be restricted to an aggregate maximum of three years throughout the period of incapacity

whilst you are inside the European Union, USA, Canada, Australia and New Zealand but outside the United Kingdom, Channel Islands or Isle of Man.

We won't pay benefit because you become unemployed. Benefit is dependent on satisfying the definition of incapacity.

Incapacity occurring within a period of unemployment is still assessed based on the definition of incapacity determined by your occupation classification in the 12 months immediately prior to unemployment.

We will not pay benefit if you do not follow any agreed programme or treatment plan for drug or alcohol addiction agreed with your GP.

We may, dependent on your own personal circumstances, add other non-standard conditions. If so we'll tell you before you start the policy.

What other features are there?

Aviva Income Protection includes a range of financial benefits.

Hospital Benefit

This is payable if you're admitted to hospital as a result of your incapacity for more than seven consecutive nights during your deferred period. We'll pay £75 for each additional night (to a maximum of 90 nights) spent in hospital during your deferred period.

Stopping work due to unemployment, to become a house person, to become a full time carer or to take a career break.

If you stop working for any reason other than incapacity or to take retirement with receipt of a pension income you can continue your policy on Restricted Benefit.

- Restricted benefit will not exceed the insured amount shown on your policy schedule, however if index linking option is selected index-linked increases will be on top of this amount.
- Benefit will be paid for a maximum of 12 months after which if you are still incapacitated the policy will end.

Death Benefit

We'll pay this if you die during the first year of eligibility for benefit, resulting from the same accidental injury or illness.

We'll pay the equivalent of 12 times the monthly benefit paid, less any already paid.

Retirement Benefit

We'll pay this if you've received monthly benefit for incapacity for the whole of the period of 12 months ending with your termination age. We'll make a single payment equivalent to three times the last monthly benefit paid.

Extra cover at life events (guaranteed insurability)

If you're accepted on standard terms you're eligible for the extra cover at life events (guaranteed insurability) option. This lets you take out more policies like this (the current terms in the Policy Wording document at the time will apply) without the need for further medical evidence, minimum levels of premium or policy charges. Within certain limits you can apply for such a policy if you want to increase your cover because of:

- a home move or improvement;
- a mortgage discount period ending;
- becoming sole owner of the property following a legal separation;
- marriage/Civil Partnership;
- parenthood; or
- a significant salary increase (at least 20%) as a direct result of obtaining a professional qualification.

Career Break

If you decide to take a career break you'll still be able to arrange to maintain cover at the level of Restricted Benefit.

What will my premium payments be?

Your illustration will show the normal cost of the cover you have chosen.

Your premium payments depend upon your age, occupation, smoking and alcohol drinking habits, pastimes, medical history, height and weight ratio and upon the level and features of the cover you choose. We'll tell you the actual premium when we have assessed your application. You pay by direct debit, either monthly or annually.

Changes to your premium payments in the future

You can choose to opt for the Guaranteed Option which will mean your premiums will remain the same throughout the term of your policy, provided you maintain the same level of cover. This option is available on all policies.

Or, if you have selected the Index Linking option you can also select the Reviewable Option. If the Reviewable Option is selected your premium may be changed to reflect updated views on the expected cost of providing cover. Your premium can only be changed on a policy anniversary from the fifth anniversary onwards. Your premium may go up or down, or may remain unchanged as a result of the review, and there is no limit to the size of the change.

When reviewing premiums we will take a fair and reasonable view on the likely future cost of providing cover by considering (without limitations):

- our experience to date on our Individual Income Protection product, and all other Aviva Income Protection policies of a similar nature; and
- information reasonably available to us on the actual and expected experience of insurers of similar Income Protection policies; and
- widely available economic information such as interest rates and tax rates

The reviews will compare the costs allowed for in your premium with the updated view on future costs. We will not look to recoup 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.

In detail, when conducting the reviews, we will consider the future impact of the following factors:

- cost of claims
- policy lapses
- interest rates
- expenses
- tax rates
- cost of reinsurance
- impact of regulatory changes

We will give you at least 30 days notice of any change as a result of such a review. If we advise you of an increase in premium, then you have the option to leave your premium unchanged and reduce the level of benefit instead.

Index Linking Option

If you have selected this option your benefit will increase each year in line with the Retail Price Index. As such your premiums will also increase to reflect this. However, you can decline this increase, and this will be offered again on each policy anniversary. We will notify of any change in premium 30 days prior to the change taking place.

