

Personal Sick Pay

Policy Conditions

Personal Sick Pay is provided by Liverpool Victoria Financial Services Limited (LV=). These policy conditions tell you all about this policy and together with your application, any declarations you've made, your policy schedule and any documents we send you confirming changes to your policy and the amount of cover, they make up your insurance contract with us. You can find the details of your policy that are specific to you (for example, your cover amount, policy start and end dates) in your policy schedule – if any of the details we have for you are incorrect please contact us straight away.

Personal Sick Pay at a glance

You're only covered if you'd been permanently living in the UK, and registered with a GP in the UK for at least the last two years when you applied.



You can make a claim if you're unable to work because of an illness or injury and can no longer carry out the main tasks of your occupation, and aren't doing any other paid or unpaid work. You're not covered if you can't work for any other reason.

Where to find out more:

Your policy schedule includes all of the details about your policy that are specific to you, including your: policy start and end date, cover amount, how much you pay, when your payments are due, cover type and any special provisions.



If you have a question about your policy



Call 0800 678 1906



Email ebprotection@LV.com



Write to LV= Emperor House, Grenadier Road, Exeter Business Park, Exeter, EX1 3LH.

To make a claim



Call 0800 756 5869



Email healthclaims@LV.com

To make a claim you must...

Be unable to work for at least three days in a row and still be too unwell to work after your chosen waiting period has ended.

Contact us as soon as possible. Supply any evidence we need as quickly as you can.

Remember

- If you become unable to work due to illness or injury – don't wait for your waiting period to end. We can start the ball rolling once you notify us that you might need to claim, so that we can have everything ready as soon as your waiting period ends.
- The amount you pay will go up over the lifetime of your policy as you get older. Check your Future Prices Table for more details.
- You should contact us as soon as possible if you are unable to work due to illness, take a career break or if you become unemployed.
- You must tell us as soon as you have recovered and return to work, otherwise we could overpay you – if this happens you'll have to pay us back.
- If you stop making your payments before the end date shown in your policy schedule you won't be covered and you don't get a refund.
- Our 'day one' waiting period means we'll pay you from the first day you were unable to work, we don't pay you on the first day. You must be unable to work for three consecutive days to make a claim, which we need to review before we can pay.
- The maximum amount of cover you can have under this policy is up to 60% of your income.
- You're covered in the places listed in section A1. If you're anywhere else in the world we'll pay your claim for up to 26 weeks, then you have to return to a listed place for your claim to continue.

Benefit guarantee

As long as you can demonstrate that you earned an income and worked at least 30 hours a week before you became unable to work due to illness or injury, we guarantee we will pay your full cover amount up to £1,000 per month for the first two years of your claim. After this the guarantee no longer applies to your claim and we may deduct other income and payments you may still be receiving. See section A6 for more details.



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Definitions

Some of the words we use may be unfamiliar to you, or have different meanings here than in everyday use. To show you when the words are directly related to this policy we have printed them in bold text, and to help you understand what we mean by them we've provided this explanation for you to refer to when needed:

Amount of cover means the amount you're insured for, this is shown on your policy schedule. If you make a claim it's not guaranteed you'll be paid the full amount you're insured for. See section A6 for more information.

End date is the date your **policy** ends. You can find this date in your policy schedule.

Homemaker is someone who is not working, and is at home looking after their family or is an unpaid carer for longer than 30 days. Instead of paying your claim because you are too unwell to work, we'll pay your claim if you are too unwell to prepare a meal or do basic housework. We'll class you as a homemaker if you're not doing any kind of work (this includes volunteering) or if you're unemployed or claiming Jobseeker's Allowance for longer than 30 days you'll be classed as a homemaker when you claim.

You can't take this **policy** out as a homemaker, but you can become a homemaker after your **policy** starts.

Income means taxable earned income, minus any allowable expenses. If you are an employee this is shown on your P60 and payslips. If you are registered with HM Revenue and Customs as self-employed this is shown on your tax return and accounts. If you own a limited company your income can include your salary and dividends under the following circumstances:

- The dividend income is clearly related to your work activities.
- The frequency of dividend payments must be of an established pattern, rather than irregular one-off payments.
- The dividends are paid from annual profits net of tax. If the dividends are higher than the profit figure, we'll use the net profit figure instead.

Your income can also include dividends paid to your spouse or civil partner as long as:

- They are also a shareholder.
- They don't take over the running of the business if you are **unable to work**.
- They haven't already used the same dividend income for their own Personal Sick Pay or income protection cover, with us or any other insurer.

Income before the claim, if you're employed this is the average monthly earnings you received from your **occupation** for the 12 month period before you became **unable to work**.

If you are self-employed, we'll base your claim on your monthly average taxable earned **income** in the 12 months before you became **unable to work**.

When you claim you can ask us to average this over a period of up to 36 months if it would reflect your usual **income** more accurately. We'll write to you and confirm if we agree to this. We will not agree to this if your **income** has reduced due to being off work for reasons unrelated to illness or injury.

If you've been unemployed for longer than 30 days and then become **unable to work** because of ill health, you will be classed as a **homemaker**. This means the amount we'd pay you if you claim would be limited to £1,500 a month, or the **amount of cover** you chose if it was lower than this.

Inflation means the rising cost of goods and services. We measure this using the Retail Prices Index (RPI), if the RPI is ever discontinued we'll use a similar measure and let you know before we make the change.

Occupation is the main job you were doing at the point you became **unable to work**.

