

Personal Sick Pay

Policy Summary

Personal Sick Pay is provided by Liverpool Victoria Financial Services Limited (LV=).

This summary gives you an overview of our Personal Sick Pay product. For full details, including all the terms and conditions, please read the LV= Personal Sick Pay Policy Conditions. In this summary we assume that you are the person insured and the policy owner.

Personal Sick Pay is part of the Flexible Protection Plan which includes

- Life Insurance
- Life and Critical Illness
- **Personal Sick Pay**
- Income Protection
- Waiver of Premium

Who are LV=?

LV= are an insurance undertaking, which means we're the company that provides your insurance cover, and are responsible for paying any valid claim made on your policy.

It's up to you to decide whether this policy is right for you; we don't make any personal recommendations to take out this cover. If you have any doubts if this cover is right for you please speak to a financial adviser. LV= is a registered trademark of Liverpool Victoria Financial Services Limited.

Why do I need Personal Sick Pay?

No matter who you are, what job you do, or how healthy you feel, an accident or ill health can happen to you at any time.

If you become too unwell to work due to an illness or an accident, it can be difficult to make ends meet – the bills don't stop coming in just because you're too ill to work. State benefits can be small and hard to claim, and savings usually don't last long.

- **If you're employed** – you might get some sick pay from your employer. Usually they'll only pay you for a number of weeks or months. You can take out your own Personal Sick Pay to start paying you when your employer stops, to help replace some of your earnings so you still have some money coming into your bank account while you can't work.
- **If you're self-employed** – you won't have an employer to pay you sick pay at all. But you can set up your own Personal Sick Pay to help replace some of the money you were making from your business, or to help you pay for running the business while you're too unwell to work.

If you do have an accident or get too ill to work, we'll pay it to you tax free, and you can do absolutely anything you want with it.

You can use it to pay for the important things like your mortgage or rent, car or fuel, and the costs of running your home or business. Or the fun stuff in life like shopping, your internet or mobile, clothes, family or your media package. It's your money to spend how you like.

The bills don't stop just because you're too unwell to work, and that's where we come in.

Can I apply?

You can apply for Personal Sick Pay if you're:

- Aged 17-59 (though you can keep it up to age 70)
- A UK resident for at least the last 2 years
- Have been registered with a UK doctor for at least the last 2 years
- Working in a job we can insure when you apply (this is checked as part of your application)

You won't be able to apply if you're currently a homemaker or unemployed. Don't worry, if you change jobs in the future we will still cover you in your new job, whatever it is as long as your policy stays the same.



Personal Sick Pay – what can it offer you?

Money paid to you while you're too unwell to work

Your Personal Sick Pay will pay out if an illness or injury means you can't carry out the main tasks of your occupation, and you aren't doing any other paid or unpaid work (by unpaid work we mean work you don't get paid for like voluntary work). The only exception to this is if, before you set up your Personal Sick Pay, we told you in writing there was something we couldn't insure you for, based on your answers to the health and lifestyle questions we asked at the time.

For more information see Policy Conditions section 1.

How much Personal Sick Pay can I have?

The amount of Personal Sick Pay you can have depends on your income and how many hours you work.

For Budget Personal Sick Pay:

The maximum time we will pay a claim for is two years.

- For insurance of up to £1,000 a month, where you are receiving an income and normally working at least 30 hours a week, we will pay you either £1,000 or the amount of cover, whichever is lower. This is called the Personal Sick Pay guarantee.
- For insurance of more than £1,000 a month, or where you are normally working less than 30 hours per week you can insure up to 60% of your earnings over the last 12 months before tax.

For example if you're earning £26,000 a year, the maximum insurance you can have is £1,300 a month. This is worked out as: $£26,000 \times 60\% = £15,600$ divided by 12 months = £1,300.

Any money you get from savings and investments can't be included in your earnings figure.

If you are self-employed, we will base your claim on your share of net profit in the 12 months before you became unable to work.

If we cannot pay you your full amount of cover based on your income over the last 12 months then we may agree to average your income over a longer period of up to 36 months, if this would more accurately reflect your usual income. You will need to request this at the time of your claim. If we agree to your request, this will be confirmed to you in writing.

If you own a limited company, you can also include dividends as part of your earnings, when working out the maximum insurance you can have.

The most Personal Sick Pay you can have is £8,333 a month, and the least is £500 a month.

For more information see Policy Conditions section 5.2.

If your earnings drop in the future then we'll still guarantee to pay you £1,000 a month insurance as long as you were normally working at least 30 hours a week at the time of claim and receiving an income.

