



Protect the things you care about

My Earnings Insurance

Product Guide



Cirencester
Friendly

Important Note

As part of our due diligence processes for new applications and ongoing 'know your customer' procedures, we carry out identity checks on applicants and Members.

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1. Introduction

About Cirencester Friendly

Cirencester Friendly was established in 1890. Based in Cirencester, Gloucestershire we are a mutual Friendly Society owned by our Members and as a result have no external shareholders. We are authorised and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA) under registration number 109987.

Our Mission is

**“To give Members flexible financial protection
and to be there when they need us most.”**



2. About this Guide

This Guide is intended to help you to understand the My Earnings Insurance (MEI) contract. It should be read alongside the following documents to provide a comprehensive insight into MEI:

- Key Facts Document (called the 'KFD' in this Guide)
- Schedule 3 Rules of the My Earnings Insurance Contract (called the 'Schedule' in this Guide)
- My Earnings Insurance Premium Tables (called the 'Tables' in this Guide)
- Occupational Retirement Ages Booklet (called the 'ORA' in this Guide)

This Guide will also be useful if you need to make a claim or make changes to your MEI contract at a later date.

The registered terms and conditions governing MEI are found in the Schedule. If there are any differences between this Guide and the Schedule it is the Schedule that will be taken as the correct version. This Guide refers to parts of the Schedule which we have highlighted in the text to help you cross reference. For the complete terms and conditions of MEI refer to the Schedule.

An important part of MEI is the words and expressions we use to describe the terms and conditions relating to the contract. These can be found in **Part A** of the Schedule and we urge you to refer to them if you are in any doubt as to what something means.

Copies of all the above documents are available free of charge from the Society's website **www.cirencester-friendly.co.uk** or on request from our Customer Care Team **0800 587 5098 option 1**.

If you have any questions about any of our services please call our Customer Care Team or email them at **customercare@cirencester-friendly.co.uk**

3. What is My Earnings Insurance?

MEI is an individual income protection insurance contract that allows you to insure a part of your earnings. If you are unable to work, because of injury or illness and as a result your earnings go down or stop you will be able to claim benefit to help you to meet essential costs. MEI will give you and those who rely on you peace of mind when you need it.

Because the benefit paid is currently free from personal taxation the maximum you can insure is 65% of your gross taxable earnings **Part B Rule 3.3** subject to the following upper and lower limits:

- A maximum of £65,600 (to begin with) per year (65% of this is £42,640)
- A minimum of £6,400 per year (65% of this is £4,160)

The amount of benefit you will get from us will be calculated after taking into account any continuing income you get from:

- work;
- any other income protection or insurance benefit payments made to you by other providers;
- early retirement pensions paid to you as a result of ill health;
- Any Department of Work and Pensions benefits (these will only be taken into account) after the first six months of claim.

So it is very important that you allow for these deductions and avoid over-insuring yourself **Part B Rules 3.3.1 to 3.3.5 inclusive** refer to examples in section 10.

MEI does not cover redundancy or unemployment and has been designed to pay a benefit to replace earnings lost because of illness or injury.

4. Can I apply for My Earnings Insurance?

You can apply for MEI if all of the following apply:

- you are 18 or over and have not yet had your 55th birthday **Part B Rule 1.1;**
- you live in the UK **Part B Rule 1.2;**
- you are registered with a UK Doctor who can supply your up to date five year medical history **Part B Rule 1.4;**
- you are currently actively working and not employed on a zero hours contract **Part B Rule 1.3;**
- you are employed or self-employed earning at least £6,400 per year and working 16 hours or more per week;
- your earnings are taxable in the UK;
- you are not awaiting any medical tests, investigations or the results of these;
- you do not work outside of the UK for more than eight weeks in a calendar year.

For a list of the occupations that we will insure please refer to the ORA.

What if I have more than one job?

If you have more than one job or take on another job(s) at any time during your contract you must tell us. We will treat them as a single occupation which means that if you are able to do any of your jobs you will not be eligible to claim benefits.

What if I participate in sports or other hazardous pursuits?

If you take part in a hazardous pursuit as a hobby we will not automatically exclude this or charge an additional premium. However, we do reserve the right to obtain further information regarding the pursuit and in some circumstances we might exclude this from cover.

Please note that where no exclusions are applied you will only be covered providing normal safety standards are adhered to and you are not taking part in an event for which you are receiving any money.

How do I apply?

As a minimum to apply you will need to complete the MEI Application Form which will be considered by our underwriters to establish what, if any terms can be offered to you **Part B Rule 5**. If you are approaching your 55th birthday please apply at least two full calendar months before your birthday to allow enough time for us to gather all the information we need to fully assess your application and for your contract to start.

The decision of our underwriters is final. **Part B** of the Schedule has full details relating to the initial application and variation to contract process.