Pay my mortgage is an option you can choose that allows us to pay the money directly to your mortgage lender when you make a claim. This option can only be used with residential mortgages on properties in the UK, and where the property is your main residence (this means the home that you live in most of the time). It doesn't apply to mortgages on buy-to-let properties, second homes, holiday homes, or commercial properties.

Plan means your LV= Flexible Protection Plan and includes other policies that you have with us, as well as this one.

Plan anniversary is the date every 12 months from the date your **plan** originally started. This may be different from the **start date** of your **policy**.

Policy when written in bold refers specifically to this cover. When it's not in bold the word policy refers to a Personal Sick Pay policy in general. Your policy is made up of these conditions and other documents that you get with this cover, any **special provisions** included in your policy schedule, and any documents we send you confirming changes to your policy.

Premium and **premiums** refer to the amount you pay to us for your **policy** each month.

Special provisions are also known as exclusions, this means things we wouldn't pay a claim for that are individual to you. We base these on your individual circumstances and will list them in your policy schedule if you have any.

Start date is the date your **policy** began (not the date you applied). You can find this in your policy schedule.

Unable to work means that due to illness or injury you cannot carry out the main tasks of your **occupation**, and you aren't doing any other type of work whether this is paid or voluntary (unpaid) work. The main tasks are the parts of the job you do which can't reasonably be left out, or changed. This **policy** doesn't cover being **unable to work** for any other reason (for example unemployment, bereavement, a normal pregnancy, or because of restricted access to work as a result of a lockdown, quarantine or periods of mandatory or precautionary isolation). If you're a **homemaker** being **unable to work** means that you are too unwell to prepare a meal or do basic housework.

Waiting period is the amount of time you have chosen to wait before you start receiving claim payments from us. This is shown in your policy schedule.

You or **your** refer to the person who applied for, is insured by and is legally entitled to the payment from this **policy** and when we say **we**, **us** or **our**, we mean Liverpool Victoria Financial Services Limited (but these words are not in bold throughout the document).

Section A – Personal Sick Pay in detail

A1 – What's covered

✓ You're covered:

- If when you applied you'd lived in the UK and been registered with a UK doctor for two years

When you apply we ask you to confirm that you have been permanently living in the UK, and have been registered with a UK doctor for the two year period immediately before you apply. If when you claim we find this was not the case, you won't be covered.

- If you're unable to work because you're ill or have had an accident

We'll pay you if you're too unwell to work in your own **occupation** (due to illness or injury only) and you aren't doing any other paid or unpaid work – for example, voluntary work.

- For all types of sickness or accident

We don't have any general restrictions on the types of illness or accident that stops you working. However, as we ask you for all your medical information when you apply, we might apply an exclusion based on your personal circumstances. If we do you won't be covered for this. This will be shown as a **special provision** on your policy schedule.

- As long as you're unable to work for longer than the waiting period

We'll pay you if your illness or injury means you're **unable to work** for longer than your chosen **waiting period**, and you've been **unable to work** for at least three days in a row.

- If you are outside of the UK

We'll pay you after your **waiting period**, if you have a valid claim and you are in any of the following:

Australia, Austria, Belgium, Bulgaria, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Hungary, Iceland, Ireland, Isle of Man, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK or USA.

If you're anywhere else in the world, we would only pay you for a maximum of 26 weeks. If, at the end of the 26 weeks you have returned to one of the places listed in this section we'll continue to pay you if you still have a valid claim.

We'll stop paying a claim if you travel from one of the listed places to stay in one that is not listed for more than two weeks, even if this is just for a holiday.

- If you recover but you're not fully able to return to work

If we've been paying a claim on your **policy** and you've recovered but not enough to fully return to work, or you've had to take a different role because you're still unwell, we may still be able to pay you part of your claim to help you. We explain this in sections B1 and B2.

- If you change your job after your policy starts

We don't need you to tell us if you change your job after your **policy** starts. We will always look at your **occupation** at the time you claim to see if you are **unable to work**.

A2 – What isn't covered

In all cases, we do not cover being **unable to work** for any reason other than illness or injury, for example: unemployment, bereavement, a normal pregnancy, or because of restricted access to work as a result of a lockdown, quarantine or periods of mandatory or precautionary isolation.

x You're not covered:

- If you're unable to work because of restricted access to work

We won't pay a claim if you're not working because you have been restricted access to work due to government advice or your own conduct or behaviour for example periods of suspension, police custody or imprisonment.

- For any special provisions listed on your policy schedule

Any illness or injury we've already said we can't insure you for before your **policy** started, we'll list these in the **special provisions** section of your policy schedule.

- If you're still working

You won't be able to make a claim if you're well enough to do any paid or unpaid work – for example, voluntary work.

You must tell us as soon as you return to work otherwise we will overpay you and you will have to repay us, please read section A9 to find out more.

- For income from savings, investments or state benefits

This **policy** doesn't cover money you receive from savings, investments, or state benefits. It only insures the **income** you currently earn from your main **occupation**.

- If you refuse to follow medical advice

We will stop the payments if you stop following the advice from your doctor or refuse a request for reasonable treatment.

- If there was incorrect information on your application form

It might affect your cover and any claim where there is incorrect information on your application, such as providing the wrong details (for example, date of birth) when completing your application. This may result in non-payment of a claim, an increase to the amount you pay (your **premium**), reducing your **amount of cover**, or adding a **special provision**.

