

Income Assured Plus

Your Guide to Underwriting



for Financial Advisers



Cirencester friendly
The income protection people

At Cirencester friendly we are committed to improving and enhancing the service offered to our customers.

This guide is to help you achieve a speedy, accurate and stress free application and underwriting experience. Used alongside our Key Features Document, our easy step guide will help you in placing your hard earned business with Cirencester friendly and in getting the best results for your clients.

Contact Details

Contact our Underwriting Department direct on **01285 652492/653073 Ext 211** or email them at **underwriting@cirencester-friendly.co.uk**.

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Please note: This is for intermediary use only.

As the contract contains an option to accumulate a capital sum, business can only be accepted from authorised intermediaries who hold CF30 certification.

5 easy steps to doing business with Cirencester friendly

1. Application

Once the application form has been fully completed and signed by your client you need to complete the Financial Adviser section on the front page. This assigns the business to you and ensures that we can discuss the progress of the application with you.

Remember to submit the application with a personal illustration, having also checked your client's verification of identity (IVC) and ensure you also complete this section on the front of the application form. Please note we require an IVC check regardless of the size of the initial monthly premium. To avoid the need for future Money Laundering checks, we do it at outset. If the payee of the direct debit is someone other than the applicant we also require an IVC for this person too. If you need an IVC form you can get one from our **Sales Team** on **0800 587 5098**.

Once we receive the application form, our Business Processing Department will issue you with an acknowledgement and allocate a tracking reference number. This will not be the final contract number but you will need to quote this reference number for any updates on the progress of the case.

2. Assessment

The application will then be reviewed by our Underwriting Team who will determine what terms can be offered to your client.

Sometimes we can come to a decision based on the details supplied in the application form. However, it may be the case that additional information is needed to enable us to assess your client's application. This may take the form of:

- Further information from you
- An additional information statement/questionnaire from your client
- A telephone interview with your client*
- A report from your client's GP
- Your client visiting their GP for a height/weight reading and blood pressure or other checks
- In some circumstances we may require blood, urine or other tests to be conducted by your client's GP
- Further information from another provider

*For further information on our tele-underwriting process please refer to the leaflet "A Guide to Tele-Interviews" which can be obtained by contacting our **Sales Department** on **0800 587 5098**. Alternatively, you can download it from our website at www.cirencester-friendly.co.uk.

3. Terms Offered

When your client's application has been fully assessed the Society will write with a decision.

- **Accept at standard terms** – this means we have applied no change or a minor change to the selections made on the application form, for example we may need to reduce the cover if your client has applied for too many units. However, it is important to make your client aware that there are still general standard exclusions that apply to all contracts such as the use of drugs, criminal conduct etc. Full details are set out in the Key Features Document and relevant rules of the contract.
- **Accept with special terms** – these will be client specific exclusions and/or a height/weight loading which are clearly set out in the offer letter e.g. if your client suffers from a condition and we are unable to accept the risk without excluding it then special terms will be applied.
- **Postpone the application** – occasionally we need to defer a final decision for a number of months or even years. This may be due to medical reasons e.g. test results are pending. Your client is welcome to reapply once this period has elapsed although we cannot guarantee that membership terms will be offered.
- **Decline the application** – in a small number of cases we may need to decline the application because we are unable to offer your client contract terms. A reason will be stated in the letter issued; generally it will be as a result of your client not meeting our acceptance criteria such as exceeding the maximum height/weight ratio or the maximum of three special terms. Where the decline is due to medical reasons the Society is happy to write on request to the applicant's GP to explain the reasons behind the decision. We write to your client's GP because the reasons for rejecting their application can be sensitive and personal and is often better explained by a medical professional. If your client was declined after a tele-interview we would upon request, write directly to your client not their GP, as they are the ones who provided the information on which our decision was based.

