



Personal Sick Pay

Policy Conditions

This document tells you how Personal Sick Pay works in more detail. It's the terms and conditions of your insurance (the contract between you and LV=). So it's important you keep it safe and take the time to read it carefully so you understand how it all works.

Personal Sick Pay is part of the Flexible Protection Plan

- Life Insurance
- Life and Critical Illness
- **Personal Sick Pay**
- Income Protection
- Waiver of Premium

Find out how we use your personal information, and what rights you have by visiting LV.com/dataprotectionlife. Please let us know if you'd like us to send you a copy, or have any questions. This includes who we are, how long we hold your information, what we do with it and who we share it with.

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1. When my Personal Sick Pay insurance pays out

1.1 – How unwell do I have to be to get paid my Personal Sick Pay?

Quite simply, we'll pay you if you're too unwell to carry out the main tasks of your occupation, and you aren't doing any other paid or unpaid work (unpaid work means work you don't get paid for, like voluntary work). By main tasks we mean the things which can't reasonably be left out of your role, or changed by you or your employer. It doesn't matter what the illness or accident is, if it stops you from working, we'll pay you your insurance. The only exception to this is if, before you set up your Personal Sick Pay, we told you in writing there was something we couldn't insure you for, based on your answers to the health and lifestyle questions we asked at the time. If, in the future you take a break from work or become unemployed, we can still insure you as explained in Section 6: Changes in your personal life.

1.2 – How long do I have to be too unwell to work before you start paying me?

When you set up your Personal Sick Pay, you'll need to choose how long you want to wait, after you become too ill to work for us to start paying you. We call this your 'waiting period'.

The options available are:

- **Day one option** - If you choose this option your insurance covers you from the first day you become too unwell to work. However, you do need to be too unwell to work for 3 days in a row before you can claim on your Personal Sick Pay.
- **1, 4, 8, 13, 26 or 52 week options** - You can choose any of these options and you'd need to be too unwell to work for this number of weeks before you start getting paid your insurance.

Please contact us as soon as you reasonably can, to help avoid any delays in us being able to pay you.

1.3 – How long will you pay me for?

It depends on the type of Personal Sick Pay you have, which you can check on your Policy Schedule which is given to you when your insurance starts. There are two types:

- **Full Personal Sick Pay** - We'll keep paying you until you become well enough to work in your occupation again, however long that takes.
- **Budget Personal Sick Pay** - We'll keep paying you until you become well enough to work in your occupation again, but up to a maximum of two years for each claim.

For both options we'd also stop paying you when your insurance reaches the end date you chose when you set it up, or if you die.



2. How much Personal Sick Pay can I have?

2.1 – It depends on your income and how many hours you work

The amount of Personal Sick Pay you can have depends on your income and how many hours you work.

For Budget Personal Sick Pay:

The maximum time we will pay a claim for is two years.

- For insurance of up to £1,000 a month, where you are receiving an income and normally working at least 30 hours a week, we will pay you either £1000 or your amount of cover, whichever is lower. This is called the Personal Sick Pay guarantee.
- For insurance of more than £1,000 a month, or where you are normally working less than 30 hours per week you can insure up to 60% of your earnings over the last 12 months before tax.

For example if you're earning £26,000 a year, the maximum insurance you can have is £1,300 a month. This is worked out as: $£26,000 \times 60\% = £15,600$ divided by 12 months = £1,300.

Any money you get from savings and investments can't be included in your earnings figure.

If you are self-employed, we will base your claim on your share of net profit in the 12 months before you became unable to work.

If you own a limited company, you can also include dividends as part of your earnings, when working out the maximum insurance you can have.

If we cannot pay you your full amount of cover based on your income over the last 12 months then we may agree to average your income over a longer period of up to 36 months, if this would more accurately reflect your usual income. You will need to request this at the time of your claim. If we agree to your request, this will be confirmed to you in writing.

The most Personal Sick Pay you can have is £8,333 a month, and the least is £500 a month.

For more information see section 5.2.

If your earnings drop in the future then we'll still guarantee to pay you £1,000 a month insurance as long as you were normally working at least 30 hours a week at the time of claim and receiving an income.

For Full Personal Sick Pay:

We will pay a claim until you are well enough to work in your occupation again or you have reached the policy end date, or die.

- For insurance of up to £1,000 a month for the first two years of claim payment, where you are receiving an income and normally working at least 30 hours a week we will pay you either £1000 or the amount you have chosen to insure, whichever is lower. This is called the Personal Sick Pay guarantee.