For fraud and deliberate misrepresentation

If someone deliberately withholds information, provides false information, or lies to us in their application, at any point during the lifetime of the **policy** or when making a claim, we'll cancel the **policy** and won't refund any of the money they've paid (the **premiums**). We will refuse to pay any claim made if we've had to cancel the **policy** for any of these reasons.



A3 – Full and Budget Personal Sick Pay

The **amount of cover** you can have is based on how much you earn and how many hours you work.

There are two different types of Personal Sick Pay, Full and Budget. You choose which one you want when you take the **policy** out, they'll each cover you if you're **unable to work** due to new or recurring conditions (as long as they're not listed as a **special provision** in your policy schedule) as many times as needed.

If you return to work and become unwell again, you can start a new claim or we can resume your last claim depending on how long ago it ended (you can find out more about this in section B4).

You only need to read about the type of cover you have – you can find this in your policy schedule.

A3(a) – Full Personal Sick Pay

If you choose to have Full Personal Sick Pay you can claim for a new or recurring condition as many times as necessary for the duration of the **policy**. If the same condition recurs within six months of you returning to work we'll treat it as part of your original claim.

A3(b) – Budget Personal Sick Pay

If you choose to have Budget Personal Sick Pay you can claim for a new or recurring condition as many times as necessary for the duration of the **policy** but we will only pay each claim for a maximum of two years. Then the payments will stop, whether or not you are well enough to return to work. If the same condition recurs within six months of you returning to work we'll treat this as part of your original claim, this will count towards the two year limit.

For both Full and Budget Personal Sick Pay we will stop paying your claim if:

- You recover and are well enough to fully return to work.
- You die.
- The illness lasts past the **end date** of your **policy**.
- If you have Budget Personal Sick Pay and we've paid a single claim for two years.

- You remain in a place where we will only pay a claim for up to 26 weeks.
- If you've returned to work on part time hours or reduced duties, we'll stop paying you when your reduced **income** is equal to or more than it was before your claim. We explain this in more detail in section B.

A4 – Types of cover

There are two types of cover available. Your **amount of cover** will either keep up with **inflation** or not depending on whether you chose to have inflation linked or level cover.

A4(a) – Level cover

This means that your **amount of cover** will not change between the **start date** and the **end date** of your **policy**. The amount you pay (your **premium**) will change in line with your age and go up as you get older, as you're more at risk of ill health. We explain this in more detail in section C2.

This means the cover you choose now might not keep up with how much things will cost in the future.

A4(b) – Inflation linked cover

This means that your **amount of cover** will change each year in line with **inflation**. The rate of **inflation** we use will be based on the 12 month period that ends three months before your **plan anniversary**. The amount you pay (your **premium**) will also change with **inflation** as well as going up as you get older because you're more at risk of ill health. We explain this in more detail in section C2.

If we're paying a claim on your **policy** when we're due to increase your **amount of cover** in line with **inflation**, we'll also increase the amount we pay for that claim. If **inflation** is more than 12% we won't increase your cover by more than 12% in any one year.

We'll let you know when there is going to be an increase, and you can choose whether to accept it or not. If you don't want the increase you must let us know before the next **plan anniversary** and we'll change your type of cover to level – read section A4(a) to find out more about this. If you ask us to change your **inflation** linked cover to level cover you can't change it back again afterwards, you would need to apply for a new policy to do this.

A5 – Waiting periods

Once you've chosen which type of Personal Sick Pay policy and type of cover is right for you, you then have to decide what **waiting period** you want.

The **waiting period** is the amount of time you need to wait between becoming **unable to work** and us paying your claim. Please contact us as soon as you reasonably can if you are **unable to work** due to illness or injury, so we can start to review your claim and offer you support.

You can change your **waiting period** after the **start date**, but not if you are already claiming on your **policy**, section C8 explains about changes you can make to your **policy**.

You'll need to continue to make the payments (the **premiums**) for this **policy** for however many weeks you have chosen to wait, and unless we have agreed to pay a claim under our Waiver of Premium policy, you'll need to continue to make payments whilst we are paying your claim.

If you chose to include our Waiver of Premium policy, it means we may be able to continue to pay your **premiums** for you while we pay your claim. Waiver of Premium is a separate policy and not automatically included with your Personal Sick Pay, your Flexible Protection Plan schedule will tell you if this is included in your **plan**.

Please remember, you must have been **unable to work** for three days in a row before we can pay a claim, no matter which **waiting period** you choose.

The choices of **waiting period** are:

Day one – This doesn't mean you get paid on the first day itself, but we'll backdate your claim payment so it begins on the first day you become **unable to work**. You need to be **unable to work** for three days in a row before you can claim on your Personal Sick Pay and then we'll need to assess and approve your claim.

1, 4, 8, 13, 26, or 52 weeks – If you don't have time to do the maths, this works out as roughly one week, one month, two months, three months, six months, and a year. You'll need to be **unable to work** for at least this amount of time before we will pay your claim, but please let us know as soon as you become **unable to work** as this will help speed things up when it is time for us to pay you and offer you support.

A6 – How much cover you can have

The **amount of cover** we will pay you depends on how much you earn and how many hours you work.

To take out a Personal Sick Pay policy you must select a cover amount between £500 and £8,333 a month.

The maximum **amount of cover** you can have under this **policy** is up to 60% of your **income**. To work this out we take the **income** you earn a year before tax and multiply it by 60%, then divide that amount by 12.