4. What happens next?

When you receive our decision you need to act quickly to ensure the contract is put on risk. You will be sent one of the following:

- **Standard terms offer** – you will need to give us a start date so we can set up premium collection and issue the contract documents. If the terms we offer differ to those originally requested on the application form e.g. a different deferment period and/or level of cover, you will need to tell us that your client is happy to proceed on the new basis. You can do this by email/telephone/letter. On commencement of the contract if the submitted Application Form is over 2 months old we will require your client to sign a Declaration of Acceptance before the contract goes on risk. If the Application Form is over 4 months old we will send a copy of it for your client to read over before signing the Declaration of Acceptance. Any Application Forms that are 6 months old or more may require completion of a new Application Form.
- **Special terms offer** – your client will need to sign, date and return our Declaration of Acceptance within a time frame that is specified in the offer letter and give us a start date so we can set up premium collection and issue the contract documents. If received outside of the specified time frame, 'revised terms' will need to be issued.

Sometimes we may need to send our offer terms direct to your client if they contain sensitive medical information. This is our standard practice to protect

the privacy of your client who then has the choice of whether to share the information with you or not. We will tell you if this applies to your client.

- **Decline terms** – you will need to tell your client that the Society is unable to offer terms. If the reason is personal and sensitive then on request we can write to your client's GP to explain our decision. However if your client was declined as a result of the information gathered from a tele-interview we will, write directly to your client on their request.

Please note: Any acceptances after the 15th of the month will be given a start date of the first day of the following month. This is because premiums are for complete months and we do not apportion them for periods of less than a month. We also need time to set up premium collection and issue contract documents.

Remember if your client's health or circumstances have changed since completing the original application form it is important that we are told, otherwise problems can arise for your client in the form of non-disclosure at claim or cover no longer being appropriate for their needs. Any changes can be made by telling us about them on the Declaration of Acceptance, completing a fresh application form or simply putting it in writing. The application will then be subject to further underwriting but this does not necessarily mean that the original terms offered will change. We will confirm we have received any notification of change so if you don't hear from us you will need to check that we have safely received the notification.

5. Contract Documentation

Once your client's contract has been put on risk we will send you:

- A covering letter with confirmation of the date on which premiums will start to be collected and frequency of collection thereafter
- A personal illustration for your client
- A contract pack* which includes:
 - a certificate of membership
 - the Memorandum and General Rules for the Society
 - a Schedule to the Rules which gives specific details of your client's contract
- A copy of the covering letter which has been sent to your client

*Please note your client's contract pack should be forwarded to your client without delay. Unless otherwise stated the pack will be sent to you to give you the opportunity to deliver your personal service to your client. If you would prefer us to send it direct to your client simply contact our **Customer Services Department** by email, letter or telephone **0845 603 8085**.

Your client will be sent:

- A covering letter
- A cancellation notice which allows them to cancel the contract and receive a full refund of the premium(s) for up to 30 days after membership has started
- A personal illustration
- A copy of the covering letter sent to you with confirmation of the date on which premiums will start to be collected and frequency of collection thereafter
- A copy of our Quick Guide to Membership

Ensuring the application process runs smoothly

- **Always** try to provide as much detail as possible. Brief or vague references to medical conditions or history whilst helpful in terms of making us aware of the situation are still likely to mean that we will need to obtain more detailed information on which to base our underwriting decision. This will result in delays to the progress of applications.

- **Encourage** your client to give as much information as possible on the application form particularly in response to our medical questions. When answering 'yes' to a medical question your client needs to provide dates, duration, treatment, time off work and details of their current health. As some medical conditions can be more sensitive than others your client may feel uncomfortable discussing them with you. If they do they can send their medical details in confidence direct to us at the following address:

(Private & Confidential)
FAO: Chief Medical Officer
Cirencester friendly
5 Dyer Street
Cirencester
Glos, GL7 2PP.

- **Full** information means a faster application process. Use the additional questionnaires from our website to ensure that you send us as much information as possible at the time of application. Processing delays can arise when we have to come back to you or your client for missing information. In the event of questions being left unanswered or where clients have simply forgotten to sign and date the application form delays will occur which are frustrating for everyone. A quick check to make sure before you send the papers to us will save time in the future.

- **Disclosure** enables our underwriters to decide whether information is relevant or not. When information is omitted or withheld it may result in disputes at claim stage and in some cases rejection of the claim or even cancellation of the contract. It is always better to provide too much information than too little.



If you have any queries regarding your client's application or want to discuss pre-existing medical conditions you can speak directly to our Underwriters on **0845 603 8085** or email them at **underwriting@cirencester-friendly.co.uk**.