If your claim lasts longer than two years the Personal Sick Pay guarantee will end. The maximum amount we will pay after two years will be the amount of your cover or 60% of your taxable earnings before you became too unwell to work, whichever is lower.

- For insurance of more than £1,000 a month, or where you are normally working less than 30 hours per week you can insure up to 60% of your earnings over the last 12 months before tax.

For example if you're earning £26,000 a year, the maximum insurance you can have is £1,300 a month. This is worked out as: $£26,000 \times 60\% = £15,600$ divided by 12 months = £1,300.

Any money you get from savings and investments can't be included in your earnings figure.

If you are self-employed, we will base your claim on your share of net profit in the 12 months before you became unable to work.

If you own a limited company, you can also include dividends as part of your earnings, when working out the maximum insurance you can have.

If we cannot pay you your full amount of cover based on your income over the last 12 months then we may agree to average your income over a longer period of up to 36 months, if this would more accurately reflect your usual income. You will need to request this at the time of your claim. If we agree to your request, this will be confirmed to you in writing.

The most Personal Sick Pay you can have is £8,333 a month, and the least is £500 a month..

For more information see section 5.2.

If your earnings drop in the future then we'd pay you 60% of your new level of earnings. However, we'll still guarantee to pay you £1,000 a month insurance for the first two years of a claim as long as you were normally working at least 30 hours a week at the time of claim and receiving an income. This is called the Personal Sick Pay Guarantee.

2.2 – Maximum and minimum amount of insurance

The maximum amount of Personal Sick Pay you can apply for is £100,000 a year (£8,333 a month) and the minimum is £6,000 a year (£500 a month).

2.3 – If you have a limited company

If you own a limited company, you can also include dividends as part of your earnings, when working out what the maximum insurance you can have is. However, the dividends need to be clearly linked to your work, to have been paid regularly (rather than one-offs), and need to have been paid from annual profits after tax (also called net profit). You can also include dividends paid to your spouse or civil partner as long as they're also a shareholder, they don't take over the running of the business if you become too unwell to work, and they don't have any other insurance paying out on these dividend payments. The dividend amount they get needs to reflect their actual share in the business; and it must have been declared for tax purposes.

2.4 – Does my Personal Sick Pay keep up with increases in the cost of living (inflation)?

When you set up your Personal Sick Pay, you can choose either:

Level Personal Sick Pay:

If you choose this, the amount of Personal Sick Pay insurance that you'd get paid by us won't automatically increase over time.

Remember though that increases in the cost of living (inflation) mean that in the future things will cost more, so you wouldn't be able to buy as much with your money in the future.

The price you pay for your Personal Sick Pay will be recalculated each year and will normally go up as you get older, as you're more at risk of ill health as you get older.

Inflation-linked Personal Sick Pay:

If you choose this, the amount of Personal Sick Pay that you'd get paid by us will go up each year, on the anniversary of your plan. This helps your Personal Sick Pay keep up with increases in the cost of living. As the amount of insurance you have goes up, the price you pay will go up too. In addition to the inflation-linked increases the price you pay will also go up as you get older.

We'll increase your Personal Sick Pay by the same percentage that the Retail Prices Index has gone up by over the previous 12 months (the Retail Price Index is one of the ways that inflation is measured by the Office of National Statistics). We'll calculate this each year at 3 months before the anniversary of your plan.

Example

If you had £1,000 a month of Personal Sick Pay, and the Retail Prices Index went up by 2% in the first year of your insurance, your Personal Sick Pay would go up to £1,020 on the anniversary of your start date (£1,000 + 2% = £1,020).

You'd then also start paying for £1,020 of insurance, instead of £1,000 a month insurance, and the price for the £1,020 of insurance would be recalculated based on your age at that point in time.

You can tell us to stop increasing the amount of Personal Sick Pay you have at any time. If you ask us to do this we'll change your insurance to Level Personal Sick Pay from the next start date anniversary. However, once you've switched it off, you can't switch it back on in the future.

If you chose Inflation-linked Personal Sick Pay and make a claim, we'll also increase what we pay you each year to keep up with inflation during the claim. Although we'll limit this to a maximum increase of 12% each year.

2.5 – What if I already have an existing LV= Flexible Protection Plan?

We always increase your amount of insurance on the anniversary of the date you started your Flexible Protection Plan. If you set up your Personal Sick Pay in the three months before the anniversary of your plan, we won't increase your amount of Personal Sick Pay due to inflation until the following anniversary.

