

SCOTTISH WIDOWS PROTECT  
**INCOME**  
PROTECTION COVER

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Policy summary

# SCOTTISH WIDOWS PROTECT

This policy summary gives you an overview of Scottish Widows Protect Income Protection Cover. It doesn't give you full details of the policy, you can find these in the Scottish Widows Protect Income Protection Cover Policy Provisions.

If you take out a policy, we'll send you a copy of the Policy Provisions, along with a Policy Schedule. These are your policy documents. You should keep these in a safe place.

Scottish Widows Protect Income Protection Cover is provided by Scottish Widows Limited.

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## WHAT IS SCOTTISH WIDOWS PROTECT INCOME PROTECTION COVER?

Scottish Widows Protect Income Protection Cover is a policy that aims to pay you a monthly income if you are unable to work because of illness or an injury.

### Cover available

Scottish Widows Protect Income Protection Cover gives you two types of cover to choose from. You can have either Income Protection Cover – 2 years or Income Protection Cover – Full term.

#### Income Protection Cover – 2 years

With **Income Protection Cover – 2 years** the cover you will have will allow a maximum number of claim payments for your first claim of 24. You'll find more information in 'For Income Protection Cover – 2 years, how many claim payments are available?' and in your Policy Provisions.

#### Income Protection Cover – Full term

With **Income Protection Cover – Full term** the cover you will have has no maximum number of claim payments for all claims before your policy ends.

For whichever type of cover you choose, there are three types of monthly benefits which we may pay under your cover:

- incapacity income benefit
- rehabilitation income benefit
- proportionate income benefit.

We may pay more than one claim over the term of your policy.

When you've chosen which type of cover you want, you can then choose if you want the basis of this cover to be level or increasing.

#### Level cover

**Level cover** means that the amount of cover you choose stays the same until the policy ends, and your premium doesn't increase.

#### Increasing cover

**Increasing cover** aims to help protect your level of cover against inflation. The amount you are covered for will normally increase by the change in the Retail Price Index. You will get a minimum increase of 2% each year and a maximum of 10%.

The amount you pay for your policy will also increase each year, but by 1.5 times the percentage your cover amount increases. For example, if your cover amount increased by 2%, your premiums would increase by  $2\% \times 1.5$ , so by 3%.

If you want increasing cover you can only choose it at the start of your policy. You can find more information in your Policy Provisions.

### How long can I take my policy out for?

You choose how long your policy will last for. This can be for a specific number of years or to a specific age.

The minimum term you can take a policy for is five years. The maximum term will depend on your occupation.

You can't cash-in your policy. This means that if you cancel your policy after the cancellation period you won't get any money back. If we've not paid a claim by the end of your selected term, the policy will end and you'll get nothing back.



## How much cover can I have?

If you choose level cover, the maximum amount of monthly cover that is available on a Scottish Widows Income Protection Cover policy is £20,000.

If you choose increasing cover, the maximum amount of monthly cover available at the start of your policy is £12,000.

The maximum amount of cover you can have when you apply for your policy is based on your earnings and any other regular income you are receiving. The calculation we use based on your earnings is 60% of your annual earned income up to £70,000, and 45% of any income above £70,000.

### Example

For example, if your annual income is £80,000, we will calculate the maximum monthly cover you can have as:

60% of £70,000	= £42,000
plus	
45% of £10,000	= £4,500
<b>This totals</b>	<b>= £46,500</b>
To get your monthly amount, divide this by 12	<b>= £3,875</b>

We will also take into account any other regular income you have, such as income from other income protection policies, or from a pension, which could reduce the amount of cover you can have.

When you make a claim we will review your earnings and other income to check the amount we can pay. We might not be able to pay you your full cover amount, if, for example, your earnings have changed, or you are receiving any other income.

It is important that you regularly review the cover you have, especially if there are changes to your regular income. Any changes to this could mean that you are paying for more cover than the claim payment we would pay. We won't refund any premiums if you have paid for more cover than your claim allows.

You will find more information about the amount of cover you can have in your Policy Provisions.