For example:

$\text{£}26,000 \times 60\% = \text{£}15,600 / 12 = \text{£}1,300$ a month.

If you make a claim, we'll ask for evidence of your **income before the claim** to make sure we don't pay you more than the maximum **amount of cover** you can have. We'll review the monthly **income before the claim** to make sure that your **amount of cover** is not more than 60% of your **income before the claim**. If the amount you earn changes between when you applied for your **policy** and when you make a claim, you may find you get paid less than your **amount of cover**. If this happens we won't refund the money you've been overpaying. So it's important you check your **policy** and cover if your **income** changes.

- If you were still working immediately before you became **unable to work** (or you weren't working for 30 days or less), we'll average your 12 months' **income** from when you were last working.
- If you were already not working for 31 days or more when you became **unable to work**, you can claim as a **homemaker** and we will either pay your **amount of cover** or limit it to £1,500 if your chosen **amount of cover** is greater than £1,500.

Unless the Personal Sick Pay guarantee applies – we will deduct some other money you may be getting, so we can work out the maximum amount we can pay you. See section A6(a) for further information about the Personal Sick Pay guarantee. We will work this out by deducting the following:

- Any other sickness insurance you are being paid.
- 60% of any other **income** or any other taxable payments that you receive that replaces your **income**.
- Any ill health pension started after you became **unable to work**.
- 60% of any continuing profit or dividends taken from your business, if self-employed or a company director.

Following this, if the maximum amount we would pay you is at least 90% of your **amount of cover** we'll pay your **amount of cover** instead.

If the amount you earn changes and you are earning less when you claim than you were when you applied for the **policy**, we'll limit the amount we pay to 60% of your **income before the claim**.

A6(a) – The Personal Sick Pay guarantee

We guarantee...

- We'll pay your full chosen **amount of cover** up to £1,000 a month for the first two years of your claim. You must be able to demonstrate you were working 30 hours a week and earning an **income** when you became **unable to work**, this is called the Personal Sick Pay guarantee. If your claim continues for more than two years, we'll pay either your **amount of cover** or up to 60% of your **income before the claim** (less the deductions explained in section A6) – whichever amount is lower.
- If your **amount of cover** is more than £1,000 a month, or you can't demonstrate you were working 30 hours a week or more at the time you became **unable to work**, the Personal Sick Pay guarantee will not apply. Instead we'll limit the amount we pay you – read section A6 for more details about this.

If you've chosen Budget Personal Sick Pay the maximum time we will pay the guarantee for is up to two years for any single claim.

If your **amount of cover** is more than £1,000 a month or if you're working less than 30 hours a week we'd need to check what other money you're getting. In order to work out what we can pay you, we would need to deduct the following:

- Any other sickness insurance you are being paid.
- 60% of any other **income** or any other taxable payments that you receive that replaces your **income**.
- Any ill health pension started after you became **unable to work**.
- 60% of any continuing profit or dividends taken from your business, if self-employed or a company director.

A6(b) – If you're self-employed

We'll base your claim on your taxable earned **income** in the 12 months before you became **unable to work**.

If your **income** over the last 12 months has been lower than usual because of illness or injury you can ask us to average it over a period of up to 36 months to give a more accurate reflection of your usual **income**. We will not agree to this if your **income** has reduced due to being off work for reasons unrelated to illness or injury.

You'll need to tell us about this when you make a claim. We may need to see evidence, such as your medical records as we can only offer this extended review period if your **income** was affected by your health – not if it was reduced for any other reason.

A6(c) – If you own a limited company

You can cover your director's salary and include dividends in your earnings as long as:

- The dividends are clearly related to your work.
- You have declared **income** from the dividends on your personal tax return, submitted to HMRC.
- You receive the payments in an established pattern, not irregular one off payments.
- The payments are from annual profits after tax. If the dividends are higher than the profit figure, we'll use the after tax profit figure instead.
- Dividends and your share of profits (after tax) stop being generated when you stop working.

Your **income** can include dividends paid to your spouse or civil partner as long as:

- They aren't currently active in the business.
- They don't run the business when you're **unable to work**.
- Their dividend payments aren't covered by any other income protection insurance with us or any other insurer.
- They receive the payments in an established pattern, not irregular one off payments.
- The payments are from annual profits after tax. If the dividends are higher than the profit figure, we'll use the after tax profit figure instead.
- Their dividends and share of profits (after tax) stop being generated.

If you are unable to return to work into the next financial tax year or your business continues making a profit, we'll need to review your claim again and the maximum amount we can pay you (this is explained in section A6). If you have included dividends paid to your spouse or civil partner we'll review these too. So please let us know if your business does continue to make profit after tax.

A7 – How to make a claim

If you have an illness or injury that you think is going to prevent you from working for longer than your chosen **waiting period**, it's best to get in touch with us straight away.

Email healthclaims@LV.com or call **0800 756 5869**, or you can write to: Health Claims, Emperor House, Grenadier Road, Exeter Business Park, Exeter, EX1 3LH.

A7(a) – Evidence and information you may need to provide

We'll need some information from your doctor or other relevant medical professionals just to confirm the reason you're **unable to work**. Sometimes we may also need you to see a specialist, but don't worry – we'll always discuss this with you first and cover any costs involved.