5. What will My Earnings Insurance cost?

The amount of premium you pay will depend upon several factors listed below:

Your age

Premiums are based on your age when you join the Society or the age you attain each year throughout your contract **Part C Rule 5**. There are two choices in the type of monthly premiums you can pay and both are at guaranteed rates. This means that they will not differ from those listed in the Tables throughout your contract unless you make certain amendments **Part C Rule 2**.

The two types of premium are **Part C Rule 1**:

- a Level Premium based on your age at entry which will remain the same throughout your contract, or;
- an Annual Escalating Premium based on the age you attain in the year of joining and then rises annually following your birthday each year.

The Tables have full details of the rates that apply and you will be provided with a personal quotation which will show the premiums relevant to you. You must select either Level or Annual Escalating Premium rates at admission **Part C Rule 3** and any premiums payable in respect of all future changes to your contract must be on the same basis **Part C Rule 6**.

The amount of cover you take out

The amount of benefit you want to receive will affect the cost of your premium the more cover you take out the greater the overall cost. There are limits that apply to the amount of cover you can take out which can be found in Section 3 of this Guide and the premium you will pay for each £100 of weekly benefit can be calculated using the Tables **Part C Rule 3**.

When you want benefit payments to start

When you complete the Application Form you will be asked when you want Health Benefit payments to start if you need to make a claim **Part B Rule 3.2**. The sooner you want the benefit to be paid from, the higher the premium. You can choose from the following:

Day 1:

This means that for claims where the contract qualifying conditions are met, Health Benefit will be paid from the first day you are unable to work. (You must be off work for at least 4 days in a row in order to make a claim).

After 4, 8, 13, 26 or 52 Weeks:

This means that for claims where the contract qualifying conditions are met, Health Benefit will be paid following the chosen deferred period for example after 4 weeks of illness or injury.

The period before benefit payments start to be made is called a deferred period. You may choose any one of these to suit your needs. For example when your employer stops paying you while you are off work through illness or injury

OR

You can combine any two of these so that your Health Benefit payments have different start times, for example, you may wish to have part of your payments that begin on Day 1 and the rest after 4 weeks. We call this a split period contract. This is designed for situations where the amount you get paid from work reduces in stages when you are off ill for a time. For example you may be entitled to 6 months full pay followed by 6 months half pay by your employer. Your financial adviser will be able to help you to tailor MEI to your circumstances

Don't forget if you continue to receive certain types of income whilst you are off work as a result of illness or injury any benefit you may receive from us may be reduced, so take this into account when deciding on the amount of cover you need. The Schedule **Part B Rules 3.3 to 3.3.5 inclusive apply** and page 6 of this Guide has more details.

You cannot make a claim until you have held your MEI contract for more than 4 weeks. This initial waiting period will also apply to any increases in cover or additional risk added after your contract is taken out **Part D Rule 8.1**.

The options you add to your contract

The following options can be added to MEI and each have a cost.

Indexation

Over time the purchasing value of the cover you have taken out can fall as prices rise or your earnings can increase and you fail to revise your cover. If you add the Indexation option, your cover will be automatically reviewed annually on the anniversary of your contract or the anniversary of the date you added Indexation, against the Office of National Statistics Average Weekly Earnings **Part F Rule 3**.

If the index results in an upward movement your cover will be adjusted and your premium increased proportionately to reflect more cover. Should the index not result in an upward movement your cover will remain unchanged. Any increase will be subject to a maximum increase of not more than 10% each year **Part F Rule 3.1**. We will keep you informed of any changes as a result of Indexation. If the index falls we reserve the right to reduce your cover and premiums accordingly **Part F Rule 3.4**. You can opt out of Indexation increases at any time **Part F Rule 7**.

Indexation applies even if you are in claim. Any increase in benefit will be subject to a 4 week waiting period plus any deferred period **Part F Rule 5**.

Can I add Indexation at a later date?

If Indexation is not chosen at the start of your contract then it can be arranged at any time however this will be subject to underwriting **Part F Rules 1 and Rule 2**. Any changes to your benefit entitlement following Indexation will not take effect for a four week waiting period after your application to add Indexation is accepted **Part F Rule 6**. Indexation will not be applied to your contract if your premiums are in arrears **Part F Rule 3.2**.

What happens if I don't want to accept the Indexation increase?

If you decline an Indexation increase this option will be removed from your contract. You can reapply for Indexation at a later date however, this will be subject to underwriting and acceptance is at the sole discretion of the Society **Part F Rule 1**.

If we find you are over-insured or you reduce your cover then Indexation shall cease to apply **Part F Rule 3.3**.

For complete details on Indexation refer to **Part F** of the Schedule.

Severe Injury Cover

If you have chosen a 4, 8, 13, 26 or 52 week deferred period you can apply to add Severe Injury Cover **Part E Rule 1**.

If you have to stop working because of one of the injuries listed in the table on page 12 and as a result your earnings go down, you can claim Injury Benefit that will be paid from the first day you are unable to work, subject to at least four consecutive days off work **Part E Rule 6**. This option can be added subject to underwriting by the Society or de-selected.

