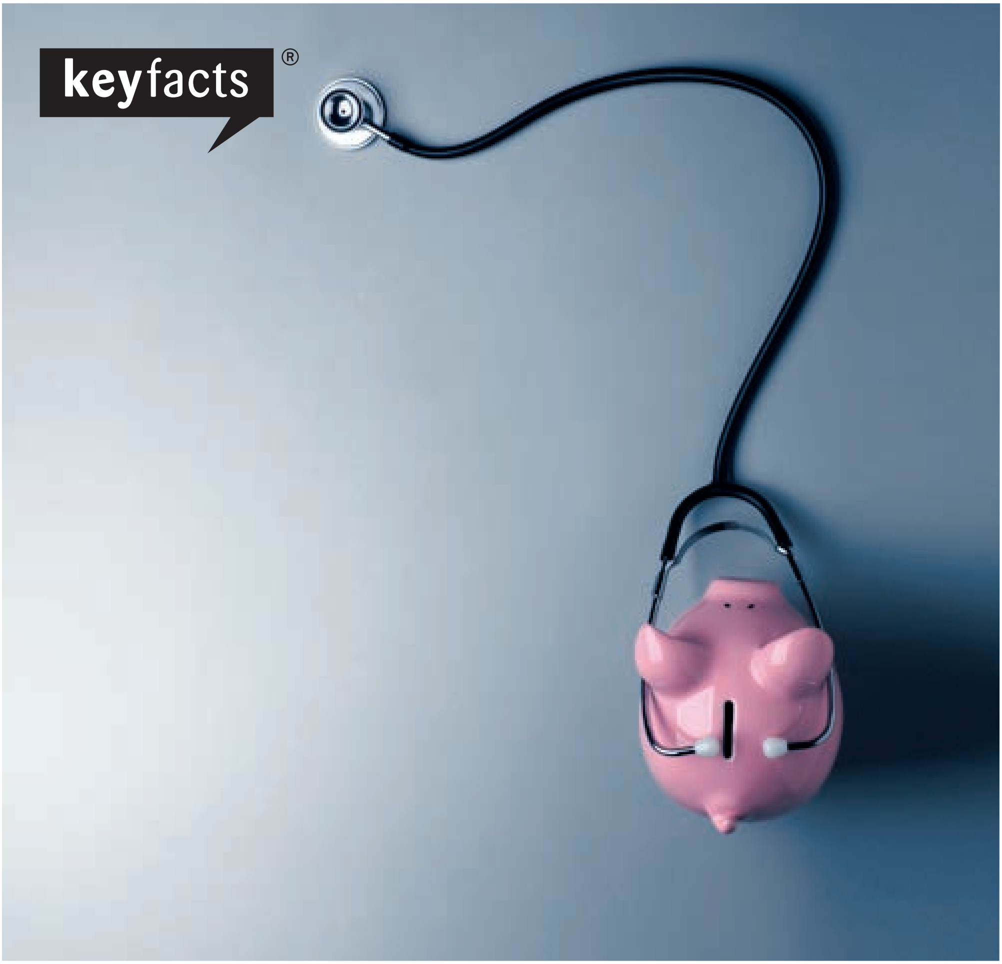

Protect the things you care about

Health & Wealth

Key Features

Cirencester Friendly

Health & Wealth

The Health and Wealth Plan is a Holloway income replacement contract designed to replace up to a maximum of 75% of your pre-tax weekly earnings, less income from certain other sources, if you are unable to work through accident or illness leading to a loss of income. It will also pay you a cash sum at the maturity of the contract. So if you never have the need to claim you will still get something back at the end of the contract.

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Key Features

This document gives you the key features of the Health and Wealth Plan you are considering. It should be read with any personal illustration and the rules of the Health and Wealth Plan which are available on request without charge. Please read the Key Features document carefully and keep it with your other plan documents.

This Key Features document has been prepared using the Association of British Insurers Statement of Best Practice for Income Protection Insurance.

Aims

- To give you a regular benefit to replace a part of your earnings if you suffer illness or injury and you are unable to work leading to a loss of income.
- To enable you to maintain key items of expenditure.
- To provide you with cover for the duration of the contract no matter how many claims you make.
- To provide, under current legislation, a tax-free cash lump sum payable to you at the maturity of the contract.