3. About my costs

3.1 – Will the cost of my Personal Sick Pay change in the future?

Yes. The price you pay at any one time is based on how much insurance you have and how old you are. The cost will usually go up as you get older because the risk of ill health increases as you get older.

So, for example at age 39 you would pay the price for a 39 year old, at age 40 it would go up a little to the price for a 40 year old, and so on each year.

This means that you are always paying a price that reflects the real risk of ill health happening to you at any one point in time, and it helps keep your costs down while you are younger. But it's also important to understand that as you get older and the risk of ill health goes up, so will the amount you pay. Any increase in price will happen on the anniversary of the Flexible Protection Plan, and we'll tell you in advance of any increase in price.

We set out the price that you can expect to pay at each age in the future, in a future prices table, which is enclosed. The table shows how much each £1 of insurance costs with each birthday, up to age 70, so you can see how the price changes in the future. We have shown you an example of how to work this out on the future prices table.

There are two types of future prices tables: one for Personal Sick Pay and one for Budget Personal Sick Pay. Your Policy Schedule will explain which type of future prices tables your insurance has been set up with, and it's important you read this to make sure it's affordable.

3.2 – Guaranteed and budget guaranteed future prices tables

If your insurance has guaranteed future prices, then the price you will pay in the future for each £1 of Personal Sick Pay is guaranteed to go up each year at the rate set out in the guaranteed future prices table. If you choose guaranteed future prices, the insurance will cost a bit more to begin with, but you will know exactly what it will cost in the future and we can't change what is set out in the table. If you choose inflation-linked Personal Sick Pay, you'll need to remember the amount of Personal Sick Pay that you get paid by us will go up each year by the rate of inflation. As the amount of insurance you have goes up, the price you pay will also go up to cover the new amount of insurance.

3.3 – Reviewable and budget reviewable future prices tables

If your insurance has reviewable future prices, then the price you will pay in the future for each £1 of Personal Sick Pay is guaranteed to go up each year at the rate set out in the reviewable future prices table for the first 5 years.

After that we'll review the prices in the table every 5 years and the amounts quoted in the table could change (either up or down) every 5 years.

3.4 – When can LV= change the prices in the reviewable future prices table?

The expected costs in the table are based on our best estimate of:

- how many people will claim their Personal Sick Pay
- how much it costs us to run Personal Sick Pay
- and any changes in tax, legislation or interest rates

It's hard to predict the future. If any of these things turn out to be different to what we thought, then we could increase or reduce the costs in the table in the future, or they could stay the same.

We promise we'll never change the cost in the future just because you personally have needed to claim your Personal Sick Pay, or just to increase our profits.

We'd give you at least 60 days' notice of any change in cost and of course you can change or cancel your Personal Sick Pay if you want to.

3.5 – What if I already have an existing LV= Flexible Protection Plan?

We always increase payments on the anniversary of the date you started your Flexible Protection Plan. If you set up your Personal Sick Pay in the three months before the anniversary of your plan, we won't increase the price of your Personal Sick Pay due to your age until the following anniversary, in which case it would increase by 2 years.

4. What am I not insured for?

4.1 – Unemployment

As you've probably guessed from the name, Personal Sick Pay doesn't pay out because you've become unemployed. However, we can keep insuring you against sickness or accidents while you're unemployed, which we explain in Section 6: Changes in your personal life.

4.2 – Normal Pregnancy

A normal pregnancy isn't an illness, so we won't pay simply because you're pregnant and stop working.

However we will of course pay your Personal Sick Pay if you have an illness or accident which meant you became too unwell to work during your pregnancy (including medical complications of pregnancy).

We can keep insuring you against sickness or accidents while you're on maternity or paternity leave. We explain how this works in more detail in Section 6: Changes in your personal life.

5. What happens when I need to make a claim?

5.1 – How do I make a claim?

If you have an accident or illness and need to make a claim on your Personal Sick Pay, please call our friendly, UK based claims team on 0800 756 5869 as soon as you can. The sooner you contact us, the sooner we can start helping you.

Alternatively you can contact us by email healthclaims@LV.com. Or, you can write to us at LV= Health Claims Department, Emperor House, Grenadier Road, Exeter Business Park, Exeter EX1 3LH.

We'll take some details from you, check your name, age and that you have been a UK resident and registered with a UK doctor (general practitioner) for a least 2 years and explain how we'll help you with your claim – we'll try and make life as easy as possible for you and help you through the process.

