Group Protection

Death in Service Pension Insurance

Product Summary

What are Death in Service Pensions?

Death in Service Pensions provide a regular income to financial dependants of an employee who dies whilst covered by the policy. The financial dependant will receive a monthly income which will be payable for life if the dependant is the spouse/civil partner or adult dependant. If income is paid to a child, payments will normally continue until they reach the age of 18 or 23 if in full time education.

The payments are usually paid directly to the dependant and are subject to income tax. There are usually no exclusions under the policy, although there is a maximum total amount that may be paid if multiple deaths arise from the same cause. Employees can't be covered under this policy beyond their 75th birthday.

The following is a high level outline of our Death in Service Pension insurance (a benefit within a Registered Group Life Insurance policy). For full information please refer to the Registered Group Life Insurance Technical Guide or Policy Terms and Conditions which can be found on our website aiglife.co.uk.

What are the key features of our product?	
Death in Service Pension (DISP) benefit	• Up to 80% of salary or any percentage of prospective pension. • Payable to spouse/civil partner or financial dependant. • In addition, can provide a separate pension to children (up to their 23rd birthday).
Minimum/maximum number of lives	Minimum three lives, no maximum.
Minimum premium	None.
Premium payment frequency - based on the number of members when the new business or rate review quotes are produced.	• For schemes with up to 199 members: annually, quarterly or monthly by Direct Debit. • For schemes with 200 or more members: annually, quarterly or monthly by Direct Debit, or annually by BACs. • No premium payment frequency loading.
Data refresh frequency - based on the number of members when the new business or rate review quotes are produced.	• Quarterly or annually (online) for schemes with up to 199 employees. • Annually for schemes with 200 or more employees.
Costing basis - based on the number of members when the new business or rate review quotes are produced.	• Age specific rates: typically for schemes of up to 999 members. • Unit rate: typically for schemes of 1,000 or more members.
Reconciliation basis - based on the number of members when the new business or rate review quotes are produced.	• Exact cover cost: Quarterly data refreshes or annual data refreshes for schemes of up to 999 members. • Simplified admin: Annual data refreshes for schemes of 1,000 or more members.
Standard guarantee period	Two years.

Late entrants	We consider a late entrant to be an individual who
	• joins the workplace pension scheme 12 months or more after first being eligible and whose total benefit (capitalised death in service pension benefit using the automatic acceptance limit capitalisation factor) is above £250,000
	• was absent due to ill health on the date they joined the workplace pension scheme for
	  o one week or longer in schemes with up to 50 members
	  o for four consecutive weeks or longer in schemes with between 51 and 500 members, or
	  o 12 consecutive weeks or longer in schemes with 501 or more members, or
	• changes their employee pension scheme contribution 12 months or more after first being able to do so and as a result has an increase in benefit and whose total benefit is above £250,000.
	Cover for late entrants is subject to individual assessment before we'll consider providing cover.

Absentees due to ill health	At application stage, we reserve the right to amend or even withdraw our terms if • in schemes of 50 or fewer members, a member has been absent due to ill health for a week or more and we haven't been previously notified of their absence • in schemes with between 51 and 500 members where any previously un-reported absences have lasted four consecutive weeks or more AND the member's total benefit (the capitalised value of the member's DISP benefit using the event limit capitalisation factor) exceeds the annual premium quoted for covering the whole scheme. Following benefit increases reflecting increases in salary, members absent through ill health on the day the increase is due to take effect will be covered for the increase only once they're next actively at work.

What are the key features of our product?	
Escalation	• 0%, 3%, 5% • RPI or CPI to max of 2.5% or 5%
Age cover ceases	Linked to State Pension age or any fixed age up to a maximum of 75.
Early retirement cover	Not available.
Extended cover	Cover beyond the age cover ceases is subject to individual assessment. Cover can't continue beyond the member's 75th birthday.
Redundancy cover	Not available.
Event limits	Based on the sums insured in each postcode, up to a normal maximum of £100 million (capitalised value).
Group travel limit	• Maximum of £40 million (capitalised value using event limit capitalisation factor) if two or more members travel together. • Covers any temporary business locations, such as conference venues, for a period of up to seven days.
Automatic acceptance limits	Based on the number of members in the scheme. Maximum of £1.25 million (capitalised value).
No worse terms	Available, up to a maximum member benefit of £5 million (capitalised value using the automatic acceptance limit capitalisation factor), other than where schemes are transferring to us from Lloyd's syndicates in which case the maximum is £1 million (capitalised value).
Individual assessment	• Those with benefit over the automatic acceptance limit are assessed in respect of their benefit above, but not below, the automatic acceptance limit. • Discretionary entrants will be individually assessed for their full benefit (no automatic acceptance limit applies).
Once and done individual assessment	Available up to a maximum of £5 million benefit (capitalised value using the automatic acceptance limit capitalisation factor) per member.
Claims	A claim form can be downloaded from our website or requested by calling our Claims Team on 0330 303 9973.
Opting out of Insurance Act 2015 – paying claims in full	The employer has a duty to make a fair presentation of the risk to us. If they don't fairly present the risk and we'd have charged a higher premium (if we'd known the omitted information), the Insurance Act 2015 allows us to proportionately reduce the claim amount (but not charge the higher premium). We believe it's fairer to contract out of this part of the Insurance Act 2015. By contracting out we can pay those claims in full, rather than proportionately, whilst charging the employer the correct higher premium (and apply any other different policy terms which we'd have applied if we had known the information).

What are the key features of our product?	
Questions or complaints	If you wish to raise any queries with us, or make a complaint, please contact our Group Protection Complaints Team at: Group Protection Complaints Team AIG Life Limited PO Box 12010 Harlow CM20 9LG by email to groupcomplaints@aiglife.co.uk or by calling 0330 303 9974 (calls may be recorded for training and monitoring purposes). If you're still dissatisfied following a formal response to your complaint, you can approach the Financial Ombudsman Service at: Financial Ombudsman Service Ltd Exchange Tower London E14 9SR Tel 0800 023 4567

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