

UNEMPLOYMENT OR INCOME-PROTECTION INSURANCE

You have applied for disability or unemployment protection with certain underwriters at Lloyd's. In return for the appropriate premium, this insurance will insure you against disability or unemployment (or both). Your proposal and any endorsements together with the key features and certificate and any written statement of medical or other information you have made are part of this insurance contract.

If you are insuring more than one person, we will provide cover for the monthly payment as shown in the schedule if either person claims.

1. Cover provided

You can be covered under this contract if you:

- permanently live in the United Kingdom, Channel Islands or the Isle of Man, for tax purposes;
- are aged 18 or over and will not have reached 65 years of age before the finishing date of cover (if this applies);
- are actively working in permanent employment for at least 20 hours a week and you have been in continuous employment with the same employer for the six-month period before the certificate start date;
- are self-employed or a contract worker in full-time employment at the certificate start date; and
- are in good health.

You cannot be covered under this contract if you:

- know of any possible unemployment or disability which may affect you; or
- are in temporary or seasonal employment.
- know that you are not eligible to register as unemployed in the UK;
- know, at the time of taking out this insurance, of any redundancies, restructure, reorganisation, financial or contractual threats within the business you work in, even if you do not believe these actions will result in your becoming unemployed unless you have declared this to us and we have confirmed that we accept this; or
- are in formal dispute with your employer for performance-related issues or you are facing other disciplinary action.

2. Definitions

Some of the words and phrases we use in the contract terms and conditions have special meanings.

Amendment date	the date any amendment to the cover shown on your certificate comes into force.
Benefit period	the maximum number of monthly benefit payments that we would pay for any one period of claim as shown on your schedule.
Business	a trade, industry or profession you own and operate either alone or with others and which is registered in the United Kingdom.
Certificate of insurance	the insurance cover we provide under the conditions of this wording.
Claim period	any separate period of time during which you are unemployed or disabled and receiving monthly benefit under this insurance.
College	the Royal College of Surgeons, the Royal College of Physicians or any of the Royal College of Medical Practitioners.
Company director	a director who owns more than 10% of the issued share capital of the company (or you are a relative of a director who is working for the same company as you and who owns more than 10% of the issued share capital of that company).
Consultant	a medical specialist who is a member of a college and recognised by that college to be a consultant.
Contract of employment	you are employed on a permanent fixed-term contract for at least 13 weeks and you have been in continuous employment with the same employer for less than two years. Under the contract, you will not be covered if your contract is not renewed and we will stop paying the monthly benefit on the date your contract was originally intended to finish.
Disability	an accident or sickness certified by a registered medical practitioner in the UK (other than you or your husband or wife) which prevents you from doing your normal work or any similar work for which you are reasonably qualified and you are not doing any other job for payment or reward.
Disabled	you are suffering from a disability.
Dismissed	you are employed and your employment ends because of circumstances entirely beyond your control. Your unemployment, for the purposes of this insurance, starts on: a the day you are given your formal written redundancy notice by your employer; or b the final day of trading if your employer stops trading.

