

# HSBC Income Cover and HSBC Income Cover (5 Year)

# Contents

<b>Section</b>	<b>Page</b>
<b>Policy Summary</b>	<b>3</b>
Type of insurance and cover	3
Significant features and benefits	5
Significant and unusual limitations and exclusions	6
Cancellation	7
Making a claim	7
How to complain	7
Compensation	8
<b>Important Information</b>	<b>8</b>
Tax	8
HSBC Life (UK) Limited	8
<b>Policy Document</b>	<b>9</b>
Introduction	9
Policy Conditions	9
Definitions	16
<b>An overview of how we collect and use your information</b>	<b>18</b>

# keyfacts<sup>®</sup>

## Policy Summary

**Please read the information in this Policy Summary carefully.**

This is the Policy Summary for Income Cover and Income Cover (5 Year) policies. This Policy Summary does not contain the full Policy Conditions which can be found in the Policy Document section of this booklet. Please ensure you keep this booklet safe for future reference. You can request a further copy at any time.

The product provider is HSBC Life (UK) Limited.

### Type of insurance and cover

Income Cover and Income Cover (5 Year) is appropriate if you are looking for a fixed level of cover that pays a monthly benefit to replace lost income if you are unable to work due to illness or injury.

**Income Cover** can pay the monthly benefit up until, at the latest, age 68. **Income Cover (5 Year)** can pay the monthly benefit for up to five years for any one claim.

A **deferred period** applies before any benefit will be paid. Depending on your personal circumstances when you make a valid claim, the monthly benefit will start at the end of the deferred period which will be the later of:

- ◆ 13 weeks from the date of your incapacity, or
- ◆ The date your income reduces to below your monthly benefit. All **Eligible Income** is taken into account when calculating the monthly benefit paid under the policy to ensure that your **Earnings** do not exceed your chosen benefit level. See **Condition 4** of the Policy Document for information as to what is considered **Eligible Income**.

The monthly benefit will be payable monthly in arrears from the end of the deferred period direct to your bank account.

In order to claim the monthly benefit you must have been in active employment immediately before your illness or injury. We will need to determine whether you are unfit to work as a result of your illness or injury and that you are unable to perform the material and substantial duties of your occupation and you are not following any other occupation. We call this incapacitated and we will request medical evidence from the doctors treating you to support your claim.

You can select a benefit level up to the maximum annual benefit level of 50% of your pre-tax earnings at the time you take out your Policy. This is subject to an overall maximum benefit level of £50,000 per year taking account of all **Income Cover** and **Income Cover (5 Year)** policies you hold, and a minimum benefit level of £600 per year. **However, the benefit paid under this Policy will never exceed 50% of your pre-tax earnings in the 12 months immediately before the date of incapacity. This means we may reduce your monthly benefit if your employment circumstances or earnings change during the life of your Policy.**

**If we do have to reduce your benefit on this basis we will not provide a refund of any premiums. It is therefore very important you review your monthly benefit level periodically, and tell us if your employment circumstances change, and/or if the amount you earn changes.**

## Type of insurance and cover (continued)

Each Policy has a minimum term of five years and unless terminated earlier will continue until the end of your selected term or until you reach age 68. You can terminate your Policy at any time by giving us written notice.

The monthly benefit will be paid for as long as your claim remains valid. The maximum period that the benefit can be paid for will depend on which product you select:

- ◆ **Income Cover** – The maximum period benefit can be paid for is until the end of the selected term, or age 68 whichever is earlier.
- ◆ **Income Cover (5 Year)** – The maximum period benefit can be paid for is 60 months, until the end of the selected term, or age 68 whichever is earlier. Once benefit has been paid for a continuous period of 60 months, including linked claims and proportionate benefit, it will stop, and your premiums will restart. You then have to be in active employment for a further unbroken period of 12 months before you can claim again.

You can claim more than once during the term. The Policy Schedule you receive will confirm which of **Income Cover** or **Income Cover (5 Year)** you have taken out.

You are eligible to take out **Income Cover** and **Income Cover (5 Year)** as long as you:

- ◆ Are aged between 17 and 59; and
- ◆ Are resident and work within the United Kingdom; and
- ◆ Work for 16 hours or more a week on either an employed or self-employed basis\*, excluding temporary work; and
- ◆ Work in an eligible occupation.

\*If you are employed on a contract which does not specify a fixed number of hours worked per week, you must have been working 16 hours a week or more on average for the last 12 months to be eligible for cover.

Your premiums are not reviewable. They are expected to stay the same throughout the term of your Policy although there are some circumstances under which your premium may change. These are set out in Condition 24 of the Policy Conditions in the Policy Document section of this booklet. You will pay a monthly premium by direct debit throughout the term of your Policy. **Your Policy has no cash in value at any time.**

Your Policy will remain in force unless you advise us you wish to cancel it. If you stop paying premiums for a period longer than 28 days, your Policy will terminate automatically, without value and no benefits will be payable.

You should review your cover periodically to ensure that it remains adequate for your needs.

The benefit we pay under your Policy may affect your entitlement to some means tested state benefits.

### Business start-ups

If you are in the process of setting up your own business, (or have done so in the last six months), you may be unable to produce any evidence of earnings on which to base your initial amount of cover. If this is the case then for the first three years of your Policy you may choose a benefit of up to £12,000 per year. On the Policy's third anniversary, you should review the level of cover to ensure it accurately reflects 50% of your annual pre-tax profit after the deduction of trading expenses. Please see Condition 5 of the Policy Document for full details.

## Significant features and benefits

The key benefits of **Income Cover** and **Income Cover (5 Year)** are:

- ◆ A monthly benefit if you are unable to work as the result of illness or injury;
- ◆ Waiver of premium:

During payment of a claim on your Policy premiums will be waived along with premiums on any other in force life or critical illness Policy with HSBC Life (UK) Limited you applied for on or after 1 October 2011 and which have the same life insured as this policy.