All claims made under Severe Injury Cover are subject to assessment and must meet the requirements of claim **Part E Rule 3**. If you suffer more than one of the injuries listed below in the same event, or during a claim for another then we will only permit a single claim for loss of earnings **Part E Rule 1**.

Severe Injury Cover Conditions

Condition	Details
Brain injury	Caused by physical trauma/injury.
Amputation/loss of a limb	Caused by physical trauma/injury.
Paralysis	Paraplegia or quadriplegia caused by physical trauma/injury.
Permanent loss of sight	Caused by physical trauma/injury.
Deep lacerations	Where the condition requires hospital treatment involving muscle, tendon and/or internal organs.
Dislocation	Where the condition requires hospital treatment. Dislocation of fingers and toes are not covered.
Fractured bones	The following fractures are not covered: <ul style="list-style-type: none"> • Fractures of fingers, toes and/or nose; • Stress/hairline fractures; • Pathological fractures.
Burns/scalds	First degree burns are not covered.

Notes to Severe Injury Cover

- i. Paraplegia – refers to paralysis from approximately the waist down
- ii. Quadriplegia - refers to paralysis from approximately the shoulders down
- iii. Pathological Fracture - A pathological fracture happens when a bone breaks due to weakness in the bone caused by an underlying disease e.g. bone cancer or osteoporosis
- iv. Physical Trauma/Injury – this means that a claim will only be considered if the injury condition happened as a result of a physical injury e.g. a fall and not as a result of a medical condition e.g. a stroke
- v. First Degree Burn - A first-degree burn (also called a superficial burn or wound) is an injury that affects the first layer of your skin. First-degree burns are one of the mildest forms of skin injuries, and they usually do not require medical treatment

Example 1 - Calculating Premiums with Severe Injury Cover - Refer to the Tables

Janet is a 27 year old self-employed music teacher with taxable earnings of £10,400 per year. If she is off work sick her earnings stop. Janet considers herself to be in good health and rarely has time off sick. She is more concerned that she might suffer a serious accidental injury which will keep her off work.

Janet selects a 13 week deferred period with Annual Escalating Premiums and wants to cover the maximum amount of earnings which will give her £130 per week in benefit. In addition to this Janet wants to add Severe Injury Cover so that if she suffered a severe injury she can claim Injury Benefit from Day One.

Following an assessment of her Application Form our Underwriters can offer Janet a contract on Standard Terms which means we will not add any premium loadings or discounts to her base premium.

Janet's premium before adding Severe Injury Cover is £10.74.

In order to add Severe Injury Cover to her 13 week deferred contract she will need to pay an additional premium of £2.10 for every £100 pound of weekly Injury Benefit she needs. As Janet requires £130 of Injury Benefit per week the additional premium for Severe Injury Cover is multiplied by 1.3. So Janet will need to pay an additional premium of £2.73 per month.

So Janet's monthly premium will be £13.47 which is calculated as follows:

Base Premium before addition of Severe Injury Cover:	£ £ 10.74
Plus additional premium of:	£ 2.73
Total monthly premium of:	<u>£ 13.47</u>

The Maturity Date

You must tell us when you want your contract to end we call this the 'Maturity Date'. There are two Maturity Dates available

Part B Rule 3.1:

- At the age of 70; or
- the given retirement age set by the Society for your occupation.

Some occupations have a set retirement age where cover under the Own Occupation Disability definition ends and claims will be assessed using the Total Permanent Disability definition **Part B Rule 3.1.2**. The ORA provides a list of the most common occupations and their set retirement age if they have one.

When selecting your Maturity Date please remember that there must be at least five years between the start of your contract and your chosen Maturity Date **Part B Rule 3.1.1**.

Any premium loadings that might be applied

When we have completed our assessment of your application for MEI you will receive an Offer Letter detailing the terms on which we can offer you cover. We may need to charge a higher premium because of your health we call this Non-Standard Terms **Part B Rule 5.2**. We will explain what we have done and why in your Offer Letter.

Section 6 of this Guide contains more information about underwriting and Non-Standard Terms.

Any premium reductions that might be applied

Where we exclude conditions related to back disorders or mental illness, we will offer a 5% discount from your base premium for each of these excluded conditions (maximum of 10%). The discount is not optional and will be applied following the decision of our underwriters.

If an undisclosed history of back or mental disorders is discovered at claim the discount will not be retrospectively applied. You should ensure that you provide all the information required on the MEI Application Form in full as failure to do so may result in your claim being declined and in some cases your contract being cancelled by the Society.

Please Note

The discount will only be applied to the base premium for your contract and not any additional premiums applied following our underwriting process or the addition of options.

For more information about the cost involved please refer to the Tables.

Example 2 - Calculating Premiums with Loadings and Discounts - Refer to the Tables

James is a 30 year old employed mechanic earning £24000 per year. If he is off work sick his employer pays him his full pay for 4 weeks. After that he would receive no pay from his employer.