For Full Personal Sick Pay:

We will pay a claim until you are well enough to work in your occupation again or you have reached the policy end date, or die.

- For insurance of up to £1,000 a month for the first two years of claim payment, where you are receiving an income and normally working at least 30 hours a week, we will pay you either £1,000 or the amount you have chosen to insure, whichever is lower. This is called the Personal Sick Pay guarantee.

If your claim lasts longer than two years the Personal Sick Pay guarantee will end. The maximum amount we will pay after two years will be the amount of your cover or 60% of your taxable earnings before you became too unwell to work, whichever is lower.

- For insurance of more than £1,000 a month, or where you are normally working less than 30 hours per week you can insure up to 60% of your earnings over the last 12 months before tax.

For example if you're earning £26,000 a year, the maximum insurance you can have is £1,300 a month. This is worked out as: $£26,000 \times 60\% = £15,600$ divided by 12 months = £1,300.

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If you own a limited company, you can also include dividends as part of your earnings, when working out the maximum insurance you can have.

The most Personal Sick Pay you can have is £8,333 a month, and the least is £500 a month.

For more information see Policy Conditions section 5.2.

If your earnings drop in the future then we'd pay you 60% of your new level of earnings. However, we'll still guarantee to pay you £1,000 a month insurance for the first two years of a claim as long as you were normally working at least 30 hours a week at the time of claim and receiving an income. This is called the Personal Sick Pay Guarantee.

Choice of how long you want us to pay you for

- **Full Personal Sick Pay** – We'll keep paying you until you become well enough to work in your occupation again, however long that takes.
- **Budget Personal Sick Pay** – We'll keep paying you until you become well enough to work in your occupation again, but up to a maximum of two years for each claim.

For both options we'd also stop paying you when your insurance reaches the end date you chose when you set it up, or if you die.

For more information see Policy Conditions section 1.3.

Choice of how long you want to wait for us to start paying you

- **Day one option** – If you choose this option your Personal Sick Pay starts from the first day you became too unwell to work. However, you do need to be too unwell to work for 3 days in a row before you can claim on your insurance.
- **1, 4, 8, 13, 26 or 52 week options** – You can choose any of these options and you would need to be too unwell to work for this number of weeks before you started getting paid your insurance.

For more information see Policy Conditions section 1.2.

Choice of whether you want your Personal Sick Pay to keep up with the cost of living (inflation) or not

If you choose this, the amount of Personal Sick Pay you'd get paid by us will go up each year, on the plan anniversary by inflation. As the amount of insurance you have goes up, the price you pay will go up too. The price you pay will normally go up as you get older. Or you can choose for your Personal Sick Pay to stay at a level amount and it will normally go up as you get older as well.

For more information see Policy Conditions section 2.4.

Choice of when you want your Personal Sick Pay to end

You can choose for your insurance to end between age 50 to age 70. You can cancel your insurance at any time.

For more information see Policy Conditions section 1.3.

Flexibility if you become unemployed take a career break or travel abroad

We can keep insuring you in the normal way for up to a year if you become unemployed or take a career break. This means that if you become ill or have an accident and make a claim we'll treat you as if you were still working in the same job before you became unemployed or took a career break.

If you continue to be unemployed or stay on a career break for more than a year, and then become ill or have an accident, then we'll pay you if you're too unwell to either do basic housework or prepare a meal. Your insurance will then be the lower of the amount of insurance you have or £1,500 a month.

If you're outside of the UK working, on holiday or even move abroad permanently, you can claim and we can pay you your Personal Sick Pay while you're abroad. However you'll need to be living in an eligible country by the end of 26 weeks of claiming, or we'll have to stop paying you until you are.

For more information see Policy Conditions section 6 and for the full list of eligible countries see section 6.7.

Flexibility to change your Personal Sick Pay in the future

You can change the amount of Personal Sick Pay you have, how soon it pays out and when it ends. Depending on the change you want to make, we may have to ask you some medical and lifestyle questions first.

For more information see Policy Conditions section 7.1.

Other help and support from LV=

During a claim, to help you recover we may be able to offer you access to services like physiotherapy, counselling, rehabilitation services or other financial support.

If, after a claim, you go back to work part time or to a different job because of your health, and you're earning less, under certain circumstances we may be able to support you financially.

For more information see Policy Conditions section 6.

Any state benefits you get won't affect your Personal Sick Pay.

If you're also receiving state benefits we won't reduce what we pay you by what you're getting from the government.

For more information see Policy Conditions section 8.5.

