



Accident Only Income Protection Policy Summary

Get paid a regular benefit if you
can't work due to an accident



This document gives you a summary of National Friendly's Accident Only Income Protection Plan so you can get an idea of whether it's right for you.

There's more detail in our Policy Conditions which you can ask us for a copy of at any time. If you take out a policy then we'll include a copy of the Policy Conditions in your welcome pack along with a reminder of your cover details in your Policy Schedule.

We've been around for over 155 years so we've got a long history of looking after our members. We want to make sure your policy meets your needs both now and in the future. We recommend you review and update your cover from time to time to make sure it's still the right level for you.

Our contact details are on the back page of this document if you need more information or have any questions. You can also speak to your financial adviser if you have one.

What **impact**
might an **injury** like
this have on your
earnings?



What is Accident Only Income Protection?

Accident Only Income Protection is an insurance policy that helps you keep some money coming in if you can't work due to an accident. To take out a policy you have to be working 16 hours a week or more. The policy will pay out a monthly benefit of up to 70% of your earnings for a maximum period of 1, 2 or 5 years, you can choose which.

You can make a claim on the policy if you're unable to carry out the main duties of your occupation due to an accident or non-impact injury as defined in this document.

The policy has additional options to add a fracture benefit, accidental death cover and to provide cover whilst you are participating in what is known as hazardous pursuits.

You might choose this policy if you:

- Don't get a regular income from your main job if you can't work
- Are happy to have cover for accidental injury but not illness
- Want cover but don't want to answer medical questions to apply
- Want financial help which could continue for up to 5 years

What we mean by accident

We consider an accident as being an event resulting in bodily injury occurring while this policy is in force, where the injury is directly and solely caused by accidental, violent, external and visible means without any other contributing cause.

This means there must be some kind of impact which contributes to your injury.

Accidents in which no resulting impact injury is visible, with or without a scan, will only be covered where the resultant injuries meet our non-impact injury definition.

What we mean by non-impact injury

We will consider claims for non-impact injuries which cause absence from work where:

- You have been diagnosed as having suffered a grade 3 tear of a muscle, tendon or ligament.
- You suffer a full dislocation of a joint and we have sufficient medical evidence to support this.

What we mean by a tear

By tear we mean a complete tear which will necessitate a scan and significant time off work.

A complete tear, otherwise known as a grade 3 tear, is where there is instability in the joint and this often needs surgery. In all cases you must provide medical evidence of a grade 3 tear in order for us to pay this benefit.

Partial tears, which are also known as grade 1 or 2 tears, are not covered under this benefit.

Here are 3 examples of how claims would be handled:

Example 1

- Bill trips over a cable and has a fall which leads to a broken arm and ligament damage.
It was the impact of his fall which caused his injuries, so he has a valid claim. If his injuries are still preventing him from working at the end of his waiting period, we'll pay his claim under the terms of the policy.

Example 2

- Susan twists awkwardly and feels a wrench in her knee. Tests reveal she has suffered a grade 3 tear. She has pain and swelling and the joint is unstable, meaning she can't put weight on it.
The grade 3 classification means she qualifies for income benefit under our non-impact injury definition.

Example 3

- Anne is lifting a patient at work when she feels a pain in her back. She has muscle damage.
This is not considered an accident under the policy terms because there is no external impact injury and so we wouldn't pay her claim.

Key features of Accident Only Income Protection:

- No delays for medical questions
- Cover up to 70% of your earnings
- Maximum claim periods of 1, 2 or 5 years
- Generous benefit guarantee to help you if your earnings go down after your policy starts
- Non-impact injury benefit covers complete (grade 3) tears and dislocations
- Fracture cover – the option to provide an immediate lump sum should you fracture a bone
- Options to cover accidental death and riskier sports and activities
- Back to work benefit so you can ease your way back to work with financial help
- Additional assistance in your recovery from a £1,500 a year rehabilitation benefit
- Experienced and understanding claims team

But here are some of the things you need to know:

- Injuries which occurred before the policy started, or within the first 7 days of the policy, are not covered
- You have to wait for a certain amount of time after an accident before we'll start paying the benefit – this is called the waiting period and you choose how long this will be when you buy a policy
- You must not be working in any occupation during the waiting period and/or whilst the monthly benefit is being paid
- You'll choose a maximum claim period of 1, 2 or 5 years and the policy stops paying out on a claim after this time
- The benefits from this policy can't be guaranteed to keep up with the cost of living.
- If you get income from other areas like other insurance policies (what we call continuing income), it may affect the amount we can pay you. We'll never make a payment that takes you above 70% of your earnings when you come to claim
- The non-impact injury benefit is a discretionary benefit which can be charged for, changed or removed in the future
- You won't be covered for unemployment or for sickness
- You'll need to make monthly payments until your chosen retirement age. If you miss three payments, we'll close your policy and you won't get anything back



Additional benefits or services

From day 1, your policy gives you free access to 2 valuable services which you and your family can use throughout the policy. These are our virtual GP services, Friendly GP and Friendly GP+.

