

IncomeShield™

Income insurance for the essentials



www.paymentshield.co.uk/incomeinsurance



 **paymentshield**
we've got it covered



IncomeShield.

Cover for your Essentials...

None of us know what life has in store for us.

Through no fault of our own, we may find ourselves unable to work due to an accident or sickness, and with unemployment levels frequently in the news most of us will have asked ourselves recently how we would cope financially without our regular income.

Of course, we all have different priorities in life. The things that are essential to you are no doubt different from the next person, however we may all need help to pay for these essentials if we lost our income and this is what IncomeShield has been designed to do.

IncomeShield can help protect your essentials following accident, sickness or involuntary unemployment by offering flexible cover which is not tied to any particular credit agreement. Should you need to claim, you can use the monthly benefit which is payable for up to 12 months or 24 months (accident & sickness only) to cover whatever outgoings are most essential to you at that time.

¹ Subject to not exceeding 65% of your gross monthly income. Gross monthly income is the average monthly salary before tax including any commission and/or bonus payments received for the 12 months immediately prior to the start date (if in full-time employment) or the monthly average of income as declared on the self assessment return for the previous tax year as confirmed by HMRC (if self employed).

IncomeShield Benefits

- **DIRECT** – up to £2,000 a month¹ straight into your bank account.
- **REASSURING** – knowledge that the essentials are covered.
- **AFFORDABLE** – cover can be tailored to suit your budget.
- **ADAPTABLE** – transfer existing payment protection insurance held with other providers.
- **FLEXIBLE** – cover options to meet your individual needs and circumstances.
- **SIMPLE** – a UK based claims centre with helpful staff to make the claims process as simple as possible.
- **INCLUSIVE** – offers support for people at various life stages (aged between 18 - 64 years).

Direct...

In the event of a claim IncomeShield provides a regular income paid directly into your bank account to make sure you don't have to lose what's essential to you, should you be unable to work due to accident, sickness or unemployment.

What's essential to you?

- protecting your home by covering your mortgage or rent payment
- putting fuel in your car or covering other transport costs
- keeping your fridge and cupboards stocked with food
- covering child care expenses
- ensuring your gas, water and electric bills are covered
- maintaining the insurance on your buildings & contents, car etc
- keeping up with credit card or loan repayments
- maintaining hire purchase instalments
- your satellite/cable TV subscription
- gym membership
- maintaining your savings and investments
- paying school and education fees

Reassuring...



IncomeShield provides both the time and money to get back on your feet if the worst happens.

Ask yourself how would you cover all your outgoings if your income dried up?

You may think the Government would help but here are some facts:

- A single person over 25 is only entitled to £67.50 of Jobseekers Allowance per week.
- The standard rate for statutory sick pay is just £81.60 per week payable for a maximum of 28 weeks.
- Employment and support allowance for a single person over 25 starts at just £67.50 a week if you're unable to work due to illness or disability.

The above points are based on our understanding of the current state benefit system with information taken from www.direct.gov.uk. For specific information about your entitlement to claim state benefit, you should contact your local Department for Work & Pensions.

IncomeShield payments are made in addition to sick pay or benefits you're entitled to* which means you can continue to keep up with payments on the things that are essential to you.

*IncomeShield's monthly benefit may affect your entitlement to certain means tested state benefits



Paymentshield Peace of Mind

Our reputation for offering quality insurance cover is well established and since 1995 Paymentshield's accident, sickness and unemployment policies have given peace of mind to over 675,000 policyholders.

IncomeShield has been developed by Paymentshield together with a specialist creditor insurance underwriter, Pinnacle Insurance plc, so you can be sure you're in safe hands.

Supportive...



IncomeShield also provides you with additional support to get your plans back on track...

If you choose unemployment cover as part of your IncomeShield policy you will be entitled to our FREE Back to Work support should you be made redundant.

This service is confidential and designed to provide advice and assistance to help you make a speedy return to work.

Back to Work support provides:

- A self-help guide and access to a specialist website.
- Telephone support to offer encouragement, interview advice and tips on preparing your CV.
- Workshops to develop your CV, tackle difficult interview questions and inform you of the current employment market.

IncomeShield offers more than just a monthly payment, it provides valuable help and advice when you need it most.



...and legal advice should you need it

Should you require legal advice, representation and support, IncomeShield includes health, employment & legal protector (HELP), as part of our unemployment cover.

HELP provides legal expenses cover up to £50,000 in the negotiation of your legal rights in respect of employment disputes and bodily injury claims.

Typical scenarios where HELP cover could assist include:

- You are not offered a job role because of your age, race or disability.
- You feel you were unfairly dismissed or selected for redundancy.
- You are injured at work and you feel your employer is negligent.
- You are injured following a road accident which was not your fault.