Personal Sick Pay – things to remember

You're not insured for unemployment, death or normal pregnancy

Personal Sick Pay simply insures you against being too unwell to work. Normal pregnancy is, of course, not considered an illness, so you aren't covered for this.

For more information see Policy Conditions section 4.

It's possible that your Personal Sick Pay could affect the amount of state benefits you're able to claim when sick

We won't reduce payments from this policy to reflect any state benefits you may be entitled to. However, payments made from this policy may affect the amount of state benefits you might receive. For example, payments from this policy will reduce your Universal Credit entitlement, unless you're using the money to fund your regular mortgage payments.

When you make a claim, we'll provide you with support to work out how your policy might affect state benefits at that time, confirm your mortgage details and help you to decide the most appropriate way for us to make policy payments. We explain this in section 8.3 of the Policy Conditions.

How will receiving sick pay or any other insurances affect what we pay you?

Although we guarantee that sick pay from your employer or any other insurance won't affect what we pay you for the first £1,000 a month and during the first two years of a claim payment, it will affect it for amounts higher than this or if you're working less than 30 hours per week. We'll therefore need to check how much you earn and what other money you're getting. We would then deduct from the amount we could pay you any continuing sick pay or pension payments and any sickness insurances that you're receiving.

For more information please see Policy Conditions section 5.2.

If you choose to have a reviewable future prices table, the amounts shown in the table for older ages could change in the future.

When you buy your insurance, you can choose to have either:

- **Guaranteed future prices** – where the prices shown for future ages won't change (the price is a bit higher to start with); or
- **Reviewable future prices** – where the prices shown in the table for future ages will be reviewed every 5 years and could go up or down.

For more information see Policy Conditions section 3.3.

You won't be able to buy as much with your Personal Sick Pay in the future if you choose for it not to keep up with inflation

If you choose for your Personal Sick Pay insurance to stay at the same amount and then the cost of living goes up, you won't be able to buy as much with your money in the future.

For more information see Policy Conditions section 2.4.

If we've paid your claim, and you've gone back to work but then become unable to work again we may be able to continue your previous claim

If you go back to work and then within 6 months become unable to work again then we may be able to start paying your claim again straight away. This is only if the reason you're unable to work is the same as it was previously. However if you've chosen Budget Personal Sick Pay and we agree to pay your previous claim straight away then both claims will count towards the 2 year maximum period. If you've chosen Full Personal Sick Pay then both claims will count towards the two year period for which the Personal Sick Pay guarantee would apply.

For more information see Policy Conditions section 6.4.

Important information

Do I need to check my Personal Sick Pay regularly?

Your life and needs can change over time - like how much Personal Sick Pay you need, how many hours a week you're working or what you're earning. So please check it at least once a year to make sure the insurance you have is still right for you, your financial adviser can help you with this.

When does my Personal Sick Pay start and end?

Your Personal Sick Pay starts when we ask you for your first payment. If you don't cancel it at any time, it will end at the age you chose when you applied.

How do I pay for my insurance?

You pay for your Personal Sick Pay monthly on the date shown on your Policy Schedule and payment will need to be made by Direct Debit. If you want to continue to be covered you'll need to keep paying for your insurance until the end date you have chosen. You will still need to keep paying for your insurance during a claim.

You can choose to stop paying at any time, but if you do then your policy will end, you won't be covered and you won't get any money back. This policy has no cash-in value at any time.

The price you pay increases each year as you get older

The price you pay is based on your age each year, so for example at age 35 you would be paying the price for a 35 year old, at 36 it will go up to the price for a 36 year old and so on. This means you always pay the price applicable to your own age.

The price you pay will go up as you get older, because the risk of ill health increases with age, this could affect how affordable it is to you. So it's important to check the price you'll be paying in the future which is shown in your future prices tables.

For more information see Policy Conditions section 3.

What if I can't pay for my Personal Sick Pay?

If you miss a monthly payment, we'll give you up to 60 days to pay it. After this, your insurance would end and you wouldn't get anything back.

Can I change my mind and cancel my Personal Sick Pay?

Yes, you can stop paying and cancel at any time. If you change your mind within 30 days of it starting, we'll give you back anything you've already paid. If you cancel at any other time, your Personal Sick Pay will end and you won't get anything back.

If you'd like to cancel your Personal Sick Pay, please call us on **0800 678 1906** (for textphone dial 18001 first). Or, write to us at LV=, Emperor House, Grenadier Road, Exeter Business Park, Exeter EX1 3LH.

We may record and/or monitor your call for training and audit purposes.

How do I make a claim?