Your Commitment

- You must give the Society all the medical and other information asked for when you apply for membership, revise your level of cover, and when claiming benefit. If you do not do this the Society may not be able to pay your benefit in the event of claim. The Society will rely on what you tell us and you must not assume that we will clarify or confirm the information you provide. It is very important that you complete the medical section of the application form fully and accurately. If you do not this could result in non-disclosure and lead to a claim being rejected.
- You must make all regular contribution payments the Society needs for the length of the plan in accordance with the prescribed rate table shown on page 8.
- You must tell the Society, as soon as reasonably possible, of any change in your circumstances which could affect your entitlement to benefit in the event of a claim such as a material change in your earnings, occupation status, or when you move outside the United Kingdom, become unemployed or retire.
- You must tell the Society within the stated time limits of any claim you wish to make.
- You must select an appropriate level of cover and review it regularly to make sure you have enough for your needs but not more than we will pay.

Risk Factors

- You will not be covered if you stop paying your contributions or fall into arrears.
- Contributions under this plan increase with age and are not guaranteed. (See Table on page 8)
- If you do not review the benefit against your current earnings on a regular basis, then you may become under insured and your benefit may not meet your needs or, on the other hand, if your earnings do not support your chosen level of cover then you may become over insured and the benefit you will receive may fall short of what you think you are entitled to. In cases of over insurance the Society will not refund any contributions for shares of cover you cannot claim on.
- Your circumstances may change, forcing you to reduce or stop your contributions and entitlement to benefit, or even cash in early.
- The amount of the tax-free cash sum payable at the maturity of your contract is not guaranteed, it depends upon the performance of the Society.
- Your personal illustration is only a guide and investment growth may be smaller than the rates used in your personal illustration and could result in a smaller lump sum at the maturity of the contract than that shown. Charges may also turn out to be higher than those shown.
- The present tax-free treatment of the plan's benefits may change.
- Withdrawals are permitted in certain circumstances, subject to the rules of the plan which may change.
- You may terminate the plan by giving six months notice. A penalty will be charged for early termination.
- The payment of benefit under this plan may affect your eligibility to claim for some means tested benefits provided by the State. Your entitlement to State Incapacity Benefit, or its equivalent, will not be affected; however State Benefit rules may change.
- The benefit we pay under this plan will be affected by continuing income from your employment or benefits you are entitled to receive from the state and other income replacement contracts.
- Certain causes of claim are excluded, such as injuries or conditions sustained as a result of criminal acts, attempted suicide, alcohol and drug abuse, pregnancy and self inflicted injury. The Society will supply full details on request.

The answers to your most frequently asked questions

Can I apply for the Health and Wealth Plan?

Admission to the Health and Wealth Plan was closed to new entrants aged 16 and over from the end of 1999 when the Society introduced a new contract called Income Assured.

To help maintain family connections the admission of children up to the age of 16 is still permitted subject to application by the parent or legal guardian and medical underwriting.

Existing plan holders over the age of 16 but not more than 55 years of age can continue to hold their plan until maturity. Also see the section "Can I increase my cover after the plan is running?"

How does the Health and Wealth Plan work for me?

The plan is designed to give you a regular benefit from the first day of illness or injury if you are unable to work leading to loss of earnings and provide a cash lump sum at maturity.

- Subject to maximum cover of 75% of your pre-tax weekly earnings, less income from some other sources, you decide the amount of benefit you require.
- You pay regular contributions to keep the cover in force.
- We provide cover until your plan ends no matter how many claims you make. (See section "When do benefit payments start?")
- You tell us when illness or injury has stopped you working.
- We pay you benefit for as long as the claim is valid.

How do I ensure the plan meets my needs?

This section deals with the choices you make when setting up your plan.

The amount of benefit that can be paid.

Subject to medical underwriting the maximum number of shares of cover that can be held up to the age of 16 is 40. Once you have reached 16 and provided you have not reached 55 years of age then subject to medical underwriting you choose the amount of benefit you need, subject to the benefit limitation rules.

Remember that, under current legislation, tax and national insurance are deducted from your normal earnings but not from the benefits we pay you.

This means that you should not need benefit which is more than 75% of your pre-incapacity earnings. This is the maximum percentage of your earnings which we will pay out.

Cover is based on the number of shares of cover you take out. The maximum number of shares of cover is 400 and so we will never provide benefit of more than £240.00 per week (£40.00 per day excluding Sunday) regardless of your earnings.

See also the section “Other income which may reduce your benefit”.

The earnings upon which to base your cover.

