

# Excepted Group Life Policy for lump sum death in service benefits

Technical guide





## An excellent choice

Canada Life Limited (Canada Life) aims to satisfy your specific requirements for Group Life, Group Death in Service Pensions, Group Income Protection or Group Critical Illness cover.

With us you will directly benefit from the full support of a dedicated team of specialist underwriters, administrators and account managers – all group insurance experts – who work together to establish and administer your scheme.

This technical guide is an **important document** that relates to the quotation with which it is issued.

You should keep the guide and your quotation together for future reference.

Your quotation gives you an illustration of the costs you may incur and the technical guide outlines the main features of this product. You should be comfortable that you understand its features before you ask us to provide you with cover. If there is anything you are not sure about, you can ask us or your intermediary.

This guide does not set out our full standard contract terms, the full overriding terms may be found in our Policy Conditions.

You can download our claims guides, forms and Policy Conditions from our website [www.canadalife.co.uk/group](http://www.canadalife.co.uk/group) or you can request a copy from:

**Customer Services**

**Canada Life**

**Group Insurance**

**3 Rivergate**

**Temple Quay**

**Bristol BS1 6ER**

You can also e-mail: [groupcsc@canadalife.co.uk](mailto:groupcsc@canadalife.co.uk) or ring **0845 223 8000**. Lines are open Monday to Friday, 9am to 5pm.

This contract is designed to be used by the trustees of a scheme that is set up under a discretionary trust.

If you need to set up a UK scheme, you can request specimen draft UK trust documentation from Customer Services, Group Insurance, as above.

We are not able to supply specimen draft trust documentation for use in the Channel Islands or the Isle of Man.

### Terms and expressions we use

In this guide when we refer to 'we', 'us' or 'our' we mean Canada Life Limited. When we refer to 'you' or 'your', we mean the trustees of the scheme to which the quotation and this guide relate. Some terms have specific meanings. These are listed below in alphabetical order together with their meanings.

***Actively at work'*** means that a person:

- is present at their place of work; and
- has not received medical advice to refrain from work; and
- is mentally and physically capable of performing fully the normal regular duties associated with the job they are engaged to do; and
- is working their normal contracted number of hours, either at their normal place of business or at a place that the business requires.

***Aggregate lump sum benefit'***:

the total benefits payable from all policies insured by our Group Insurance department.

***Annual revision date'***:

the date in each calendar year when the premiums are calculated.

***Catastrophic event'***:

one originating cause, event or occurrence or a series of related originating causes, events or occurrences, resulting in the deaths of four or more members, irrespective of when or where the members die.

***Commencement date'***:

the date that the Policy starts.

***Discretionary benefit'***:

a benefit you want us to provide for a member that is larger or smaller than the normal scheme benefit, for which the member would be eligible.

***Discretionary entrant'***: someone:

- who is not an eligible person but who you wish to include in the Policy.
- who is an eligible person but who you want covered from a different date to their normal inclusion date.

***Eligible person'***:

someone who meets the eligibility requirements for inclusion in the Policy.

## Terms and expressions we use

***'Employer':***

this term refers to any company, partnership or organisation that we have agreed to include in the Policy.

***'Evidence of insurability':***

any documentary or medical evidence that we may reasonably require to include someone for benefits in the Policy.

***'Excepted group life policy':***

a group life policy as defined in section 480(3) of the Income Tax (Trading and Other Income) Act 2005.

***'Expected normal retirement age':***

means the age agreed between us as being the age at which an eligible person would contractually be expected to retire, normally age 65, but not exceeding age 75.

***'Free cover limit':***

the total amount of a normal entrant's benefit that we will cover on standard terms without the need for evidence of insurability. This will be shown in your quotation.

***'HMRC':***

HM Revenue & Customs.

***'Insured benefit':***

the total benefit or benefits for which the member has been included in the Policy.

***'Lifetime allowance':***

has that meaning given to that expression in the Glossary to the HMRC Registered Pension Schemes Manual.

