

## LUTINE ASSURANCE SERVICES LIMITED - GROUP TERM LIFE ASSURANCE

### Definitions

In these Terms & Conditions, where the context admits, the masculine gender includes the feminine gender and the singular number includes the plural and vice versa.

**Quotation:** this is defined as the estimated cost and terms of the insurance and forms part of the insurance Contract.

**Underwriters:** this is defined as Jubilee Life Insurance, Syndicate 779 at Lloyd's

**Grantee:** this is defined as the Employer who has taken out this insurance Contract with the Underwriters

**Premium:** this is defined as the amount specified on the Quotation and determined by the Underwriters, payable by the Grantee, to provide the required Benefits hereunder

**Sum Assured:** this is defined as a Member's Benefit which is payable in the form of a lump sum as described in the Quotation

**Member:** this is defined as any Employee who is included in the Scheme

**Scheme:** this is defined as the Group Life Scheme named in the Quotation and established by the employer or another company to provide insurance benefits for its Members

**Actively At Work (AAW):** this is defined as a Member:-

- Not being absent from work
- Not having received medical advice to refrain from work
- Working the normal number of hours required by their Contract of employment. Please see Section 1.2 for the full definition

**New to market:** this is defined as employer sponsored Schemes where the company has been established for more than 18 months irrespective of whether benefits are flat or salary related

**Benefit:** this is defined as a Member's Sum Assured that is payable in the form of a lump sum as described in the Quotation

**Cover:** this is defined as the insurance protection which is provided through this insured Scheme arrangement

**No Worse Terms (NWT):** this is defined as the comparable insurance terms provided when changing insurer

**Whitewashing:** this is defined as the process of accepting sub-standard terms at improved terms and / or an increased level of Member Cover, or acceptance up to a new Free Cover Limit

**Group Proposal Form:** this is defined as the form completed, signed and dated by the Grantee forming the basis of the Contract between the Grantee and the Underwriters

**Member Declaration:** this is defined as the form completed, signed and dated by the Member forming the basis of the Contract between the Grantee and the Underwriters

**Renewal:** this is defined as the annual Scheme anniversary date

**Temporary Absence:** this is defined as a Member's absence from work for medical or non-medical reasons whilst still retaining their insured benefit level. Please see Section 1.5 for the full clause

**Non Medical Reasons:** this is defined as statutory absences such as maternity, adoptive, paternity, unpaid parental leave or for any other reason such as sabbaticals, unpaid or compassionate

**Cover Cease Age:** this is defined as the age cover will cease as detailed in the Quotation

**State Pensionable Age:** This is defined as the age at which Members may receive their State Pension

**Free Cover Limit (FCL):** this is defined as the Free Cover Limit as specified on the Quotation, allowing Cover up to the specified monetary value without the automatic need for medical underwriting

**Temporary Cover:** this is defined as providing Full Cover or Accidental Death Benefit for a maximum of 90 days for Members undergoing medical underwriting. Please see section 1.8 for the full definition

**Pre Existing Condition Exclusion:** this is defined as benefit not being paid on any death arising from any medical condition which the Member had during the 5 years immediately preceding their entry date to the Scheme or date of any increase in benefit

**Single Premium Costing:** this is defined as the premium for a Member who is costed separately from the Premium Rate of the overall Scheme

**Extended Cover:** this is defined as Cover required beyond the age of 65 or the State Pensionable Age

**Redundancy Cover:** this is defined as additional benefit payable as specified on the Quotation, determined by the Underwriters and payable by the Grantee to Members who have had their employment terminated

**Rate Guarantee Period:** this is defined as the period between the commencement of the Contract and the Rate Guarantee expiry as specified on the Quotation

**Premium Rate:** this is defined as the group rate as specified on the Quotation

**Extra Premium Loading:** this is defined as any additional mortality loading applied to a Member

**Forward Underwriting Bar:** this is defined as an agreed amount of additional Benefit to cover any future salary increases without the need for further medical evidence as per Section 1.7