In all cases we may also need evidence of your earnings for the 12 month period before you became **unable to work**. We'll accept payslips, or your last P60 if you're employed. If you're self-employed you can send us invoices with related bank statements, your latest tax returns and certified accounts or your construction industry scheme statements if you have these. For company directors we'll accept your latest payslips and P60s to show your salary and your tax returns and accounts to show your dividends. If you ask us to look at a period of up to 36 months we'll need evidence of your earnings for the whole period you want us to look at.

So we can determine whether the Personal Sick Pay guarantee applies we'll need to see evidence of the hours you work too. If you're employed this could be a letter from your employer, if you're self-employed this could be evidence from your accounts such as invoices or receipts.

We cannot pay your claim until we have the information we've requested, so the sooner you can get it to us the better.

A8 – Receiving money from the claim

When you submit your claim we'll ask whether you'd like to be paid weekly or monthly. Once we've approved your claim we'll pay you the amount owed to you from the start of your claim for your first payment, and then you'll be paid in arrears each week or month depending on the option you choose.

You must have a UK bank or building society account because we'll pay your claim straight into your account. We are unable to make payments to accounts that are not in the UK.

When you're ready to go back to work we'll pay you up until the last day you were **unable to work**, even if you go back half way through the week or month. You don't have to wait until your next claim payday to return to work, we'll pay you the remaining amount on the next date we would have been due to pay you.

A9 – What happens if we overpay you

If we pay you more than we should have, you will need to pay it back. This might happen if you've been paid the wrong amount or too much, for example if you've returned to work and haven't told us or you gave us incorrect information.

We know you might not be able to repay everything you owe us in one go, so we'll work with you to agree how you can pay it back, considering the reason for the overpayment. If there is a claim being paid, we may deduct what you owe from the amount we're due to pay you. We'll discuss this with you before we make any deduction.

If you need to make another claim while there's an amount you still owe us, before your new payment starts we'll discuss with you the amount of repayment we might deduct from your new payment. If there is anything left to repay when the claim ends you'll need continue making your repayments and we'll again work with you to agree how you can pay it back. If you have any trouble making your repayments, please get in touch with us as soon as possible.

A10 – If you're insuring someone else

You can do this if you depend on someone else's **income** to support you. You'll be the policy owner, and they will be the person insured by the **policy**.

We'll always pay the claim to you as the legal owner of the **policy**, but we will need the person you're insuring to complete the application form. We'll also need their consent to speak to their doctor and employer to get evidence that they are **unable to work** if a claim is made.

You cannot change who is insured once your **policy** has started. If you want to do this, you'll need to apply for a new policy.

You cannot change who owns the **policy** either. This means you can't assign it to someone else or place it in a trust.

A11 – Claiming from this policy and state benefits

Receiving state benefits from the government won't affect the claim amount you receive from this **policy** as we don't include it in your **income**. We won't reduce the payments we make to you from this **policy** if you're also claiming state benefits, but claim payments from this **policy** may affect the amount of state benefits you receive.

When we pay a claim you can decide if you want to use the **Pay my mortgage** option, as this may mean the payments do not affect your state benefits. If you use this option we'll pay your claim directly to your mortgage lender, up to the amount of your monthly mortgage repayment. If your claim amount is more than your mortgage repayments we'll pay the rest to you. If the amount we pay your mortgage lender is less than your monthly mortgage repayments you'll need to make up the difference and pay them directly yourself.

Please tell us immediately if your mortgage repayment amount changes, so we can ensure we pay your mortgage provider the correct amount if a claim is made.

It is our understanding that the government won't include payments we make directly to your mortgage lender when they assess your entitlement to Universal Credit. But they will take any remaining amount that we pay you into account when assessing means-tested benefits and this will reduce your Universal Credit entitlement.

However, this could change at any time – so if you apply for or receive state benefits we recommend you confirm this with the Department for Work and Pensions immediately. Please remember you must tell them about the money you receive from this **policy**.

Section B – Returning to work, ending or restarting a claim

B1 – Getting ready to go back to work

We know going back to work after a long illness or injury can be a bit daunting, so we're here to help you return to work with confidence. In certain circumstances we can help you get additional support such as: physiotherapy, counselling or rehabilitation.

When you make a claim our team will assess your situation and may be able to recommend additional services to help you get back on your feet. But please be aware we will only usually contribute up to one month of your **amount of cover** towards the cost of these services and that these services are discretionary, so they may not always be available.

You must tell us when you return to work so we do not overpay you. Let us know the date and whether you'll be going back full or part time and we'll work out the correct amount to pay you. Read section A9 for more information about overpayments

B2 – Returning to work for fewer hours

If we've been paying your claim and you're ready to go back to work, but you're not recovered enough to fully return to work (for example you are only well enough to go back for less hours than before you became **unable to work**) we'll still pay you a proportion of your cover. We'll continue to pay you only if you're able to return to work for less than 30 hours a week.

We'll work out how much we can continue paying you by working out the proportion of time you're now able to work compared to the hours you worked before you were **unable to work**, and then pay you this proportion of the amount we were paying you.

If you were working less than 30 hours a week before you became **unable to work**, we'd pay you the proportion of your hours that you are now able to work.

For example:

If you were working 20 hours a week before you became **unable to work** and you were only able to return to work for 10 hours a week, we'd pay you half (50%) of what we were paying you when you weren't working. This is because your hours you're working have reduced by a half.

$(20 \text{ hours} - 10 \text{ hours}) = 10 \text{ hours} / 20 \text{ hours} = 50\%$

We'll keep paying you until:

- You're well enough to return to work for at least 30 hours a week (or the hours you were normally working before you became **unable to work** if this is less).
- You begin earning the same or more than you were earning before your claim.
- The **end date** of your **policy**.
- You've died.
- You've been receiving your claim payments for two years (if your **policy** is for Budget Personal Sick Pay).