***'Member':***

an eligible person included in the Policy.

***'Membership Declaration':***

the form which is used to provide us with details of the cover required for specific members, and which an employer completes when a scheme is set up.

***'Non-UK scheme':***

a scheme set up under a discretionary trust for employers or partnerships based in the Channel Islands or Isle of Man.

### Terms and expressions we use

***'Normal entrant':***

an eligible person who you include in the scheme:

- on the first day that they meet the normal entry conditions; and
- for the normal scheme benefit

under the rules of the scheme.

***'Normal inclusion date':***

the first day that an eligible person qualifies for inclusion in the Policy.

***'Normal place of business':***

a location at which one or more of your employees carry out their duties on a regular basis.

***'Partnership partner':***

an equity partner of a partnership or an individual listed in the incorporation document of a Limited Liability Partnership.

***'Periodic review date':***

the date when your premium rates, Policy Conditions and Policy fee are reviewed.

***'Policy':***

the legal contract between you and us, which takes effect from the commencement date. It comprises:

- the Policy Conditions, which set out the standard terms of the contract;
- the signed Policy statement; and
- the Policy Particulars which set out the specific details of the cover we have agreed with you.

***'Policy fee':***

an annual charge per Policy towards our costs.

***'Policy year':***

any 12 month period from an annual revision date during which the Policy is in full force.

## Terms and expressions we use

***'Relevant UK individual':***

has the meaning given to that expression in the Glossary to the HMRC Registered Pension Schemes Manual.

***'Scheme':***

the scheme named against that heading in your Policy Particulars.

***'Scheme benefit':***

the benefit or benefits set out in your Policy Particulars.

***'Scheme salary':***

the basis of scheme salary you have agreed with us and set out in your Policy Particulars.

***'Statutory leave':***

any statutory leave taken from active employment because of maternity, adoption or paternity.

***'UK scheme':***

a scheme set up under a discretionary trust for employers or partnerships based in the UK.

***'Underwriting':***

the process whereby evidence of insurability is obtained and assessed.

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## Group Life Assurance Technical guide

### **Its aims**

To meet your need for insurance to cover all or part of the lump sum death benefits under your scheme.

### **Your commitment**

You must:

- give us accurate and complete information and data at all times and tell us immediately, whenever this changes,
- pay us all of the premiums we ask for, when they are due, in UK currency,
- establish a scheme by setting up a discretionary trust. UK schemes and non-UK schemes must be separate,
- abide by the terms and conditions of the Policy,
- advise us of any members who change their work location; and
- submit any claims in line with the process described in section 5 of this document.

You must also tell us immediately, whenever:

- a member dies. Any claim for benefit or additional benefit must be received by us within two years of the date of a member's death.
- there is any change to the companies or groups of people included in the scheme.
- you wish to change the benefit basis or include any optional additional cover.
- a member's aggregate lump sum benefit exceeds the free cover limit.
- you want to include someone who is a discretionary entrant or for a discretionary benefit.
- you want to cancel cover completely.



### Risk factors

- If you do not fulfil your commitments, we may reject your claims. We may also withdraw cover.
- We will only continue your cover if you keep your premium payments up to date and give us the information and data we need.
- Any delay in paying your premiums or giving us the information or data we need, may result in unexpected premium arrears or someone not being fully covered.
- We will not pay any claim for benefit or additional benefit that is received by us more than two years after a member's death.
- If this Policy is linked in any way to a group life Policy for a registered occupational pension scheme provided by us, this Policy would automatically cease if the linked group life Policy for a registered occupational pension scheme ceased for any reason.
- We may alter the premium rates, Policy Conditions and Policy fee at the periodic review date or at any other time if a change that affects those factors, occurs.
- There may be changes to the legislation, regulation, HMRC practice or tax rules affecting the treatment of this Policy.