- ◆ Linked claims:

If, after a claim, you return to work but are unable to do so for more than 12 months due to the same illness or injury that gave rise to your previous claim, then the deferred period will not apply and the monthly income benefit will immediately be resumed. This would be subject to a new financial assessment and satisfactory evidence that you are unfit to work as a result of the illness or injury and are not following any other occupation.

For **Income Cover (5 Year)** a linked claim will be treated as part of a continuous benefit payment period of 60 months for determining when the benefit payment should cease.

- ◆ Proportionate benefit:

If, after a claim, you either return to work in your own occupation part-time at a reduced salary **or** return to work in an alternative role at a reduced salary because you are medically unfit to perform your own occupation, then we may pay a proportionate benefit to ensure that your total income is no less than the full benefit level under your Policy.

For **Income Cover (5 Year)** a proportionate benefit payment will be treated as part of a continuous benefit payment period of 60 months for determining when the benefit payment should cease.

- ◆ Rehabilitation service:

A feature of our claims service is the availability of a team of medically qualified rehabilitation counsellors. Where appropriate we will use them to help you overcome the problems associated with long term disability and achieve the fullest and quickest recovery possible.

## Significant and unusual limitations and exclusions

There are some limitations and exclusions that you should be aware of in respect of **Income Cover** and **Income Cover (5 Year)**.

### We will not pay any claims that are for:

- ◆ Any Chronic Illness that you already have (for a definition of what we mean by Chronic Illness please refer to the Definitions section of this document);
- ◆ Any illness or injury that you claim for in the first 12 months of your policy, if in the 12 months immediately before cover starts you have:
  - had any symptom related to the illness or injury for which you are claiming (even if a diagnosis has not been made); or
  - attended a medical consultation with a registered medical practitioner in relation to the illness or injury for which you are claiming; or
  - received medication or treatment in relation to the illness or injury for which you are claiming.
- ◆ Infection with Human Immunodeficiency Virus (HIV) or conditions due to any Acquired Immune Deficiency Syndrome (AIDS) unless the infection is contracted after the start of the Policy, as a result of a blood transfusion or a physical assault, or as the result of an incident occurring during the course of performing normal duties of employment in an eligible occupation;
- ◆ Any illness or injury resulting from attempted suicide, intentional self-inflicted injury or deliberate exposure to exceptional danger;
- ◆ Any illness or injury resulting from the inappropriate use of alcohol or drugs;
- ◆ Any unreasonable failure to seek or follow medical advice.

### If it is not possible to confirm your incapacity to our satisfaction then a claim may not be paid under the following circumstances:

- ◆ For any period of illness or injury prior to us receiving written notification of incapacity;
- ◆ Where notification of illness or injury is received more than 90 days after the end of the deferred period;
- ◆ Where illness or injury is no longer present at the time the Company is notified of the claim.

In assessing whether or not a claim can be paid the Company will at all times act fairly and reasonably.

### We will not be liable to pay any benefit where:

- ◆ You are no longer incapacitated by the end of the deferred period;
- ◆ The Policy has lapsed and is not in force when you first become incapacitated;
- ◆ Medical evidence that we request does not support your claim;
- ◆ You are not in paid employment at the date of incapacity;
- ◆ You have no loss of earnings.
- ◆ In the event of a claim the benefit paid will never exceed 50% of your pre-tax earnings in the 12 months immediately before the date of incapacity and we reserve the right to reduce/cease paying the benefit if you are in receipt of other income such as benefits from any other accident/sickness policies, any other earnings or dividends from employment, or any ill health retirement pension that causes this limit to be exceeded.
- ◆ For **Income Cover (5 Year)** once the benefit has been paid for a continuous period of 60 months, including linked claims and proportionate benefit, it will stop, and your premiums will restart. You then have to be in active employment for a further unbroken period of 12 months before you can claim again. This means you may need to find another source of income if you are still unable to work after payment has been made for 60 months.
- ◆ There are some restrictions and exclusions that apply to the payment of the monthly income benefit if you are living, working or travelling outside the countries we class as Permitted Areas. Please see Condition 11 in the Policy Document section of this booklet for full details. The Permitted Areas are listed in the Definitions section of the Policy Document.

**Full details of the exclusions are in Condition 7 of the Policy Conditions in the Policy Document section of this booklet which you should read carefully.**

**You cannot claim simply because you have become unemployed unless it is as the result of an illness or injury leading to you being unable to perform the material and substantial duties of your occupation.**

## Cancellation

You have the right to reconsider your decision and change your mind. If you wish to cancel your Policy you may do so within 30 days of receiving the Policy Schedule by writing to:

**HSBC Life (UK) plc**  
**Customer Services Centre**  
**PO Box 6176**  
**Coventry**  
**CV3 9HN**

Alternatively, you can cancel by calling HSBC Life (UK) Limited on **0345 745 6125\***

The Policy will be cancelled and any premium paid by you in connection with the Policy will be refunded. If you do not wish to cancel your Policy, your Policy will commence and premiums will be collected.

If you choose not to exercise your cancellation rights, and subsequently decide to cancel your Policy outside of the 30-day cancellation period, there will not be a refund of any premiums you have paid.

\*Lines are open 8am to 6pm Monday to Friday (excluding public holidays). To help us continually improve our service and in the interests of security, we may monitor and/or record your communications with us.

## Making a claim

You can claim by calling: **0345 745 6125\***

or by writing to:

**HSBC Life (UK) Limited**  
**Claims Department**  
**PO Box 6176**  
**Coventry**  
**CV3 9HN**

You should notify us of a claim no later than four weeks after the date of incapacity.

\*Lines are open 8am to 6pm Monday to Friday (excluding public holidays). To help us continually improve our service and in the interests of security, we may monitor and/or record your communications with us.

## How to complain

We want you to be entirely satisfied with the products and services you receive from us. If you are dissatisfied with any aspect of our service, please let us know. We always endeavour to resolve any concerns fairly and quickly. If you ever need to complain you may do so in writing to:

**HSBC Life (UK) Limited**  
**Customer Service Centre**  
**PO Box 6176**  
**Coventry**  
**CV3 9HN**

or by calling on **0345 745 6125\***. A written copy of our complaints procedure is available on request.