**Catastrophic Event:** this is defined as the occurrence or incident that directly or indirectly causes an accumulation of deaths of insured Members by external means, which directly occasions the death within 12 calendar months from the date of the event. A single event shall be defined as one or a series of occurrences or incidents happening within a 72-hour period

**Event Limit:** this is defined as the maximum Scheme liability in the event of a catastrophe and is up to a maximum of £100,000,000 total Sum Assured as confirmed under this Quotation

**Location Limit:** this is defined as the maximum liability for that location in the event of a catastrophe as confirmed under this Quotation

**Catastrophe:** this is defined as multiple deaths from one originating cause, event or occurrence. This includes death caused by, but not limited to, natural catastrophes such as earthquakes, windstorm, flood, as well as any sudden release of, such as but not restricted to, atomic energy, nuclear radiation, radioactive contamination (whether controlled or uncontrolled), or biological or chemical substances and war (whether declared or not) and terrorist activities

**Principal Office Location:** this is defined as the physical location where each Member spends the largest proportion of their working hours. Therefore this is not necessarily the head office of their employer or the regional office to which the Member is assigned

**Participating Company :** this is defined as any company, partnership or organisation included in the Scheme

**You / Your:** this is defined as the Grantee

## **Terms & Conditions**

### **Section 1.0 - Membership**

#### **1.1 Eligibility Conditions**

Membership of the Group Life Scheme should include all employees under clearly defined eligibility and Membership rules. The information to be provided in respect of employees / Members for whom notification is required will be:-

- Name
- Date of Birth
- Gender
- Salary
- Occupation
- Geographical location / Post code
- Date of joining
- Category of Membership

Members must be:-

- Between the ages of 16 and 69 years at inception;
- Employed and ordinarily working in the UK, Channel Islands and the Isle of Man. Non UK residents and non UK nationals of a UK employer will be considered for inclusion, subject to underwriting confirmation;
- 'Actively at Work', please see Definitions and Section 1.2 within this Quotation;
- Joining the Scheme at their first opportunity to do so, or within 6 months of that date. Members may be considered after this date subject to underwriting confirmation;
- Any Members involved in chemical or other industries involving toxic or explosive substances or groups subject to an aviation risk will not be covered unless approved in writing by Lutine Assurance Services Limited.

#### **1.2 Actively at Work 'AAW'**

In all cases, regardless of whether or not the actively at work requirement has been waived we will need full details of long term absentees (i.e. those who have been absent from work for three months or more) at the time of quoting and at the on risk date.

Any person who is not actively at work due to ill health or disablement on the last working day prior to risk commencing will not be covered for any Benefit until they either:-

- Complete seven consecutive days actively at work with the employer or;
- Provide evidence of insurability to us and we confirm our acceptance of the Member's benefit.

Confirmation that any actively at work requirement has been met must be provided by the employer in writing.

If the AAW condition is not satisfied Lutine Assurance Services Limited reserve the right to medically underwrite the Member(s). This could result in an additional Premium and / or special terms being imposed and / or insurance Cover for the Member being declined.

If the Scheme is new to market with 100 members or less, a Group AAW Declaration will need to be completed by the employer. If any Member cannot satisfy this AAW condition, Lutine Assurance Services Limited reserves the right to medically underwrite the Member(s). This could result in an additional Premium and / or special terms being imposed and / or insurance Cover for the Member being declined. If the Scheme is non employer sponsored, individual Health Declarations will be obtained for all Members.

If transferring the insurance of an existing Scheme to us, at the date of transfer the AAW condition will not apply to existing Members for the level of benefit covered by the previous insurer, but will apply to new Members. However, if any changes are made to the Scheme at the date of transfer, and this increases benefit entitlement or extends the eligibility conditions to include other employees, the AAW condition will apply to any additional benefit and new employees.