Don't forget that providing additional information will speed up the application process. Visit our website at **www.cirencester-friendly.co.uk** where you can access a selection of supplementary health questionnaires we use for the most common medical conditions disclosed to us. If your client has one of the conditions covered, please ensure they complete this additional form and send it to us with their application. This will help to reduce processing time. If they have a condition that is not covered by one of our questionnaires simply contact our Customer Services Department and we will be happy to send you the one you need.

Questions and Answers

In what circumstances are loadings or exclusions applied?

Premium loadings are currently only applied when there is an adverse height to weight ratio. Special exclusions will be applied for medical conditions that are known and have the potential to result in time off work.

What do the exclusions mean to my client?

Exclusions mean that your client is prevented from claiming for the stated condition detailed in their Special Terms Offer letter (also detailed on their Membership Certificate) along with its underlying cause(s), treatment, investigations, side effects, complications and associated conditions. Exclusions are applied where there is a relevant past history or a family history of the stated condition. If your client is unable to work due to an excluded condition then they will not be able to make a claim for that condition under the contract. In establishing whether any claim is linked to the excluded condition we would seek advice from the doctor or consultant treating your client, our Chief Medical Officer or both. Please be assured that we do not use exclusions to avoid genuine claims that are unrelated to the excluded condition.

What if my client had an accident which affected an already excluded condition?

If your client is unfortunately involved in an accident that affects the area covered by the exclusion, a claim would be considered. For example, where a back exclusion has been applied and the individual is involved in a road traffic accident damaging the spine, if the back problem was entirely due to the accident then a claim would be considered subject to an assessment of all other claims criteria (for details please refer to "How will you assess my claim?" which can be found on page 13 of the Key Features Document).

In situations where the accidental injury was minor making a pre-existing problem worse, then any claim arising would be considered. However, payment of benefit cannot be guaranteed in this type of circumstance.

Please be assured it is not our intention to use exclusions to avoid genuine claims unrelated to the excluded condition.

What is the maximum number of special terms that will apply?

We do not offer a contract where more than three special terms apply. A height/weight premium loading counts as a special term in applying this maximum. Naturally we aim to offer terms to your clients whenever possible but it may mean they will not get offered the cover they originally applied for. We have established these limits to maintain the quality of the business we write and ensure that your clients do not have a discouragingly large number of special terms imposed upon them.

What are medical underwriting limits?

A medical underwriting limit is the trigger point at which an insurer may choose to obtain further information irrespective of the disclosures on the application form. As an insurer we need to establish the level of risk we are taking on in terms of potential claims. By way of example a 30 year old selecting a day one benefit contract at 70 units of cover to age 60 could represent potential claims in excess of £1million to the Society. We determine this by multiplying out the risk of potential weekly benefit, which would be paid at claim, by the number of weeks the contract may have to run. Because we are naturally prudent we obtain additional information to mitigate against any issues that could arise at claim on large cases. Similarly as people get older they present a higher risk to the insurer than younger people because they are generally more likely to have increased health issues, so additional information is automatically obtained.

The table below shows when GPRs or a telephone interview will automatically be applied for according to age, cover and the type of deferred period requested.

Age range	Day 1 and 1 week deferred periods	4 week deferred periods	8 weeks and 8 weeks + deferred periods
16 – 40	36 units of cover	41 units of cover	51 units of cover
41 – 50	26 units of cover	31 units of cover	36 units of cover
51 +	16 units of cover	21 units of cover	21 units of cover

Glossary of common Underwriting terms

- **Decline** – where we are unable or unwilling to offer contract terms.
- **GPR (General Practitioners Report)** – the term used to describe a medical report from your client's Doctor.
- **On Risk** – the date from which the contract goes 'Live'. A standard 30 day waiting period, plus any applicable period of deferment, applies from the on risk date before any claims will be admitted.
- **Postpone** – where we defer a final decision about your clients' application for a period of time.
- **Special Terms** – where additional exclusions or higher premiums are charged for height/weight.
- **Standard Terms** – where we have applied no change or only a minor change to the selections made by your client on their application form.
- **Tele-underwriting** – the process to describe gathering medical information by means of a telephone interview.
- **Underwriting** – the process by which we determine whether or not and on what basis we will accept risk for an application for membership.



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