

Income Protection

Paying you a monthly income if you can't work because of an illness or injury



Income Protection

How it works when you can't

Income Protection is a type of insurance which helps replace some of the income you'd lose if you couldn't work because of an accident or illness. We naturally insure all those things important to us, such as our home, the car and possibly even the dog. So it makes sense to protect the thing that pays for it all...you and your income. This short brochure helps explain Income Protection from LV= and how you and your family might benefit from it.

This brochure is an overview of what Income Protection from LV= can offer you. For more information about the options available and advice on whether Income Protection is appropriate for you, please speak to your financial adviser.

Important

Our Income Protection policies have no cash in value at any time. If you stop paying your premiums, your cover may stop and you won't get any money back.

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Income Protection is an everyday essential

At LV=, we believe everyone should be protected in life and our Income Protection has been designed with this in mind. This type of insurance can help protect you and your income if you fall ill and can't work, allowing you to concentrate on getting better.

Why do you need to protect your income?

According to Which? (the consumer advice magazine) everyone of working age should consider Income Protection because no matter how well you feel today, ill health or an injury can happen to anyone, at any time. And if it does; it can be tough to cope financially as the bills don't stop coming in just because you're ill. Put simply, Income Protection works when you can't.

How it works

If you can't work because of an illness or injury, we'll pay you money each month to help replace some of your loss in earnings. With the help of your adviser, you'll decide how long you could wait before we start paying you (known as your 'waiting period'). You can base this on savings or how much sick pay you'll get from your employer.

The insurance will keep paying out until you can return to work – no matter how long it takes. Protecting your income is especially important if you have family or other people who rely on it. If you lost your income, what would happen to the lifestyle you all currently enjoy?

What we'll pay you

If you become too ill to do your job, we'll start paying you an amount of money each month, straight into your bank account. How quickly we pay you will depend on your chosen waiting period (as explained above). And if you qualify for state benefits, you'll also get those on top. However, any payments from this policy could affect the amount of state benefit you can claim.

Budget version

If money is an issue, our budget version will help you benefit from quality financial protection, but at a cheaper price. The only difference is we'll pay you for a maximum of 12 or 24 months for any one claim depending on the option you choose. Budget Income Protection with a 12 month claim period is only available with guaranteed premiums.

And once you've claimed, your insurance will still continue – you just need to have been back at work for at least six months before you can claim again.

Parent and child cover

LV= Income Protection includes a feature where we'll pay a lump sum if your child is diagnosed with a specific illness, or undergoes a specific operation or medical procedure*. The amount paid will equal six times the monthly amount of cover on the main Income Protection policy (subject to a maximum payment of £25,000) and covers one payment per child per policy. If you have a Critical Illness policy with us we'll pay this in addition to any claim made under your Income Protection policy.

We've developed this feature to offer comprehensive children's cover across all our protection products.

The money paid could allow you to take unpaid leave from work to care for your child, or cover costs associated with medical treatment.

* Exclusions apply. For more details on this, and the 54 conditions and medical procedures covered, please see our Income Protection Policy Conditions.

What happens if you die

We'll pay a fixed lump sum if you die before your cover ends. The amount we'll pay depends on when you took out your policy:

- we'll pay £5,000 if you die within four years after the policy start date
- we'll pay £10,000 if you die four or more years after the policy start date

The amount paid is fixed and may form part of your estate for tax purposes. This means the money may be subject to inheritance tax under current legislation, depending on your personal circumstances.

Because these amounts are fixed, due to inflation they won't buy as much in the future as they would today.

Payment of premiums during unemployment (payment holiday)

If you're made involuntarily unemployed we won't expect you to pay your premiums for up to six months (but your cover will continue). The 'payment holiday' has an initial exclusion period of 90 days after the cover starts, and is limited to six months in total during the policy term – which can be taken as multiple claims.

Who can apply:

To apply for Income Protection, you must be:

- a UK resident and registered with a UK GP for at least the last 2 years
- aged 17 to 59
- employed, self-employed or a homemaker**

You can insure up to 60% of your current earned income (subject to a maximum cover amount of £20,833 for level cover and £14,583 for inflation-linked a month).