* When calling the health and medical information helpline between the hours of 7pm and 9am we will take a message and one of our health and medical advisers will contact the insured person the following day or at a preferred time.

IncomeShield's HELP cover provides confidential 24-hour helpline services for free, legal advice, medical & health information* and telephone counselling. All helplines are provided by DAS Legal Expenses Insurance Company Limited.

Unfortunately HELP does not cover claims resulting from or relating to:

- Disciplinary hearings or internal grievance procedures.
- Any illness or bodily injury which happens gradually or is not caused by a specific or sudden accident.
- Clinical negligence.
- Claims reported more than six months after you should have known about the incident.

Affordable...



Paymentshield's IncomeShield allows you to tailor your policy to fit your personal needs and budget.

A typical IncomeShield customer pays just £1.30 a day, offering valuable protection for less than the price of a daily coffee¹. So can you afford not to consider IncomeShield?

Premiums are collected monthly by direct debit from your bank or building society account giving you one less thing to worry about.

There are other providers of Short-Term Income Protection and other products designed to protect you against loss of income. For impartial information about insurance, please visit the website at www.moneyadvice.service.org.uk/yourmoney

A typical monthly cost for Paymentshield Short Term Income Protection is £4.87 (inclusive of Insurance Premium Tax 'IPT' at the current rate of 6%) for every £100 of monthly benefit. This cost is based on a customer aged 26-30 taking out our full accident, sickness and unemployment option with 30 day back to day one cover, 12 months benefit and no deferred premium payment period. A monthly administration charge of £2.12 (also inclusive of IPT) will be added to the monthly cost.

Can you afford to go without IncomeShield?

- 1 in 4 adults are currently out of work².
- Unemployment is expected to increase further during 2011³.
- The Citizens Advice Bureau deal with over 9,000 new debt problems every day⁴.
- A property is repossessed every 15 minutes⁴.
- Fewer than 50% of people have enough savings to cover their outgoings for more than 3 months should they be unable to work⁵.

¹ Pricing claim based on the IncomeShield premium cost for a customer taking out the average monthly benefit of £755 on full ASU 30 day LTD1 cover, aged 26 - 30 years at £4.87 per £100, with an average benefit cost of £38.91 per month (inclusive of a £2.00 policy admin charge and Insurance Premium Tax) compared to the cost of a 'tall' cappuccino from Starbucks priced at £2.10 as of August 2011. ² Office for National Statistics, 'Labour Market Statistics', April 2011. ³ British Chambers of Commerce 'Economic Forecast', March 2011. ⁴ creditaction.org.uk 'Debt Statistics', January 2011. ⁵ YouGov Plc Survey 'January 2011'. (Total sample size was 1030 adults. Fieldwork was undertaken between 28th-30th January 2011. The survey was carried out online. The figures have been weighted and are representative of all UK adults aged 18+).

Adaptable...

Should you wish, you can even transfer any existing payment protection cover to IncomeShield.

By transferring any existing payment protection insurance (PPI) into one IncomeShield policy, you may save money and feel safe in the knowledge you have quality cover in place.

What's more, if you're transferring to a full IncomeShield Accident, Sickness and Unemployment (ASU) policy that includes unemployment cover we'll remove the standard initial exclusion period¹ on unemployment claims for the amount of the benefit insured on your existing policy.

With the removal of the standard initial exclusion period you can claim for unemployment to be backdated to day one of your IncomeShield policy subject to our usual eligibility requirements and policy exclusions².

Please discuss your individual needs with your broker to ensure your requirements are adequately met if you are thinking about transferring existing cover to IncomeShield.

¹ Initial Exclusion Period: A 60 days initial exclusion period applies where you cannot claim for unemployment if at the policy start date you have a new secured or unsecured loan which has been in force for 60 days or less, otherwise the standard Initial Exclusion Period of 120 days would apply.

² You cannot amend your cover or monthly benefit during a claim, or you are aware of an impending claim

Flexible...



IncomeShield can be tailored to meet your personal needs...

Choose the Level of Cover...

- Accident, Sickness + Unemployment Cover (ASU)
- Accident + Sickness Cover (AS)
- Unemployment Cover (U)

Choose the Benefit Amount...

The monthly benefit is the amount the policy would pay out each month in the event of a claim.

- Up to £2,000 per month or 65% of your gross monthly income* (whichever is lower)

Choose the Benefit Period...

Two options for how long monthly benefits are paid:

- 12 months
- 24 months (available for AS cover only)

* Gross monthly income is your average monthly salary before tax including any commission and/or bonus payments received (if you are in full-time employment) or the monthly average of your income as declared on your self assessment return for the previous tax year as confirmed by HMRC (if you are self employed).



Choose the Qualification Period...