Doctor	a qualified UK-registered medical practitioner practising in the UK who is not you or someone related to you.
Employed	you are in permanent employment and your employer is taking PAYE tax and national insurance contributions on your behalf.
Exclusion period	the period shown on your certificate, which immediately follows the start date of this insurance.
Finishing date of cover	when you: <ul style="list-style-type: none"> a die; b retire from work or reach age 65, whichever is the earlier; c stop living in the UK; d have received the maximum number of monthly benefit payments we allow; e or we cancel this insurance as shown in section 6; or f stop paying your monthly premium or your outstanding premium; whichever is earlier.
Gross income	your monthly salary plus the average of any overtime, commission or bonus payments (or both) you have received in the 12 months before the insurance start date.
Insurance start date	the date the insurance begins as shown on your certificate of insurance.
Maximum benefit	the maximum amount of cover we allow under this insurance (up to 66% of your gross income unless your key features document shows a different amount).
Monthly benefit	the amount of cover you have chosen as shown on your insurance certificate.
Period of cover	the period between the certificate start date and the end date for which you have paid the correct premium. For monthly renewable insurance these will automatically renew each month for as long as you continue to pay the relevant premium or until we tell you otherwise.
Permanent employment	you are employed on a permanent basis and your job has no fixed finishing date other than the normal retirement age for your occupation. Or you have been in continuous employment either on a yearly contract which has been renewed at least once or on a renewable fixed-term contract with the same employer for at least two years in a row.
Pre-existing conditions	any sickness, condition or injury which you knew about and which you have received treatment or advice for (including regular or routine examinations or consultations to monitor the condition) in the 12 months before the insurance start date.
Premium	the premium set out in your certificate of insurance.
Relative	a husband, wife, partner or any other immediate family member related to you by blood, marriage or law.
Self-employed	you are in a profession or business alone or with others and paying class 2 national insurance contributions or you are a company director.
Stops trading	when your business permanently stops trading entirely because of circumstances beyond your control or the control of any director or partner in your business.
Unemployed or unemployment	a period during which you must be: <ul style="list-style-type: none"> a receiving Income Support or Jobseeker's Allowance or you do not qualify for these benefits because you have been entitled to make reduced national insurance contributions in the past; b actively looking for work in the UK; c registered as available for work at a Department of Education and Skills Office or Jobcentre; d without any work; and e not receiving wages instead of serving notice. If you are self-employed you must meet a to e above and have stopped trading. If you are a company director, your company must have been wound up by a creditor who is not a director of that company.
Waiting period	the period shown in your certificate during which you will need to be continuously unemployed or disabled before you are entitled to receive the monthly benefit.
We or us	Compass Underwriting Limited for certain underwriters at Lloyd's.
Working	paid employment under a contract, permanent employment or self-employment for 20 hours or more each week. You must also be paying the appropriate national insurance contributions.
You or your	the person or people named on your certificate of insurance.

3. Paying premiums

- a If you are paying for cover in full, you must pay the premium for the whole period of cover at the beginning of the period.
- b If you are paying for your cover each month by direct debit (as shown in the certificate of insurance), you must provide bank details and we will collect debits each month. This insurance will automatically end if any payment is not made and you fail to put this right within 14 days.
- c If you are receiving monthly benefit under this insurance, you must continue to pay the monthly premium as it falls due.
- d We can change the premium by giving you 30 days' notice in writing. This does not apply if you have already paid all your premium. If there are any changes to the current level of Insurance Premium Tax (IPT) or any new charges are placed on us, we will change your premium from the date any changes are put in place.

4. Paying claims

A Disability benefit

If you are in continuous employment and become disabled during the period of insurance for longer than the waiting period, we will pay you 1/30th of the monthly benefit for each day you remain continuously disabled beyond the waiting period. We will pay the benefit every month for the month passed for up to your chosen maximum benefit period.

We will take, from your monthly benefit, any amount from this or any other similar insurance that is over 66% of your normal gross monthly income, unless your key features document shows a different amount.

We will continue to pay you until:

- 1 the last day of your disability;
- 2 the date you stop providing proof that you are still disabled;
- 3 we have made the maximum number of monthly benefit payments we allow in the benefit period; or
- 4 the end date shown on your certificate of insurance or you stop paying your monthly premium (if this applies);

whichever is earlier.

B Unemployment benefit

If you are in continuous employment and become unemployed during the period of insurance for longer than the waiting period we will pay you 1/30th of the monthly benefit for each day you remain continuously unemployed beyond the waiting period. We will pay the benefit every month for the month passed for up to your chosen maximum benefit period. We may ask you to see one of our appointed consultants to help you look for permanent work.

We will take, from your monthly benefit, any amount from this or any other similar insurance that is over 66% of your normal gross monthly income, unless your key features document shows a different amount.

We will continue to pay you until:

- a the last day of your unemployment;
- b the date you stop providing proof that you are still unemployed;
- c we have made the maximum number of monthly benefit payments we allow in the benefit period; or
- d the end date shown on your certificate of insurance or you stop paying your monthly premium (if this applies);

whichever is earlier.

Unemployment cover under this certificate of insurance will depend on your employment status

- Employed (not including company directors, secretaries or their relatives or contract workers)
 - a If you are working, we will insure you if you are dismissed.
- Employed company directors, secretaries or their relatives
 - a If you own less than 10% of the issued share capital of the business you are working for, or you are a relative of a company director or company secretary who owns less than 10% of the issued share capital of the business you are working for, we will insure you if you are dismissed.
 - b If you own more than 10% of the issued share capital of the business you are working for, or you are a relative of a company director or company secretary who owns more than 10% of the issued share capital of the business you are working for, you will be insured if that business stops trading.
- Employed contract workers
 - a If you have been working on a renewable fixed-term contract with the same employer for more than two years in a row, we will insure you if you are dismissed.
 - b If you have been working on a renewable fixed-term contract with the same employer for less than two years in a row we will insure you if you are dismissed during the term of your contract. We will not insure you if your contract is not renewed and any entitlement to monthly benefit under this insurance will automatically end on the date your contract was originally intended to finish.
- Self-employed and their relatives
 - If you are the sole proprietor or a partner in the business you are working for, or you are a relative of the sole proprietor or a partner in the business you are working for, we will insure you if that business stops trading.