James has opted for a 4 week deferred period with annual escalating premiums and wants to cover the maximum amount of his earnings which will give him £300 per week in benefit.

Following an assessment of his Application Form our underwriters can offer James a contract subject to a premium loading for height and weight and exclude any claims related to his back. This means that James will not be able to submit a claim for benefit if he is off work due to his pre-existing back condition. As a result our underwriters are also applying a 5% discount.

James' base premium before the application of any premium loadings or discounts is £29.10.

Because we have excluded his pre-existing back condition we are applying a 5% discount to his premium which is calculated on his premium before any premium loadings or discounts.

In addition to this our underwriters have added a 25% premium loading for height and weight which is calculated on his premium before any premium loadings or discounts.

So following these calculations James' monthly premium will be £34.92 which is calculated as follows:

	£
Base Premium before any loadings or discounts of:	£ 29.10
Plus premium loading for height and weight (25% of Base Premium) of:	£ 7.28
Less discount for back exclusion (5% of Base Premium) of:	£ 1.46
Total monthly premium of:	<u>£ 34.92</u>

6. How do I apply for My Earnings Insurance?

We are not authorised to give advice so we strongly recommend that you talk to an authorised Financial Adviser because they will be able to establish your needs and ensure MEI is right for you. If you don't have an adviser you can find one by checking the FCA's Financial Services Register at www.fca.org.uk

When you apply for MEI you will need to complete the MEI Application Form **Part B Rule 2**.

Your Financial Adviser can supply the form and guide you in its completion. You need to supply all of the information requested. If the application form is incomplete or inaccurate this could delay your application or even result in it being declined and any future claim may not be paid. In more serious cases your MEI contract may even be cancelled **Part J**.

Applications can be sent direct to the Society but you will not have the benefit of being given advice. If you decide to apply directly to us you should contact our Customer Care Team Tel: **0800 587 5098 option 1**. If you apply direct you will need to send us the following:

- a completed MEI Application Form;
- certified copy of documents showing us proof of your identity and where you live;

When we have considered your application we may ask you for further information about your health, earnings or other relevant details to help us to reach a decision as to whether your application is acceptable, or not, and on what terms **Part B Rule 4**. This process is called underwriting.

What happens next?

Once we have completed our assessment of your application we will write to you. You may be offered a contract on Standard or Non-Standard Terms. Standard Terms mean that we have not varied the contract from what we have said in the Schedule.

Under Standard Terms claims will not be admitted in respect of the following excluded conditions **Part A – Excluded Conditions**:

- The misuse of solvents or substances used for other than their stated purposes;
- The use of illegal substances or drugs not taken under the advice or supervision of your Doctor;
- The misuse of alcohol;
- Pregnancy/childbirth;
- Sterilisation unless on the grounds of medical necessity;
- Any operation or treatment that is not medically necessary, including cosmetic surgery;
- Your criminal conduct or participation in a criminal act.

If you are offered a contract on Non-Standard Terms this means that in order to accept the risk we have found it necessary to apply certain specified conditions by restricting cover and/or charging additional premiums. These will be in addition to the standard excluded conditions referred to in the Schedule and listed above. We will tell you about any Non-Standard Terms in your Offer Letter **Part B Rule 5.2**.

Don't forget where we exclude conditions related to back disorders or mental illness; we will offer a 5% discount from your premium for each of these excluded conditions (maximum of 10%).

In some instances we may not be able to offer you the terms that you apply for. Where this happens we will write to you and where possible offer you alternative terms.

If your application is approved and you accept the terms we offer, you will become a Member of the Society. You will then be subject to both the Schedule and the General Rules of the Society. We will send you a Membership pack that will include full details of your Membership and a payment plan that will give details of when premiums are due and how much they will be.

Where we are unable to offer terms we will explain our reasons for being unable to do so.

7. How and when do I pay my premiums?

Premiums are paid monthly by direct debit in advance of cover **Part C Rules 7** and **8**. The first payment will activate your MEI contract and thereafter premiums will fall due on, or around, the same date each month until the maturity of your contract. Where you hold a deferred period contract we will not collect any more premiums in respect of Health Benefit during the deferred period immediately leading up to the Maturity Date of your contract.

If you accept the terms that we offer you then premiums will be paid in accordance with your payment plan. This will give details of when premiums are due and how much they will be **Part C Rule 2**. There is a choice of collection dates available you can choose either the 1st, 7th, 14th, 21st or 26th day of the month. If you do not select a date your premiums will be automatically collected on the 1st of the month.

If you have selected Severe Injury Cover we will continue to collect the premiums in relation to this right up to the Maturity Date of your contract because you will be eligible to claim Injury Benefit if you suffer one of the specified conditions covered under SIC.

8. What happens if I get into arrears with my premiums?

If you do not continue to pay your premiums your contract will fall into arrears and you will not be eligible for any of the benefits of the contract **Part C Rule C8**. If your contract falls into arrears we will write to you and ask you to make a payment to clear the arrears **Part C Rule 9**.