### How does the Policy work?

- You decide the basis of the eligibility and the benefit categories you would like us to cover.
- Whilst these can change from one category of member to another, you must agree what you want with us, before the Policy starts.
- If the benefit amount or multiple varies from one category of member to another, you must insure each category under a separate Policy.
- You contact us before you want cover to start or to change.
- If we agree the basis you want, we will tell you when your cover will start. We will also tell you whether any special conditions will apply.
- If you want to make any changes to benefit categories or levels after the Policy has started, you can, but you must agree any changes with us before they can take effect.
- If you:
  - a. pay the premiums we ask for when they are due; and
  - b. give us complete and accurate information and data when we need it,we will provide cover on the basis we have agreed with you.
- If we can settle your claim, we will pay the benefit to you. You must pay the benefit in accordance with the scheme provisions. You will need a trustees' bank account in the name of the trustees of the scheme and separate from the employer's trading accounts, to accept and distribute benefit payments.



# Your questions answered

### 1.0 What factors should be considered in deciding what benefits to provide?

Excepted group life policies can only provide lump sum benefits payable when a member dies.

You will need to consider:

- what benefit promises you have made.
- whether group life benefits are an important part of your overall benefits package and whether the benefits you want to provide are typical of the industry and area you operate in.
- what salary basis you wish to use for benefit purposes, for example basic salary only, fixed at a specified date.
- whether you wish to limit the member's salary for benefit purposes, for example by applying a notional earnings cap.
- whether you wish to limit the member's benefit.
- whether you want to give the same level of benefit to all members, or different levels to different categories of members. If the latter, separate Policies will be required for each category of member.

We offer you a choice of options so that you can design cover to meet your commitments. You may insure all or part of the benefits that your scheme provides for the members.

### 1.1 Who can be covered?

You must decide what eligibility conditions you want and agree these with us before the Policy starts. If you want to change these afterwards, you must agree the change with us before it can take effect.

You may limit membership to certain categories of employment for example 'all directors' or 'all members of the xyz pension scheme'. The eligibility must be clear and agreed with us before cover can commence. Everyone who satisfies the agreed 'eligibility' and 'actively at work' requirements must automatically be included in the Policy. These requirements will also apply to increases in the basis of cover for existing members. We can cover different categories of membership for different levels of benefit.

#### 1.1.1 Eligibility

The eligibility conditions will normally include:

- the minimum and maximum entry ages and any service qualifications,
- the eligible categories, normally by occupation or job title that you want us to cover,
- when you will include new entrants in the Policy; and
- when members may have increases in their benefits.



There must be at least five members when your Policy starts, or two if linked to a group life Policy for a registered occupational pension scheme.

If either the eligibility conditions or the benefit categories depend on inclusion in a scheme for retirement benefits, you must tell us what the eligibility conditions are for those benefits. The retirement benefits must be available to all individuals as of right and not solely at your invitation. The quotation will show what assumptions we have made and the minimum take-up rate (if any) that we require.

If someone does not join the scheme when they are first eligible, we will have further requirements.

### 1.1.2 'Actively at work' requirements

Any person who is not actively at work due to ill health or disablement on their last contractual working day before the relevant date, 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.

This condition will not apply where groups of 50 members or more are included in the Policy on the commencement date, and immediately before that date the benefits were insured under a group life policy with another insurer on the same basis. However, for any member who is absent from work on account of ill health or disablement on that date, cover will continue no later than the date that cover would have ceased under the previous insurer's policy.

There are no actively at work requirements for employees or partnership partners who, after the commencement date, join the scheme for the normal agreed benefits basis when they first satisfy the agreed eligibility. The actively at work requirements will, however, apply to any increase in members' benefits that are as a result of a change to the basis of benefits on the commencement date.

#### **Note:**

We will require evidence of insurability (including medical underwriting requirements) for:

- categories of up to and including four members,
- benefits that are above the free cover limit,
- benefits that have not previously been accepted,
- benefits that have not been accepted by a previous insurer; or
- benefits that were subject to special terms or were declined by a previous insurer.