We will stop these payments if you stop following the advice from your doctor or refuse a request for reasonable treatment.

If we were paying your claim under the Personal Sick Pay guarantee then we'll only pay a portion of the amount we were paying under that guarantee. If the guarantee period has ended we'll pay a proportion of the amount we would pay you if the guarantee didn't apply. We explain about the Personal Sick Pay guarantee and what we pay when it doesn't apply in section A6(a).

B3 – Returning to work in a lower paid role

If you're still too unwell to return to your previous **occupation** for medical reasons but are able to go back to work in a different job, even if it means you get paid less, then we'll carry on paying you a proportion of your cover.

We'll work out how much we can continue paying you by working out the proportion of the original **income** you received before being **unable to work**, compared to the amount of income you now receive from working in a different job.

For example:

If you were earning £30,000 a year before you became **unable to work** and you were only able to return to work earning £20,000 a year, we'd continue to pay you a third (or 33%) of what we were paying while you weren't working.

$(£30,000 - £20,000) = £10,000 / £30,000 = 33\%$

We'll keep paying you until:

- You begin earning the same or more than you were earning before your claim.
- You become well enough to return to your previous **occupation**.
- The **end date** of your **policy**.
- You've died.
- You've been receiving your claim payments for two years (if your **policy** is for Budget Personal Sick Pay).

We will stop these payments if you stop following the advice from your doctor or refuse a request for reasonable treatment.

If we were paying your claim under the Personal Sick Pay guarantee then we'll only pay a portion of the amount we were paying under that guarantee. If the guarantee period has ended we'll pay a proportion of the amount we would pay you if the guarantee did not apply. We explain about the Personal Sick Pay guarantee and what we pay when it doesn't apply in section A6.

B4 – If you become unwell again after your claim has ended

If this is within six months

If you've gone back to work and suffer a related illness or injury and are **unable to work** again within six months of your claim ending, then we can pick up where we left off, and you won't need to wait for your **waiting period** again before we start paying your claim. You should tell us within two weeks of it happening and we'll need to get confirmation from your doctor, otherwise it could cause a delay or prevent us from restarting your claim.

If you have Budget Personal Sick Pay this will count towards your two year maximum payment period, so if you were off originally for a year we could only pay you for one more year. We won't continue to pay you if we've already paid you for the maximum two year period for the claim, this also counts towards the two year maximum for the £1,000 Personal Sick Pay guarantee.

If you're **unable to work** because of an illness or injury unrelated to your previous claim we'll treat it as a brand new claim, this means your chosen **waiting period** will apply. If you have Budget Personal Sick Pay we will also treat your claim as a new claim, and your previous claim won't count towards the maximum two year period. The Personal Sick Pay guarantee could also apply for the first two years of this new claim.

If this is over six months

If you've been back at work for longer than six months and become too unwell to work (either for the same reason or with a different illness or injury) we'll treat this as a brand new claim so you'll need to be **unable to work** for the whole of your chosen **waiting period** before we can pay your claim again.

If you have Budget Personal Sick Pay this means that a new two year payment period will begin with this claim and your chosen **waiting period** will apply.

Section C – Managing your policy

C1 – Paying for your policy

It's your responsibility to make sure you pay for your **policy** on the date shown in your policy schedule (this is known as your **premium** due date) otherwise you won't be covered.

If we're assessing or paying a claim under your **policy**, you'll still need to make your payments (your **premiums**). If you don't then we could stop paying you, and your **policy** will be cancelled – read section C7 for more information about this.

If you've chosen to include our Waiver of Premium policy, it means we may be able to continue to pay your **premiums** for you while we pay your claim. This is a separate policy and not automatically included with your Personal Sick Pay. Your Flexible Protection Plan schedule will tell you if this is included in your **plan**.

C2 – When the amount you pay can change

The amount you pay for your Personal Sick Pay will change over the lifetime of your **policy**. This is because the amount you pay for your **amount of cover** is based on your age and there's a higher risk of becoming ill as we get older.

We'll let you know in advance how much the amount you pay (your **premiums**) will be going up by and if there is an increase, it will happen on your **plan anniversary**. You can work out how much you'll be paying each year up to the age you've chosen for your **policy** to end by checking the Future Prices Table that was included with your **policy** paperwork. These tables show you much how you'll pay for each £1 of cover you have.

There are different Future Prices Tables depending on whether you have Full Personal Sick Pay or Budget Personal Sick Pay, and whether your **policy** has guaranteed or reviewable future prices, so please make sure you're checking the right table for your **policy**. You can check if you have guaranteed or reviewable **premiums** by looking at the premium section in your policy schedule.

It's important to check the cost of your cover if you have a change in circumstances which affects the amount you spend each month, to help you plan and manage your personal budget.

We base our Future Prices Tables on our estimate of how much it will cost us to provide our Personal Sick Pay product for a set period of time. So if this is different than expected, or there's a change to tax, legislation, or interest rates we might change the prices we've listed in our Future Prices Tables. But don't worry, if this happens we'll always give you at least 60 days' notice so you can choose whether or not to keep your **policy**.

C2(a) – Guaranteed future prices

If you have guaranteed future prices the amount you pay is guaranteed to only go up by the rate shown in your Future Prices Tables. This option is initially more expensive than reviewable future prices, but you will know exactly how much it's going to cost you right up until the **policy end date**.