The Friendly GP service includes:

- 24/7 GP telephone consultations, so you can talk about your symptoms at any time
- Video consultations
- Private prescriptions, though you will pay for these
- Referrals for treatment to an appropriate consultant
- Physiotherapy including an aches and pains helpline and a 30-minute assessment followed by a personalised treatment plan

This is a useful benefit as you have easy access to a doctor when you need medical help.

Your policy also provides you and your family with the following support free of charge under Friendly GP+.

- Health & wellbeing support
- Counselling
- Legal advice
- Financial guidance

As non-contractual benefits, we reserve the right to change or remove either or both of the Friendly GP services at any time but we'd always let you know in advance if that was going to happen.

Rehabilitation benefit

Having replacement income is great, but you'll also want to get back to work as soon as you can, so we have added a benefit so you can use private healthcare services to do so.

The policy comes with a £1,500 a year rehabilitation benefit as standard which means you can access:

- Scans and tests to support your recovery
- Physical therapy and rehabilitation treatment to aid your recovery
- Consultation fees with a specialist involved in your care

Who can take out Accident Only Income Protection

To apply for a policy you have to be:

- Aged between 18 to 59 when your policy starts
- Working and living in the UK (this does not include the Channel Islands or the Isle of Man)
- Working at least 16 hours a week
- Able to pay for it from a UK bank account
- Registered with a UK doctor with access to at least the last 2 years of your medical records

It's also important for us to know what your occupation is. By this we mean what job you do. As there are a lot of different occupations, we'll look at yours to set the terms of your policy, including what your payments will be.

There are some occupations we aren't able to offer cover for. You can ask us or your adviser whether your occupation is covered.



Choosing the right cover for you

There are a few choices you need to make when you take out a policy. Your choices will affect the cost of your cover, as will your age and occupation.

1. Your benefit amount

It's important to pick a benefit amount that meets your needs. By this we mean how much money you'd need each month if you couldn't work. The benefit you choose can't be more than 70% of your earnings before tax.

For maximum claim periods of 1 or 2 years, you can choose a monthly benefit of between £500 and £6,000.

If you want a maximum claim period of 5 years you can choose a monthly benefit of between £500 and £2,000.

In the event of a claim, the benefit can be paid to you as one payment or split as two payments each month.

2. Your benefit period

This is the maximum amount of time you'd want to be paid per claim. You can choose either 1, 2 or 5 years.

3. Your waiting period

You have to be off work for a certain amount of time after an accident before we'll start to pay your benefit. We call this your waiting period but it's often called the deferred period.

You can choose a waiting period of 30, 60, 90, 180 or 365 days. Your waiting period will be confirmed on your Policy Schedule.

4. Your retirement age

You'll have to pick the age you want to retire when you apply for a policy. You can choose any birthday between the age of 50 and 70, but it must be at least 5 years from the date you take out the policy.

5. Increasing cover

You can choose for your benefit amount to go up each year. Your benefit amount will go up in line with the Retail Price Index (RPI) published by the government, as long as this is between 0% and 5%. We won't put up your benefit amount by more than 5% each year and your benefit won't ever go down.

If you choose an increasing benefit and RPI is above zero, your payments for a level reviewable policy will go up by 1.5 times the percentage increase applied to your benefit.

If you have an age-costed policy, your payments will go up by the same percentage increase applied to your benefit.

6. Adding Fracture Cover

This is a benefit which is only available to select when you take out the full policy. You won't be able to add it later.

You can choose to pay a little more to add cover for a number of specified bone fractures. There's no waiting period for this particular benefit, although we don't cover any claims within the first 7 days of the policy start date.

If you break a bone and have a valid claim, we'll make a one-off cash payment at the rates shown in the separate policy document which describes it.

Our definition of a fracture is:

A broken bone, the same as a crack or a break. A bone may be completely fractured or partially fractured in any number of ways (crosswise, lengthwise, in multiple pieces).

The fracture must be diagnosed by a consultant.