## Group Life Assurance Technical guide

### 1.2 When will cover cease?

#### 1.2.1 Under normal circumstances

Cover will normally cease for a member when they:

- reach their expected normal retirement age,
- cease to be a member of the scheme; or
- cease to be actively employed by the employer

whichever occurs first.

However, cover may continue for a member during a period of leave of absence from active employment. If you continue to pay premiums, we will continue to cover a member:

- if leave of absence is on account of ill health or disablement, up to the age you have agreed with us (such as their expected normal retirement age); or
- throughout any period of statutory leave prior to that age; or
- for a maximum period of three years for any other reason.

But see section 1.4 for details of the options available to you to continue cover in certain other circumstances.

In any event cover will normally cease when:

- an employee's contract of employment with an employer expires,
- a partnership partner ceases to be a partnership partner,
- for a UK scheme, the member stops being a relevant UK individual,
- for a non-UK scheme, if the member no longer resides or works in a country that we have agreed with you. These countries are specified in the description of eligible person in your Policy Particulars.

Cover will also cease if it is not allowed under the HMRC regulations applicable to an excepted group life policy.

If you want benefit increases during a period of temporary absence, these will be restricted to the lower of:

- the general level of salary increases granted by the employer during the period of absence; or
- the increase in the Average Earnings Index, published by the Office for National Statistics during the period of absence.



### 1.2.2 Cancelling the cover

If you want to cancel your cover you must tell us in writing. The Policy will continue until we receive your written instructions. You must continue to pay the premiums due and give us the information or data we ask for. If you do not we may not pay claims.

We will not backdate cancellation of cover and will charge for the time we have been on risk.

### 1.3 What types of cover are available?

Excepted group life policies can only cover benefits of a capital nature payable on a member's death. This means that death in service pensions are not available.

You decide the level and type of benefits and salary basis you would like us to cover, but you must agree these with us before the Policy starts. These can vary from one category of member to another, but you must insure each category under a separate Policy. If policies are split in this way, each Policy must initially cover at least two employees, or five equity partners or members of a limited liability partnership. If you want to change these afterwards, you can, but you must agree the change with us before it can take effect.

#### **Lump sum benefit**

This is payable when a member dies. It can be for either a fixed amount, for example £250,000 per member, or, more often, a multiple of the member's salary, for example four times salary.

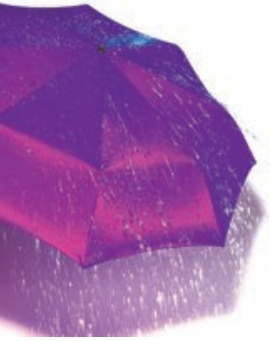
Where the lump sum benefit is based on the member's salary, you may also choose to apply a total benefit cap.

#### **Salary basis**

So that we both know what is covered, we need to agree how to define salary. Some examples of acceptable salary bases are:

- total earned income from the employer during a given 12 month period,
- for UK employees, total P60 earnings in the preceding tax year,
- basic salary plus agreed fluctuating emoluments from the employer (for example overtime, bonus, commission or directors' fees),
- basic salary only,
- for partnership partners, the annual average amount of earnings drawn from the business of the employer in the last three accounting years.

If the benefit is based on a multiple of salary, you may apply a notional salary cap.



## Group Life Assurance Technical guide

Where basic salary applies, salary sacrifice arrangements will reduce a member's basic salary. If you want to base the benefits on the pre-sacrificed salary level, you must agree the basis with us.

You must give us data that is consistent with the salary basis you have agreed with us. We will use the agreed salary basis to determine the amount payable for any claims you make, not the data provided.

### 1.4 Is any special cover possible under the scheme?

Yes. For additional cost, we may be able to provide cover for members who continue in active service after the expected normal retirement age or who have been made redundant.

**Any additional cover will only be provided with our prior agreement.**

#### **Cover extending beyond the expected normal retirement age**

Cover may continue for members who continue in active employment beyond the expected normal retirement age stated in the Policy. Cover can be to a given age or for a specified period that you have agreed with the members. Cover may also be subject to the provision of evidence of insurability or to the member satisfying actively at work conditions. We call this extending cover.

