



NATIONAL DEPOSIT

Permanent Care Income Protection Plan

Your policy explained

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Some important facts about your Permanent Care plan are summarised below. This summary does not describe all the terms and conditions of your policy, so please take time to read all the information contained in this document to make sure you understand the cover this plan provides.

Your Permanent Care plan provides replacement income during periods of incapacity due to sickness or injury whilst you are in gainful employment (work for regular income), with a level premium rate (a rate which will not be increased by National Deposit).

Provided you maintain required premium payments, your policy is valid until you attain either age 60 or age 65, as pre-selected. You may need to review and update the cover provided by this policy to ensure that it remains adequate.

About your Permanent Care Plan

Features and benefits included automatically	Significant exclusions or limitations	Policy Section
Level rate of premiums for duration of contract.	Premiums are for the duration of one month. Failure to pay when due can affect entitlement to benefits and may result in the policy lapsing	2 (a)(b) & 5
Flexibility to increase or reduce premiums	At least 5 years of the contract must be remaining for applications to increase, which will be subject to successful application.	2 (c) & 12
Lump sum payment toward the cost of a stay in a recognised convalescent home of up to £225 per week	Limited to 2 weeks' benefit per calendar year, for a stay in a home within the UK. Amount of benefit may be changed.	13 13
Right to early termination	The policy has no value on termination.	18
Option to pay additional premium that allows premiums to be waived whilst benefit is being paid.	Option has to be selected at outset of contract.	3
Option to pay additional premium that allows benefit in payment to be increased by a selected annual percentage.	Option has to be selected at outset of the contract. Timing of increases are based on commencement of benefit. Amount of increase restricted to a maximum of the increase in the UK Retail Price Index.	4 4 4

Features and benefits included automatically	Significant exclusions or limitations	Policy Section
Sickness Benefit due to illness or injury.	No benefit will be payable in the first six months of the contract or whilst policy holder is outside the UK.	7 B (ii)(vii)
	Payment does not commence until the specified deferred (waiting) period has elapsed.	6
	Qualifying incapacity is defined as the insured being unable to perform any occupation to which they are suited by reason of the illness or injury.	7
	Benefit paid 4 weekly in arrears.	7A (iii)
	Limited to 60% of average pre-tax salary of preceding 12 months less state benefits and other income.	7A (v)(vi)
	Exclusion: A list of circumstances in which benefit will not be paid.	7B (ii) to (viii)
	Exclusions may be applied for conditions existing at time the plan was taken up.	7B (ix)
	Early retirement may affect entitlement to benefit.	16
	Benefit dependent on policy holder being in gainful employment.	15

Cancellation Rights

We hope you are happy with the cover this policy provides. However, you have the right to cancel it within 30 days of receiving the acceptance pack, without giving any reasons. To do this you should make a written request to cancel the policy and send it to National Deposit, Customer Services Dept, 4-5 Worcester Road, Clifton, Bristol BS8 3JL, United Kingdom.

If you cancel the policy within the time permitted, any monies paid to the policy will be refunded. If you do not cancel within the time given, the terms and conditions of the policy will apply.

Making a Claim

If you have a claim, you should contact the Society as soon as possible on 0117 980 9350 or in writing to National Deposit, Customer Services Dept., 4-5 Worcester Road, Clifton, Bristol BS8 3JL, United Kingdom.

Cost

It is not possible to say how much this policy will cost you in total as this depends on your individual level of premium and your chosen date of termination, 60 or 65.

Your individual premium will be determined by your age on joining, your sex, your occupation, your chosen level of cover, and any additional features such as waiver of premium which you may select.

How to Complain

We hope you will be pleased with the service we provide; however, if you wish to complain about any aspect of our service, please contact National Deposit by telephone on 0117 980 9350 or fax on 0117 980 9358 or email compliance@nationaldeposit.co.uk or in writing to National Deposit, Compliance Dept., 4-5 Worcester Road, Clifton, Bristol BS8 3JL, United Kingdom.

If your complaint is not dealt with to your satisfaction, you can send the complaint to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR. Telephone 0845 080 1800. In making a complaint your right to take legal proceedings is not prejudiced.

