

GROUP INCOME REPLACEMENT INSURANCE

Information for Employers

Fact Sheet G7 ~ A Guide to Underwriting

During the application process your *Employees* will be asked to provide personal information that *We* need to be able to decide how *We* will provide insurance for them. Our assessment uses a procedure known as *Underwriting* which is used to assess all applications for *Cover* above the *Free Cover Limit*. This is necessary to protect existing *Members* of the *Society* and your *Plan* from being unfairly affected by foreseeable future *Claims*.

Free Cover Limit

This is the threshold below which no medical evidence is required from *Employees* before *We* will provide them with insurance under your *Plan*. The *Society* applies a single threshold to all plans and may consider an enhanced threshold at *Plan Review*. For annual amounts of *Cover* below this limit we will guarantee to insure *Employees* without consideration of their state of health.

Underwriting: ~ accepting your employees for insurance.

If you have selected a level of *Cover* above the *Free Cover Limit* the *Employees* concerned will be requested to complete a medical questionnaire. Part of this form gives their consent to us obtaining information from their doctor, if we consider it necessary. *We* may also, in some instances, interview an *Employee* by telephone to make sure that *We* fully understand all of the facts given to us.

The *Underwriting* process considers each *Employee's* medical history to fairly establish the risk to the *Society* of future *Claims* from medical conditions known about at the time of application for *Cover*. This *We* do by looking at any *Historic* or *Pre Existing Medical Conditions* they may have, or have had. *We* use this to decide if *We* need to apply any special terms in respect of the insurance to be provided for any particular *Employee*.

There are four possible outcomes from medical *Underwriting*: ~

1. **Acceptance on standard terms** - we will insure the *Employee* for the *Cover* you have requested.
2. **Exclusion** - we will restrict *Cover* for an *Employee* to the *Free Cover Limit* in respect of specific medical conditions, because they are known and there is a reasonable assumption that a future *Claim* could occur.
3. **Acceptance on Special Terms** - we will provide full cover to an *Employee* but because our assessment leads to a reasonable assumption of a higher than normal risk of a future *Claim*, we will apply any or all of the following: ~
 - a. a higher monthly *Contribution* in respect of the *Employee* concerned;
 - b. a longer *Waiting Period* than that requested;
 - c. a shorter claim duration than the type of *Cover* selected will provide.
4. **Decline** ~ the *Employee's* medical history represents a significant and unacceptable future risk to the *Society* and so we must refuse to provide *Cover* above the *Free Cover Limit* in order to protect *Society Members*.

The process also considers some non medical factors about an *Employee's* lifestyle, for example, whether he or she takes part in hazardous sports or activities. These may also give rise to special terms and restrictions being applied to *Cover* both above and below the *Free Cover Limit*.

We do not differentiate between men and women, or smokers and non smokers when calculating *Contribution* rates. However, *We* will consider *Historic* or *Pre Existing Medical Conditions* that may have arisen from smoking.

Important Data Protection Note:

All medical and personal information about an *Employee* is received by the *Society* and it's professional advisers on a totally confidential basis. *We* therefore do not disclose such information to third parties, including employers and their advisers, without specific, informed and written permission from the *Employee* concerned. This means if *We* apply special terms *We* can only tell you that *We* have done so but cannot provide you with the reason.

An explanation of the terms in *italics* can be found in [Fact Sheet G10 "Glossary of Terms Used"](#)