Extending cover will, in any event, cease no later than the date at which the member reaches age 75, or if a partnership partner, age 70.

#### **Cover for members who have been made redundant**

Lump sum cover can continue, for up to two years, for someone who leaves active employment due to redundancy. This cover is not available for partnership partners.

Extending cover and redundancy cover may also be subject to certain limitations. The full details of our standard terms that apply to these benefits can be found in section 3 of our Policy Conditions.

#### **Flexible benefits**

We can provide a quotation for flexible benefit options if there are at least 250 members in the scheme. Additional terms and conditions apply and are set out on your quotation.



## 2.0 Setting up the scheme

### 2.1 Requirements to set up the scheme

You must contact us to agree terms before the date that you want cover to start and before the quotation expires (usually three months). We will not backdate cover.

You must establish a scheme before your Policy cover can start. We will require full details of the scheme, including the:

- eligibility conditions,
- benefit structure,
- employers included; and

any specific requirements set out by us in the quotation, before we can provide cover.

Once the Policy starts and in order for cover to continue, you must also give us, within 30 days of the date that your cover starts:

- a fully completed proposal form (including the date of establishment of the trust),
- a deposit premium or a completed Direct Debit mandate,
- for unit rated schemes (see section 3.1), a completed Membership Declaration,
- completed actively at work and/or continuation of cover declarations as appropriate,

and also respond to any specific requirements set out in the letter confirming risk.

We will also require:

- membership data at the start date, including post coded normal work locations for each member.
- evidence of the contractual normal retirement age where an 'expected normal retirement age' above age 65 is selected. For example, copies of employee announcement letters, general contracts of employment or staff handbooks.

Failure to provide these items promptly will jeopardise your cover, and affect the processing of any claims you may have.

If the basis of risk differs from the quotation, we may need to give you an alternative quotation. This may result in a change in cost and/or our requirements.



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### 2.2 Evidence of insurability to be provided before members are covered

If you include members in the Policy as soon as they satisfy the agreed eligibility conditions and on the agreed benefit basis for that category of member, we can usually allow a free cover limit. The free cover limit allows anyone who joins at their first opportunity for the standard level of cover, to be covered for their full benefit entitlement provided it is below the free cover limit. The amount is shown on your quotation and may change at any annual revision date.

If a member is included in more than one Policy insured by our Group Insurance department, the member's aggregate lump sum benefits will be used to assess whether the free cover limit is exceeded.

However, it will not apply to any additional benefits granted to special categories consisting of up to and including four members. Evidence of insurability will be required for these additional benefits.

Benefits in excess of the free cover limit, discretionary benefits and benefits for discretionary entrants will also normally require evidence of insurability.

We may impose additional premiums, special terms or decline cover as a result of evidence of insurability to reflect a member's medical condition, hazardous occupation, or any hazardous pursuits undertaken (see section 3.2).

You must tell us immediately if you require cover for anyone in the above situations so that we can tell you what evidence of insurability we will need before we can provide you with cover.

If a member's benefits above the free cover limit have been declined, the member may not benefit from any future increase in the free cover limit.

### 2.3 What happens if a claim arises before a decision has been made?

If evidence of insurability is needed by us before we can accept the member's total aggregate benefit, we will provide temporary cover while we complete that process. Temporary cover will apply for up to 90 days from the date we receive details of the amount of the member's benefit, and will cease when we tell you what our decision is, if earlier.

However, temporary cover will not apply:

- if that member was previously not acceptable on standard terms.
- if medical evidence or other requirements previously requested have not been provided.
- to any part of the aggregate lump sum benefit that exceeds £2,000,000.
- if the death is directly or indirectly linked to any medical condition that the member has suffered from within the five years up to the date we receive details of the member's benefit.