What happens to the policy if I die?

Your policy and cover will end. You won't get any money back.

If you die during the first 12 months of eligibility for benefit for incapacity, because of the same accidental injury or illness we'll pay the equivalent of 12 times the last monthly benefit paid, less any benefit already paid.

What are the charges?

The premium payments shown in your illustration include all the costs of selling, administration, underwriting, claims and commission. They also include the fees for any medical examinations, which we ask you to have.

This premium includes a monthly administration charge of £4. If you choose to increase your benefit in the future either through 'Extra cover at life events (guaranteed insurability)' or a top-up policy an additional administration charge will not apply.

What if I stop paying premiums?

Your policy and cover will end. You won't get any money back.

Does the policy have a cash-in value?

Your policy has no cash-in value at any time.

What about tax?

Present UK tax law and H M Revenue & Customs practice means you don't:

- get tax relief on premiums; or
- pay tax or National Insurance contributions on your benefits, so long as the premiums were paid by you from your taxable income.

This may change in the future if there are changes to the UK tax law and/or H M Revenue & Customs practice.

Can I change my mind?

After we accept your application we'll send you a Cancellation Notice. If you don't want the policy, you will have 30 days to notify us. Any premiums already paid will be refunded, less any benefit already paid.

How to contact us

If you would like any more information, your financial adviser will normally be your first point of contact. If you have any questions at any time you can phone, send a fax, email, or write to us.

Call us on 0800 158 3119 during the following times: Monday to Friday 8:30am - 5:30pm

Fax number: **023 8024 0931**

Email address: HCIPQRY@aviva.co.uk

Office address: Income Protection Department

Aviva Life & Pensions UK Limited

Chilworth House

Hampshire Corporate Park

Templars Way Eastleigh Hampshire SO53 3RY

If you have any questions regarding making a claim, write to us at the above address, or call us on: **0800 158 3103** Monday - Friday 8:30am - 5:00pm

or fax us on: 023 8035 1182 or email us on: hciprsc@aviva.co.uk

Calls to and from Aviva may be monitored and/or recorded.



Other Information

If you have any cause for complaint

Our aim is to provide a first class standard of service to our customers, and to do everything we can to ensure you are satisfied. However, if you ever feel we have fallen short of this standard and you have cause to make a complaint, please let us know. Our contact details are:

Aviva Customer Relations PO Box 3182 Norwich NR1 3XE

Telephone: 08000 686 800 Email: helpdesk@aviva.co.uk

We have every reason to believe that you will be totally satisfied with your Aviva policy, and with our service. It is very rare that matters cannot be resolved amicably. However, if you are still unhappy with the outcome after we have investigated it for you and you feel that there is additional information that should be considered, you should let us have that information as soon as possible so that we can review it. If you disagree with our response or if we have not replied within eight weeks, you may be able to take your case to the Financial Ombudsman Service to investigate. Their contact details are:

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

Telephone: 0800 023 4567

Email: complaint.info@financialombudsman.org.uk Website: www.financial-ombudsman.org.uk

Please note that the Financial Ombudsman Service will only consider your complaint if you have given us the opportunity to resolve the matter first. Making a complaint to the Ombudsman will not affect your legal rights.



Other Information

Terms and Conditions

This document is a brief guide to the key features of the policy and should be read with the illustration which accompanies it.

Full details of standard cover and exclusions are contained in the Policy Wording which is available on request.

Non-standard terms may also apply. Applications are required. The enclosed illustration is not an offer and is subject to any medical evidence we may seek. All information is given as at October 2013 and may change.

Law

This policy is issued in England under English law.

The Financial Services Compensation Scheme (FSCS)

We are covered by the FSCS. You may be entitled to compensation from the FSCS if we become insolvent and cannot meet our obligations.

For this type of policy, the FSCS will cover you for 90% of the total amount of an existing claim with no upper limit. The FSCS will also provide a refund of 90% of the premiums that have not been used to pay for cover whether you are making a claim under the policy or not.

Further information about compensation scheme arrangements is available from:

Financial Services Compensation Scheme 10th Floor Beaufort House 15 St Botolph Street London EC3A 7QU

Website: www.fscs.org.uk

Telephone: 0800 678 1100 or 020 7741 4100



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