



Sick Pay

PRODUCT SUMMARY

What is Sick Pay?

Sick Pay is a group income protection insurance policy that pays a continuing income in the event that a member is unable to work due to ill health. The benefit becomes payable once the member meets the definition of incapacity and has been absent for a fixed period of time, known as the deferred period. The payments will continue whilst the member meets the definition of incapacity, up to a maximum period of time that is agreed when the policy is set up, e.g. two years or until the member's state pension age.

The following is a high level outline of our Sick Pay product. For full information, including details of where cover may be restricted or excluded, please refer to the technical guide or policy terms and conditions which can be found on our website.

What are the key features of our product?

Vocational rehabilitation services	<ul style="list-style-type: none"> The objective of vocational rehabilitation is to identify and work with absent members who would benefit from support and funded treatment to help them recover and return successfully to the workplace. We will appoint a Rehabilitation Specialist as soon as we are aware of the absence. Our Rehabilitation Specialist will conduct a review of the absence to identify the steps, if any, which might help the member return to work. The Rehabilitation Specialist will support the member and the employer throughout the period of absence and arrange any appropriate treatments and therapies which may aid the member's recovery.
Min/max number of lives	Minimum three lives, no maximum.
Minimum premium	None.
Premium payment frequency	<ul style="list-style-type: none"> Quarterly or monthly (Direct Debit only) for schemes with up to 200 employees. Annually, quarterly or monthly for schemes with more than 200 employees. We accept BACS payments for annual payers only. No premium payment frequency loading.
Data refresh frequency	<ul style="list-style-type: none"> Quarterly or annually (online) for schemes with up to 200 employees. Annually or quarterly for schemes with more than 200 employees.
Costing basis	Single premium age related rates.
Standard guarantee period	Two years.

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Late entrants	<ul style="list-style-type: none"> • Individuals who join a workplace pension scheme within 12 months of first becoming eligible are covered if they are actively at work. • Individuals joining a workplace pension scheme more than 12 months after first becoming eligible, or joining within 12 months but are not actively at work, will be individually assessed.
Benefit basis	<ul style="list-style-type: none"> • Employees: <ul style="list-style-type: none"> ○ Any percentage of salary up to a maximum of 80% (inclusive of employee pension scheme contributions) ○ Can choose to apply a fixed deduction equal to the Employment and Support Allowance (ESA). This deduction will be applied whether or not this is actually paid by the State ○ For schemes currently insured on this basis we can offer a fixed deduction equal to the ESA plus notional Work Related Activity Component. This deduction will be applied whether or not this is actually paid by the State ○ For schemes currently insured on this basis we can offer a partially integrated basis i.e. ESA is only deducted if the member qualifies for it. • Equity partners: <ul style="list-style-type: none"> ○ A percentage of earnings up to a maximum of 50% of earnings. • Maximum benefit of £350,000 per year applies.
Pension scheme contributions	<ul style="list-style-type: none"> • Employer contributions: <ul style="list-style-type: none"> ○ Up to a maximum of 30% of salary. • Employee contributions: <ul style="list-style-type: none"> ○ Up to a maximum of 10% of salary ○ Only if the employer contributions are insured. <p>Overall maximum pension contribution of 35% of salary up to £75,000 per year applies.</p>
Employer National Insurance contributions	Available.
Age cover ceases	Linked to state pension age or fixed age of 70.
Escalation	<ul style="list-style-type: none"> • 0%, 3%, 5% • RPI to a maximum of 5% / 2.5% • CPI to a maximum of 5% / 2.5%
Deferred period	8, 13, 26, 28, 41, 52 weeks.
Payment period	Payment to age at which cover ceases, or limited to 2, 3, 4 or 5 years.
Employer lump sum	<ul style="list-style-type: none"> • Available for schemes of 20 or more members which have a limited payment period. • A multiple of between 1 and 5 x annual basic benefit subject to a maximum of £1 million (the multiple can't be more than the number of years in the limited payment period). • For an individual member, the lump sum can't exceed the number of months from the end of the limited payment period to cover cease age multiplied by the monthly basic benefit.

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Definition of incapacity	<ul style="list-style-type: none"> • Own occupation. • Suited occupation. • Own occupation switching to suited occupation after two years. • Activities of daily working.
Extended cover	<ul style="list-style-type: none"> • Available subject to individual assessment. • Members will be in a separate category with a cover cease age of 70. • Cover cannot continue beyond the member's 70th birthday.
Automatic acceptance limit	Based on the number of members in the scheme. Maximum of £150,000 per annum benefit.
No worse terms	Available, other than where schemes are transferring to us from Lloyd's syndicates, where benefits will only be accepted up to our automatic acceptance limit.
Individual assessment	<ul style="list-style-type: none"> • Those with benefits over the automatic acceptance limit are assessed in respect of their benefits above, but not below, the automatic acceptance limit; • Discretionary entrants will be individually assessed for their full benefits (no automatic acceptance limit applies).
Once & done	Available.
Claims	Claims are to be notified to us by calling our claims team on 0330 303 9973.
Claim benefit paid	To employer.
Proportionate benefit payable	Yes.
Linked claims	Yes.
Insurance Act 2015 – paying claims in full	The employer has a duty to make a fair presentation of the risk to us. If they do not fairly present the risk and we would have charged a higher premium (if we had 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 is 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 would have applied if we had known the information).

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Questions and complaints

If you have any queries, please contact your adviser in the first instance. If you wish to raise any queries with us, or make a complaint, please contact our Group complaints team at:

AIG Life Limited
The AIG Building
58 Fenchurch Street
London
EC3M 4AB

by email to groupcomplaints@aiglife.co.uk

or by calling 0330 303 9973 (calls may be recorded for training and monitoring purposes).

If you are 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



www.aiglife.co.uk

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