In some cases we may need to contact your doctor or other medical professional. Don't worry, we'll always cover the costs of any information we need, and we'll only ask for information that is absolutely necessary.

5.2 – How do LV= work out what they can pay me?

The most we'll ever pay you will be the amount of Personal Sick Pay that you've chosen.

A. If you choose Personal Sick Pay of £1,000 a month or less, we'll check how many hours you were normally working in the 3 months before you became too unwell to work and that you were receiving an income.

As long as you can show you were normally working 30 hours or more a week and receiving an income before you became too unwell to work, we'll pay you up to £1,000 a month. This is guaranteed for the first two years of your claim, no matter what other money you're getting (for example from state benefits, sick pay or other insurance). This is called your Personal Sick Pay guarantee. If you have more than one Personal Sick Pay policy with LV= the £1,000 benefit guarantee will be limited to £1,000 a month across all Personal Sick Pay policies held.

If you're normally working less than 30 hours a week before you claim or no longer receive an income, the Personal Sick Pay guarantee won't apply and the rules explained below would apply.

B. If you have chosen Personal Sick Pay above £1,000 a month.

If you have more than £1,000 a month Personal Sick Pay, the Personal Sick Pay guarantee will still apply to the first £1,000 a month of your insurance for the first two years of a claim, as long as you normally work at least 30 hours a week and receive an income.

However, for amounts above £1,000, we'd also need to check how much you earn, and what other money you're getting, when we work out what we can pay you. The following also applies if you were working less than 30 hours a week.

We would:

- Take your annual earnings before tax, and turn it into a monthly amount then;
- Multiply this monthly amount by 60% to work out the maximum monthly amount we could pay you then;
- Deduct any other monthly sickness insurance you were being paid then;
- Deduct 60% of any other monthly sick pay or pension payments.
- Deduct any continuing profit or dividends taken from your business

This tells us the maximum amount we could pay you each month based on your financial situation. If it was less than the amount of Personal Sick Pay insurance you had, we'd have to reduce the amount of Personal Sick Pay we'd pay you to the lower amount. However, we won't do this if the difference is less than 10%.

5.3 – When and how do I get paid?

A bit like when you're employed, we have a 'pay day' when we pay out Personal Sick Pay to our customers. When you let us know about your claim you can choose whether your pay day is weekly or monthly, whichever is the best to fit in with your lifestyle and budgeting. If you choose to be paid weekly, we'll simply multiply your monthly amount of insurance by 12 to get an annual amount and then divide it by 52 to get the weekly amount to pay you.

Once your claim is accepted and we can start paying your claim, you'll get your first payment on the next possible payday which will be back dated to the start of your claim. Then you'll get paid on the same payday each week or month in arrears while you qualify for payments.

If you go back to work partway through a week or month, we'll make sure we pay you any money we owe you for the time you were too unwell to work, at the next payday.

We'll pay your money directly into your UK bank account, and it's entirely up to you how you spend the money. Unlike a wage, it's paid to you tax free (based on current tax rules).

Please contact us to make your claim as soon as you reasonably can, to help avoid any delays in us being able to pay you.

5.4 – Evidence of not being able to work

We'll need your agreement to contact your doctor to confirm you're too unwell to work. We may sometimes need to contact your medical specialist or ask you to see a specialist. Don't worry, we'd pay the costs for this.

If your condition means you are off work with long term sickness, we may need further medical evidence from time to time to show that you're still unable to work. We'll pay any reasonable costs involved in getting medical evidence from your doctor for long term claims.

5.5 – Evidence required to qualify for the Personal Sick Pay benefit guarantee

If we are going to pay you under the Personal Sick Pay guarantee, we'll need evidence of some form of income and evidence of how many hours you were working in the three months before you claimed.

For evidence of income:

We need to see that you were receiving some form of income.

If you're employed this evidence could be payslips, your last P60 or a letter from your employer.

If your self-employed this evidence could be tax returns, certified company accounts, invoices or bank statements.

For evidence of hours worked:

This could be confirmation of hours from your employer if you were employed. Or if you were self-employed, evidence from company accounts, invoices or receipts for example. To try and be as fair as possible, if your hours are a bit 'up and down' we can average out the hours you worked over the three months.

If in the three months before your claim, you'd worked less than your normal hours due to ill health or holiday, then to make sure we're being fair we'll look at a three month period where your hours worked hadn't been affected.