If you do not make a payment and/or clear the arrears and you miss three months payments we will close your contract. You will no longer be a Member of the Society and you will not be entitled to any benefits **Part J Rule 4**.

You will not be able to reapply for Membership for 12 months following the closure of your contract and if you choose to reapply after that time you will be subject to underwriting and may not be accepted on the same terms you previously had.

If you get into arrears or have difficulty in paying your premiums please contact your Financial Adviser or our Customer Care Team without delay.

Tel: **0800 587 5098 option 1**

Email: **customercare@cirencester-friendly.co.uk**

9. Can I make changes to my contract once it has started?

Provided you are not in claim or arrears you can apply to make changes to your MEI contract to suit your personal circumstances.

Where there is an increase in risk any change will be subject to underwriting and could result in different terms with the Society or a change in premium **Part B Rule 5**.

In some instances we may not be able to approve your application to change your contract. You will be notified in writing of any changes prior to acceptance. The following table will help you to decide if underwriting will apply.

Reduction in Risk no underwriting	Increase in Risk subject to underwriting
Increase in the deferred period	Reduction in the deferred period(s)
Reduction in your cover	Increase your cover (not permitted in the last 5 years of your contract)
Removal of Severe Injury Cover	Add Severe Injury Cover
Removal of indexation	Add indexation
Reduction in maturity date or Occupational Retirement Age if you change your job	Increase maturity date or Occupational Retirement Age if you change your job

Changing premium type (Level & Annual Escalating)

You can request a change of premium type provided:

- You are not currently in claim (B12.2)
- Premiums must all be paid up to date
- You have not made total claims in excess of 6 weeks in the past three years (B12.1)

Where moving on to the Level Premium Type, the premium rate at the date of the change will be applied.

There is no additional underwriting unless there is also a change in cover.

If you wish to amend your contract we strongly suggest that you speak to your Financial Adviser to ensure that the changes are right for you. We will automatically notify the Financial Adviser who introduced you to the Society of any amendment made on your instruction unless you specifically advise us otherwise.

For an Amendment Form contact your Financial Adviser or our Customer Care Team on **0800 587 5098 option 1** or **customercare@cirencester-friendly.co.uk**

To ensure MEI continues to meet your needs we encourage you to keep us informed by telling us within 2 months of any of the following changes **Part B Rule 14.1**:

- A change of more than 10% in the earnings you told us about;
- Any increase in your entitlement to income from your employer in the event of illness or injury;
- Any increase in your income protection cover from another insurer;
- A change of your address or where you work;
- Any change(s) which results in the amount of time you spend working outside the UK becoming greater than 8 weeks per calendar year;
- A different occupation to the one you have told us about, or if you become unemployed;
- Retirement before you reach the Maturity Date of your contract;
- If you are absent from work due to illness or are taking an extended break;
- Anything else that you consider might affect your entitlement to benefit.

As a minimum we encourage you to review your contract annually, preferably with a Financial Adviser, to ensure it continues to meet your needs.

Temporary suspension of cover

Any planned or enforced occupational absence can also be accommodated subject to prior approval by us **Part B Rule 15.1.1**. If you arrange to be absent from your occupation for maternity/paternity or adoption leave cover can be suspended for up to 12 months **Part B Rule 15.1.2**. If you are unable to attend your occupation for any reason other than illness or injury, for example if you are held in custody, then cover can be suspended for up to 4 months **Part B Rule 15.1.3**. You must continue to pay a maintenance premium during the period of planned or enforced occupational absence **Part C Rule 15.1.4**. The Tables have more details.

Entitlement to benefits ceases during any period of occupational absence. There are two categories of occupational absence planned, relating maternity, paternity and adoption leave and enforced relating periods of working abroad or being unable lawfully to carry out your occupation **Part D Rules 1.3** and **1.4**. The maximum period of planned occupational absence is twelve months and the maximum period of enforced occupational absence is four months. However you may apply to the Society for a reduction of premiums during such a periods of absence **Part B Rule 15**.

Where a request has been accepted premiums will be reduced to 1/12th of normal rates during the period of occupational absence payment of the reduced premium is to preserve your terms of the contract (i.e. no underwriting to go back on risk). Once granted the period of occupational absence may not be amended.

10. How do I make a claim?

Can I make a claim?

In order for your claim to be considered you must:

- be employed or self-employed;
- have held your contract for at least 4 weeks;
- have kept your monthly premiums up to date and not be in arrears;
- not be in a period of Occupational Absence;

and as a result of your illness or injury:

- had your earnings stopped or reduced because you are unable to work;
- been off work due to illness or injury for at least 4 days in a row; or
- have been off work due to illness or injury for your chosen deferred period.

Part D Rules 1,1.3,1.4 and 8.

What evidence will I need to provide?