If you are not satisfied with our response, you can complain to the Financial Ombudsman Service.

**Complaining to the Financial Ombudsman will not affect your legal rights.**

The Financial Ombudsman can be contacted by calling **0800 023 4567** or **0300 123 9123** or in writing to:

**The Financial Ombudsman Service**  
**Exchange Tower**  
**London**  
**E14 9SR.**

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

\*Lines are open 8am to 8pm Monday to Friday and 9am to 1pm Saturday (excluding public holidays). To help us continually improve our service and in the interests of security, we may monitor and/or record your communications with us.

## Compensation

HSBC Life (UK) Limited is covered by the Financial Services Compensation Scheme (FSCS).

If HSBC Life is unable to meet its obligations you may be able to claim compensation. Where this is the case the FSCS will provide cover for 100% of the claim with no upper limit. Further information about the compensation provided by the FSCS is available from the FSCS website **FSCS.org.uk**, by calling 0800 678 1100 or 0207 741 4100 or writing to:

**Financial Services Compensation Scheme**

**PO Box 300**

**Mitcheldean**

**GL17 1DY**

Lines are open 8:30am – 5:30pm Monday – Friday (excluding public holidays).

Please note only compensation related queries should be directed to the FSCS.

## Important information

### Tax

The benefits payable under the Policy are free from UK income and capital gains tax. The tax treatment of Policy benefits may change in the future.

Some countries may have tax legislation that has extra-territorial effect and this may impact you regardless of your place of domicile or residence. This means you may incur charges as a result of buying this policy/paying these premiums. We strongly recommend that you take your own professional advice if you think that this may be an issue for you.

### HSBC Life (UK) Limited

HSBC Life (UK) Limited is the product provider and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our firm reference number is 133435.

These details may be checked on the Financial Services Register by visiting the Financial Conduct Authority website **www.fca.org.uk** or by contacting the Financial Conduct Authority on **0800 111 6768**.

HSBC Life (UK) Limited is a member of the Association of British Insurers.

HSBC Life (UK) Limited is incorporated in England and Wales and is a company limited by shares.

HSBC Life (UK) Limited registered office is

**8 Canada Square**

**London**

**E14 5HQ**

HSBC Life (UK) Limited is registered in the United Kingdom with company number 88695.

The main business of HSBC Life (UK) Limited is writing life policies.

The language used in the Policy is English.

As part of our reporting requirements, we publish an annual Solvency and Financial Condition Report (SFCR). This tells you about our business and its performance. It also outlines our system of governance, risk profile, valuation for solvency purposes and capital management. You can find a copy of our current SFCR by visiting our website **www.hsbc.co.uk** or you can request a copy by calling us on **0345 745 6125**.

### Your Information

Our Privacy Notice explains how we collect, use, disclose, transfer and store your information and sets out your rights in relation to your information. A copy of our Privacy Notice is available separately and we will inform you when we make any changes to it. You can find a copy at **www.hsbc.co.uk** or you can ask for a copy in branch or by calling **03457 404 404**.



# Policy Document

## Introduction

### Important

The terms and conditions for **Income Cover** and **Income Cover (5 Year)** policies are set out in this Policy Document.

Different terms will apply depending on which policy you have applied for. The Policy Schedule states whether you applied for and have **Income Cover** or **Income Cover (5 Year)**. You should read this Policy Document carefully as along with your application form it sets out the terms and conditions on which the Company will rely in providing cover under the Policy to you. This Policy Document contains exclusions from cover. Please pay particular attention to the key words and phrases that are defined in the 'Definitions' section. These words have specific technical meanings and explanations for the Policy. They affect what is covered by and what is excluded from the Policy.

### Premiums

This is a regular Premium contract and you must pay all Premiums. If you stop paying your Premium, benefits under this Policy may be lost. You will not pay Premiums for the 52 weeks prior to the expiry date shown in the Policy Schedule.

### Documents

You should keep the following documents together and in a safe place:

- ◆ This Policy Document;
- ◆ Policy Schedule(s); and
- ◆ Any amendments or specially agreed terms relating to the Policy.

**The above documents provide evidence of your legal entitlement to the benefits under the Policy. Please do not destroy any of these documents as you will need them in the event of a claim under the Policy.**

# Policy Conditions

## 1. Income Cover and Income Cover (5 Year) benefit

The Policy will pay a regular monthly benefit at the end of the Deferred Period if:

- ◆ The Life Insured is Incapacitated; and
- ◆ The Life Insured is in Paid Employment at the date of Incapacity; and
- ◆ As a result of the Incapacity the Life Insured suffers a loss of Earnings.

## 2. Payment of the monthly benefit

### a) Income Cover

**Income Cover** can pay a monthly benefit for any Incapacity. When a claim is accepted as valid by the Company the benefit is payable monthly in arrears from the end of the Deferred Period direct to the Policyholder's bank account until the earlier of:

- ◆ The Policy expiry date; or
- ◆ The 68th birthday of the Life Insured; or
- ◆ The death of the Life Insured; or
- ◆ The date on which the Life Insured is no longer Incapacitated; or
- ◆ The date on which the Life Insured no longer has a loss of Earnings.

### b) Income Cover (5 Year)

**Income Cover (5 Year)** can pay for a maximum Continuous Period of 60 months for each illness or injury resulting in Incapacity. When a claim is accepted as valid by the Company the benefit is payable monthly in arrears from the end of the Deferred Period direct to the Policyholder's bank account until the earlier of:

- ◆ The Policy expiry date; or
- ◆ The end of a Continuous Period over which 60 monthly benefit payments have been made; or
- ◆ The 68th birthday of the Life Insured; or
- ◆ The death of the Life Insured; or
- ◆ The date on which the Life Insured is no longer Incapacitated; or
- ◆ The date on which the Life Insured no longer has a loss of Earnings.