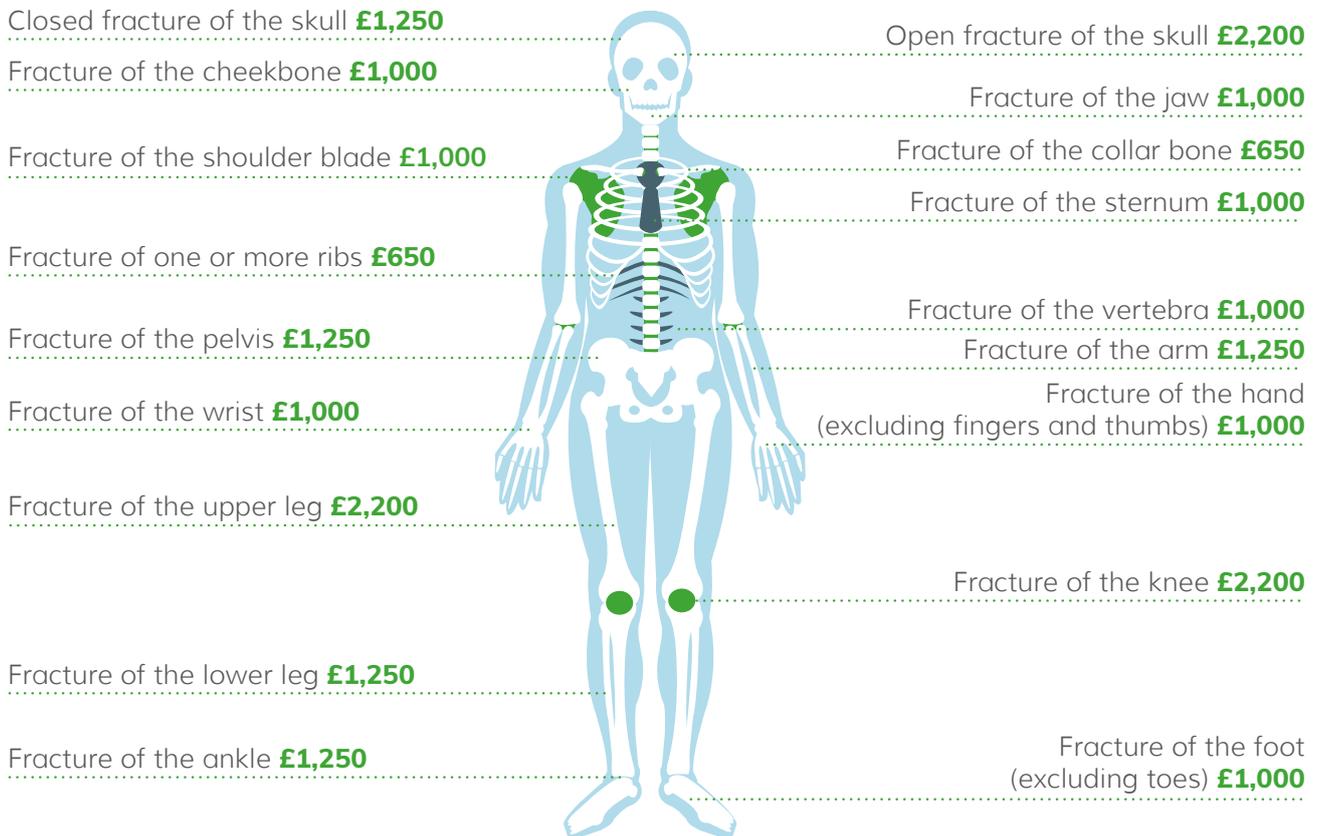
** We'll consider you a homemaker if you've chosen to stay at home to look after your family, or care for a loved one. However, we won't be able to offer you Income Protection if you're claiming Job Seeker's Allowance, as we don't offer cover to people who are unemployed. Maximum cover for homemakers is restricted to £1,500 a month.

Your financial adviser can tailor your Income Protection to suit your own needs and budget, so please speak to them if you have any questions.

Fracture Cover

Fracture cover is included with our Income Protection policy and pays a lump sum if you're diagnosed with a specific bone fracture.

The amount we'll pay depends on the type of fracture, as shown in the diagram below. Our fracture cover is paid in addition to any usual amount you receive as part of an Income Protection claim.



How often will fracture cover pay out?

We'll only pay for one fracture diagnosed within a 12 month period. The first 12 month period starts on the day you take out your policy. The next 12 months start on the policy anniversary.

What about multiple claims?

If you're diagnosed with more than one fracture at the same time, we'll pay for the fracture with the highest amount of fracture cover.

Are there any exclusions?