## Who can take out a Scottish Widows Protect Income Protection policy?

You must be at least 18 and no more than 59 years of age when you apply for a policy. The latest a policy can end is by your 70<sup>th</sup> birthday, but for some occupations the policy will end sooner. We'll let you know when you apply if your policy needs to end sooner than you've asked for.

You must be receiving an income from your occupation and working at least 16 hours a week when your policy starts.

When you apply you must be a UK resident (excluding the Channel Islands and the Isle of Man) and you must have a UK bank account. You also must currently be registered with a GP in a UK medical practice and have been for at least two years.

## Choose how long to wait before your claim is paid

There will always be a period of time between the start of your period of incapacity and you receiving any incapacity benefit. This is known as the deferred period. When you take out a policy you choose how long this will be. You can choose 4 weeks, 8 weeks, 13 weeks, 26 weeks or 52 weeks. The deferred period you choose could be, for example, to coincide with when any sick pay paid to you by your employer stops.

## How much does my policy cost?

If you take out a policy, the premium you initially pay each month is shown in your Policy Schedule. The premium will depend on a number of factors including the type and basis of cover you choose and the answers you give to our health and lifestyle questions.



**What you pay each month includes all charges.**

If you choose level cover your premium won't change, unless you make changes to your policy in the future. If you choose increasing cover your premium will increase each year.

You must pay your premium by Direct Debit from a UK bank account.

## What will I be covered for?

Your policy is designed to provide cover if you're unable to work because of illness or injury. We use two definitions of incapacity to measure whether you're unable to work – Own Occupation and Activities of Daily Living. You will be covered if you meet the relevant definition of incapacity.

### Own Occupation

As a result of an illness or injury you can't do the material and substantial duties of your normal occupation. And you aren't doing any other occupation in its place for payment or profit.

When we say 'normal occupation' we mean the occupation from which you last had any earnings before the start of a period of incapacity. If you have more than one occupation, it will be the one that you were doing most of the time just before that period.

Your policy will be set up based on the Own Occupation definition. However, there are some occasions when we won't use this definition to assess your claim, we will use the Activities of Daily Living definition.

### Activities of Daily Living

As a result of an illness or injury you can't do at least three of the 'activities' below on your own.

This is without the help or supervision of another person but with the use of special equipment routinely available to help and having taken any appropriate prescribed medicine.

- **Walking** – The ability to walk more than 200 meters on a level surface.
- **Climbing** – The ability to climb up a flight of 12 stairs and down again, using the handrail if needed.
- **Lifting** – The ability to pick up an object weighing 2kg at table height and hold for 60 seconds before replacing the object on the table.
- **Bending** – The ability to bend or kneel to touch the floor and straighten up again.
- **Getting in and out of a car** – The ability to get into a standard saloon car, and out again.
- **Writing** – The manual dexterity to write legibly using a pen or pencil, or type using a desktop personal computer keyboard.

For example, we'll use the Activities of Daily Living definition if in the 90 days immediately before your period of incapacity begins

- you've not been working at all, or
- you've been working but you've not done at least an average of 16 hours a week of paid work.

We'll increase the 90 days to 12 months if:

- you're an employee and have agreed with your employer to take maternity leave, parental leave, or adoption leave, and
- your job is being held open for your return or you've accepted an offer from your employer for a new role when your leave ends.

## What other cover is automatically included?

### Rehabilitation Income Benefit

After a claim, if you return to the job you were doing before your incapacity on a part-time basis or reduced duties and your earnings are reduced, you may be able to receive monthly rehabilitation income benefit payments.

### Proportionate Income Benefit

After a claim, if you are unable to return to the job you were doing before your incapacity, but start a new job or occupation with lower earnings than your previous job, you may be able to receive monthly proportionate income benefit payments.

These benefits are designed to top up your income if you return to work with less earnings than before. We'll pay a partial amount of your monthly income benefit to do this.

If you have an Income Protection Cover – 2 year policy, any Rehabilitation or Proportionate Income Benefit we pay will count as one of your 24 claim payments.

You can find out how we calculate the amount of Rehabilitation and Proportionate Income Benefit we'll pay you in your Policy Provisions.