In the event of a claim you should contact our Claims Department on **0800 587 5098 option 3** or **claims@cirencester-friendly.co.uk**

You will need to complete an My Earnings Insurance Claim Form and provide information and documents supporting your claim. In addition to your completed Claim Form we will need:

- a certified copy of a medical certificate issued by your Doctor as proof of your illness or injury which should show the following details:
 - the nature of your illness or injury;

- when it started;
- and how long you have been signed off.

You will also need to provide updated certificates during your claim.

- Evidence of your earnings:
 - For employed claimants we require printed pay slips, P60 and P11D tax forms (if applicable) for the 12 month period up to when you became unable to work. Your employer will be able to confirm to you when you received your last P60 and P11D tax forms.
 - For self-employed claimants we will require the accounts of your business and your latest HMRC Tax Assessment for the 12 month period before you became unable to work.
 - If you are an employed Director of the Company with not more than 3 other Shareholders we need evidence of any dividends you have received in the 12 month period before you became unable to work.

It is important that you supply this and any other information that we may request quickly as failure to provide the information we need to assess your claim could result in delays in payment or even the loss of benefits. When you are in claim you must follow the instructions of your Doctor and avoid doing anything that could delay your recovery. **Part D Rules 2.7 and 6.**

What if I need to make a claim from outside of the UK?

You can only claim on the contract from within the UK. If no suitable medical treatment is available in UK then, at our discretion, we may agree to continue payments of benefits to you whilst you are abroad and undergoing treatment **Part D Rule 12.**

Are there any time limits to making a claim?

You need to send us your completed Claim Form and any other information within the correct timescales. The following table provides details of the timescales in which you should submit any claim for benefit **Part D Rule 2.1**:

Deferred period (whichever is the shorter for split period contracts)	You should notify the Society of your intention to claim:	You should submit your “Claim Form” and documentary evidence:
Day One	Within 2 weeks	Within 4 weeks
4 weeks	Within 2 weeks	Within 4 weeks
8 weeks	Within 4 weeks	Within 6 weeks
13 weeks	Within 4 weeks	Within 8 weeks
26 weeks	Within 8 weeks	Within 20 weeks
52 Weeks	Within 8 weeks	Within 46 weeks

What if my earnings have changed since I applied?

If you receive less benefit than you were expecting you are likely to be over insured. This can occur when the evidence of earnings you supply at claim are lower than the earnings you last told us about at application or later or you have some continuing income that falls within the category listed on p5. **Don't forget** you will be asked to supply evidence of your earnings at claim and it is this evidence that we will use to calculate your benefit entitlement **Part D Rule 2.7**.

If your earnings have increased since you last told us then you could be under insured. It is important that you regularly review your MEI contract with your Financial Adviser so that it remains suitable for your personal circumstances **Part B Rule 14.6**. This will help ensure MEI continues to meet your needs.

When will my claim not be paid?

On receipt of your Claim Form and supporting documents our Claims Department will assess your claim. You will not be eligible for benefits if:

- your premiums are in arrears;
- you are unable to provide the evidence we have asked for in support of your claim;
- your illness or injury is excluded (see section 6);
- you have not suffered a reduction in or loss of your earnings as a result of your illness or injury;
- information comes to light during the claim process that affects your claim that you should have told us about either when you applied for MEI or later;
- you continue to work.

What if I suffer a relapse of my illness or injury?

If you have a deferred period and return to work after receiving Health Benefit, then suffer a relapse or a condition related to your initial illness or injury within 13 weeks of returning to work, then your deferred period will not apply and Health Benefit will be paid immediately for qualifying claims **Part D Rule 9**.

How long will I be paid benefit?

You will continue to receive benefit until:

- you are able to return to your job;
- you choose to start a different job (you may qualify for Recovery Benefit);
- you start voluntary work;
- you stop sending us evidence of your illness or injury;
- you no longer meet the definition of disability which is 'Own Occupation Disability' up to the set retirement age for your occupation and 'Total Permanent Disability after that up to the age of 70;
- you fail to keep your premiums up to date;
- you are no longer a Member of the Society;
- you die;
- you reach the end of your contract.

How much benefit will I receive?

The amount of benefit paid to you will depend on the level of cover you have arranged, the options you have added to your contract and your earnings based on the information you have provided to us along with any continuing income.

Don't forget it will not be more than 65% of your gross taxable earnings **Part B Rule 3.3** and you will be asked to provide evidence to support this when you make a claim. Benefit received from the Department of Work and Pensions and Statutory Sick Pay will not be taken into account during the first six months of claim.

Example 1 – Wrong choice of cover

Jack is an employed plumber and has taken out MEI Day One cover of £400 per week without financial advice. He stops work because of illness.

His earnings in the 12 month period before he stopped working were £35,300.

His employer continues to pay Jack £300 per week in Company Sick Pay of which £120 is his Statutory Sick Pay (SSP) entitlement.