If benefit, including any proportionate benefit (see Condition 6), has been paid for a Continuous Period of 60 months, a new claim cannot be made until the Premiums have restarted and the Life Insured has been back in Active Employment for a further unbroken period of at least 12 months. Any monthly benefit payments that are made following a linked claim (See Condition 3)

will be assessed as part of the Continuous Period of 60 months for the purposes of assessing when benefit payment should cease.

If, after the Deferred Period, a period of Incapacity lasts for less than one month duration then there will be a part payment of the monthly benefit.

### 3. Linked claims

If, after a valid claim during which the monthly benefit was paid, the Life Insured returns to work and within 12 months of receiving the last monthly benefit is Incapacitated as a result of the same illness or injury that gave rise to the previous claim then the monthly benefit will become due from the date of the Incapacity. This is subject to the receipt of satisfactory medical and financial evidence to confirm a loss of Earnings (see Condition 8).

For **Income Cover (5 Year)** a linked claim will be treated as part of the Continuous Period of 60 months for determining when the benefit payment should cease.

For **Income Cover (5 Year)** if benefit has been paid for Continuous Period of 60 months (see Condition 2) a linked claim cannot be made and the Life Insured would need to have been back in Active Employment for an unbroken period of at least 12 months before a new claim can be made.

### 4. Maximum monthly benefit

The maximum monthly benefit is 50% of the Life Insured's Earnings (subject to the overall maximum benefit available on the Policy). The Company can either reduce the monthly benefit, or cease the monthly benefit, if the Life Insured continues to be in receipt of other income from the following sources which causes this limit to be exceeded:

- a. Benefits from any other illness or injury policies;
- b. Any other Earnings that the Life Insured is entitled to receive as a result of employment, trade, profession or vocation;
- c. Any ill health retirement pension;
- d. Dividend income from a private limited company representing the Life Insured's share in the net trading profit.

a to d above are regarded as **Eligible Income**.

Any reduction in the monthly benefit will be so as to restrict the total income being received from all sources to 50% of the Life Insured's pre-tax Earnings from the 12 month period immediately before the date of Incapacity.

If at the date of Incapacity the Life Insured's Earnings are not sufficient to allow the full payment of the monthly benefit insured for then the monthly benefit will be reduced so as not to exceed the 50% maximum benefit level as described.

Full details of any other sources of income must be provided to the Company on request.

When determining the amount of Earnings from other sources for the purposes of this Condition and for calculating the maximum monthly benefit payable, the Company will use the amount entitled to less any tax which is payable on it. If it is not possible to establish the actual tax liability, it will be estimated on a fair and reasonable basis using tax rates current at the time and making any necessary adjustments when the actual income tax liability is known.

**If as a result of the operation of this Condition the monthly benefit payable to the Policyholder is reduced, no refund of Premiums will be made.**

### 5. Business start-up

For self-employed customers who have started a business in the six month period leading up to the date the Policy is applied for and who are unable to satisfactorily provide evidence of Earnings for the purposes of calculating the monthly benefit level, the following will apply.

For a period of three calendar years from the Policy commencement date as shown on the Policy Schedule the maximum Policy benefit will be the lower of:

- ◆ The amount requested; or
- ◆ £12,000 per year.

If the benefit becomes payable then any other income from the other sources as detailed in Condition 4 will be taken into account and the benefit in payment may be reduced so that the amount being received in total from all sources does not exceed the lower of the amount requested or £12,000 per year. If the monthly benefit payable is reduced, no refund of Premiums will be made.

After three calendar years from the commencement date of the Policy, provided that the monthly benefit is not in payment, any claims will be assessed in accordance with Condition 4.

## 6. Proportionate benefit

If after a valid claim the Life Insured returns to work but does so to either:

- ◆ Their own occupation on a part-time basis at a reduced salary; or
- ◆ Another occupation at a reduced salary;

because the Life Insured remains medically unfit to perform the Material and Substantial Duties of their own occupation at the hours and on the salary immediately before the claim, then a proportion of the monthly Policy benefit may be payable. The level of proportionate benefit will be such that when it is added to the Life Insured's net income the total amount being received is equal to the benefit level under the Policy. If the reduced Earnings on return to work are equal to or exceed the benefit level under the Policy then no proportionate benefit is payable.

For **Income Cover (5 Year)** any proportionate benefit payment will be counted as a payment for the purposes of determining when the Continuous Period of 60 monthly benefit payments have been made and benefit should stop under Condition 2.

Please note that if the Life Insured returns to work either on an unpaid basis or for less than the Market Rate of Pay for that work, when determining any loss of Earnings the Company will assume the Life Insured is earning a salary which is the Market Rate of Pay for that work.

When a claim ends after the payment of proportionate benefit, the level of benefit provided by the Policy reverts to the full insured benefit level as detailed in the Policy Schedule or as subsequently amended.

## 7. Exclusions

A claim for **Income Cover** and **Income Cover (5 Year)** will not be paid if it is caused directly or indirectly from:

- ◆ Any Chronic Illness from which the Life Insured knowingly suffered on the commencement date;
- ◆ An illness or injury that you claim for in the first 12 months of your Policy, if in the 12 months immediately before cover starts you have:
  - had any symptom related to the illness or injury for which you are claiming (even if a diagnosis has not been made); or
  - attended a medical consultation with a registered medical practitioner in relation to the illness or injury for which you are claiming; or

- received medication or treatment in relation to the illness or injury for which you are claiming.
- ◆ Infection with Human Immunodeficiency Virus (HIV) or conditions due to any Acquired Immune Deficiency Syndrome (AIDS) unless caught after the start of the Policy from:
  - blood transfusion given as part of medical treatment;
  - a physical assault;
  - an incident occurring during the course of performing normal duties of employment in any occupation which provides accident and emergency, medical, dental or nursing services to the general public.