Compensation Scheme

We are covered by the Financial Service Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 100% of the first £2000 and 90% of the remainder of the claim. You can get more information about compensation arrangements from the FSCS. Please contact the FSCS on 020 7892 7300 or at www.fscs.org.uk if you would like more information.

Statement of Demands and Needs

This plan meets the demands and needs of those in gainful employment aged between 16 and either 55 or 60 who wish and need to:

- provide replacement income towards lost earnings from a pre-determined date following the onset of long-term incapacity due to sickness or injury until age 60 or 65.
- have a level premium rate for the term of the plan, subject to possible variation only if there is a change of occupation.
- have the option to include from onset, an additional contracted premium that will waive the need to pay all premiums during periods in which benefit is paid.
- have the option to include from onset, an additional contracted premium that will provide for a regular increase in benefit once benefit is being paid.

Unless National Deposit informs you that advice has been given, no personal recommendation has been made by the Society in relation to the plan.

Additional Information

Methods of payment

Premiums can be made by Direct Debit, cheque or cash. The Society does not recommend that cash payments are made by post.

Premiums are due on the first day of every month and should be paid before the eighth of each month. Premiums can be paid in advance.

The Society

National Deposit is Authorised and Regulated by The Financial Services Authority. We are entered on the Financial Services Authority Register; our registration number is 110008.

The Society is a Registered and incorporated Friendly Society (registration no. 369F) operating within the confines of the UK.

All documents and communications supplied and made by the Society will be in English.

Tax

Under present UK tax law and Inland Revenue practice, which can change in the future, you do not:

* Get tax relief on premiums/contributions.

* Pay tax or national insurance contributions on benefits received.

Direct Debit Guarantee



This guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme.

The efficiency and security of the scheme is monitored and protected by your own Bank or Building Society.

If the amounts to be paid or the payment dates change National Deposit Friendly Society Limited will notify you 10 working days in advance of your account being debited or as otherwise agreed.

If an error is made by National Deposit Friendly Society Limited or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch or Building Society. Please also send a copy of your letter to us.

Terms and Conditions

These Terms and Conditions refer to the National Deposit Friendly Society (the Society) Permanent Care Account (the plan). The plan holder is hereafter referred to as "the member".

1). Admission of members

- a) The Society's underwriters shall determine when a medical examination or evidence of age is required, and may admit as members applicants who have completed the prescribed form of application and declaration and who have satisfied the criteria of age, health, character and occupation.
- b) Members will be classified in accordance with the above and that classification will be used to determine their contract terms.
- c) Applicants should be between the ages 17 and 55 next birthday for contracts ceasing at age 60 and between 17 and 60 next birthday for contracts ceasing at age 65.
- d) A candidate's age shall be reckoned from the date of the application for membership, provided that the Society receives the proposal form within one month of that date.

2). Premiums

Definition

Premiums are payments due monthly and determine the rate at which benefit payments are made.

Payments

- a) Premiums shall be due on the first of the month and should be paid before the eighth of the month in order to count as having been paid in that month. Failure to pay in the first three months that the plan has been in force will result in cancellation of the plan.
- b) Failure to pay premiums due during the term of the plan will result in the loss of benefit entitlement from the first day of the fourth month of non-payment.
- c) A member may apply for an increase or reduction in cover provided a period of at least five years remains to the end of the contract. The Society reserves the right to decline an application for increased cover.

3). Premium Waiver Option

By paying an additional 1/12th of the normally prescribed premium, the member can elect at outset to waive the payment of premiums for periods during which sickness benefit is paid.

4). Escalation of Benefit

A member may choose at the start of the plan to pay an additional premium in order that benefit in continuous payment for 52 weeks will then increase each year by a set percentage. Increases to benefits will be restricted to a maximum of the increase in the UK Index of Retail Prices.

5). Arrears and Lapses

Where premiums are more than 12 months in arrears the policy shall lapse and all entitlement to benefit shall cease.

6). Deferment Period

There will be a period where a member is first unable to work in which benefit is not paid. This is known as the Deferred Period. Members can choose deferred periods of 2, 4, 8, 13, 26 or 52 weeks.

7). Benefits, Benefit Limitations & Benefits Exclusions

Definition of Incapacity

A member will qualify for benefit if totally unable to perform the essential duties of his/her occupation as stated on the Policy Schedule or any other occupation to which he/she is suited by way of education, training or experience which results in a loss of earnings, and is not doing any other work. The Society reserves the right to seek confirmation from a Medical Practitioner that such criteria are met.