The calculation of benefit during the first six months is as follows:

- a. Jack's weekly earnings are $\text{£}35,300 \div 52 = \text{£}678.85$
- b. The maximum level of cover available is $\text{£}678.85 \times 65\% = \text{£}441.25$
- c. As continuing income is taken into account the maximum permitted payment is $\text{£}441.25 - (\text{£}300 - \text{£}120) = \text{£}261.25$

The calculation of benefit after Jack's employer stops company sick pay is:

- a. The lower of **b.** above, being the maximum cover available of £441.25 less any Department of Work and Pensions benefit or
- b. The cover taken out of £400.

Jack therefore does not receive full benefit paid during the first six months of claim due to his continuing income but does after his employer stops paying him.

Jack should have taken out a split period contract with Day One cover for £141 and a further £259 with a deferred period of 26 weeks to avoid paying for cover which he could not receive.

Example 2 – Peace of mind with the right cover

Bill who is self employed and took financial advice has taken out MEI Day One cover of £350 per week and his earnings in the 12 months prior to ceasing work were £30,000. Bill has claimed Employment Support Allowance (ESA) of £72.40¹ per week.

The calculation of benefit will be as follows:

- a. Bill's weekly earnings are $£30,000 \div 52 = £576.92$
- b. The maximum level of cover available is $£576.93 \times 65\% = £375.01$
- c. As ESA is taken into account as continuing income only after six months the maximum benefit he could have received would be the lower of the cover paid or the maximum available at b. during the first six months. For the remaining period of claim the lower of the cover paid for (£350) and the maximum available cover less benefits received ($£375.01 - £72.40$) = £302.60.

After he started receiving benefits from the Society, Bill receives news from his Doctor that he has a medical condition which is terminal and that he has less than six months to live. Bill may therefore claim an additional one off benefit from the Society equivalent to six months of regular benefit payments amounting to £9,100. Receipt of the Terminal Illness Benefit does not affect any other benefits payable by the Society and Bill will continue to receive Health Benefit in the usual way.

1. Department for Work and Pensions (DWP) July 2014: based on Employment and Support Allowance £72.40 per week for those over 25 for the first 13 weeks of claim. Alternative benefits such as Incapacity Benefit and Statutory Sick Pay apply in some cases. For Full details refer to the DWP.

Example 3 – Wrong choice of cover

Jackie is employed as a waitress. She has taken out MEI cover of £200 per week without financial advice.

She earned £14,000 in the 12 month period immediately before she stopped work through illness.

Jackie's employer does not pay her anything when she is off ill but Statutory Sick Pay (SSP) will be paid through her absence at the current rate of £87.55¹ per week.

The calculation of benefit will be as follows:

- a. Jackie's weekly earnings are $£14,000 \div 52 = £269.23$
- b. The maximum level of cover available is $£269.23 \times 65\% = £175$
- c. As SSP is not taken into account as continuing income during the first six months of claim she will receive £175
- d. After the first six months of claim Jackie will receive £175 less any Department of Work and Pensions still being claimed.

Jackie should have taken financial advice as she paid for a level of cover which is not right for her.

1. Department for Work and Pensions (DWP) July 2014: based on Statutory Sick Pay £87.55 per week for those over 25 for up to 28 weeks of claim. Alternative benefits such as Incapacity Benefit and Employment Support Allowance apply in some cases. For Full details refer to the DWP.

How will I get paid?

Once we have gathered the information and your claim has been accepted, we will make fortnightly payments of benefit **Part D Rule 3** direct to your bank account by Bankers' Automated Clearing Services (BACS) transfer.

How will you assess my claim?

There are two measures we use to decide if your illness or injury stops you from working:

Own Occupation Disability definition

Up to the set retirement age for your occupation (see the ORA) we will assess your inability to do the material and substantial duties of your own occupation. That means establishing whether you can, or cannot do the important things you need to be able to do to carry out your job.

Total Permanent Disability definition

Once you have reached the set retirement age for your occupation and if your contract continues to the age of 70 we will assess you against your inability to do any job ever again.

Part A provides full details of the incapacity definitions

We will ask for evidence of your earnings to ensure that the amount of benefit you receive is not more than 65% of your gross taxable earnings **Part D Rule 2.7**. We will also take certain forms of continuing income into account when calculating your benefit **Part D Rule 3.3**. **Don't forget** the contract is designed to help you meet your essential outgoings and you should not be financially better off when in claim. Section 3 lists the types of continuing income we will take into consideration.

Do I still have to pay my premiums when I am in claim?

When you are being paid benefit, you must continue to pay your premiums. However, your premiums will be refunded to you with your payments. We call this Waiver of Premium (WOP). We do it this way to avoid having to restart your regular premium payments when you stop claiming or receiving benefit.

You will be entitled to WOP from the 29th day of your illness or the end of your deferred period whichever comes last **Part I Rule 2**.

If you are receiving Recovery Benefit (being a proportion of your previous benefit) the WOP will be paid in the same proportion **Part I Rule 3**.

The daily rate of WOP is 1/365th of your annual premium for each qualifying day of illness or injury. WOP is not payable during the waiting period and will cease when your claim ends **Part I Rule 6**.

What happens if I have a gradual return to full time work or go back to a different job?