### **1.3 No Worse Terms 'NWT'**

Existing Schemes can be transferred to Lutine Assurance Services Limited on a 'No Worse Terms' arrangement including Members up to a maximum of +300% extra premium loading, including any agreed Forward Underwriting bar, providing that:-

- The Member has been underwritten within the last 5 years;
- We are supplied with a copy of the existing insurer's acceptance terms stating the Benefit amount (including any agreed Forward Underwriting) and applied loading for the Member;
- The Benefit is no more than £5 million Sum Assured;
- The Member is aged 69 years or under.

Lutine Assurance Services Limited will consider whitewashing loadings, providing that:-

- No Members have been previously declined, restricted or postponed;
- Benefits are within the new Scheme FCL. Any benefits in excess of this level will be loaded.

Any future increases in Benefit above any pre agreed Forward Underwriting bar will be underwritten; no Forward Underwriting as detailed in Section 1.7 of this Quotation will be applied for those Members where we have accepted NWT from another insurer.

Please note that Lutine Assurance Services Limited reserves the right not to quote on NWT where the underlying risk profile is unacceptable to Lutine Assurance Services Limited.

### **1.4 Travel and residency outside of the UK, Channel Islands and Isle of Man**

Failure to disclose known residency / secondment outside the UK, Channel Islands and Isle of Man at inception or Renewal of this Group Life Scheme may invalidate or restrict Cover. For avoidance of doubt, if information regarding employees resident / seconded abroad is not specifically noted and included in our Quotation it should be disclosed within the Group On Risk Form for consideration and also at each Renewal.

Any Members on secondment must have a contract of employment with a UK registered company insured as a Scheme with Lutine Assurance Services Limited. The period of the secondment should not exceed 3 years unless they are seconded to a company within the same insured group.

Please note that Lutine Assurance Services Limited reserves the right not to quote on a Scheme where over 25% of Members are resident outside of the UK.

Failure to disclose known business travel outside the UK, Channel Islands, Isle of Man, all other EU countries, Andorra, Australia, Canada, Gibraltar, Hong Kong, Iceland, Liechtenstein, Monaco, New Zealand, Norway, San Marino, Switzerland, USA and the Vatican City may invalidate or restrict Cover. For avoidance of doubt, if information regarding employees travelling abroad is not specifically noted and included in our Quotation it should be disclosed within the Group On Risk Form for consideration and also at each Renewal.

### **1.5 Temporary Absence**

Cover in respect of Members who become temporarily absent from their place of work for medical or non medical reasons will continue for a maximum of 3 years only as standard. Upon request and with prior written agreement from Lutine Assurance Services Limited, Cover in respect of Members who become temporarily absent from their place of work for medical or injury reasons only, can be extended to continue at the level of Sum Assured as at the last day of work until the Cover Cease Age / State Pensionable Age specified in the Quotation. The Benefit insured may increase in line with general pay awards up to a maximum of 5% provided by the client.

All Temporary Absence is subject to the following:-

- The Member fulfilling the AAW condition as at this Cover inception;
- The Member not exceeding the Cover Cease Age or State Pensionable Age. Any extended Cover will be limited to 12 months only for any reason or the end of the contract of employment if earlier;
- The Scheme remaining insured with Lutine Assurance Services Limited;
- The Member retaining a contract of employment with the Grantee;
- Continuation of Premium Payments in respect of the Member.

### **1.6 Free Cover Limit 'FCL'**

Subject to satisfying the AAW condition as detailed in Section 1.2 of the Terms & Conditions, no evidence of health will be required in respect of Benefit detailed on the Quotation (hereinafter referred to as the Free Cover Limit) or separate amount as detailed on the Quotation. Any Member whose Benefit exceeds the Free Cover Limit may be subject to medical underwriting unless accepted under NWT as detailed within Section 1.3 of this Quotation. Any evidence of health requested must be supplied to the Underwriters for consideration. Benefit will be restricted to the Free Cover Limit under this Quotation or the previously accepted level of Cover until underwriting acceptance is confirmed.

Lutine Assurance Services Limited reserves the right to review the Scheme Free Cover Limit if either the number of Members or value of Benefits provided at Renewal varies by more than 25%.