5.6 – Evidence of your earnings

If you're employed, we'll ask for proof of your earnings in the 12 months before the date you became too unwell to work, which could be payslips, your last P60, or a letter from your employer.

If you are self-employed, we will base your claim on your share of net profit in the 12 months before you became unable to work. We'll ask for proof of your earnings such as tax returns or certified accounts. If we cannot pay you your full amount of cover based on your income over the last 12 months then we may agree to average your income over a longer period of up to 36 months, if this would more accurately reflect your usual income. You will need to request this at the time of your claim. If we agree to your request, this will be confirmed to you in writing.

If you haven't been working for the amount of time we mention above, we will of course be flexible and look at your income over a shorter period of time. However, if you have been unable to work for 12 months or more when you claim then we will treat you as a Homemaker. For more details please see section 6.1.

5.7 – We can't pay your claim if you don't provide the information we need

We do rely on your co-operation to help us deal with your claim, and if for any reason you're unable to provide us with the information we need we may not be able to pay your claim.

6. Changes in your personal life: taking a break from work

As long as you keep paying for your Personal Sick Pay, you can keep your Personal Sick Pay going if you take a break from work. However, if you retire altogether you might want to consider cancelling your insurance as you won't have earnings to insure any more.

6.1 – What happens if I stop working to become a homemaker, become unemployed or take a career break in the future?

For the first year that you're not working, your insurance stays the same, so if you made a claim we'd pay you while you were too unwell to work in the last occupation you had, and we'd do this for the full length of your claim. When working out what we could pay you, we base it on what you earned in the 12 months before you stopped working. If you were out of work for more than a year and hadn't made a claim, there would be some changes to your insurance:

- Instead of paying out if you were too unwell to work in your last occupation, we'll pay out if you were too unwell to prepare a meal or do basic housework, as long as you're not doing any other paid or unpaid work. (unpaid work is work that you don't get paid for, like voluntary work)

The Personal Sick Pay guarantee would no longer apply as you wouldn't be working 30 hours a week:

- The maximum we could pay you would be limited to £1,500 a month (or the amount of insurance you chose if it was lower than this)
- We'll deduct any other monthly sickness insurance you were being paid
- We'll also deduct 60% of any sick pay or pension payments you were receiving.

So if this happens and you have more than £1,500 a month insurance, please contact us so we can reduce your insurance and make sure you're not paying too much. If your insurance does change you'll then have a further two years to return to work and put your insurance back to what it was before (so that it pays out if you are too unwell to work in your occupation, rather than if you were unable to prepare a meal or do basic housework). You won't need to answer any medical or lifestyle questions provided that you did not claim while you weren't working.

You'll need to be back in paid work for at least two months before you can make a claim (if your claim was in the first two months after you went back to work we'll look at whether you could prepare a meal or do basic housework). After this further two years, you can either leave it as it is, or apply for new insurance when you start work again.

6.2 – What happens if I stop working to take maternity or paternity leave in the future?

While you're on maternity or paternity leave, we'll just keep treating you as if you were still in work. So if you made a claim, we'd pay you if you were too unwell to work in your occupation, and we'd do this for the full length of your claim. When working out what we can pay you, we'd base it on what you earned in the 12 months before you stopped working. After your maternity or paternity leave ends, if you decide not to return to work we'll treat you as if you were not working, as explained in section 6.1. We'd treat your last day of maternity or paternity leave as your last day of work.

6.3 – Changing my job or hours

If you change your job, don't worry, we will still provide the same insurance to you. We'll automatically insure any new job you move to, no matter what it is. If your hours or what you earn change as a result of switching jobs you should review your Personal Sick Pay to see if you have too much or too little insurance. If you need any help with this please give us a call.

6.4 – What if I go back to work and then become too unwell to work again?

If you try to go back to work and then within 6 months you...

- become too unwell to work again for the same reason as before;
- and tell us within 2 weeks of this happening;

...then we'll carry on paying your previous claim from when you had to stop working again. We may need to get an update from your doctor first.

This means if you have Budget Personal Sick Pay, and we have already paid you for part of your two year period, this will count towards the maximum 2 year period we can pay you for any single claim. So if we've already paid you for the maximum 2 year period, we won't be able to pay you any more money.

If you have Full Personal Sick Pay it also means this will count towards your Personal Sick Pay guarantee. So if we've already paid you for the 2 year period the guarantee will end. The maximum amount we will pay after two years will be the amount of your cover or 60% of your taxable earnings before you became too unwell to work), whichever is lower.