When choosing your cover, remember that if you claim, we will pay benefit based on your pre-incapacity earnings:

- If you are employed, these are your pre-tax or gross weekly earnings for PAYE assessment purposes excluding benefits in kind before you became unable to work;
- If you are self-employed, these are your share of pre-tax profit from your trade, profession or vocation (net taxable profit), as described in Schedule D Case I and II of the Income and Corporation Taxes Act 1988, before you became unable to work;
- If you are in owner managed employment, these are your pre-tax or gross weekly earnings for PAYE assessment purposes excluding benefits in kind and your relevant proportion of net taxable profit, based on your shareholding in the business, before corporation tax before you became unable to work.

To ensure you receive the correct amount of benefit we will ask for evidence of your earnings at claim in addition to medical evidence.

Income received from savings and investments is not taken into account unless it is being treated as income from your employment.

Can I increase my cover after the plan is running?

After you have taken out your plan you may apply to increase your cover, subject to medical underwriting, provided you have not reached 55 years of age. An application to increase cover may be declined by the Society if it is unwilling to accept the risk or only accepted on special terms.

The terms offered by the Society can be accepted or declined by you.

An appropriate contribution increase will apply when your cover increases.

See also the section “The amount of benefit that can be paid”.

When do benefit payments start?

For valid claims benefit will be paid from the first day of illness provided you live and work within the EU. Full benefit will be paid for the first 52 weeks of valid claim at the rate of 60p per share of cover and half rate of 30p per share of cover thereafter. Benefit will return to full rate after a 52 week claim free period back at work. See also the section “Claiming again after returning to work”.

How long can the benefits be paid?

For valid claims benefit will be paid until the first of the following events:

- You recover from your incapacity
- You no longer satisfy the claim criteria
- You reach the end of the contract
- You terminate the contract
- You die

How long should the cover last?

The plan is designed to be a long term contract and so cover is intended to run until the plan reaches maturity.

At maturity you can select one of the following options:

If the plan was taken out up to and including 31 July 1992

- You can continue to pay contributions until the end of the year in which you reach age 65 to build your cash sum with further bonus additions. You will not be entitled to claim for lost earnings as a result of illness or incapacity unless you are working and have earnings to insure.
- Alternatively, in the January of the year in which you attain age 61 you can stop paying contributions and withdraw your cash sum.
- Finally, at your selected maturity you can leave a minimum of £100.00 of your cash sum with us to continue your association with the Society and benefit from interest on your retained credit. It is our understanding that interest additions under this option are taxable and should be declared for tax purposes. This could change in the future. Entitlement to income replacement cover ceases on maturity.

If the plan was taken out on 1 August 1992 onwards

- In the January of the year in which you attain age 61 you will cease paying contributions and can withdraw your cash sum without penalty, or
- As before, leave a minimum of £100.00 to your credit to continue your association with the Society and benefit from interest on your retained credit. As previously stated it is our understanding that interest additions under this option are taxable and should be declared for tax purposes. This could change in the future. Entitlement to income replacement cover ceases on maturity.

Medical and other details we may need.

When you apply for the plan or to increase cover your application will include questions about your medical history, earnings, occupation and other personal circumstances. We may request additional medical evidence to support your application at our expense.

Pre-existing and/or family history conditions may be excluded. A benefit moratorium of 6 calendar months applies on admission and 4 months in the case of subsequent increases in cover which means that no benefit will be
paid in event of claim within these periods.

It is very important that you provide accurate, comprehensive medical details as a failure to do so could result in non-disclosure and rejection of the claim.

SCALE OF MONTHLY CONTRIBUTIONS						
Age at Birthday in Current Year	**£.p**	**£.p**	**£.p**	**£.p**	**£.p**	**£.p**
0-29	6.40	16.00	32.00	40.00	48.00	64.00
30-33	6.80	17.00	34.00	42.50	51.00	68.00
34-37	7.20	18.00	36.00	45.00	54.00	72.00
38-41	7.60	19.00	38.00	47.50	57.00	76.00
42-45	8.00	20.00	40.00	50.00	60.00	80.00
46-49	8.40	21.00	42.00	52.50	63.00	84.00
50-53	8.80	22.00	44.00	55.00	66.00	88.00
54-57	9.20	23.00	46.00	57.50	69.00	92.00
58-60	9.60	24.00	48.00	60.00	72.00	96.00
Shares of Cover Held	40	100	200	250	300	400
Maximum Weekly Sickness Benefit	£24.00	£60.00	£120.00	£150.00	£180.00	£240.00

This table is for illustration purposes.
For shares of cover other than those shown please contact the Society or your financial adviser.
The contributions are not level and will increase with age from 1 January as applicable.

How flexible is it?