### 3.0 What premiums will be charged for the cover?

The premiums we calculate depend on various factors including the:

- level and amount of benefits,
- eligibility and entry conditions,
- scheme profile such as age, gender, occupation, and locations of the workforce,
- claims history; and
- amount of the Policy fee.

There is a minimum annual premium of £1,000.

#### 3.1 How will premiums be calculated?

Where there are up to and including 19 members, we will normally use our single premium basis.

Where there are 20 or more members, we will normally use our unit rate basis.

The full details of our standard terms that apply to each premium basis are set out in section 6 of our Policy Conditions. The circumstances when we may alter the rates to apply are set out in section 7 of our Policy Conditions.

#### 3.2 Will there be any unexpected extra premiums?

If the information we need to calculate the premium is delayed or inaccurate, your premiums could change because you may not be paying the correct premium.

The premium rates, Policy Conditions and Policy fee may change at the periodic review date. They may also change at any time that you make any changes that affect the factors we have used to calculate your premiums.

We may charge additional premiums for members' benefits that have special terms applied due to evidence of insurability. Any additional premiums will only apply to the benefit to which those special terms apply and will reflect a member's medical condition, hazardous occupation or participation in any hazardous pursuits.

#### 3.3 What commission is included within the premium?

The rate of commission payable to financial advisers is shown in the quotation. The premium shown includes the level of commission payable.

#### 3.4 Is there a discount for good claims experience?

We take the claims experience into account when we assess the unit rate for the scheme. Therefore claims history, whether good or bad, will usually be reflected in the rate. We are not able to offer profit sharing arrangements.



### 4.0 How does the Policy accounting work?

The Policy operates on one year accounting periods. You will normally pay your premiums annually in advance by cheque payable to Canada Life Limited or by electronic funds transfer. But you may also choose to pay monthly by Direct Debit, in which case the premiums increase by 2%.

We will charge approximate premiums until you give us all of the information we need. The correct premium will still be due for this period. When we have calculated the correct premium, we will tell you what arrears are due from you, or we will make a refund to you, if you have paid too much.

#### 4.1 What information is required for accounting purposes?

We will normally advise you before each annual revision date what information we require. Full details of the information we need to calculate your premiums are set out in section 6 of the Policy Conditions.

#### 4.2 How are the accounts adjusted for members who join, leave or have benefit changes during the year?

##### Single premium schemes

At each annual revision date, we will calculate a premium adjustment for the amount and duration of the cover actually provided since the last annual revision date (or commencement date if later).

##### Unit rated schemes

At each annual revision date, we will calculate a premium adjustment to allow for any increases or decreases in salaries or membership since the last annual revision date (or commencement date if later). To keep things simple, we will assume that all changes occur half way through the Policy year. If there has been any change to the:

- basis of cover,
- eligibility,
- employers or groups of members included,
- legislation; or
- unit rate

during that period, we will calculate adjustments for the periods before and after that change took effect.

#### 4.3 If the Policy is discontinued mid-year will premiums paid in advance be lost?

No. A final statement of account will be produced based on the cover actually provided and premiums paid up to the date when cover ceased. We will either send you a refund or request the balance of premiums you owe us.



### 5.0 Claiming benefit

We aim to make the claims process as straightforward as possible.

Our claims guide helps you through the process and answers some of the questions we are frequently asked.

You can download our claims guides and claims forms from our website:

[www.canadalife.co.uk/group](http://www.canadalife.co.uk/group) or request them from Customer Services, Group Insurance using the contact details given at the beginning of this guide.

#### 5.1 How are claims made?

If you want to make a claim you must give us written notice as soon as possible after a member's death.

You must provide us with any documents and information that we may need to process your claim.

This will include, but will not be limited to:

- a fully completed original current claim form signed by a Trustee of the scheme, or a signatory authorised by the Trustees.
- an original copy (not a photocopy) of a Registrar's or Coroner's Certificate of Death of the member.