You must not undertake any form of work whatsoever (including voluntary work) whilst you are being paid or assessed for benefit **Part D Rule 6.5**. If you are able to return to work in a restricted capacity or, to an alternative occupation, and your earnings go down you may be eligible to apply for Recovery Benefit **Part G** this will be calculated based on your new earnings **Part G Rule 2**.

Recovery Benefit is subject to qualification but in all cases there will be a maximum period of 18 months when it will be paid **Part G Rule 1.4**. If you are planning to return to work in any capacity you should inform us immediately.

What happens if I have a Terminal Illness?

If you are diagnosed with an incurable illness that, in the opinion of your Doctor, is likely to result in your death within 12 months, you can claim Terminal Illness Benefit. You must notify the Society of your condition within eight weeks of your diagnosis **Part H Rule 1**. To qualify your Doctor's diagnosis must first be agreed by our Medical Adviser **Part H Rule 2**.

Terminal Illness Benefit is paid as a single lump sum equivalent to six months Health Benefit. You will also continue to receive Health Benefit in the normal way **Part H Rule 4**. Terminal Illness Benefit can only be claimed once **Part H Rule 3**.

11. What happens if I don't want or need My Earnings Insurance anymore?

You may cancel your MEI contract at any time by contacting our Customer Care Team and returning the Cancellation Form they will supply. We strongly recommend that you talk to your Financial Adviser before cancelling to make sure cancellation is the right thing to do.

Your MEI contract will also end if:

- your premiums fall three months in arrears;
- you die before your chosen Maturity Date;
- your contract is cancelled because of a serious breach of the Schedule or General Rules of the Society;
- you change your job to one which we do not cover (Please refer to the ORA Booklet for the list of jobs currently covered. This list may be reviewed and may change in the future);
- you move/or live and work permanently outside of the UK.

Don't forget if you miss two monthly premium payments we will remind you that you must bring your premiums up to date within the next month. If your premiums fall three months in arrears then your contract will be cancelled, cover will end, and you will no longer be a Member of the Society or entitled to any benefits **Part J Rule 4**.

If you cancel MEI within 30 days of the start date any premiums you have paid to us during this time will be returned to you. After 30 days premiums will not be refunded.

When MEI is cancelled you will no longer be covered by the Society, will not be able to make a claim and will not receive benefit payments from us. There are no penalties or fines for cancelling your MEI contract.

12. Who should I contact?

For general enquiries about MEI:

Customer Care Team
5 Dyer Street, Cirencester, Gloucestershire GL7 2PP
Tel: **0800 587 5098 option 1**
Email: **customercare@cirencester-friendly.co.uk**

To make a claim:

Claims Department
5 Dyer Street, Cirencester, Gloucestershire GL7 2PP
Tel: **0800 587 5098 option 3**
Email: **claims@cirencester-friendly.co.uk**

For advice in relation to MEI or changes to your contract:

Please contact your Financial Adviser as the Society is not authorised to give advice. If you do not have a Financial Adviser then you can find one by visiting the FCA's Financial Services Register at **www.fca.org.uk**

Please Note

Telephone calls are recorded for regulation and training purposes.

13. What if I am unhappy about anything?

Should you have any cause for complaint about the service you have received from us or about MEI please:

Phone

Customer Care Team on **0800 587 5098 option 1**

Email

customercare@cirencester-friendly.co.uk

Write

The Compliance Officer

Cirencester Friendly Society Limited

5 Dyer Street, Cirencester, Gloucestershire GL7 2PP

If your complaint is not dealt with in eight weeks or to your complete satisfaction you can contact:

The Financial Ombudsman Service Limited

Exchange Tower, London E14 9SR

Tel: **0800 023 4 567**

14. Is there anything else I might need to know?

Financial Services Compensation Scheme

Cirencester Friendly is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we become insolvent and are unable to meet our obligations.

For MEI, 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 your contract or not.

Further information is available from:

Financial Services Compensation Scheme

7th Floor, Lloyds Chambers,
Portsoken Street,
London E1 8BN

The Financial Conduct Authority is the independent financial services regulator. Cirencester Friendly is required to give you information to help you decide whether MEI is right for you. You should carefully read all the documents referred to and in particular the KFD so that you understand what you are buying, and then keep them safe for future reference. Remember, if you need definitive information, you should refer to the Schedule.

Financial Conduct Authority

25 The North Colonnade
Canary Wharf, London E1 5HS

Language & Law

MEI will be issued in English and correspondence and communications conducted in this language. MEI will be subject to the laws of England and Wales. The law and courts of England and Wales will apply in the event of any legal dispute.



My Earnings Insurance

Cirencester Friendly
5 Dyer Street
Cirencester
Glos.
GL7 2PP

Tel: 01285 652492/653073

Fax: 01285 641246

Email: info@cirencester-friendly.co.uk

Web: www.cirencester-friendly.co.uk

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Cirencester Friendly Society Limited is Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 109987.

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