And satisfying all of the following:

- the incident must have been reported to appropriate authorities and have been investigated in accordance with established procedures;
- where HIV/AIDS infection is caught through a physical assault or as a result of an incident occurring during the course of performing normal duties of employment the incident must be supported by a negative HIV antibody test taken within five days of the incident;
- there must be a further HIV test within 12 months confirming the presence of HIV or antibodies to the virus;
- the incident causing infection must have occurred in the UK.
- ◆ Attempted suicide or intentional self-inflicted injury or deliberate exposure to exceptional danger;
- ◆ Inappropriate use of alcohol or drugs, including but not limited to the following:
  - consuming too much alcohol;
  - taking an overdose of drugs, whether lawfully prescribed or otherwise;
  - taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription.
- ◆ Any unreasonable failure to seek or follow medical advice.

If it is not possible to confirm the Life Insured's Incapacity to our satisfaction then a claim may not be paid under the following circumstances:

- ◆ For any period of illness or injury prior to the Company receiving written notification of Incapacity;
- ◆ Where notification of illness or injury is received more than 90 days after the end of the Deferred Period;
- ◆ Where illness or injury is no longer present at the time the Company is notified of the claim.

In assessing whether or not a claim can be paid the Company will at all times act fairly and reasonably.

The Company will not be liable to pay any benefit where:

- ◆ The Life Insured is no longer Incapacitated by the end of the Deferred Period;
- ◆ The Policy is not in force when the Life Insured first becomes Incapacitated;
- ◆ Medical evidence that the Company requests does not support the claim;
- ◆ The Life Insured is not in Paid Employment at the date of Incapacity;
- ◆ The Life Insured has no loss of Earnings.

## 8. Requirements to pay Income Cover and Income Cover (5 Year)

The monthly benefit will only be paid once the Company is satisfied the claim is valid. The evidence that the Company can request will include but is not limited to:

- ◆ Satisfactory evidence from the Life Insured's Doctors that the Life Insured is medically unfit to perform the Material and Substantial Duties of their occupation as a result of illness or injury and that the Life Insured is not following any other occupation. All reasonable information the Company asks for to substantiate the claim must be provided.
- ◆ Any additional medical evidence the Company requests to substantiate the claim. The Life Insured must agree to any medical examination which the Company arranges and pays for.
- ◆ Evidence of employment/self-employment and the duties of employment/self-employment.

- ◆ Evidence that, where applicable, the employer has stopped paying the Life Insured, or that income has reduced to below the level of the monthly benefit.
- ◆ Evidence of Earnings in the 12 months\* prior to the date of Incapacity and details of all sources of other and/or continuing income. The Life Insured will, when requested, provide the authority to allow the Company to request information direct from HM Revenue & Customs, where appropriate.

The continuation of the payment of the monthly benefit is also subject to the production of relevant information that is reasonably required by the Company in order to substantiate that the Life Insured remains unfit to work as a result of the illness or injury that originally gave rise to the claim, and continues to suffer a loss of Earnings.

\*The Company may average Earnings over a different period to the 12 months prior to the date of Incapacity if the Life Insured's Earnings fluctuate significantly and using a different period would provide a better measure of the Life Insured's usual Earnings. The Company will at all times act fairly and reasonably when assessing the period over which to consider Earnings.

## 9. Notification of a claim

A claim for **Income Cover** or **Income Cover (5 Year)** should be made to the Claims Department. The Company should be notified no later than four weeks after the date of Incapacity.

## 10. Recovery and/or return to work

The Company must be notified immediately if the Life Insured:

- ◆ Recovers from their illness or injury;
- ◆ Returns to work either on a full-time or part-time basis. The Company must be told even if the work undertaken is unpaid.

Any failure to notify the Company immediately of these events could result in the monthly benefit being stopped or reduced, and a requirement for all or part of any benefit previously paid to be returned to the Company if the event results in no, or a reduced, entitlement to the monthly benefit.

## 11. Living, working or travelling outside the United Kingdom

If at the end of the Deferred Period the Life Insured is living, working or travelling outside the Permitted Areas, the Life Insured must return to within the Permitted Areas within six months or entitlement to the monthly benefit will end. The monthly benefit will also end if, when the benefit is in payment, the Life Insured travels outside of the Permitted Areas for more than two consecutive months in any 12 month period.

## 12. Premium payments when claiming

Premiums are waived and will not be collected by the Company when the monthly benefit is in payment. Premiums must be paid whilst a claim is being considered, before it is accepted as a valid claim, and during the Deferred Period.

If the Policyholder also has a Life and/or Critical Illness cover policy with the Company applied for on or after 1 October 2011 and in relation to the same Life Insured as the **Income Cover** or **Income Cover (5 Year)** policy, then premiums under that Life and/or Critical Illness cover Policy will also be waived for as long as the monthly benefit is paid under the **Income Cover** or **Income Cover (5 Year)** Policy.

## 13. Changes in employment circumstances

The monthly benefit is not payable if the Life Insured is not in Paid Employment at the date of Incapacity. Also, the amount of benefit insured for may not be paid in full if the Life Insured's Earnings reduce after applying for the Policy.

**It is therefore very important to review your monthly benefit level periodically and to notify the Company of changes to employment status and/or levels of Earnings.** The Company is then able, on request, to explain the options available.

## 14. Alteration and cancellation

### Alteration

If requested in writing by the Policyholder the Company may, but is not obliged to, reduce the level of monthly benefit and Premium, and/or make the Expiry Date earlier.

If allowed, any such change will take effect from the Premium due date following the receipt, at the Customer Services Centre, of the full written instruction from the Policyholder.

## Cancellation

If requested in writing by the Policyholder the Company will cancel the Policy. The Policyholder will not be able to reinstate the Policy once it is cancelled.

## 15. Currency and place of payment

All benefits payable and Premiums due under the Policy will be made in pounds sterling or, if different, the lawful currency of the UK. All Premiums due under the Policy shall be payable at the Customer Services Centre.

## 16. Payment of Premiums

All Premiums are payable on the due dates set out in the Policy Schedule. Premium payment will have only been made when the Company has received the total amount of the Premium at the Customer Services Centre. All Premiums are non-refundable unless the Company collects an amount in error of direct debit instructions when any excess Premium will be returned to the Policyholder.