### **1.7 Forward Underwriting**

Lutine Assurance Services Limited will forward underwrite to a maximum of £5,000,000 Benefit. Any increases to Benefits (either mid term or Renewal) within this cap will be subject to the following:-

- Increases in Benefit for Members that remain under the Scheme FCL will automatically be covered providing the Member fulfils the AAW condition as detailed in Section 1.2 of the Terms and Conditions;
- Increases for Members over the Scheme FCL up to 50% of the Total Benefit amount or £300,000, whichever is the lesser, who have been underwritten by Lutine Assurance Services Limited within the last 6 years and accepted with a medical loading no greater than +200% will automatically be covered providing the Member fulfils the AAW condition;
- Any Member accepted on NWT from another insurer will be eligible for any existing agreed Forward Underwriting;
- Any Member requiring extended Cover will not be eligible for forward underwriting.

Any increases to Benefits (either mid term or Renewal) outside of these guidelines will require confirmation of the AAW condition, submission of a new Member Declaration and may be subject to medical underwriting.

Lutine Assurance Services Limited will advise of any medical or other requirements for any increase in Cover. Benefits will be restricted to the existing level of Cover or declined until all medical underwriting requirements are met.

### **1.8 Temporary Cover**

Temporary cover will be applied to a member's Benefit that is in the process of being medically underwritten.

A Pre Existing Condition Exclusion will apply as standard. Benefits will not be paid on death arising from any medical condition which the member has had during the 5 years immediately preceding their entry date / or date of increase in the case of increase in benefits.

Lutine Assurance Services Limited will provide this Cover for a maximum of 90 days whilst a Member is being medically underwritten, providing that:-

- The Member is eligible to receive the Scheme FCL;
- The Member has not previously been declined, postponed or had special terms applied;
- The Member has not previously refused to provide medical evidence;
- The Member has not requested extended Cover for benefits outside of the Scheme FCL.

For members as stated above, Temporary Cover can be provided on an Accidental Death Benefit Basis only. Any Accidental Deaths as a result of alcohol, drugs, suicide or intentional self injury will be excluded.

### **1.9 Increases of Benefits**

Once underwritten and accepted, no further underwriting will be required providing that the Member does not require any additional increase to their existing Benefit.

### **1.10 Joiners / Leavers**

This Cover is set-up on a non-notification basis. This means that new employees within the Scheme Free Cover Limit can join at any time subject to fulfilling the AAW conditions. We only need to be notified of any changes to Membership when:-

- A Member does not fulfil the Actively at Work condition as detailed in Section 1.2 of this Quotation;
- A Member requires Cover over the Scheme FCL;
- A Member does not join the Scheme at their first opportunity;
- A Member exceeds the Scheme's Cover Cease Date or State Pensionable Age;
- At Renewal.

In all other circumstances Cover is automatic.

### **1.11 Extended Cover beyond the age of 65 or State Pensionable Age**

#### **Extended Cover within the Scheme FCL**

##### Extended Cover for all Members

Scheme Cover Cease Age 70 all members – full underwriting will not be required and members will not be required to be Actively at Work at age 65.

Scheme Cover Cease Age 75 all members – members aged 71-75 will be required to be Actively at Work at age 70

If a Member is unable to fulfil the Actively at Work requirement the benefit termination age for that Member will remain unaltered until that Member returns to work and completes 7 consecutive days

##### Extended Cover for selected members

Selected Members includes where all members who work beyond the Scheme Cover Cease Age are covered automatically but the scheme Termination Age is not extended.

Scheme Cover Cease Age 65, or State Pensionable Age, but selected Members requiring cover to age 70 – such Members are required to be Actively at Work at age 65 or State Pensionable Age only

Scheme Cover Cease Age 65, or State Pensionable Age but selected Members require cover to age 75 – such Members are required to be Actively at Work at age 65 or State Pensionable Age . Members are required to be Actively at Work and full underwriting will be required at age 70 to be accepted for cover to continue to age 75.

