Group Life Insurance - Assumption text explainer.

1. **Redundancy cover is not required.**

   If employees are made redundant, the policy can provide cover for a maximum of 2 years or until alternative employment has been found or the member reaches the age that cover ceases under the policy.

2. **No hazardous occupations undertaken by employees to be covered.**

   Occupational hazards are conditions surrounding a work environment that increase the probability of death, disability or illness to a worker. Examples can include, but are not limited to, forklift truck operators, pilots, off-shore workers, miners, firefighters, roofing operations.

3. **Cover is not provided as part of a flex scheme.**

   Flexible benefits are typically provided by an employer by way of an allowance which allows employees to choose the benefits of their choice (either covering the full cost of the benefit or a partial contribution towards it). These benefits are often managed in conjunction with a flexible benefits platform.

4. **In the event of a claim, salary used will be as at the date of death.**

   If an employee has had a salary rise since the anniversary of the policy, selecting the date of death would ensure the employee's increased salary is used.

5. **There are no participating employers.**

   We need to be informed of any participating employers.

6. **Cover is not voluntary.**

   A voluntary scheme is where the employee has the choice as to whether they want to be included in the Scheme or not.

7. **No equity partners or non-executives to be covered.**

   Equity Partners have differing levels of cover available on some products so we would need to be able to identify equity partners, non executive directors and LLP members.

8. **Annual premiums.**

   Premiums are collected by direct debit (bacs may be available for large schemes), other options generally available are monthly and quarterly.

9. **You wish to participate in the insurer's Master Trust.**

   Group Life Insurance is classed as a registered arrangement and needs to be written under Trust and registered with HMRC. A discretionary trust is used to separate out any lump sum paid by the insurer from a deceased's estate so that they are not subject to inheritance tax (under current tax rules). A master trust is generally managed for the insurer by an independent third party trustee. Some of the advantages are that the employer doesn't need to act as a trustee, no trustee bank account is required, less administration and HMRC reporting. We recommend you research these options and seek independent financial or tax advice.

   Should you already have your own Trust in place (not via a Master Trust) please let us know and we can obtain details from you.

10. **Cover would be provided for new joiners from age 16.**

    Cover can start for an eligible employee from age 16.

11. **The scheme will remain open to all future employees until the insurer is advised to the contrary.**

    A closed scheme means that no further employees can be included in the category e.g. an acquisition where employee benefits were ring fenced and differ from those provided for other new joiners; or where cover was promised to a group and future employees would not be eligible to join/receive that level of benefit.

12. **No early retirement cover is provided.**

    Where eligibility is linked to membership of a workplace pension scheme, cover for lump sum benefits can be provided for members who leave active service and are granted an immediate early retirement pension from the workplace pension scheme. This benefit will be fixed at the date of early retirement and cover will cease on the member's State Pension age.

13. **No ill-health early retirement cover is required.**

    Where eligibility is linked to membership of a workplace pension scheme, cover for lump sum benefits can be provided for members who leave active service and are granted an immediate early retirement pension from the workplace pension scheme due to ill-health.

14. **No cover is required post normal retirement age (NRA).**

    Cover provided beyond the scheme cease age may be subject to the insurer's individual assessment and cannot continue beyond age 75.

15. **No employees on secondment.**

    If yes, cover is normally provided for people who are temporarily seconded outside the UK for a limited period of time - generally 36 months although this can be reduced (illness or injury is treated separately and cover can continue to the termination/cease age of the Scheme).

16. **Cover for new joiners would start immediately (as opposed to after, say, a probation period).**

    Cover can start immediately upon joining (subject to any medical underwriting) or after they have been employed for a certain amount of time (service period), or probationary period, or the next renewal date etc. The same criteria should apply to each defined group of employees.