If you've also chosen **inflation** linked cover (see section A4(b)) please remember that your **amount of cover** and the price you pay will also go up each year in line with **inflation**. Because we cannot predict how much **inflation** will go up by in the future, it is not possible to show this in the Future Prices Tables.

C2(b) – Reviewable future prices

If you have reviewable future prices the amount you pay is only guaranteed to follow the increases set out in the Future Prices Tables for the first five years after your **policy start date**. After this we can review our prices and the amounts shown in our Future Prices Tables could change (it could go up or down, or stay the same) every five years. We promise we'll never change the cost just because you have needed to make a claim.

If we do need to change the amounts in your Future Prices Table, we'll let you know and explain your options, and we'll give you at least 60 days to decide if you're happy to accept the changes before we make them.

C3 – What happens if you stop paying for your policy

You'll have 60 days from the due date to make up any missed **premium** payments. If we don't receive a payment we'll let you know, just in case something has gone wrong that you didn't know about.

If we don't receive your payment within the 60 day period we'll cancel your **policy**, you'll no longer be covered and we won't refund the money you've already paid. If this happens we'll let you know your **policy** has ended – this means we won't pay a claim if you become **unable to work**.

C4 – Restarting your policy

If your **policy** stopped because we didn't receive your **premium** payments, you can ask us to start it again within six months of the first missed payment. You'll just have to answer some health questions first then make up all the missed payments.

If your health, your earnings or the hours your work have changed since originally taking out the **policy** we might need you to take out a new policy, or accept different terms from those of your existing **policy**.

We might not be able to restart your **policy** at all if we're no longer providing this kind of cover, or your circumstances have changed since the **policy** started. If your **policy** ends because you didn't make your payments we are not required to agree to restart it.

We won't pay claims on policies with **premium** payments that haven't been kept up to date. You must make up any missed payments before we can consider a claim.

Please remember that even if your **policy** payments are brought up to date we may be unable to pay the claim, check sections A1 and A2 for more information about what's covered and what isn't covered.

C5 – Proof of your age and name when claiming

We use the age of the person being insured to calculate how much to charge for your **policy**. So it's really important that you check that the date of birth shown in your policy schedule is correct, as it affects the amount we can pay for a claim if we don't have the right information.

If you make a claim we'll usually get these details from your medical information. In some cases we might need your original birth certificate or passport (not photocopies).

If we didn't have the correct date of birth for the person being insured, we'll change the **amount of cover** to the amount that would have been available based on their actual age when this **policy** started, we'll also take into account how much you've already paid for it.

If the person being insured's name is different from the name on your policy schedule and birth certificate we'll need evidence of this change before we can pay a claim (for example, a change of name certificate).

C6 – Cancelling your policy

You can cancel your **policy** at any time, just get in touch and tell us you no longer want it. When you cancel your **policy** you'll no longer be covered and we won't refund any of the money you've already paid – unless you are cancelling your **policy** within 30 days of the **start date**, in which case we will refund everything you've paid.

If your decision to cancel your **policy** is due to a change in circumstances (not because you no longer want cover) please speak to us or your financial adviser first, as there may be an alternative solution for you. Please remember that once you cancel your **policy** you'll no longer be covered, and we won't pay a claim if you're **unable to work**.

C7 – When we can cancel your policy

We'll only cancel your **policy** if:

- you don't make any **premium** payments for more than 60 days (see section C3)
- you or anyone you're insuring acts fraudulently, provides untrue, inaccurate or misleading information when applying for your **policy**, making a claim, or when applying to change or restart your **policy** (see section C4)

If we cancel your **policy** you won't be entitled to a refund of any of the money (the **premiums**) you've paid.

For fraud and deliberate misrepresentation

If someone deliberately withholds information, provides false information, or lies to us in their application, at any point during the lifetime of the **policy** or when making a claim, we'll cancel the **policy** and won't refund any of the money they've paid (the **premiums**). We will refuse to pay any claim made if we've had to cancel the **policy** for any of these reasons.



However, we understand that you might have provided the wrong information by mistake and if this happens we won't automatically cancel your **policy**. But we might reduce your **amount of cover**, make changes to your **policy**, decline to pay your claim, or cancel your **policy** if having the incorrect

information caused us to make a different decision about your **policy** than we would have made if we'd had the correct information. For example, if:

- We would have charged you more for your **amount of cover**.
- We would have provided a lower **amount of cover**.
- The **end date** of your **policy** would have changed.
- It would have caused us to decline or postpone your application, or to apply a **special provision** (an exclusion) to your **policy**.

After you applied for your **policy** we sent you a summary of the answers you gave before starting your **policy** – it's really important you checked this thoroughly and made sure everything was correct. If you didn't receive a summary of your answers, please get in touch with us straight away.

We will reclaim any money we paid out if we cancel or change a Personal Sick Pay policy later on due to any of the reasons we've listed here. See section A9 for more information.

C8 – Changes in your life and changing your policy

If you get a new job we'll still cover you whatever your new **occupation** is, but if the amount you earn changes the amount we would pay you if you claimed may be affected. We explain how we work this out in section A6.

Please let us know whenever your circumstances change so that we can keep your **policy** up to date. This will help avoid delays if you need to make a claim later on and help make sure that you're not paying for an **amount of cover** which is more than the maximum amount we can pay you.