If a Member is unable to fulfil the Actively at Work requirement the benefit termination age for that Member will remain unaltered until that Member returns to work and completes 7 consecutive days

#### **Extended Cover outside of the Scheme FCL**

All requests for extended Cover outside of the Scheme FCL will be subject to full medical underwriting. Please refer to Section 1.5 for details regarding Temporary Absence, Section 1.8 for Temporary Cover and Section 1.7 for Forward Underwriting.

### **1.12 Termination**

Cover will be cancelled if the Renewal requirements and Premium are not received by the Annual Renewal Date. Member Cover will terminate immediately upon:-

- The expiry of the Contract, or
- when the Contract is cancelled, or
- when the Member ceases to be a Member of the Scheme, or
- the termination of the Member's Contract of employment with the Grantee unless Redundancy Cover is provided as detailed in Section 1.13, or
- the death of the Member, or
- the discontinuance of payment of Premiums in respect of the Member.

In all cases, Cover will cease automatically when a Member reaches their 75<sup>th</sup> birthday.

### **1.13 Redundancy Cover**

This Cover must be selected at outset when the Scheme commences with Lutine Assurance Services Limited and provided for all Members. The following conditions will apply:-

- Cover will be provided for a defined period of two years only;
- Cover will cease immediately upon re-employment;
- Cover will be restricted to the pre-redundancy level of Benefit;
- Cover will be limited to lump sum Benefits only.

## **Section 2.0 - Premiums**

### **2.1 Payment of Premiums**

- Payment can be made annually by cheque or monthly by Direct Debit;
- There is no minimum or maximum Premium;
- An adjustment Premium will be calculated at the end of the Cover period, based on the difference in the total Sums Assured at inception and expiry at a rate per £1,000 (as shown on the Quotation);
- Thirty days grace will be allowed for the payment of annual Renewal Premiums unless otherwise indicated. Ten days grace will be allowed for payment of Premiums at a lesser interval;
- If the event upon which the Sum Assured is payable occurs within any days of grace and the Premium has not been paid, the Sum Assured will be payable in full less the amount of the overdue Premium;
- This Contract shall become null and void and no Benefit shall be payable upon the expiry of any days of grace if the Premium due remains unpaid and there shall be no entitlement to a return of any Premiums already paid;
- Lutine Assurance Services Limited reserves the right to review the Premium Rate. Please see Section 2.2.

### **2.2 Premium Rate Guarantee Period**

The standard Rate Guarantee Period is two years from the date of inception or Renewal or as detailed separately on the Quotation. No adjustments will be made other than in the following circumstances:-

- A change in the eligibility conditions;
- Addition of a new Participating Company
- A change in the taxation of the Scheme's Benefits and/or Premiums;

- If either the number of Members or value of Benefits provided at inception increases or decreases by more than 25% from Annual Renewal Date;
- If there are more than 2 claims in the last 5 years Scheme history we may reserve the right to review the rate as a result of claims experience in the previous Scheme year;
- There is a change in the basis for calculating the Scheme Benefits;
- Lutine Assurance Services Limited reserves the right to revise the Premium Rate and other terms relating to the policy at the end of each Rate Guarantee Period.

### **Section 3.0 - Death Benefit**

#### **3.1 Event Limit for Catastrophe**

An event shall be the occurrence or incident that directly or indirectly causes an accumulation of deaths of insured Members by external means, which directly occasions the death within 12 calendar months from the date of the event. This shall include deaths caused by, but not limited to, natural Catastrophes such as earthquakes, windstorm, flood, as well as any sudden release of, such as but not restricted to, atomic energy, nuclear radiation, radioactive contamination (whether controlled or uncontrolled), or biological or chemical substances and deaths from any other cause including deaths resulting from war (whether declared or not) and terrorist activities.

A single event shall be defined as one or a series of occurrences or incidents happening within a 72-hour period. Lutine Assurance Services Limited shall determine the commencement and cessation of the 72-hour period. Allocation of Benefits resulting from deaths caused by the single event and thus falling within the Contract Terms shall be in the chronological order of written notification of each death received by Lutine Assurance Services Limited.