C Claiming more than once

We will treat a claim which happens within three months of a separate claim you have made as the same period of claim. You can make a new claim as long as you have been in continuous employment for at least three months between each claim.

D Suspending an unemployment claim for temporary work

If you are eligible to claim for unemployment under this insurance and you are offered a temporary job, you can suspend your claim as long as:

- 1 you tell us who you will be working for (even if you will be self-employed), how many hours you will be working for and how long the temporary employment will last;
- 2 your temporary job lasts for at least one week and no longer than six months and you do not have more than three separate jobs during any one period of claim; and
- 3 you continue to meet the conditions of this insurance and tell us immediately if any of the above circumstances change. You are eligible to claim for unemployment when a temporary job ends. We will begin paying you again (up to your chosen maximum benefit payments for any one period of claim).

5. Circumstances when you cannot claim

A Unemployment

We will not pay if:

- you have not been in continuous employment for at least six months before your first period of unemployment under this contract;
- you are told about the unemployment within the initial exclusion period, even though your unemployment may not take place until after this period;
- your work is seasonal or temporary;
- your fixed-term contract ends (but, depending on the other conditions of this contract, you may be entitled to benefit during your fixed-term contract);
- you accept voluntary redundancy, resign or retire;
- you are dismissed by your employer as a result of your misconduct, breaking a term of your contract, criminal offence or failing to meet the standards or targets laid down by your employer;
- you knew about the possibility of unemployment (or in our reasonable opinion you should have known about it) at the certificate start date;
- you are made unemployed because of a civil commotion, riot, terrorist activity, war or any similar event;
- you are made unemployed due to any of the disability exclusions; or
- your unemployment happens while you are away from the EU for a period of more than 90 days.

This clause will not apply if your reason for leaving the EU is because you:

- a work for the British Armed Forces; or
- b work as a civil servant in a British embassy or consulate.

B You will not be entitled to any benefit for any period in which you are receiving pay instead of serving notice.

C Disability

We will not pay benefit if:

- your disability is due to or arises from AIDS or being infected by HIV, unless a specialist certifies that that condition prevents you from working;
- you deliberately injure yourself or your disability is caused by alcohol, solvent abuse or drugs (other than drugs taken under the direction of a doctor or consultant and not to treat drug addiction);
- your disability arises from stress, anxiety or depression or any mental or nervous disorder unless a specialist certifies that that condition prevents you from working;
- your disability results from any condition, injury or illness, disease or sickness which came about as a result of a pre-existing condition;
- your disability is caused by pregnancy, childbirth, miscarriage or abortion other than a medical complication which directly occurs as a result of your pregnancy or pregnancy-related conditions;
- your disability is due to a back-related condition unless there is radiological evidence of a medical abnormality or visible wound, or a specialist certifies that that condition prevents you from working;
- your disability arises from medical operations or treatments which are not medically necessary, including cosmetic or beauty treatments; or
- your disability is caused by any of the unemployment exclusions.

For unemployment and disability sections

You cannot claim disability and unemployment benefit at the same time.

We will not pay benefit as a result of:

- war, revolution, terrorism, riot, or any similar event; or
- radioactive contamination from ionising radiation or contamination from any nuclear fuel, or from any nuclear waste arising from burning nuclear fuel; or the radioactive, toxic, explosive or other dangerous effect of any explosive nuclear equipment or part of that equipment.

6. Cancellation

- a You may cancel this insurance within 14 days of the insurance start date. You must write to us and we will refund any premium you may have paid unless you have made a claim.
- b You can then cancel this insurance at any time by returning your certificate of insurance and asking us, in writing, to cancel it. We will cancel the insurance on the day we receive your request. We will repay you any unused premium. We will not refund your premium if we have paid a claim on the insurance. You will be responsible for cancelling the direct debit arrangement (if this applies).
- c We may cancel this insurance at any time by giving 30 days' written notice to you at your last known address. This will not affect any rights to benefits which you may already have received under the insurance before the finishing date of cover.