We're unable to pay the following fracture claims:

- if the fracture is caused by a specific sport or hobby
- if the fracture is classified as a fatigue, stress or hairline fracture

Please refer to the Policy Conditions for more details.

These amounts are fixed, and because of inflation you'll be able to buy less with them in the future compared to today.

Protecting the home and lifestyle you've worked hard for

“I thought it would never happen to me”

When you're fit and healthy and feeling secure in your job, it's hard to imagine anything could go wrong.

“I thought it would never happen to me” is something many of our customers say when we're helping them through the claims process after they've had an injury or fallen ill. Fortunately, their financial advisers had recommended they take out Income Protection with us; and we quickly and efficiently dealt with their claims.



Unexpected extras

Illness often brings additional (and unexpected) financial costs; 4 in 5 people living with cancer almost £900 a month worse off compared to before their diagnosis¹. And people living with a disability pay approximately £975 a month more in living costs².

Won't the state look after me?

Unfortunately, government benefits pay a lot less than many people think.

For example

If you were only relying on Employment and Support Allowance (formally known as Incapacity Benefit), the maximum benefit you'd get is just £138.20 a week (if you're aged over 25 and in the support group). £138.20 might just cover the weekly family shop, but what about your mortgage or rent? And then there's the other usual bills that still paying.

Common cause of claim	How much (£) week	How much (£) month	How long
Statutory Sick Pay	£116.75	£505.92	28 weeks
ESA assessment phase*	Up to £90.50	£392.17	13 weeks
ESA work-related activity group**	£90.50	£392.17	–
ESA single person placed in support group***	Up to £138.20	£598.86	–

These figures are based on the tax year from April 2024 onwards and may change in the future. The figures used don't take into account any temporary or short-term changes to state benefits. ESA figures are based on a single person aged over 25, lower amounts apply to under 25's.

What state benefits are available?

- Statutory Sick Pay** – If you can't work because of an accident or illness and aren't entitled to sick pay from your employer, you might be able to get Statutory Sick Pay. This is paid for a maximum of 28 weeks; after this time you might be awarded Employment & Support Allowance. But if you're self-employed, you won't be entitled to any Statutory Sick Pay.
- Employment & Support Allowance (ESA)** – Employment & Support Allowance is not paid in addition to Statutory Sick Pay and is awarded to people who can't work because of an illness or disability. During the first 13-week assessment phase*, the government determines whether your illness or injury affects your ability to work. If the government decides you are unfit to work, you'll either be placed in the work-related group** (and have to go to regular interviews with an adviser) or the support group*** (you won't have to attend interviews as you'll be considered having an illness or disability which severely limits what you can do).

LV= don't take into account any state benefits you may be entitled to if you're unable to work. However, payments from our Income Protection policy may affect your eligibility to claim some state benefits and the amount you're able to claim.

1 MacMillan: Cancer's Hidden Price Tag (2021)

2 Scope: The Disability Price Tag 2019.

How to claim on your LV= Income Protection policy

We'll be here for you when it matters

We want you to feel confident you'll be able to claim when you need to. So our aim is to be here for you and remove the financial worry illness or injury can bring.

If you need to make a claim you can contact us in a number of ways; by phone, email or letter, and once we've received your claim we'll start reviewing it immediately.

We'll then usually need evidence from your doctor to confirm you're ill or injured and unable to work. We'll send you a consent form for you to complete if we need to get copies of your medical reports.

We know how frustrating it can be phoning up a switchboard and getting passed from one person to the next. So to make it as simple as possible for you, we'll make sure you have your own dedicated claims consultant who'll give you their contact details. You'll be able to call or email them directly - whenever you have any questions. And they'll deal with all aspects of your claim, from your first phone call to making sure you receive your money as quickly as possible once your claim is accepted.

We understand being out of work can be stressful, especially if you've been diagnosed with a serious illness or injury. So we'll be here to support and guide you every step of the way.

And where needed, we'll chase your doctor for the relevant medical evidence, helping make sure you get your money quickly and leaving you to concentrate on getting better.

Fracture cover

There's no waiting period but you need to make a claim within two months of the injury being diagnosed. We'll ask for proof from the doctor or consultant who diagnosed the fracture, and will aim to pay the claim as quickly as possible, usually within a week of us receiving the relevant medical evidence.