Unless specifically amended by Lutine Assurance Services Limited a maximum Event Limit of up to £100,000,000 is available under this Group Life Scheme. Any change in this benefit will be endorsed onto the insurance schedule.

Please note, each Scheme will have an overall Scheme Event Limit and separate specific Location Limits if applicable. If Members are based at various locations, each location will be given a Limit.

#### **3.2 Travel Limitation**

Where a catastrophe results in the deaths of a group of Members travelling together on business the maximum amount payable will be the lower of:-

- The maximum liability, or
- £25,000,000

#### **3.3 Claims Evidence & Payment**

In the event of a death, and subject to our acceptance as to the validity of the claim, the Underwriters will pay the Sum Assured mentioned in the Quotation after satisfactory proof of:-

- The happening of the event stated in the Quotation;
- Completion of a Claim Form;
- The original Death Certificate;
- The original Marriage Certificate, if applicable;
- The original Change of Name by Deed Poll, if applicable;
- Evidence of earnings and eligibility.

Lutine Assurance Services Limited reserves the right to request additional information in order to assess the validity of a claim.

Notice of any claim under this Quotation shall be given by the Grantee to the Underwriters as soon as practicable and in any event within 3 months of the event occurring.

The Grantee or their Executors, Administrator or Assigns are responsible for providing evidence of death to the Underwriters. This cost, along with any other initial costs of claim must be borne by the Grantee. Any further medical reports or documentation required to substantiate the claim shall be obtained at the expense of the Underwriters.

#### **Section 4.0 - Exclusions**

##### **4.1 Military Exclusion**

It is hereby understood and agreed that death, caused directly or indirectly, arising whilst on military duties outside of NATO or EU countries, Switzerland, Canada and Belize, will not be covered where death may occur.

## **General Provisions**

- The Members name and date of birth confirms the identity of the Member to be covered. If any of these details are incorrect, please contact Lutine Assurance Services Limited immediately. If it should be found that the age of a Member was understated when this Contract commenced, then the Benefit shall be reduced to such a sum as would have been assured had the age been correctly stated. The Underwriters reserve the right, at any time, to require proof to their satisfaction of the age of any Member.
- This Policy has no surrender value.
- Any fraud, concealment, or deliberate misstatement made by a Member, if unknown to the Grantee effecting Assurance under this Contract or in connection with the making of any claim hereunder shall render this document null and void in so far as it relates to the Member in question, but any such fraud, concealment, or deliberate misstatement by or known to the Grantee shall render the whole document null and void and all claims hereunder shall be forfeited.
- The amount of Life Cover is the Benefit amount that will be paid in the event of the Member's death during the Scheme year. Levels of Life Cover may be subject to additional medical underwriting as detailed in Section 1.0 of the Terms and Conditions. Death Benefits will be paid as detailed in Section 3.3 of the Terms and Conditions.
- The Premium due is the annual Premium for the period as indicated on the Quotation. Any mid term new entrants or mid term increases or decreases in Cover will be calculated as detailed in Section 2.1 of the Terms and Conditions.
- Lutine Assurance Services Limited is able to provide Trust Documentation for most Registered Schemes. If required please seek independent advice. All Members of the Scheme are strongly advised to complete an Expression of Wish form, which should be submitted to the Trustees of the individual arrangements or held in a secure place in the event of a premature death.
- The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply.
- For the purposes of the Data Protection Act 1998, Underwriters and the Underwriters' Agents are Joint Data Controllers with the Grantee. Personal data and sensitive personal data are provided by the Grantee in order that Underwriters may decide the manner in which this data will be processed to provide and administer this Contract. Underwriters have the right to request such data as is required to quote for and administer the Benefits provided by the Contract. Underwriters will record such information accurately and keep it confidential and secure and will use it solely for the purpose of quoting for, providing and administering the Contract. The Grantee will ensure that the data is correct at the time that it is provided to the Underwriters and that alterations are notified to Underwriters as soon as possible.

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**Please note that security is 100% Lloyd's of London.**

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