A) Claims and Claim Notice

- i. All claims should be sent to the Society's Head Office as soon as is practical, in accordance with Section 9.
- ii. No benefit will be paid in the first 6 months of membership, but this can include the deferral period if this has also elapsed.
- iii. Once a claim is established, benefit will be paid every four weeks in arrears by BACS payment or cheque.
- iv. Members wishing to make claims for sickness benefit should provide a medical certificate, signed by a qualified Medical Practitioner, stating clearly the nature and expected duration of incapacity. Further certificates will be required to cover each period of incapacity.
- v. Benefit will be paid at a maximum rate equal to that selected at the commencement of the contract. The proportion of sickness benefit provided by the Society shall not exceed 60% of the member's average salary as proved for the twelve month period prior to the claim. Salary will be interpreted as pre-tax earnings for PAYE assessment purposes and will exclude benefits in kind and any savings or investments. For self-employed members, earnings will be shares of pre-tax profit from a trade, vocation or profession after deduction of trading expenses.
- vi. State benefits and other income will be deducted from a member's salary as part of this calculation. Other income will include pension payments unless you were entitled to them whilst still working.
- vii. Certification will normally be taken for the duration stated to a maximum of twelve months, though the Society may at its discretion accept any certificate from a Doctor which states that the incapacity will be permanent. In such cases, the member would be required to sign a statement of continuing incapacity on an annual basis.
- viii. Self certification may be accepted in exceptional circumstances but would normally require the recognisable countersignature of an employer.
- ix. There is no limit to the number of claims you can make, provided you pay the required premium.

B) Limitations and Exclusions.

- i. As stated previously, the proportion of benefit met by the Society shall not exceed 60% of salary.
- ii. No benefit will be paid in the first six months of membership, or if an account is more than three months in arrears.
- iii. Sickness benefit shall not be paid in respect of pregnancy and pregnancy-related illnesses.
- iv. Benefit shall also not be deemed payable in circumstances whereby true answers to medical questions have not been given at the time of a claim or at the inception of the contract. This ruling shall cover the concealment of any complaint, disease, sickness or injury.
- v. No benefit shall be payable where an illness or incapacity shall be deemed to have resulted from alcohol, drug or solvent abuse, sexually transmitted disease or as a result of the member having committed any act whatsoever contrary to law.
- vi. Benefit will similarly not be payable in the event of incapacity occasioned or contributed to either by war (whether war be declared or not), riot, civil commotion or strikes nor for claims arising out of aviation of any kind, except whilst the member is travelling as a fare paying passenger in an aircraft operated by a regular airline. No benefit will be paid in respect of attempted suicide or self-inflicted injury, participation in professional sports, mountaineering or winter sports.
- vii. No benefit will be paid when a member is outside of the United Kingdom. For the purpose of this ruling, the United Kingdom includes the Channel Islands and the Isle of Man.
- viii. **HIV Exclusion Clause.** No benefits shall be payable under this Policy where disability in the opinion of the Society is directly or indirectly due to or arises directly or indirectly from an Acquired Immunodeficiency Syndrome (AIDS) or infection by Human Immunodeficiency Virus (HIV).
- ix. The Society may also **at application for new membership or on application to increase cover**, apply exclusions for incapacities which exist or are deemed to exist at the time of request. The Society reserves the right to refuse the later payment of benefit for any incapacity which is not disclosed at such time.

C) How long will benefit be paid?

Benefit will be paid until the first of these events:-

- i. You are no longer incapacitated.
- ii. You are no longer suffering a loss of earnings.
- iii. You reach the termination age selected.
- iv. You die.

8). Claims Notice

Due notice of incapacity should be given to the Society in writing in accordance with the table shown: -

Deferred Period	Notice
2 weeks	within 1 week
4 weeks	within 1 week
8 weeks	within 3 weeks
13 weeks	within 8 weeks
26 weeks	within 21 weeks
52 weeks	within 47 weeks

Late notification of incapacity may affect the date on which benefit commences. Periods outside of the notice periods listed above may be added on to the deferment period.

