

GROUP INCOME REPLACEMENT INSURANCE

Information for Employers

Fact Sheet G6 ~ Cancelling a Plan or Individual Cover

When *Cover* has been offered by the *Society* and accepted by you the employer *We* are unable, in normal circumstances, to cancel it. The following outlines when *Cover* ceases and also the circumstances in which *We* can alter suspend or cancel *Cover* for an *Employee*, cancel the *Plan* as a whole and disallow or suspend a *Claim*.

Automatic Cessation of *Cover*

- For *Employees*, *Cover*, ceases automatically when they attain *Retirement Age*, unless *We* have already agreed to provide cover beyond that age, in which case it will cease on an agreed date;
- For *Employees*, if you cease making *Contributions* for them;
- *Cover* for *Employees* will cease completely on the date their contract of employment is terminated;
- Your *Plan* as a whole, will cease following 13 clear weeks written notice by you to cancel it.

Termination of *Employment* or *Plan* Cessation Whilst a *Claim* is in Progress

If you cancel your *Plan* or *Employees* leave employment whilst *Claims* are in progress, the *Claims* will continue and *We* will pay *Regular Benefit* directly to the *Claimants* until the criteria for claim cessation are met. This is subject to continued payment of *Contributions*, unless they are waived during periods of *Claim* as a condition of your *Plan*.

Please also refer to Fact Sheet G5 ~ "How to Claim"

Continuing membership when a contract is terminated

For *Employees* who leave your *Plan* as a consequence of termination of their employment, the *Society* guarantees that they can continue as a *Member* without the need to repeat the application process on a personal basis.

The following conditions will apply: ~

- The former *Employee* must put in place acceptable arrangements for the continued payment of contributions ~ normally a personal direct debit facility;
- There must be no break in payment of *Contributions*, greater than 45 days;
- *Cover* remains unchanged or represents a lower insurance risk than under the related employer's plan;
- The level of *Cover* is reviewed and adjusted to reflect the applicable Limitation of Benefit. (See below).

Limitation of Benefit ~ Personal Plans

Personal plans have a different *Limitation of Benefit* than that applied to employer's plans. This is because *Regular Benefit* paid to employers is on a gross basis and passed on to *Claimants* after being taxed. *Regular Benefit* under personal plans is paid directly to a *Claimant*, on a tax free basis. In either case the Claimant receives approximately the same amount, but personal plans need a lower level of *Cover* to provide this.

When former *Employees* continue their *Cover* on a personal basis *We* will adjust level of cover to take account of the differences outlined above.

Unavoidable Reduction in Numbers of *Plan* Members

Unless *We* have agreed otherwise, the minimum number of *Employees* that can be insured under a plan is 5. If circumstances occur, that make it unavoidable that the number of *Employees* insured under your *Plan* will fall below that level, *We* will consider special terms or providing *Cover* directly to *Employees* to avoid the need for cessation.

This sheet continues overleaf

An explanation of the terms in *italics* can be found in *Fact Sheet G10 "Glossary of Terms Used"*

Fact Sheet G6 ~ Cancelling a Plan or Individual Cover ~ contd.

Circumstances in Which Cover Under Your *Plan* May be Cancelled or Suspended or a *Claim* Disallowed.

Important Note

This section outlines circumstances that, if they occur, will be significant risks to your *Plan* as a whole or the insurance provided by it in respect of individual *Employees*

- If *Contributions* are more than 30 days in arrears you will lose your entitlement to *Claim*, if arrears increase above this level your *Plan* may be cancelled.
- If you, or an *Employee*, fail to provide all the information we require when applying for, reviewing or administering your *Plan* or when submitting a *Claim*, *We* may change your *Plan Terms and Conditions* or the terms under which the *Employee* involved is insured or, *We* may disallow, suspend or cease a *Claim*.
- If at any time you, or an *Employee*, provide false information in connection with your *Plan*, *We* may cancel the *Plan* as a whole or, the *Cover* provided in respect of the *Employee* involved.
- If a *Claimant* withholds consent for us to seek medical information from his or her medical attendant or, fails to provide relevant medical information, that *We* reasonably request in support of their *Claim*, *We* may; disallow it, suspend it or cancel it altogether.
- If a *Claimant* does not agree to, or does not attend an independent assessment of their *Incapacity*, if required by the *Society* as part of the proper management of their *Claim*, *We* may; disallow it, suspend it or cancel it altogether.

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