Parent and child cover

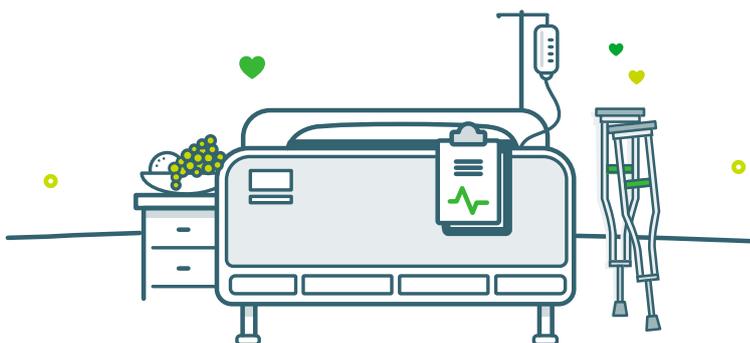
To claim on the parent and child cover, you must let us know you want to claim as soon as possible. We'll ask for evidence from the consultant that your child has been diagnosed with one of the illnesses listed in the Income Protection policy conditions, or has undergone the surgical procedure. We may require additional information to support or confirm the diagnosis.

Payment holiday

You'll need to tell us if you wish to claim on this feature, and you should tell us within 1 month of being made unemployed. We'll ask you to provide evidence on your unemployment, such as evidence from your previous employer you've been made unemployed or evidence you are registered to work at a Job Centre or receiving Jobseekers Allowance. We may also ask you to submit further information to support your claim.

If you die

The person making the claim (usually a loved one or executor of the will) should contact us as quickly as possible. We'll aim to pay the claim as soon as we can, usually within two weeks of us receiving the death certificate.



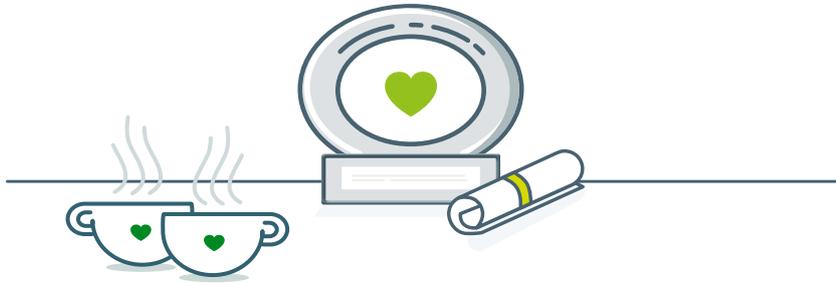
Why choose LV=?

We've been protecting people like you since 1843 – so you know you'll be in great hands.

If you take out Income Protection with us and agree to become a member of LV= you'll be eligible for a range of member benefits. As a protection member you get access to an expert Legal Advice Line. Details of your member benefits can be seen below.

At LV=, we're passionate about helping people protect what they love in life, through a range of good value products backed up by award-winning customer service. We have over 1 million members*, and hope you'll be joining us soon.

*As at March 2023.



Member benefits

AGM and voting

Once you're a member and aged 18 or over, you'll be invited to attend our Annual General Meetings (AGM). And once you've been a member for 12 months or more, you'll also be invited to vote at the AGM.

Member Support Fund

Once you've been a member for more than 12 months you can access our Member Support Fund. This is designed to give our members a helping hand when life throws them a curve ball. Our members can apply for either practical support or a financial boost.

Legal Advice Line

Available to protection policyholders like you. Our free Legal Advice Line is run by a team of legal advisers who can talk to you about your rights and how to deal with various legal situations. You can get advice on a number of areas including general law, property related issues, wills and probate and family law.

LV= Doctor Services

We're here for you when you need us most. You and your spouse/partner (providing they live at the same address) will have access to expert medical advice services – all available in a handy app or by phone, wherever you are.

- Remote GP 24/7
- Second Opinion
- Prescription Services
- Remote Physiotherapy
- Remote Psychological Services
- Discounted health MOTs

Your children are also covered, up to age 16, for Remote GP 24/7, Prescription Services and Second Opinion, where you're the parental guardian.

For Remote Physiotherapy and Remote Psychological Support you may be limited to five free sessions a year. This cap is shared between the policyholder and spouse/partner.

LV= Doctor Services and the Legal Advice Line are provided by third party companies. These services are not regulated by the Financial Conduct Authority or the Prudential Regulation Authority. LV= Doctor Services is a non-contractual benefit and can be changed or removed at any time.

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

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