This section deals with the choices you can make once your plan has started.

Regular review of your cover.

You should consider how your earnings and living costs have changed since you last reviewed your cover.

If you wish to increase your cover please contact your financial adviser or the Society. Applications to increase cover will be subject to a fresh assessment of your health, earnings, occupation and other personal circumstances.

If approved your contribution payments to us will increase in accordance with the cover taken out.

You may apply to reduce your cover but in such instances you should be aware that any subsequent application to increase could result in less favourable terms being offered than for earlier applications.

See also the section “Can I increase my cover after the plan is running?”.

Suspending your contributions.

Contributions may not be suspended during the lifetime of the plan.

Change of occupation.

You do not need to tell us if you change your occupation after the plan starts but if you change your employment status from employed to self employed or to a combination of the two or vice versa you should tell the Society to ensure benefit remains appropriate to your needs.

When will the plan pay out?
This section deals with claims for sick pay benefit.

When to claim.

When you are unable to work, because of illness or injury, resulting in a loss of earnings.

The deadline for claiming.

You must give notice to the Society within 7 days and submit a claim form within 14 days of the commencement of the illness. The Society has discretion to allow up to 21 days for receipt of the completed claim form but only in certain instances. You should ensure you meet these deadlines otherwise you risk losing benefit.

The extent of incapacity.

The plan is an 'any occupation contract' which means if you are able to continue working in your usual or any alternative occupation, whether or not such employment is available, when you are ill you will not be entitled to claim sick pay benefit.

How we assess your claim.

We will examine your claim form to look at the duties of your occupation and your ability to do them, and for longer term claims whether adjustments can be made to help you do these.

We will ask for up to date evidence of your earnings in the form of payslips and P60 if you are employed and sets of accounts along with Inland Revenue Tax Assessments if you are self employed. If you are in owner managed employment we will ask for both.

We will also ask for medical evidence to assess the extent of your illness and ability to do your job.

We will then consider your ability to work in an alternative occupation.

You will qualify for benefit if you are unable to perform the job duties of your occupation and any other occupation resulting in a loss of earnings, and are not doing any other work.

How long the claim is paid for?

See also the section "How long can the benefits be paid?".

Claiming again after returning to work.

There is no limit to the number of claims you can make. However, if you claim again within 52 weeks of returning to work then the claim will be added to the earlier claim(s) in determining the applicable rate of benefit payable. The Society has the right to treat any claim as a continuation of a previous illness if it has reason to believe a claim has been stopped to avoid benefit being paid at half rate.

Can I return to work and still receive benefit?

If you are receiving full or half rate benefit and you are certified by your doctor as being permanently unable to work as a result of your illness and medical treatment is to no avail you can be paid a reduced rate of benefit in addition to what you could earn from any work you might be able to perform.

How is sick benefit paid?

Once your claim has been admitted benefit is generally paid by cheque every 14 days if you are in full rate and every month once your claim is being paid at half rate.

Should I continue contribution payments when claiming?

Because the plan earns bonuses on the number of shares of cover you hold, you must maintain contribution payments throughout the plan even when in claim so your cover and other benefit entitlement is maintained.

Is there anything which is likely to reduce my benefit?

We will reduce the benefit we pay if any of the following take you over the maximum allowable (which is explained in “The amount of benefit that can be paid”):

- Continuing payments from your employment - such as ongoing earnings or entitlements or company and statutory sick pay
- Pension payments - unless you were entitled to them while still working
- Other insurance benefits - if they arise because of your incapacity.
- State Benefit – such as incapacity benefit or its equivalent.

If your benefit is reduced we will not refund any of your contribution payments made to us and your cover remains unchanged unless you choose to reduce it.

We will not reduce your benefit if you receive:

- Investment income
- Income from your savings

unless it is being treated as income from your employment.

When will the plan not pay out?

Benefit will not be paid in respect of:

- incapacity, due to or arising from HIV AIDS except when contracted through no fault of your own
- pregnancy
- war and civil commotion
- self-inflicted injury
- criminal acts
- voluntary sterilisation or abortion
- drug, solvent and alcohol abuse or addiction
- sexually transmitted diseases
- failure to follow medical advice
- Sundays

We may also exclude other conditions in some cases. If so we will tell you before you start your plan.

If you claim and live outside of the European Union (EU) benefits will only start to be paid on your permanent return within the EU and you will not be entitled to any back-payment when you return.

As the plan is principally designed to replace lost income when you are unable to work through illness or injury, you cannot claim if you are not in employment when you become incapacitated. In such instances your plan can continue but you will be unable to claim as you will not have any continuing income from employment.