If you're back at work for longer than 6 months then claim again for the same reason, we'll treat it as a brand new claim. We'd also treat it as a brand new claim if you became too unwell to work at any time because of a different medical reason or accident. This means if you have Budget Personal Sick Pay we will also treat your claim as a new claim, and your previous claim won't count towards the maximum 2 year period. The Personal Sick Pay guarantee could also apply for the first two years of this new claim.

6.5 – What if I go back to work in my previous occupation, but can only manage to work part-time?

If, we're paying your claim, and your doctor says you can go back to work on a part-time basis, we can continue to pay you a proportion of your current benefit payable.

We'll ask you how many hours you are able to work and calculate what proportion of 30 hours you are working and pay the same proportion of your benefit. We base our calculation on a working week of 30 hours, and work out what proportion of a 30 hour working week you are able to work. We'll use the following calculation:

$$\frac{\text{(30 hours – no. of hours part time working)}}{30 \text{ hours}}$$

Example

If you start to go back to work 15 hours a week the benefit payable will be:

$$\frac{\text{(30 hours – 15 hours)}}{30 \text{ hours}} = 50\%$$

We will then apply this to your current benefit payable (this is explained in Section 2: How much Personal Sick Pay can I have?).

If you were working less than 30 hours before your absence from work, we'll base our calculation on the number of hours you were working before your absence.

We will stop the payments:

- when you're well enough to work full time (30 hours a week or more), or
- on the date your insurance ends.
- if you've chosen Budget Personal Sick Pay, up until 2 years after we started paying your claim.
- you die.
- if you are not following the advice of your doctor or refuse to follow any reasonable treatment request.

Payments under the Personal Sick Pay benefit guarantee:

If your claim has been paid under the benefit guarantee, we will pay a proportion of the benefit we are paying under the personal sick pay guarantee.

Once your personal sick pay guarantee period has come to an end, after two years of your claim payment, we will apply our proportionate calculation to your revised maximum benefit (this is explained in Section 2: How much Personal Sick Pay can I have?).

6.6 – What if I can work, but only in a different occupation that doesn't pay as much?

If for medical reasons you:

- can't go back to work in your previous occupation;
- but you decide to go back to work in a different one that doesn't pay as much as you were earning before;

We can continue to pay you a proportion of your benefit.

We'll ask what you're currently earning and if it is less than what you earned prior to your absence from work, we'll calculate what proportion of your income you're now earning and pay the same proportion of benefit.

We'll use the following calculation:

$$\frac{\text{Income before your claim – part time income during claim}}{\text{Income before your claim}}$$

Example

if you used to earn £30,000 per year and now earn £15,000 per year we'll pay half your benefit.

$$\frac{\text{£30,000 – £15,000}}{\text{£30,000}} = 50\%$$

We will then apply this to your current benefit payable (this is explained in Section 2: How much Personal Sick Pay can I have?).

We will stop the payments:

- if you're receiving the same or more than you were before you became too unwell to work, or
- if you're well enough to work in your previous occupation again or
- on the date your insurance ends.
- if you've chosen Budget Personal Sick Pay, up until 2 years after we started paying your claim.
- you die.
- if you are not following the advice of your doctor or refuse to follow any reasonable treatment request

Payments under the Personal Sick Pay benefit guarantee:

If your claim has been paid under the benefit guarantee, we will pay a proportion of the benefit we are paying under the Personal Sick Pay guarantee.

Once your Personal Sick Pay guarantee period has come to an end, after two years of your claim payment, we will apply our proportionate calculation to your revised maximum benefit (this is explained in Section 2: How much Personal Sick Pay can I have?).

6.7 – What if I'm abroad when I become too unwell to work?

Your Personal Sick Pay is flexible, so if you go on holiday or even move abroad, we can keep insuring you as long as you keep paying each month. If you need to make a claim we'll still pay you, even if you're staying or living abroad, as long as you're in any of the following countries:

Australia, Austria, Belgium, Bulgaria, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK or USA.

If you're anywhere else in the world we'll only pay you for a maximum of 26 weeks, then by the end of the 26 weeks you'll need to have returned to live in one of the countries above for us to be able to keep paying you.

After the first 26 weeks of your claim, if you travel to a country that isn't listed above for more than 2 weeks, we'll have to stop paying your claim. Apart from this, your insurance stays exactly the same while you're abroad.

6.8 – What if I can't pay for my Personal Sick Pay?