We won't pay for joint fatigue, for stress or hairline fractures, for micro-fractures or for avulsions/chips.

We pay for a number of different fractures, and these will be classified as:

Minor – maximum payment £1,000

Moderate – maximum payment £2,000

Major – maximum payment £3,000

You won't be able to claim more than £3,000 in any policy year and so you could have up to 3 claims for minor fractures, for 1 minor and 1 moderate fracture, or for 1 major fracture a year.

7. Adding hazardous pursuits cover

Some leisure activities are covered as standard on your policy. We also have an enhanced list of what we call hazardous pursuits which are leisure activities which we consider to be riskier.

You have the option to pay extra to cover accidental injury sustained whilst doing the activities on the enhanced hazardous pursuits list.

You can choose the following amount of cover a month for hazardous pursuits, so long as this amount isn't higher than the main benefit amount you choose.

For maximum claim periods of 1 or 2 years - £500 - £2,000 a month

For a maximum claim period of 5 years - £500 a month.

Some leisure activities are considered too risky to cover at all and so won't be on our lists.

Any sport or pastime not on our list won't be covered. You can find the list on our website at: nationalfriendly.co.uk/AOIP or you can contact us to ask for a copy.

8. Adding accidental death benefit cover

You can choose to add this benefit which pays out if you die from an accident and your death happens within 30 days of the accident.

If you choose a maximum claim period of 1 year, your accidental death benefit will be 12 times your monthly benefit. If you choose a maximum claim period of 2 years, your accidental death benefit will be 24 times your monthly benefit. If you choose a maximum claim period of 5 years, your accidental death benefit will be 60 times your monthly benefit.

If you die from an accident whilst doing a hazardous pursuit and you have cover for it, we'll pay 12, 24 or 60 times the monthly rate you chose as your cover for such pursuits.

We aren't able to give any financial advice or recommendations but you can ask us any questions on the policy and we'll be happy to help. Or you can speak to an adviser if you want some advice.

Protecting your benefit

We'll ask what you earn when you buy a policy and we'll check your earnings when you make a claim. Usually your earnings will be higher as time goes on, but if they go down between you taking out the policy and making a claim, we might not be able to pay your full benefit. This is because the benefit amount you chose might be higher than 70% of your earnings when you claim.

You can protect up to £3,000 per month of your benefit amount and it won't cost you any more. This is called your benefit guarantee.

All you have to do is send us proof of your taxable earnings within 6 months of you taking out the policy.

Example

You choose a benefit amount of £3,500 a month. When you come to claim, your earnings have gone down, and 70% of your new earnings is now £2,800 a month.

If you provided us with proof of earnings within the first 6 months of the policy start date, we'll make sure you get payments up to £3,000 a month, even though this is more than 70% of your new earnings.

We'll ask if you're receiving any other benefits during your claim because we'll include some of these when calculating how much you get from us.

Non-impact injury cover

Your cover is mainly designed to cover injuries which meet our definition of accident.

You are also covered for non-impact injuries which cause a grade 3 tear or a dislocation.

In each case the tear or dislocation needs to be confirmed to our satisfaction by an attending medical professional, with evidence from an x-ray and/or scan.

No other non-impact injuries will be covered, including tears which rate as either a grade 1 or grade 2 tear.

Non-impact injury cover is a discretionary benefit which could be changed or removed in the future but we will always instruct you of this in advance.

When we won't pay out

We won't be able to pay your benefit if you claim:

- For an injury which occurred before, or in the first 7 days of, the policy
- For an injury which neither meets our definition of an accident nor qualifies under our non-impact injury description
- Where the primary reason you are unable to work is because of a pre-existing condition made worse by an accident or covered non impact injury.
- As a result of you deliberately hurting yourself
- As a result of doing something against medical advice
- For an injury you got whilst participating in a criminal activity, or caused by abuse or misuse of drugs or alcohol
- As a result of an injury which happened in countries (or specific areas within countries) to which the Foreign, Commonwealth and Development Office (FCDO) advises you should only travel to if it's essential or you shouldn't travel there at all
- For an injury that happened, and/or treatment received, outside of the EU or one of the countries and regions listed in the Policy Conditions

Where we start a claim for you and you're in a covered country or area, we'll expect you to return to the UK within 3 months to continue your treatment. We could stop paying your benefit if you choose to stay outside the UK.