## 17. Non-payment of Premiums

A Grace Period of 28 days following the Premium due date is allowed for the payment of each Premium. If the monthly benefit becomes payable during the Grace Period it will be reduced by the amount of any outstanding Premiums. If no Premium is paid within the Grace Period, the Policy will lapse without value and will terminate automatically and no benefits will be or will become payable. This Condition will not apply during any period the Premium is waived in accordance with Condition 12.

## 18. Termination of the Policy

All the rights and obligations of the Company and the Policyholder under the Policy, and entitlement to any monthly benefit in payment, will cease immediately when one of the following events occurs:

- ◆ The lapse of the Policy following the non-payment of Premiums in accordance with Condition 17; or
- ◆ The Expiry Date as shown in the Policy Schedule is reached; or
- ◆ The Policy is declared void by the Company due to a fraudulent Policy application or fraudulent claim for Policy benefits; or
- ◆ The Policyholder cancels the Policy; or
- ◆ The death of the Life Insured.

## 19. Reinstatement of a lapsed Policy

If the Policy has lapsed due to the non-payment of Premiums (as described in Condition 17) the Policyholder may, within 12 months of the due date of the first unpaid Premium, request in writing to the Customer Services Centre that the Company give consideration to reinstating the Policy. The Company may, but is under no obligation to, reinstate the Policy. If the Company agrees to reinstate the Policy, all the Premiums which were unpaid and all those that would have become due if the Policy had not been lapsed shall become immediately payable together with the next Premium due.

Following any reinstatement a claim will not be paid if it is caused directly or indirectly by an event or conditions arising during any period that the Policy has been lapsed.

## 20. Notification to the Policyholder

Any written notice that the Company gives to the Policyholder in relation to the Policy will be sent by pre-paid post to the last known address of the Policyholder notified to the Company. Any such notice will be deemed to be served two days after posting.

If any provision of the Policy is changed the Company will give the Policyholder at least 30 days prior notice of such a change, unless such change has been requested by the Policyholder or the nature of the change requires it to apply immediately or it is for the benefit of the Policyholder to do so.

## 21. Change of personal details of the Policyholder and/or Life Insured

### Address

The Policyholder and/or Life Insured should immediately, or as soon as practicable, tell the Company of a change of address by writing to the Customer Services Centre.

### Age and Name

Before any payment of the monthly benefit can be made under the Policy, the Company will need to see evidence of the date of birth and evidence of any changes of name for the Policyholder and/or Life Insured. Such evidence will include, but is not limited to, the originals of:

- ◆ Birth Certificate
- ◆ Marriage Certificate
- ◆ Deed Poll

If this information is not provided, any payment under the Policy may be delayed.

If the age of the Life Insured has been misstated the Company may, but is not obliged to, alter any amount payable under the Policy to reflect the amount which would have been payable if the age of the Life Insured had been correctly stated.

## 22. Surrender value

The Policy has no surrender value.

## 23. Law and jurisdiction

The laws of England and Wales govern all Policy Conditions. The Policyholder and the Company submit to the exclusive jurisdiction of the courts of England and Wales.

## 24. Tax and legislation

The Company may, but is not obliged to, make changes in a fair and reasonable manner to the following, to take account of any actual or proposed changes in taxation, legislation, legal precedents, regulations, or the manner in which such legislation or regulations are interpreted or construed:

- ◆ The terms and conditions of the Policy; or
- ◆ Any Premiums or benefits under the Policy.

Any such changes will be notified to the Policyholder in accordance with Condition 20.

## 25. Tax compliance

It's up to you to meet your tax responsibilities in the UK and any other countries where this arises. This relates to the opening and use of accounts and services provided by members of the HSBC Group. Some countries' tax laws may apply to you even if you don't live there or aren't a citizen of that country. Connected Persons, who are people connected with you that's relevant to your relationship with us, are responsible for their own tax obligations. As you are responsible for your own tax obligations (and Connected Persons, for theirs), no HSBC Group member is responsible for this nor provides tax advice. It is your choice if you seek independent legal and tax advice.

## 26. Actions we may take in order to prevent Financial Crime

Members of the HSBC Group, are required, and may take any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime ("Financial Crime Risk Management Activity"). Such action may include, but is not limited to:

- a. screening, intercepting and investigating any instruction or communication sent to or by you or a Connected Person, or on your or their behalf;
- b. investigating the source of or intended recipient of funds;
- c. combining Customer Information with other related information in the possession of any member of the HSBC Group: and/or
- d. making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming their identity and status.

Exceptionally, our Financial Crime Risk Management Activity may lead to us:

- a. delaying or refusing to either process a payment or your instructions;
- b. being unable to provide all or part of the Services to you and ending our entire relationship with you;
- c. taking necessary steps for any member of the HSBC Group to meet the Compliance Obligations; and/or
- d. blocking or closing your account(s) or products(s) (although not any of your mortgage account(s)).

To the extent permissible by law, no member of HSBC Group shall be liable to you or any third party in respect of any loss (however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

## 27. Unfair contract terms

If any Policy provision is considered and found to be wholly or partly unfair or ambiguous in accordance with The Unfair Terms in Consumer Contracts Regulations 1999 the Company may, by suitable Endorsement and in a fair and reasonable manner, change the wording of such condition to prevent and resolve the unfairness or ambiguity.

If any change is made to the Policy in accordance with this Condition:

- ◆ It shall be made so as not to prejudice the position of the Policyholder;
- ◆ Written notification of such change shall be given to the Policyholder in accordance with Condition 20; and
- ◆ The rest of the Policy will not be affected unless the Endorsement specifically alters it.

## 28. Your responsibilities

If we make a reasonable request for information, you must give it to us as soon as possible. If you don't give it to us, or if we suspect fraudulent or criminal activity of any kind:

- ◆ you might not be able to maintain some or all of your products and/or Services with us anymore;
- ◆ we might try to get it from another source, ourselves.