If you miss a monthly payment, we'll give you up to 60 days to pay it. After this, your Personal Sick Pay policy would end and you wouldn't get anything back.

If you want to restart your insurance after these 60 days we'll need you to answer some health questions and pay the missed payments. You have until 6 months from the date of the first payment you missed to restart your policy. If there are changes to your health we may have to change your insurance or we may not be able to restart it at all.

6.9 – When your insurance ends

When you take out your Personal Sick Pay, you can choose an end date, which will be shown on your Policy Schedule.

Your insurance will stop then. If we are paying a claim to you at the time, we won't make any more payments after your end date. Your insurance will also end if you die before the end date, or if we or you cancel it.

7. Can I or LV= cancel or change my Personal Sick Pay?

7.1 – Changing your insurance

At any time we guarantee you can:

- Reduce the amount of Personal Sick Pay you have
- Increase the 'waiting period' (the amount of time you would need to wait for us to start paying you after you become too unwell to work). For example changing from waiting for 4 weeks to 8 weeks
- Choose for your Personal Sick Pay to end on an earlier date than you originally chose.

You may also be able to:

- Increase the amount of Personal Sick Pay you have
- Reduce the 'waiting period' (the amount of time you would need to for us to start paying you after you become too unwell to work). For example changing from 8 weeks to 4 weeks
- Choose for your Personal Sick Pay to end on a later date than you originally chose.

For the last three options, you'll need to complete a special health and lifestyle application form which could affect whether we can make these changes and how much it would cost.

7.2 – Cancelling your Personal Sick Pay

You can cancel it at any time by getting in touch with us or stopping your direct debit. If you cancel it, you won't be entitled to any refund or payment, apart from in the first 30 days of your insurance starting, when we'd refund anything you had already paid us.

If you don't pay all of the premiums that are due for your insurance, we'll cancel it. We've explained what happens if you stop paying premiums in section 6.8.

We do need to protect ourselves against the effects of financial crime so we can also cancel your insurance in the following situations:

- We can cancel your insurance, or not pay your full amount of cover if either you or anyone you are insuring act fraudulently, or provides untrue, inaccurate or misleading information when applying for your insurance, when making a claim, when applying to change your insurance, or if applying to re-start your insurance.
- We might reduce the amount we pay out, or cancel your insurance if we determine that you or anyone you're insuring would have known, or ought to have reasonably known, the true answer to a question we ask you, but have provided a false answer.

- We can cancel your insurance and pass details to crime prevention and law enforcement agencies if we identify your involvement or association with financial crime.
- We may also cancel your insurance, or may not pay the amount of cover in full if, had you answered the questions we asked you honestly and in full, it would have meant we made a different decision about the amount of cover.

For example if:

- A higher premium would have applied to the amount of cover
- The amount of cover would have been lower for the same premium
- We would have restricted the types of claims we paid out on

- The term of your insurance would have been restricted
- Your application would have been deferred, for example, pending the outcome of a medical investigation
- Your application would have been declined.

If you apply for your insurance online, we'll send you your a summary of the questions we ask and the answers given.

We'll also do this, if, when you apply, we telephone you to ask some further questions about the application. When you receive this summary it's very important that you check the answers given, as we rely on this information to set up your insurance.

If we cancel your insurance you won't be entitled to any refund of premiums or payment from it.

8. Owning your insurance and other insurance or benefits

8.1 – You own your Personal Sick Pay

Your Personal Sick Pay insurance belongs to you (whether you insured yourself against becoming too unwell to work, or insured someone else). You can't give your insurance to someone else to own or put it into trust. If you make a claim, we'll pay your money to your UK bank account (or a joint account if you prefer).

8.2 – Can I insure someone else against being too unwell to work?

Yes, you could set up and pay for Personal Sick Pay on another person, and still own the insurance and receive the payments if they became too unwell to work. You might consider doing this if you were financially dependent on someone else's income. If you did this, the person you were insuring would need to complete the normal application process, including medical and lifestyle questions, and if they became too unwell to work they would need to allow us access to their medical records in the usual way so we could check they were too unwell to work.

8.3 – Will my Personal Sick Pay affect any claim for state benefits?

We won't reduce payments from this policy to reflect any state benefits you may be entitled to. However, payments made from this policy may affect the amount of state benefits you might receive. For example, payments from this policy will reduce your Universal Credit entitlement, unless you're using the money to fund your regular mortgage payments.