## What am I not covered for?

When you apply for a policy we'll ask you for information which we will assess to see what cover we can offer you. This may mean we have to add exclusions to your policy and could also change the premium shown on your personal quote summary. An exclusion is when a specific illness, sport or pursuit is not covered by your policy. This means we won't pay a claim for that illness or any incapacity you suffer because of that sport or activity. We could also exclude Fracture Cover from your policy which means we wouldn't pay a claim for that. You'll find out more about Fracture Cover in 'What other benefits are included?'.

If we exclude anything or your premium is different to what is shown on your personal quote summary, we'll let you know before you make your decision to go ahead with the policy.

The policy does not include unemployment cover, so we won't pay a claim because you become unemployed.

## What other benefits are included?

### Fracture Cover

Fracture Cover pays you a lump sum if you sustain a bone fracture or break that is covered by your policy. We won't pay anything for hairline, stress or fatigue fractures, or if we have excluded Fracture Cover from your policy.

The amount we'll pay will depend on which area of your body the fracture occurs. The maximum amount we'll pay for one Fracture Cover claim is £4,000, and this is also the maximum we'll pay for all Fracture Cover claims in a 12 month period. We'll only pay one claim for each type of fracture within 12 months. There is no deferred period for a Fracture Cover claim.

You can find more information about how much we'll pay for each type of fracture and the circumstances when we won't pay a Fracture Cover claim in your Policy Provisions.

### Hospitalisation Cover

Hospitalisation Cover pays you a lump sum if you spend six consecutive nights or more in hospital.

If you're an inpatient in hospital for six consecutive nights or more, we'll pay you £125 a night, for up to a maximum of 90 nights, during the term of your policy. This will be paid to you as a lump sum. Your claim will end after the earliest of you leaving hospital, your deferred period ending, your policy ending or you die.


We won't pay for any treatment you receive in hospital. If we have added an exclusion to your Income Protection Cover policy, this will also apply to Hospitalisation Cover.

## MAKING A CLAIM


### How do I make a claim?

If you need to make a claim on your policy, you should contact us as soon as possible.

To let us know about your claim you can:



complete our online claim form



call us on 0345 601 4839

We are open from 9am to 5pm, Monday to Friday. Calls may be recorded and monitored to help us improve our service.

It's important that you tell us about a claim as soon as possible. We'll need sufficient time to get the information and evidence we need to assess your claim. If you delay in telling us about your incapacity, this could mean that there is a delay in starting to pay your claim payments, or could mean we can't accept your claim.

The table shows you the latest you should contact us.

Type of cover	When to contact us
Income Protection Cover	Before whichever is earlier: <ul style="list-style-type: none"> <li>eight weeks after the start of your period of incapacity, and</li> <li>the date your deferred period ends.</li> </ul>
Fracture Cover	Before whichever is earlier: <ul style="list-style-type: none"> <li>eight weeks after the fracture occurs, and</li> <li>the expiry date of your policy.</li> </ul>
Hospitalisation Cover	Before whichever is earlier: <ul style="list-style-type: none"> <li>eight weeks after you leave hospital, and</li> <li>the expiry date of your policy.</li> </ul>

### When will I start to receive my incapacity income benefit?

If we accept your claim, you will normally start to receive your incapacity income benefit one month after the end of your deferred period. For example, if you choose a deferred period of 26 weeks, this starts from the date you first meet your definition of incapacity. If we accept your claim, your claim payments will normally start one month after the end of the 26 weeks.

The deferred period will normally apply for all monthly incapacity income benefit claims. The only exceptions are linked claims.

### Linked claims

If you make a subsequent claim for an incapacity that we agree is related to a claim that you've already received an income protection benefit for, this could be a linked claim.

Depending on the type of cover you have, there is a set period of time between returning to your occupation and becoming incapacitated again for your claims to be linked. For Income Protection Cover – 2 years this is up to six months, and for Income Protection Cover – Full term it's up to 12 months.

For example, if you've received an income protection benefit from an Income Protection Cover – Full term policy and then suffer a relapse within 12 months of returning to work, your claim will be linked. This means your deferred period won't apply, so you'll start to receive an income one month after we accept your claim.

### For Income Protection Cover – 2 years, how many claim payments are available?

The maximum number of monthly claim payments available for your first claim on an Income Protection Cover – 2 year policy is 24.