7. Fraud

If you have given us any incorrect information or missed out any information which affects this contract, or any claim under this contract, you will lose all rights to claim.

8. Transferring this contract to someone else

You may transfer the benefits of this contract to someone else if we send you written confirmation that this is acceptable.

9. General conditions

- a This contract and any endorsements together with the proposal form, key features and certificate and any written statement of medical or other information you have made make up the contract between you and us.
- b This contract or any of the terms of this contract cannot be changed unless this is done in writing by one or more of our authorised officials. If in doubt please contact your intermediary who arranged this insurance.
- c You must, within 14 days or as soon as reasonably possible, give your intermediary written notice of any change in your personal circumstances. This includes changing your employer, occupation, state of health, living or working outside the UK, changing from being employed to self-employed (or vice versa), working less than 20 hours each week, or any other relevant circumstance. (If you are not sure whether to tell your intermediary, please write to them anyway.) Any claims arising from a change in circumstances will not be covered by this insurance until we have agreed to the change in writing.
- d You and we are free to choose the law which applies to this insurance contract. Unless we and you agree otherwise this insurance will be governed by English law and the English courts will deal with any disputes.
- e If at any time any condition of this contract becomes invalid, illegal, or cannot be enforced, it will not affect the rest of the contract.
- f All benefits under this insurance will not be taxed, although this may change in line with any amendments to legislation. If this happens, we will take from any monthly benefit any amounts which, by law, we have to take.
- g If you miss out any important information or provide false statements in your application for this insurance or any claim, we may not pay benefits under this insurance. Important information is information which is likely to influence whether we accept your application or claim for insurance. If you are not certain whether a fact is important, you should tell us anyway. If you make a claim which we consider to be fraudulent or exaggerated, you will lose all benefits under this contract and we will try to recover any benefits we have paid under that claim.
- h We will process any information you give us according to the conditions of the Data Protection Act 1998 for the purpose of providing insurance and handling claims. This may involve passing your information to other organisations.

10. How to claim

You must write to us about a claim, within 30 days of becoming unemployed or disabled or as soon as reasonably possible. Write to our claims department at Compass Underwriting Limited, Market Square House, St James's Street, Nottingham, NG1 6FG or phone our customer service desk on 0115 934 8999 to ask for a claim form.

We will send you the claim form. You will need to fill this in and return it to us as soon as reasonably possible, giving us all the information we ask for so we can process your claim. This should include wage slips, your termination notice and your P60, or if you are self-employed a bank statement, invoices and annual accounts and Inland Revenue and national insurance records. You must declare to us all other relevant and similar insurance plans that may provide a benefit for this claim. You will be responsible for giving us the proof we need. If you delay in sending in a claim to us it may make your claim harder to confirm. It could also lead to a delay in paying your claim or not paying your claim at all. For disability claims you must allow us access to your medical records as defined by the Access to Medical Records Act 1988. And, if we want you to have a medical you must have one, or we may refuse to pay your claim. We will pay any costs involved for the medical.

We will pay the benefit when we receive satisfactory evidence of your entitlement to claim. Throughout the period for which you claim under this contract we will need you to provide evidence of your disability or unemployment. We will not pay benefit for any period of disability or unemployment for which you do not provide evidence. We may ask you to produce this certificate as proof. Once we have accepted a claim, we will pay your benefit for the month passed.

11. Complaints procedure

We always try to provide a first-class standard of service. However, if you have any question or complaint, either about your insurance or about a claim, you should first contact the intermediary who arranged this insurance for you.

If you are still unhappy, please write to the Managing Director, Compass Underwriting Limited, Asia House, 31/33 Lime Street, London EC3M 7HT or fax 020 7398 0109.

If you are not satisfied with the way a complaint has been dealt with, you may ask the Complaints and Advisory Department at Lloyd's to review your case. The address to write to is:

Complaints and Advisory Department
Lloyd's
One Lime Street
London, EC3M 7HA.

Phone: 020 7327 5693 or fax 020 7327 5225

E-mail lloyds-regulatory-complaints@lloyds.com

You may refer complaints that cannot be sorted out by the Complaints department to the Financial Ombudsman Service. You can get more details at the appropriate stage of the complaints process.

This does not affect your right to take legal action.