Here are some other things to be aware of:

- If you're earning less, or start working less than 30 hours a week this may affect how much we can pay you if you claim. We will pay you based on your current **income** at the time you became **unable to work**, not the **income** you were getting when you took the **policy** out.
- If you retire you may want to cancel your Personal Sick Pay because you won't have any earned **income** to insure, if this happens you may want to speak to your financial adviser.
- If you stop work to take maternity or paternity leave, your cover will continue as if you were still working. If you become unwell or injured and would have been **unable to work** in your **occupation** during this time you can still claim. We won't pay a claim because of unemployment or a normal pregnancy.
- If you're not working because you've become unemployed, taken a career break if you're employed, or chosen to stop work if you're self-employed, and you then become **unable to work** we'll assess your claim as if you are a **homemaker** instead of basing your payment on your **income**. If you become **unable to work** within 30 days of stopping work we'll base your whole claim on how much you were earning and your **occupation** before you stopped working.
- The Personal Sick Pay guarantee won't apply if you are no longer working 30 hours a week.

For **homemakers**, the maximum we could pay you would be limited to £1,500 a month (or the **amount of cover** you chose if it was lower than this).

So if you stop working for more than 30 days, and you have more than £1,500 a month cover, please contact us as soon as you can so we can reduce your **amount of cover** to make sure you're not paying for an **amount of cover** you wouldn't be able to claim for.

Please let us know if you want to reduce your **amount of cover**, extend your **waiting period**, move your **end date** forward, or change your cover from Full to Budget Personal Sick Pay.

If you want to increase your **amount of cover**, reduce your **waiting period**, move your **end date** back, or change your cover from Budget to Full Personal Sick Pay you must be working when you request the change and you may need to fill in a form about your health and lifestyle. If there have been changes in your health and lifestyle since your **policy** started, you may not be able to make these changes.

If you do want to make any changes, you'll need to let us know at least six months before the **end date** of your **policy**.

C9 – Making changes to your policy after you return to work

If you begin working again within two years of stopping, and have continued making your payments to us (your **premiums**) we can fully reinstate your original **amount of cover** without having to ask you any further health or lifestyle questions.

If you have not been working for longer than two years and return to work, you can ask us to restart your cover but we'll need you to complete an application form. The amount you pay will be based on the most recent prices, your age, **occupation** and health at that time.

In either case we can't pay a claim until you have been back at work for at least two full months.

Whatever change you request to your **policy** we'll let you know when it's done (or if it is not possible). Once a change is made it will come into effect from the date your next **premium** payment is due.

Please remember that if you don't keep up your payments to us (your **premiums**) then we will cancel your **policy** – we explain this more in section C7.

C10 – When your policy ends

Your **policy** will stop on the **end date** shown in your policy schedule. After this you're no longer covered so your **premium** payments to us will stop, please remember that you won't get a refund of the money you've already paid. If we are paying a claim, when your **policy** reaches its end date, then we will stop paying your claim.

Section D – Other information

D1 – Legal information

We'll always communicate in English and your Personal Sick Pay and its terms and conditions are governed by the laws of England and Wales. This means that any legal disagreements will be settled exclusively by the courts of England and Wales.

D2 – How claim payments are taxed

Income tax and capital gains tax don't currently apply to claims paid from this **policy**.

This information is based on our understanding of the current laws and HM Revenue & Customs practice, which can change at any time

D3 – How to make a complaint

If you have a complaint about any part of the service you receive from us, it's important that we know about it, so we can help to put things right. You can let us know by emailing lifecomplaints@LV.com or calling **0800 678 1906**, or you can write to us at: Box 2, Liverpool Victoria Financial Services Limited, County Gates, Bournemouth, BH1 2NF. Your complaint will be dealt with promptly and fairly and in line with the Financial Conduct Authority's requirements. Please visit [LV.com/complaints](https://www.lv.com/complaints) if you'd like more information on how we handle complaints.

We hope that we will be able to resolve any complaint that you have, but if you're unhappy with the outcome of your complaint the Financial Ombudsman Service may be able to help you free of charge. You'll need to contact them within six months of receiving our final response letter. Visit their website [financial-ombudsman.org.uk](https://www.financial-ombudsman.org.uk) for information about the service and their contact details. If you make a complaint it won't affect your right to take legal action.

D4 – How we use your information

We'll always protect your personal data, visit [LV.com/data-protection](https://www.lv.com/data-protection) to find out exactly how we use, share, store and dispose of the information we have about you.

If you have any other questions or would like our data protection details in print or an accessible format please email our data protection officer DPO@LV.com or write to: Data protection officer, Liverpool Victoria Financial Services Limited, Frizzell House, County Gates, Bournemouth, BH1 2NF.

D5 – Financial crime and terrorist financing

The personal information we have collected from you will be shared with crime prevention agencies who will use it to prevent financial crime and money-laundering and to verify your identity. If financial crime is detected, you could be refused certain services, finance or employment. For details of how your information will be used by us and these fraud prevention agencies, and your data protection rights just write to us at: Financial Crime, Liverpool Victoria Financial Services Limited, County Gates, Bournemouth, BH1 2NF.

We use your information to make sure we comply with any financial sanctions that apply in the UK and overseas. This includes:

- checking your information against sanctions lists
- sharing your information with HM Treasury and international regulators if required.

We will contact you if we need more information to comply with financial sanctions.

You can get this and other documents from us in Braille or large print by contacting us.



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