It's up to you to make sure the information you give us is accurate and up to date, and you must tell us if anything changes, within 30 days.

We'll use your information as explained in our Privacy Notice. We'll give it to others if we're compelled to do so by law, we've a public duty to disclose it, we need to disclose to protect our own interests (for example in any legal proceedings) or if we have your specific agreement. For example, if we believe you may have tax obligations in other countries, we may have to disclose information about you directly to HM Revenue & Customs (HMRC) or other local tax authorities.

## 29. Contracts (Rights of Third Parties) Act 1999

Any person who is not a party to the Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision or condition of the Policy but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.

## Definitions

### Active Employment

Means working for at least 16 hours per week under a contract of employment and receiving a salary or wage. Or if self-employed working for profit for at least 16 hours per week and being liable to pay Income Tax and National Insurance Contributions.

### Authorities

Includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

### Chronic Illness

A disease, illness or injury which has at least one of the following characteristics:

- ◆ It needs long term monitoring, consultations, check ups, examinations or tests;
- ◆ It continues indefinitely and has no known cure;
- ◆ It comes back or is expected to come back;
- ◆ It is permanent; and/or
- ◆ The Life Insured needs to be rehabilitated or specially trained to cope with it.

### Claims Department

**Means HSBC Life (UK) Limited  
PO Box 6176  
Coventry  
CV3 9HN**

### Company

Means HSBC Life (UK) Limited or its successors in title.

### Compliance Obligations

Means obligations of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring us to verify the identity of our customers.

### Connected Person

Means any natural person or legal entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include any guarantor or any other persons or entities with whom

you have a relationship that is relevant to your relationship with the HSBC Group. A Connected Person may include any guarantor or owner of a legal estate in land over which we are to take security, provider or recipient of a payment or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group.

### Continuous Period

Means either:

- ◆ An uninterrupted period of time over which 60 monthly benefit payments are made, or
- ◆ A period of time over which 60 monthly benefit payments have been made when a linked claim results in an interruption to the payment of monthly benefit.

For the purposes of this definition a proportionate benefit payment will be regarded as a monthly benefit payment for assessing when 60 monthly benefit payments have been made.

### Customer Information

Means your Personal Data, confidential information, and/or Tax Information or that of a Connected Person.

### Customer Services Centre

Means HSBC Life (UK) Limited, PO Box 6176, Coventry CV3 9HN.

### Deferred Period

This is the continuous period of Incapacity during which no benefit is payable and which must pass before any benefit is paid and ends at the later of:

- ◆ 13 weeks; and
- ◆ the point at which your income reduces to below your monthly benefit amount.

### Doctor

Means a medical practitioner other than the Life Insured or a member of their family, who holds a full qualification entitling them to full registration with the General Medical Council in the United Kingdom.

### Earnings

If the Life Insured is employed this means:

- ◆ The Life Insured's taxable earnings in the United Kingdom in the 12 months immediately before the date of Incapacity. These are the Life Insured's pre-tax earnings for PAYE assessment purposes as shown on HM Revenue & Customs form P60, or on the previous 12 months' pay slips; and



- ◆ P11D benefits received in the 12 months immediately before the date of Incapacity; and
- ◆ Dividends received in the 12 months immediately before the date of Incapacity from a private limited company representing the Life Insured's share in the net trading profit.

If the Life Insured is self-employed this means:

- ◆ The Life Insured's share of pre-tax profit in the United Kingdom in the 12 months immediately before the date of Incapacity. This is after the deduction of trading expenses as assessed for income tax and agreed by HM Revenue & Customs.

For Earnings outside the UK the amount used for the purposes of determining the monthly benefit for those employed and self-employed will be the pre-tax earnings as assessed for Income Tax or its equivalent and agreed by the tax authorities in the relevant country.

### **Endorsement**

Means any schedule, letter or other document issued by the Company to the Life Insured that alters the provisions, conditions, definitions or schedule of the Policy.

### **Expiry Date**

Means the date shown in the Policy Schedule on which the Policy terminates and all benefits come to an end.

### **Financial Crime**

Means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or break any Laws relating to these matters.

### **Financial Crime Risk Management Activity**

Means any action to meet Compliance Obligations relating to the detection, investigation and prevention of Financial Crime. This may include (a) screening, intercepting and investigating any communication, application for Services or any payment, whether sent to or by you or on your behalf, (b) investigating the source of or intended recipient of money, (c) combining Customer Information with other related information in the possession of the HSBC Group and/or (d) making further enquiries as to the status of a relevant person or entity (whether they are subject to a sanctions regime or confirming their identity or status).

### **Grace Period**

Means, in respect of each Premium, a period of 28 days immediately following the Premium due date.

### **HSBC Group and any member of the HSBC Group**

Means HSBC Holdings plc, and/or any of its affiliates, subsidiaries, associated entities, and any of their branches or offices, and includes HSBC Life (UK) Limited and HSBC UK Bank plc.

### **Incapacity/Incapacitated**

Means that, as the result of illness or injury, the Life Insured is unable to perform the Material and Substantial Duties of the occupation being followed at the time of the illness or injury, and is not following any other occupation.

### **Laws**

Include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to us or any other member of the HSBC Group.

### **Life Insured**

Is the person shown as Life Insured in the Policy Schedule relating to whom payment of the benefit depends.

### **Market Rate of Pay**

Means the rate of pay for an occupation determined from the New Earnings Survey published from time to time by the Office for National Statistics and takes into account regional variations.

### **Material and Substantial Duties**

Means those duties that are normally required for the performance of the Life Insured's own occupation and which cannot reasonably be omitted or modified.

### **Paid Employment**

This is the occupation from which the Life Insured receives taxable earned income and in which the Life Insured is actively engaged, normally working 16 or more hours a week on a regular basis.

## Permitted Areas

Any EU member country plus the following: Andorra, Australia, Canada, Channel Islands, Gibraltar, Hong Kong, Iceland, Isle of Man, Japan, Liechtenstein, Monaco, New Zealand, Norway, San Marino, Saudi Arabia, South Africa, Switzerland, Turkey, United States of America.