When you make a claim, we'll provide you with support to work out how your policy might affect state benefits at that time, confirm your mortgage details and help you to decide the most appropriate way for us to make policy payments.

At claim, we'll pay the whole amount to you, unless you've got a mortgage which qualifies under our 'Pay My Mortgage' facility, for more information see section 8.4. If your mortgage qualifies, we can pay an amount equal to the monthly mortgage payment you are liable to pay, straight to your mortgage provider, and pay the rest to you.

If the amount we pay your lender under the 'Pay my mortgage' facility is less than your monthly mortgage payment it will be up to you to make up the difference. It is our understanding that payments made directly to your mortgage lender won't be included when the Government assess your entitlement to Universal Credit.

Any payments we pay to you will be paid directly into your bank or building society account. It is our understanding that these payments will be taken into account for means-tested assessment by the Government and will reduce any Universal Credit entitlement you may have.

If your mortgage payment amount changes whilst you are claiming, please let us know, so we can ensure we continue to pay the correct amount directly to your mortgage provider.

It is your responsibility to declare any payments from this policy to the Department of Work and Pensions if you are applying for or receiving state benefits.

The treatment of the payments from this policy for Universal Credit and other state benefits is based on our understanding of the current state benefits, means-testing and treatment of claim payments from insurance policies, which can change in the future.

8.4 – Pay my mortgage

This is a facility that allows us to pay directly to your lender at point of claim. It's entirely up to you whether you wish to use this facility, and you can change your mind at any time. This facility applies to residential mortgages on UK properties only. It also only applies to mortgages on your main residence (by main residence we mean the property that you currently live in, or spend the majority of your time living in). It doesn't apply to mortgages on other properties such as buy-to lets, second properties, holiday homes or commercial properties.

8.5 – Will other state benefits affect my Personal Sick Pay?

No. If you're also receiving state benefits we won't reduce what we pay you by what you're getting from the government.

8.6 – Will my Personal Sick Pay affect any other income replacement insurances I might have?

If you have sickness insurance that pays out each month if you get too ill to work with another insurance company, then depending on their rules they may reduce the amount they pay you if you are receiving Personal Sick Pay at the same time.

8.7 – Back to work support

We want to help you with your recovery and return to work and can sometimes offer you access to specialist services. For example: physiotherapy, counselling or other specialist treatment, rehabilitation services or financial support. The maximum we can pay for each claim is one months insurance payment. If you make a claim our team will look at your individual situation to see if there is anything they can do to help – all services offered are at our discretion.

9. Other important information

9.1 – Financial crime and terrorist financing

The personal information we have collected from you will be shared with crime prevention agencies who will use it to prevent financial crime and money-laundering and to verify your identity. If financial crime is detected, you could be refused certain services, finance or employment. Further details of how your information will be used by us and these fraud prevention agencies, and your data protection rights, can be found by contacting us at GFC LV=, County Gates, Bournemouth BH1 2NF.

We use your information to make sure we comply with any financial sanctions that apply in the UK and overseas.

This includes;

- checking your information against sanctions lists
- Sharing your information with HM Treasury and international regulators if required.

We will contact you if more information is needed to comply with any financial sanctions.

9.2 – Law

Personal Sick Pay and its terms and conditions are governed by English and Welsh law. In the unlikely event of any legal disagreement, it would be settled exclusively by the courts of England and Wales. We'll always communicate in English.

9.3 – Changes in the law

It's always possible that the law could change which could affect your insurance in the future. We'll make you aware of this if it happens and any impact it may have.

9.4 – How to make a complaint

If you have a complaint about any part of the service you receive from us, it's important that we know about it, so we can help to put things right. You can let us know by calling us on 0800 678 1906 (for textphone, dial 18001 first). Or, you can write to us at: Box 2, LV=, County Gates, Bournemouth BH1 2NF.

Your complaint will be dealt with promptly and fairly and in line with the Financial Conduct Authority's requirements. If you'd like more information on how we handle complaints, please contact us or visit LV.com/complaints.

We hope that we will be able to resolve any complaint that you have. If you're unhappy with the outcome of your complaint, the Financial Ombudsman Service may be able to help you free of charge. You'll need to contact them within six months of receiving our final response letter. Their website is www.financial-ombudsman.org.uk which includes more information about the service, including details of the various ways they can be contacted. If you make a complaint it won't affect your right to take legal action.

You can get this and other documents from us in Braille or large print by contacting us.



Liverpool Victoria Friendly Society Limited: County Gates, Bournemouth BH1 2NF

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