We may also ask for:

- medical records relating to the deceased.
- any employment records deemed necessary, for example, recruitment records and/or evidence of earnings relating to the deceased.
- a copy of any relevant trust documents that identify who is empowered to sign for and act on behalf of the trustees.



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### 5.2 When do we need to know about a claim?

You must tell us as soon as possible after a member's death.

We will not pay any claims, or any requests for additional amounts of benefit, where a completed employers claim form has not been received by us within two years after the date of a member's death.

You should send completed forms and documentation to:

**Life Claims Team**  
**Canada Life Limited**  
**Group Insurance**  
**3 Rivergate**  
**Temple Quay**  
**Bristol BS1 6ER**

Fax: **01707 671180**

Email: **grouplifeclaims@canadalife.co.uk**

### 6.0 What is not covered?

We apply a limit on the total aggregate amount of claims arising as a result of a catastrophic event.

#### What is a catastrophic event?

We define a catastrophic event as one originating cause, event or occurrence or a series of related originating causes, events or occurrences, resulting in the deaths of four or more members, irrespective of when or where the members die.

#### How will Canada Life assess the catastrophe limit at a location?

If you have a single site and the event occurs there, then we will simply assess the maximum amount payable in relation to the catastrophe limit at that location.

If you have multiple sites and only one location is affected then any deaths that occur at that location will be assessed against the catastrophe limit at that location (whether the members who have died are normally based at that location or not).

If you have multiple sites and more than one location is affected, then the deaths at each location will be assessed against the catastrophe limit at each location, however we will limit the combined maximum amount payable to £100,000,000.



### **What is the maximum amount that Canada Life will pay at a location?**

If the event takes place at a normal place of business (or within 800m of it), the maximum amount payable will be either:

- The amount shown in your quotation for that location; or
- £10,000,000 (£5,000,000 in EC or E14 London postcodes) if that location is not shown.

If the event affects members travelling, the maximum amount payable will be £20,000,000 both during travel and at the destination if this is not a normal place of work.

### **What happens if I have several group life assurance policies with Canada Life?**

Where we are covering members under separate policies (including employees from different companies, partnerships or organisations which together with the employer form all or part of the same group for corporation tax purposes) we will treat the policies as if they were one single policy. The maximum payable at any one location will be the highest individual maximum event limit at that location rather than the sum of the separate limits. The maximum amount we will pay out from all policies combined is £100,000,000.

### **How will Canada Life assess death in service pensions?**

For the purposes of determining the total benefit for catastrophic event purposes, we will convert the dependants' pension amount payable to an equivalent lump sum amount. The total benefit will be the total of all lump sums payable.

### **7.0 Can cover be provided for an individual who is not based in the UK, the Channel Islands or the Isle of Man?**

We will usually cover people working outside the UK, the Channel Islands or the Isle of Man as long as they do not form the majority of the workforce.

We will need full details of any people working overseas before we can agree cover and special terms and conditions may apply. Members are expected to follow the UK Government's guidelines on foreign travel as published by the Foreign & Commonwealth Office. We will not normally cover members based in high risk areas.

If members are not paid in UK currency, their salary will be converted to UK currency based on the exchange rate at the previous annual revision date and will be fixed to the next annual revision date.



## Group Life Assurance Technical guide

### 8.0 Taxation of schemes

The benefit will be paid to the trustees to enable the benefit to be paid in accordance with the scheme rules.

#### UK schemes

According to our understanding of legislation and HMRC practice on 1 December 2009:

- Premiums paid by the employer are normally treated as a business expense. However, tax relief on premiums paid by the employer in respect of any employees who have a proprietary interest in the company will not normally be available. HMRC may, nevertheless, agree to allow such relief if similar benefits are provided for a substantial number of other employees. Clarification of the tax position in such cases should be sought from the employer's local Inspector of Taxes.
- Premiums for partnership partners or members who are taxed on a self-employed basis will not normally be allowed as a business expense.
- Premiums will not be treated as a P11D benefit for employees.
- Lump sum benefits are subject to the normal inheritance tax rules applicable to discretionary trusts. This means that exit and periodic charges may apply.
- Lump sum benefits will not be subject to income tax and will not count towards the member's lifetime allowance.