What other features are there?

Subject to certain conditions you may make withdrawals from the monies standing to your credit.

What will my contribution payments be?

Your personal illustration will show the cost of the cover you have chosen.

Your contribution payments depend upon your age and upon the level of the cover you choose. We will confirm the actual cost you will pay once we have assessed your application. (Also see Table on page 8)

Payments can be made on an annual or monthly basis by cheque or direct debit. Payment by Standing Order can be arranged but we do not recommend it with contributions that increase with age.

Will my contribution payments change in the future?

Contributions are not level and will increase with age. In future it is also possible that we may change the contribution payments for members covered by the plan because of factors such as the level of claims and management costs. You will be informed beforehand if this is going to happen. Any changes to rates must be approved by the members at a General Meeting of the Society. (Also see Table on page 8)

Where are my contributions invested?

Because the plan contains an investment element after meeting the cost of benefit and the running costs of the Society surplus contributions are invested in a selection of investments such as property, bonds, equities and cash.

What happens to the plan if I die?

Should you die before the maturity of your plan, the value of your plan at the date of death will be paid to your next-of-kin or specified representative.

What if I stop paying contributions?

Your plan and cover will end. After 12 months without making any contributions your contract will automatically cease and you must claim any balance standing to your credit within 2 years of your last contribution payment otherwise you will forfeit any monies due to you. See also the Section "Does the plan have a cash in value?"

Does the plan have a maturity value?

Your plan is designed to be long term in nature and has an investment element. Profit distributions apply separately to each share of cover and start to be earned from the beginning of the plan. These bonuses are currently added annually at the end of each calendar year, at the discretion of the Board, having taken actuarial advice. The proceeds are currently paid tax free at the maturity of the plan and you will be sent a statement each year which will show you the value of your plan. The maturity value will be a lot less than the contributions you have paid because a large percentage of them will have been used to provide income replacement benefit.

Does the plan have a cash in value?

Your plan also has a cash in value but because the contract is intended to be held until maturity there will be a penalty for early closure. The penalty, which is deducted from available credits standing to your name before closure, is currently £3.00 for each share of cover held subject to a minimum penalty of £10.00 and a maximum of £100.00 These could change in the future. Again any return will be less than the contributions you have paid because a large percentage will have been used to provide income replacement benefit.

What about tax?

Present UK tax law and Inland Revenue practice means you do not

- get tax relief on contributions
- pay tax or national insurance contributions on your benefits (including any lump sum on maturity)

This may change in the future.

Can I change my mind?

After we accept your application we will send you a Cancellation Notice. If you do not want the plan, you will have 30 days to send this notice back.

How to contact us

The Society is authorised and regulated by the Financial Conduct Authority and does not give investment advice so your financial adviser will normally be your first point of contact. We will not be able to give you financial advice. If you do not have a financial adviser the Society can supply you with the telephone number of the IFA promotions helpline who will supply contact details of at least 3 financial advisers in your area.

If you have any questions at any time, you can telephone, or send a fax or e-mail, or you can write to us.

Call us on **01285 653073** or **652492** during the following times:
Monday to Friday 8.45 am – 5.00pm (We monitor calls to improve our service.)
24 hour answer telephone number – **01285 652492** or **653073**

Fax number – **01285 641246**

e-mail address – **info@cirencester-friendly.co.uk**

Office address
Cirencester Friendly Society Limited,
5 Dyer Street, Cirencester, Gloucestershire GL7 2PP

Other Information

How to complain

If you ever need to complain, please write in the first instance to the Society's Compliance Officer at the office address. If you are not satisfied with our response, you can complain to:

Financial Ombudsman Service
South Quay Plaza, 183 Marsh Wall, London E14 9SR

Complaining to the Ombudsman will not affect your legal rights and will not cost you anything.

Terms and Conditions

These Key Features give a summary of the Health and Wealth Income Protection Plan. They do not include all the definitions, exclusions, terms and conditions. If you would like a copy of the full terms and conditions, please ask your financial adviser or contact us direct for a free copy of the rules.

When you apply to the Society you agree to be bound by a set of rules present and future this means we have the right to change some of the terms and conditions. We will write and explain if this happens. We will also send you a copy of any alteration to the rules so that you understand what has changed.

Law

The law of England and Wales will apply

Compensation

The UK Financial Services and Markets Act 2000 will cover your plan. It is designed to protect you if we become insolvent.

Health & Wealth

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