If we pay 24 claim payments to you, your claim period will end even if you still meet the definition of incapacity. This could mean that you won't receive any claim payments even though you can't return to work.

If you then return to work for at least 16 hours a week for six months in a row after your claim period ends, we'll reset the number of claim payments available for any new claim to 24.

This doesn't apply if you choose Income Protection Cover – Full term, which has no maximum number of claim payments that can be paid before your policy ends.

### How much incapacity income benefit will I be paid each month?

We'll calculate your annual earned income for the 12 months up to when your incapacity started to determine your monthly claim payment. If you are self-employed when you make a claim, your claim payment will be based on the total income you received from your business for the previous 36 months. If you don't have this information we'll discuss with you what other information we'll need. You'll find more information about how we calculate your claim payment in your Policy Provisions.



## Minimum Benefit Guarantee

There is a minimum benefit amount that we guarantee to pay you if your claim is accepted. As we calculate your monthly claim payments based on your earnings when you submit your claim, this could mean that you might not get as much monthly benefit as you expect. The minimum benefit guarantee means that even if your earnings change, you will know the minimum amount of benefit you will get if we accept a claim.

If you take out a policy with a monthly cover amount of £1,500 or less, the minimum benefit guarantee is your current cover amount. If we accept a claim, we will pay this amount as a monthly claim payment.

If your monthly cover amount is more than £1,500, the minimum benefit guarantee is £1,500. If we accept a claim, the monthly claim payment will be a minimum of £1,500.

Your minimum benefit guarantee is shown in your Policy Schedule.

If you have more than one income protection policy with us, we'll apply the minimum benefit guarantee for only one policy if we accept a claim. We'll apply this to the policy that gives you the biggest increase to your claim payment.

If you have any income protection policies with other providers which have a similar minimum benefit guarantee, we'll take this into account when we assess your claim.

You will find more information on the minimum benefit guarantee, when it applies, when it might increase and how the amount may change in your Policy Provisions.

## When will my monthly claim benefit stop?

Your monthly incapacity benefit payments will stop when you return to your normal occupation, or are able to work again at your normal occupation so do not meet the definition of incapacity.

They may stop sooner if you have an Income Protection Cover – 2 years policy. Payments will stop once the number of monthly claim payments available to you reaches zero.

If your policy reaches its expiry date, is cancelled or if you die, your claim payments will stop.

If you travel or move abroad for work for a sustained length of time this could affect your claim payments. If you spend a total of six months or more outside specific included countries while you are receiving claim payments, your claim payments will stop. You will find the full list of included countries in your Policy Provisions. This also applies to Fracture Cover and Hospitalisation Cover claims.

Your claim payments will stop if you are charged with a criminal offence which prevents you from working. They could also stop if we discover you have given us incorrect or incomplete information during your claim period.

## What will stop my policy paying a claim?

We might not pay some or all of a claim if you don't answer all the questions we ask during your application honestly and completely. We could also cancel your policy. If we do that, we may not refund your premiums. The same applies if you don't tell us about any changes to the information you give us before we've agreed the terms of your policy.

When we say 'agreed the terms' we mean once we've written to you to confirm your terms. We'll do this after you've confirmed that all the information you give us in your application is accurate and complete.

We will need evidence to support any claim you make. We may not pay your claim if we can't get this evidence or if we can't get all the information we need.

If you miss a premium payment, we'll be in touch to let you know, so you can arrange for the payment to be made. If you miss three premium payments in a row we may cancel your policy and you'll get nothing back. If we do this your cover will end and you won't be able to make a claim at a later date. Please get in touch with us if you are experiencing financial difficulties and are unable to pay your premium so we can discuss how we can help.

You can't make a claim on the policy before the policy has started and you can't choose a start date that's in the past.

You'll find more information about what will stop your policy paying out in your Policy Provisions.

## MAKING CHANGES

### Can I make changes to my policy?

You can request to make changes to your policy once it has started. In some cases we will need to ask you more status, health and lifestyle questions.