## Personal Data

Means any information relating to an individual from which they can be identified or be identifiable.

## Policy

Means this HSBC Life **Income Cover or Income Cover (5 Year) Policy** (including IncomeChoice and IncomeChoice (5 Year) under LifeChoices).

## Policy Schedule

Means the schedule to the Policy or any replacement schedule issued by the Company in accordance with these Policy Conditions which shows the details of the cover provided by this Policy.

## Policyholder

Means the person (or persons) shown as the Policyholder in the Policy Schedule who for the time being is the legal holder of the Policy, but could, if appropriate, mean:

- ◆ The executor/administrator of the Policyholder; or
- ◆ The legal assignee of the Policyholder or subsequent assigns (including for the avoidance of doubt any trustee in bankruptcy or liquidator); or
- ◆ The executor/administrator of such assignee holding title to the Policy.

## Premium

Means the amount shown in the Policy Schedule or any subsequent Endorsement.

## Services

Means (a) the opening, maintaining and closing of your accounts with us, including your mortgage account, (b) providing you with credit facilities and other banking products and services (including insurance), processing applications, credit and eligibility assessment, and (c) maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes.

## Tax Authorities

Means UK or foreign tax, revenue or monetary authorities (for example, HMRC).

## Tax Information

Means documentation or information about a person's tax status, including yours.

# An overview of how we collect and use your information

This is an overview of:

- ◆ the types of information we collect about you
- ◆ how we collect and use it
- ◆ who we might share it with
- ◆ the steps we'll take to make sure it stays private and secure
- ◆ your rights to your information.

## More information

For more details about anything covered in this overview, please see our full Privacy Notice. You can view or download a copy by visiting [www.hsbc.co.uk](http://www.hsbc.co.uk) or if you prefer paper, give us a call on **03457 404 404** and we'll send you one in the post.

## Who we are

When we say 'we', we mean HSBC Life (UK) Limited, part of the HSBC Group of Companies, who is the 'data controller' for the information in this overview. This means we're responsible for deciding how we can use your information.

## The information we collect

We collect information about you from different places including:

- ◆ directly from you
- ◆ from a third party acting on your behalf e.g. an intermediary or broker who promote and distribute products for us
- ◆ from other HSBC companies, including HSBC UK Bank plc, first direct and M&S Bank
- ◆ from publicly available sources
- ◆ from comparison websites or aggregators
- ◆ information relating to your medical records, with your agreement;
- ◆ information relating to your insurance claims history;

- ◆ information from other parties involved in your insurance policy or claim
- ◆ when we generate it ourselves
- ◆ from other organisations.

We'll only collect your information in line with relevant regulations and law and this may relate to any of our products or services you apply for, currently hold or have held in the past.

You're responsible for making sure you give us accurate and up to date information. If you provide information for another person on your account, (including named insured or beneficiaries under your policy, dependants, claimants and other third parties involved in an insurance policy or claim (such as witnesses)), you'll need to tell them how to find the Privacy Notice and make sure they agree to us using their information for the purposes set out in it.

### How we'll use your information

We'll use it to provide the insurance products you've requested and other purposes e.g.:

- ◆ to confirm your identity and address
- ◆ to understand how you use your products and services
- ◆ to carry out your instructions
- ◆ to improve our products and services
- ◆ evaluate your insurance application and provide you with a quotation
- ◆ handle or monitor any claims which you make or which arise under your insurance policy
- ◆ where relevant, bring a claim against a third party
- ◆ apply for and claim on our own insurance policies
- ◆ to offer you other services we believe may benefit you unless you ask us not to.

We'll only use your information where we're allowed to by law e.g. carrying out an agreement we have with you, fulfilling a legal obligation, because we have a legitimate business interest or where you agree to it.

We need to collect sensitive health information for insurance purposes to:

- ◆ evaluate your insurance application and provide you with a quotation;
- ◆ handle or monitor any claims which you make or which arise under your insurance policy.

We may, for the purposes of underwriting this proposal, disclose to an approved medical agency, your name, address, doctor's details,

telephone number and date of birth in order to arrange and obtain medical examinations and tests.

Where appropriate, we will ask for consent to collect and use this information.

We may use automated systems to carry out fraud and money laundering checks and to help us make decisions, e.g. to determine whether or not we can offer you insurance and at what price. We may base our decision on factors such as health, lifestyle and occupational information, as well as the level of cover being requested.

### Who we can share your information with

We may share your information with other companies we work in partnership with, agents or service providers who work for us or provide services to us, and other HSBC Group members. We may also share your information with others outside of the HSBC Group e.g. regulators, insurers, other banks, agents as well as fraud prevention agencies, other parties involved in providing your insurance policy such as the intermediary, broker, third parties involved in the administration of the relevant insurance policy or claim including loss adjusters, claims handlers, private investigators, experts and our advisers, and, where relevant, medical experts and rehabilitation providers.

We may carry out a post-sale check on the accuracy of the disclosures given in this application and if so, we will first obtain any appropriate consents.

### How long we'll keep your information

We'll keep your information for as long as you have a relationship with us. After it ends we'll keep it where we may need it for our legitimate purposes e.g. to help us respond to queries or complaints, or for other reasons e.g. fighting fraud and financial crime, and responding to requests from regulators.

### Transferring your information overseas

Your information may be transferred and stored in countries outside the European Economic Area, including some that may not have laws that provide the same level of protection for personal information. When we do this, we'll ensure it has an appropriate level of protection.

### Your rights

You have a number of rights relating to your information e.g. to see what we hold, to ask us to share it with another party, to ask us to update incorrect or incomplete details, to object to or restrict processing of it, to make a complaint etc.



This brochure has been printed on paper made from responsibly-managed forests.

**hsbc.co.uk**

**Issued by HSBC Life (UK) Limited**

Customer Information: PO Box 6125, Coventry CV3 9GW