If you're working less than 16 hours a week when you need to claim

If you're working less than 16 hours a week when the accident occurs, you won't be eligible for your main benefit, unless:

- You were made redundant less than three months before the accident

Or

- You were on statutory maternity, paternity or adoption leave at the time of the accident

You may be eligible for a maximum payment of £500 a month which we call a contingency benefit. We'll pay this if you're working less than 16 hours a week and your accidental injury means you can't do the last job you were in, or affects your ability to perform the household duties you were doing before.

This payment will be made for a maximum of 12 months across the whole time you have the policy.

Paying for your policy

To make sure you stay covered, you'll need to make regular payments, which are decided at the start of your policy. These payments are called premiums.

When taking out this policy, you can choose to pay either level reviewable or age-costed reviewable premiums throughout the policy term.

The payment you make on a level reviewable policy will stay the same for 5 years at a time, whilst age-costed reviewable policies give you the flexibility of a lower starting price which increases over time.

We'll collect your payments by direct debit on a date that suits you. This will be confirmed on your Policy Schedule and on your Direct Debit Confirmation.

Your payments are due monthly, but you can pay yearly if you'd prefer.

Changes to your payment

Your payments will go up if you have chosen increasing cover and your benefit increases in line with RPI.

If you choose an age-costed reviewable policy, your payments will go up each year in line with your age. Every 5 years, we'll check to make sure your payments are still right for the cover level you have. Depending on what we find, we could put your payments up or down.

If you choose a level reviewable policy, your payments will stay the same for 5 years at a time. At each 5 year review we will look at claims and other costs and could put your payments up or down.

We will only change your payments due to the above or if you later change your occupation or cover options.

We'll always let you know in plenty of time if we intend to do this.

Once you have chosen level reviewable or age-costed reviewable payments, you won't be able to change your choice at a later date.

How long you'll pay for your policy

You'll have to make your payments right up until the retirement age you choose at the start of your policy. The only time you don't have to make any payments is during a claim.

Your Policy Schedule will confirm the end date and last payment date for your policy.

Paying during a claim

Once we've started paying your claim, we'll stop taking payments from you for your policy. We'll start taking your payments again once your claim has ended.

What will happen if you stop your payments

You'll need to keep up your payments to make sure you stay covered. You'll lose your cover if you don't pay in the month in which a payment became due. We'll get in touch to give you the best chance of paying before you lose cover.

If you owe us 3 months' worth of payments, we'll close your policy.

Making changes to your policy

Many of the choices you make when you take out the policy can be updated if your needs change. Notable exceptions to this are that you can't change from a level benefit to an increasing benefit, change from level reviewable to age-costed reviewable premiums (or vice versa) or add fracture cover.

It's important that your cover reflects your changing needs as time goes on. Please let us know if your circumstances change during your policy, especially if you change occupation or your earnings rise or fall significantly.

What you need to know about tax and other benefits

Based on our current understanding of tax rules:

- The benefits you get from this policy are free from tax and National Insurance contributions.
- You can't claim tax relief on your regular monthly payments.
- The money from the accidental death benefit may form part of your estate for inheritance tax purposes.
- The benefits you get from this policy could affect your entitlement to some means-tested state benefits. Benefits that are not means-tested shouldn't be affected. Payment under this policy may affect your ability to claim under other income replacement insurance policies.

Tax law and practice and state benefit rules could change in the future. If they do, and it affects your policy, we'll let you know.

If you want to learn more about your tax position you should get professional advice from an accountant, solicitor or financial adviser.

Claiming on your policy

If you need to make a claim, you should contact us as soon as possible after your accident. You need to see a medical professional within a week of your injury, be undergoing medical care and continue to follow medical advice during your claim.

We'll give you claim forms to complete and will let you know what information we need from you. This will include proof that your injury qualifies as an accident or non-impact injury as defined in this document and in our Policy Conditions. We'll also ask for proof that you were working at the time of the accident and that you're losing money as a result.

We'll ask about other income (continuing income) you might receive whilst you are off work and we'll factor this in to how much we can pay out. We won't take state benefits into account.

We won't pay an amount which, when added to other income you receive, takes the total above 70% of your earnings when you first had your accident.

If you die from the accident and your policy has the accidental death benefit, the person making a claim should contact us as soon as possible. We understand it may be a difficult time for them, so we'll guide them through the claims process to make it as straightforward as possible.

We'll explain what information we need to settle the claim and make the payout. We'll always need to see proof of death and legal documents to support the claim such as a will. For claim amounts over £25,000, we'll need to see probate or letters of administration.

You just need to make sure that whoever stands to benefit from this policy has access to documentation so they know how to make a claim.