#### Guaranteed Insurability Option

There are some circumstances when you may apply to change the cover you have without giving us more information about your health and lifestyle at the time of the increase. We may agree to this if certain events occur, for example, your relationship status has changed or your mortgage has changed. There are a number of conditions that must be met when you apply to use this option, including being under 59 years of age and not having an incapacity when you request the change.

The table gives you some examples of changes you can request and whether we will need to ask more questions, along with the impact it will have on your monthly premium.

Change requested	Do I have to answer more medical questions?	Will I pay more or less after the change is made?
Increase my monthly claim benefit through the Guaranteed Insurability Option	No	More
Reduce my monthly claim benefit amount	No	Less

Change requested	Do I have to answer more medical questions?	Will I pay more or less after the change is made?
Choose a longer deferred period – wait longer between becoming unable to work and when you pay my claim	No	Less
Choose a shorter deferred period – wait less time between becoming unable to work and when you pay my claim	Yes	More
End my policy at a younger age	No	Depends on your circumstances
End my policy at an older age	Yes	More

You can find more information about the changes you can make and the conditions that apply to the Guaranteed Insurability Option in your Policy Provisions.

### What changes can you make to my policy?

We can make reasonable changes to your policy to allow for changes in law, regulations or tax rules which affect us or your policy. We might also need to make changes if there was an error in your policy documents which is fair for us to change. We will let you know if we make any changes.

## OTHER INFORMATION YOU MIGHT NEED

### Will money from a claim be taxed?

Under current tax rules there will be no income tax or capital gains tax to pay on any amount paid out.

Please note that tax rules can change.

### How can I contact you?



If you have any questions or want to make any changes to your policy please call us on: **0345 030 6572**

We are open from 9am to 5pm, Monday to Friday. Calls may be recorded and monitored to help us improve our service.



or write to us at:  
**Scottish Widows Ltd**  
**PO Box 24171**  
**69 Morrison Street**  
**Edinburgh EH3 1HL**

Please ask us if you'd like this policy summary in large print, braille or audio.

### Can I change my mind?

You can change your mind about taking out this policy within 30 days of the start date shown in your Policy Schedule. We will refund any payments you've made so far.

You can cancel the policy any time after this period has ended but we won't refund any payments you've made. You can call us on **0345 030 6572** or write to us at the address above.

You can't cash-in your policy. This means that if you cancel your policy after the cancellation period you won't get any money back. If you are experiencing financial difficulties and are considering cancelling your policy, please contact us to discuss how we can help.

If we've not paid a claim by the end of your selected term, the policy will end and you'll get nothing back.

### How can I complain?

If something has gone wrong we'd like to put it right. Please call us on **0345 030 6572** or write to us.

If you're not happy with our response, you can complain to: The Financial Ombudsman Service, Exchange Tower, London E14 9SR

Telephone **0800 023 4567**

Website **[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)**

Complaining to the Ombudsman won't affect your legal rights.

### Where can I find my full terms and conditions?

This policy summary gives you a summary of our Income Protection Cover which is part of our Scottish Widows Protect Plan. You can get more information about your cover in the Policy Provisions, which you can get from us. You can call us on **0345 030 6572** or write to us.

This policy can't be written under trust.

### Law that applies to this policy

Your plan is governed by the law of whichever part of the UK you lived in, or normally lived in when you took it out.

The information in this policy summary is our understanding of the law and HM Revenue & Customs rules and practices at the date we published it. If there are changes to tax rules or other laws then this may affect your policy.

## Financial Services Compensation Scheme (FSCS)

Your plan is fully covered by the Financial Services Compensation Scheme (FSCS). This means that in the unlikely event that Scottish Widows went out of business, your plan wouldn't be affected and you'd remain covered. More information is available from the FSCS who can be contacted on **0800 678 1100** or **0207 741 4100** or visit **[www.fscs.org.uk](http://www.fscs.org.uk)**



Protected

## Scottish Widows' financial strength

We publish a Solvency and Financial Condition Report (SFCR) each year. This gives information about how our business is performing and its financial strength.

You can find it at **[www.scottishwidows.co.uk/about\\_us/financial\\_information/solvency-ii-returns.html](http://www.scottishwidows.co.uk/about_us/financial_information/solvency-ii-returns.html)**