If you have an accident or illness and need to make a claim on your Personal Sick Pay, please call our friendly, UK based claims team on 0800 756 5869 as soon as you can. The sooner you contact us, the sooner we can start helping you.

We'll take some details from you, check your name and age and explain how we'll help you with your claim – we'll try and make life as easy as possible for you and help you through the process.

In some cases we may need to contact your doctor or other medical professional. Don't worry, we'll always cover the costs of any information we need, and we'll only ask for information that is absolutely necessary.

Alternatively you can contact us by email **healthclaims@LV.com**. Or, you can write to us at LV= Health Claims Department, Emperor House, Grenadier Road, Exeter Business Park, Exeter EX1 3LH.

How my claim is paid?

When you make a successful claim you can choose for us to pay you weekly or monthly. We have a 'payday' once a week and once a month, and when you qualify for your Personal Sick Pay payments, we'll make our first payment to you on the next available payday. Your Personal Sick Pay is paid to you tax free.

For more information please see Policy Conditions section 5.1.

How do I prove the hours I have worked if I claim?

If we are going to pay you under the Personal Sick Pay guarantee, we'll need evidence of how many hours you were working in the three months before you claimed, and that you received an income in that time.

- **For evidence of hours worked** – This could be confirmation of the hours you worked from your employer if you were employed. Or if you were self-employed, evidence from company accounts, invoices or receipts for example. To try and be as fair as possible, if your hours are a bit 'up and down' we can average out the hours you worked over the three months before you claim.

If in the three months before your claim, you'd worked less than your normal hours due to ill health or holiday, then to make sure we're being fair we'll look at a three month period where your hours worked hadn't been affected.

How do I prove my income if I claim?

If you don't qualify under the Personal Sick Pay guarantee and you're employed, we'll ask for proof of your earnings in the 12 months before the date you became too unwell to work, this could be payslips, your last P60, or a letter from your employer.

If you are self-employed, we will base your claim on your share of net profit in the 12 months before you became unable to work. If we cannot pay you your full amount of cover based on your income over the last 12 months then we may agree to average your income over a longer period of up to 36 months, if this would more accurately reflect your usual income. You will need to request this at the time of your claim. If we agree to your request, this will be confirmed to you in writing.

If you haven't been working for the amount of time we mention above, we will of course be flexible and look at your income over a shorter period of time.

How do I complain?

We always do our best to give you a great service, but if anything goes wrong, please let us know so we can fix it.

You can complain by calling us on **0800 678 1906** (for textphone, dial 18001 first). Or, you can write to us at Box 2, LV=, County Gates, Bournemouth BH1 2NF.

We aim to look at any complaints quickly and review them fairly. If you're unhappy with the resolution of your complaint, the Financial Ombudsman Service may be able to help you free of charge but you'll need to contact them within six months of receiving our final response letter.

Their website is **www.financial-ombudsman.org.uk** which includes more information about the service, including details of the various ways they can be contacted.

If you'd like more information on how we handle complaints, please contact us, or visit **LV.com/complaints**.

What would happen if LV= got into financial trouble and was not able to pay out?

We've been in business since 1843, and take great care to manage our affairs sensibly.

We're required to publish a report each year about our solvency called a Solvency and Financial Condition Report. Solvency is a company's ability to meet its long term financial commitments and this report will help you understand more about our solvency and how we manage our capital and risks. The report will be available from the end of June 2017 onwards. If you'd like a copy you can visit **LV.com/sfcr**, or you can write to: Group Company Secretary, County Gates, Bournemouth BH1 2NF.

If we ever did get into financial trouble and couldn't honour our commitments, you would be entitled to compensation from the Financial Services Compensation Scheme. The compensation you could get depends on the type of product you have. For this type of policy, the scheme covers 100% of the claim. The scheme's first responsibility is to seek continuity of cover rather than to pay compensation.

For more information go to **www.fscs.org.uk** or call **0800 678 1100** or **0207 741 4100**.

What law applies to my policy?

Personal Sick Pay and its terms and conditions are governed by the laws of England and Wales. In the unlikely event of any legal disagreement, it would be settled exclusively by the courts of England and Wales.

We'll always communicate in English.

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

Liverpool Victoria Financial Services Limited: County Gates Bournemouth BH1 2NF.

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LV='s position on isolation.

We can confirm that your Personal Sick Pay policy pays out when you are too unwell to carry out the main tasks of your occupation through illness or accident. This is explained in section 1.1 of your Policy Conditions (Reference FPPPSP04).

Periods of isolation (including periods required as a result of government or other medical advice) where you are not suffering from an illness are not covered, and a claim will not be paid.