#### Non-UK schemes

We are unable to comment on the taxation position of premiums or benefits for schemes set up in the Channel Islands or the Isle of Man.



### 9.0 Further information

#### The Company

This Group Insurance is issued by Canada Life Limited, an incorporated company limited by shares, whose head office is in the United Kingdom. Its address is:

**Canada Life Limited**  
**Canada Life Place**  
**Potters Bar**  
**Hertfordshire EN6 5BA**

#### Surrender value

This Group Insurance does not acquire a surrender value.

#### Queries and complaints

For further information, or if you wish to complain about any aspect of the service you have received, please contact:

#### Customer Services

**Canada Life**  
**Group Insurance**  
**3 Rivergate**  
**Temple Quay**  
**Bristol BS1 6ER**

You can also email: [groupcsc@canadalife.co.uk](mailto:groupcsc@canadalife.co.uk) or ring **0845 223 8000**. Lines are open Monday to Friday, 9am to 5pm.

Complaints which we cannot settle can be referred to the Financial Ombudsman Service:

#### Financial Ombudsman Service

**South Quay Plaza**  
**183 Marsh Wall**  
**London E14 9SR**

Telephone: **0845 080 1800**

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

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

Making a complaint will not prejudice your right to take legal proceedings.



## Group Life Assurance Technical guide

### **Compensation**

If we are unable to meet our liabilities, you may be able to claim compensation from the Financial Services Compensation Scheme. Further information is available from the Financial Services Authority and the Financial Services Compensation Scheme.

### **Law**

The construction, validity and performance of the Policy will be governed by English law. Members do not have any rights under the Contracts (Rights of Third Parties) Act 1999 under the Policy.

**This document should be read in conjunction with the quotation. This document does not override the Policy, which contains full details. The proposal and the terms contained in the Policy (and any supplementary proposal) together form the contract.**



### About us

Canada Life Group Insurance is committed to building strong relationships with its customers by providing market-leading products and exemplary service and support.

#### History

The Canada Life Assurance Company has grown and prospered since the sale of its first policy in Canada in 1847. After commencing operations in the United Kingdom in 1903, it operates in the UK market through its wholly-owned subsidiary, Canada Life Limited.

Great-West Lifeco Inc. completed its acquisition of Canada Life in July 2003. The Great-West Life Assurance Company, founded in Winnipeg in 1891, is Canada's foremost life and health insurer and a market leader in group insurance and individual segregated funds. The 2003 transaction brought together three leading Canadian life insurers – Great-West Life, London Life, and Canada Life – to create a strong financial services organisation with global reach.

### Canada Life in the UK

Canada Life Limited has been providing group products for intermediaries and their corporate clients for over 35 years, and is now one of the UK's largest providers of group risk insurance, covering over two million people through its Group Insurance division.

Canada Life Group Insurance is recognised as having substantial weight and experience in its three core product sectors – Group Life Assurance, Group Income Protection and Group Critical Illness. It is the market leader for Group Life Assurance and a leading provider of Group Income Protection benefits. The value of benefits insured with the Group Division currently exceeds £239 billion.

#### Expertise

Group Risk business placed with Canada Life is in the safe hands of specialists who understand your requirements in every way. The dedicated Group Insurance division in Bristol handles every aspect of the management of a scheme, from quotations and customer service support to underwriting and claims. Canada Life also has an ongoing commitment to innovation through the development of administration technology which will further improve service to Group Risk customers.

[www.canadalife.co.uk](http://www.canadalife.co.uk)

Our forms are available to download from our website: [www.canadalife.co.uk/group](http://www.canadalife.co.uk/group)

Canada Life Limited, registered in England no. 973271. Registered Office: Canada Life Place, Potters Bar, Hertfordshire EN6 5BA

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