Claiming more than once

If you claim from us, but you don't claim for the full term of 1, 2 or 5 years selected when you join, and then return to work, you can claim again for the same injury if it later stops you from working. We won't apply a waiting period as long as this happens again within 6 months.

A claim due to a new accidental injury will mean your waiting period of 30, 60, 90, 180 or 365 days will apply.

If your claim lasts the full length of the maximum claim period you selected, you'll need to have been back at work for at least 6 months before you can claim again for the same injury. If you have a new injury, you will need to prove that you were fit and back at work when that injury happened.

If you go back to work on lower pay

If you go back to work on less money due to restricted hours or duties, we will assess your claim.

Once we know how much you're earning, we'll pay an amount which relates to your loss of earnings, so you still get money from us.

For example, if you go back on half pay, we'll pay half of the benefit we would have paid based on your earnings when you first had your accident.

If you want to cancel your policy

You can change your mind within 30 days of getting your welcome pack and we'll give you back any payments you've made. Just let us know if you decide it isn't right for you using the contact details on the back page.

You can cancel at any time after 30 days but you won't get any of your payments back and your cover will end. Please contact us if this is what you'd like to do. We may ask you your reasons for cancelling because we don't want you to lose the money you've paid in. But don't worry, there won't be any barriers to closing it if that's what you want.

Further Information page

If we get things wrong

We hope you never need to complain about your policy or the service we give you. But, you have the right to complain if you need to, and we'd like the chance to put things right.

You can tell us what's gone wrong by telephone, email or post.

- Phone us: **0333 014 6244** 8am-6pm Monday to Friday excluding bank holidays. Calls from UK landlines and mobiles cost no more than a call to an 01 or 02 number and will count towards any inclusive minutes.
- Email us: complaints@nationalfriendly.co.uk
- Write to us:
Complaints Coordinator
National Friendly
11-12 Queen Square
Bristol
BS1 4NT

If your complaint meets the definition, under the guidelines set out by our regulator, the Financial Conduct Authority (FCA). We will acknowledge your complaint promptly, carry out a thorough and impartial review and keep you updated of the progress.

We will do everything we can to resolve things as quickly as possible and provide a written response within 8 weeks of receiving your complaint. The written response will inform you of the results of our review or explain why this isn't possible.

If you're not happy with our response, you may be able to refer your complaint to the Financial Ombudsman Service (FOS). This service is free and using it in no way affects your legal rights to take civil action. You can find out more information at:

www.financial-ombudsman.org.uk

You can write to the FOS at **Financial Ombudsman Service, Exchange Tower, London E14 9SR**, phone them on **0800 023 4567**, or email them at:

complaint.info@financial-ombudsman.org.uk

Who you're protected by

You're covered by the Financial Services Compensation Scheme (FSCS). This means in the unlikely event that we can't pay your payout, you may be able to claim compensation from them.

Full details of what you are protected for can be found at www.fscs.org.uk

Data protection

We'll only use your personal information where permitted by and in accordance with the Data Protection Act 2018. For further details on how we obtain, hold, and use your personal data, please see our privacy notice at:

www.nationalfriendly.co.uk/privacy.

Further details are included in the Policy Conditions for this policy.

Who we are

National Friendly is the trading name of National Deposit Friendly Society Ltd which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 110008. You can check this at register.fca.org.uk

How we do things – law, language and currency

In the event of a dispute, we will try to solve any disagreements quickly and efficiently. If you are not happy with the way we deal with any disagreement, and you want to take court proceedings, you must do this within the UK.

All correspondence will be in English, and all currency used will be in GB pound (£).

If you need your documents in other formats

We're able to give you all documents in Braille, large print or audio.

If you'd like a copy, please contact us using the details on the back page.

Here's how you can contact us

We're here to help

You can call us on:

0333 014 6244 8am-6pm Monday to Friday excluding bank holidays.

Calls from UK landlines and mobiles cost no more than a call to an 01 or 02 number and will count towards any inclusive minutes. Calls are recorded for training and quality purposes.

Or email us at:

info@nationalfriendly.co.uk

Or visit us at:

www.nationalfriendly.co.uk

Or mail us at:

National Friendly
11-12 Queen Square, Bristol
BS1 4NT

National Friendly is a trading name of National Deposit Friendly Society Limited. Registered office: 11-12 Queen Square, Bristol BS1 4NT. Registered in England and Wales no. 369F. National Deposit Friendly Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 110008. You can check this at: <https://register.fca.org.uk>. National Deposit Friendly Society Limited is covered by the Financial Services Compensation Scheme and Financial Ombudsman Service.