9). Claims Assessment

- a) The Society will ask for evidence of loss of earnings and will request completion of questionnaires by the claimant and the claimant's doctor. This information may be required to be updated on an annual basis.
- b) Once the Society is satisfied that a valid claim exists, a benefit calculation not exceeding 60% of salary less other benefits will be effected.

Other benefits as specified above could include: -

- i. Continuing payment from your employer such as sick pay
- ii. Pension payments – unless you were entitled to them whilst working
- iii. Other insurance benefits paid upon incapacity in regular instalments, such as mortgage protection payments.
- iv. State benefits such as Incapacity Benefit.

- c) If your benefit is reduced the Society is not liable to reduce your premium payments nor operate any refunds. Your cover will remain unchanged unless you choose to reduce it.
- d) You should understand that your payments in respect of this policy may be reduced if:
 - i. Your salary is lower when you claim than when you joined.
 - ii. You take out other insurances, which pay out on incapacity, after you join.
 - iii. You receive other income whilst you are ill which you did not list on your original application.

10). Proportionate Benefit

Should you return to work at a lower rate of pay than prior to your incapacity, but remain incapacitated from following the occupation stipulated in your policy schedule, the Society will pay benefit at a rate reduced by the proportion your new wage bears to your average weekly earnings in the 12 months prior to incapacity.

11). Linked Claims

If you need to claim for a second time for the same incapacity within 6 months of returning to work then the deferred period will not apply.

12). Review of your cover

If you wish to increase your cover, or consider that your revised salary means you are over-insured, please contact the Society. Any increased cover will be subject to a fresh assessment of your health, earnings, occupation and other personal circumstances, and will lead to an increase in the premium payments you make.

13). Convalescent Benefit.

Definition

A benefit in respect of a pre-agreed stay to a maximum of two weeks in a Home recognised as providing Convalescent care.

Payment upon production of a valid receipt of part or all of a one or two week stay in a home of a member's choice which is recognised as providing convalescent care. The lump sum to be provided shall be determined by the Society on the advice of the Actuary and shall not exceed the amount paid by the member. This facility is open to paying members over the age of 16. A maximum of two weeks' convalescent benefit shall be granted in a calendar year.

14). Payment on Death

The policy is cancelled upon death with no residual value other than any premiums paid beyond the date of death.

15). Occupation/ Personal Circumstances

- a) The member shall advise the Society immediately in writing of any change of occupation, status or address. Failure to do so may lead to the non-payment of a claim. A change of duties or responsibilities is construed as a change of occupation. Members are reminded that the benefits available under this plan are dependent upon their being in gainful employment.
- b) You should also advise us if your regular salary becomes lower than that earned when you first took out the policy as this may affect the level of payment you receive from a claim. You are reminded that benefit will be calculated as a percentage of your salary at time of claim.
- c) Members who join Armed Forces or who move abroad may elect to suspend their account.

16). Early Retirement

If you take a pension due to ill health before your chosen retirement date, you should seek advice from the Society as this will affect your entitlement to benefit.

17). Termination of contract

The contract shall cease at age 60 or age 65 as specified at outset or alternatively when the members ceases to be in gainful employment. No value other than excess premiums paid will be payable upon closure.

18). Earlier Termination

Members may make written request to Head Office to cease payment of premiums and thus cease benefit entitlements at any time. No value other than excess premiums paid will be payable upon closure.

19). Membership and Expulsion

The plan holder will automatically become a member of the Society and will be subject to its rules, which are available on request.

In addition to any provision in the rules the Society reserves the right to expel from membership any plan holder who has:

- * Made any false statement or declaration with the object of imposing on the funds of the Society, whether in their capacity as a member or a plan holder.
- * Made any material misstatement or omission in the application to the Society in relation to membership or as a plan holder.

In the event of the plan holder being expelled as a member of the Society, then the Society may terminate the plan with effect from any date after the date of expulsion and may or may not (at its option) return premiums paid to the plan holder.

20). Assignment

The benefits under this policy are not assignable.

21). Applicable Law

In the event of any legal dispute, the law which shall apply in all cases shall be English Law.



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Calls may be monitored and recorded for training and quality purposes

Established 1868. Incorporated and Registered Friendly Society No. 369F. Chief Executive: T. Trinder.
Life, Sickness, Accident & Medical Insurance, Pensions and Investments
Authorised and Regulated by the Financial Services Authority.