The qualification period is the number of consecutive days from being unable to work until the monthly benefit begins:

- 30 day back to day one
- 30 day excess
- 60 day excess
- 90 day excess
- 180 day excess

The 30 day back to day one option provides the most comprehensive cover with any claim payment being backdated to the first day you are unable to work.

With excess cover in the event of a claim you would receive your benefit one month in arrears from the first day after the chosen qualification period.



...offers the flexibility to fit your individual budget

By selecting different qualification periods for accident and sickness from those selected for unemployment you can help to keep the monthly costs as low as possible.

For example accident and sickness cover can be tailored to start after your sick pay runs out whilst offering unemployment cover from day one. So, if you are entitled to six months' sick pay then you could choose a 30 day Back to Day One (BTD1) qualification period for unemployment and a 180 day excess qualification period for accident and sickness.

There's no substitute for expert advice. Please speak to your financial adviser to discuss the appropriate qualification periods and cover levels for your circumstances so your needs can be met appropriately.

Simple...

Making a claim with IncomeShield is easy and straightforward.

You should contact PaymentShield as soon as you find yourself either:

unable to work due to an accident or sickness and are under the regular care and attention of a doctor/consultant

OR

if you have stopped work and registered as a carer for a member of your immediate family

OR

if you have lost your job due to circumstances beyond your control and are now registered as unemployed.

Making a claim

Call PaymentShield on...

0845 201 1719

Lines open between 8.30am and 6.00pm, Monday to Friday.

Things to be aware of...

As with all insurance policies there are certain circumstances when you will not be able to make a claim, known as exclusions.

Full details of the exclusions which apply to IncomeShield are provided in the Policy Document (copies are available on request from your intermediary).

An example of an important exclusion which applies to IncomeShield is the pre-existing medical condition exclusion. A pre-existing medical condition includes illnesses you have received medical treatment for, or should reasonably have been aware of, in the 12 months before the policy start date. If you do have a pre-existing medical condition and you are symptom free and have not consulted a doctor or received treatment for the condition for at least 12 months after the start date of the policy, the pre-existing medical condition will then be covered.

The policy will not cover accident and sickness claims for backache, stress and nervous or mental disorders unless you are under the care of an appropriate medical specialist. Claims due to voluntary unemployment or due to your misconduct/poor performance are also excluded.

Inclusive...



To be eligible for IncomeShield, we ask that you meet the following requirements:

- Be 18 or over and under 64 when the cover is purchased.
- Be in paid work for at least 16 hours a week.
- Live or work in the United Kingdom, Channel Islands or the Isle of Man.
- Have been in full-time employment or self-employment for at least 6 continuous consecutive months with your current employer, or working on a fixed-term contract for at least 24 continuous consecutive months, immediately prior to the start date
- You cannot have been registered as unemployed in the 12 months before the start date of this policy.
- Be unaware of any circumstances which may result in you making a claim under this policy.

There may be other underwriting and eligibility requirements which apply at the time of your application and will be explained at that time.

If you are self employed or work on a fixed-term contract, you should read the policy document carefully to make sure it is suitable for your needs.

If your policy includes unemployment cover, then in the 6 months before the policy start date you must also meet the following criteria:

- Have not received formal or informal notification that your own job is at risk.
- Your employer must not have formally announced its intention to make job cuts, made any mandatory reductions to basic salaries or contractual working hours to the workforce at your location of work.
- Your company, or the company you are employed by is not in administration, or has not announced formally or informally that it is going into administration, receivership or liquidation.

Unfortunately, IncomeShield is unable to provide cover for:

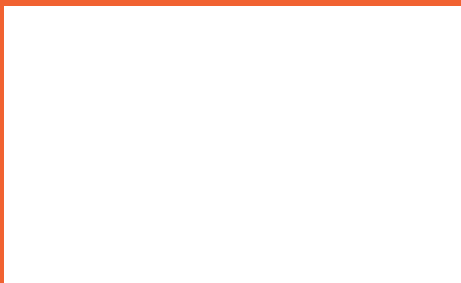
- Those whose work is casual, temporary or seasonal (including any work for a temporary employment agency)
- Those who are in any kind of work where unemployment is a regular or recurring feature of that particular job
- Those who work less than 16 hours per week
- Fixed term contract workers who are not applying for a new credit agreement for a secured or unsecured loan or have not taken a new credit agreement for a secured or unsecured loan within 60 days of the insurance start date

Please refer to terms and conditions for full eligibility requirements and exclusions

Arranging cover...

IncomeShield is available via your financial adviser. Your adviser will provide you with a quote for your premium together with a copy of the Policy Summary. If you are happy with the quote and wish to proceed, your adviser will finalise your application.

Financial Adviser Details



Important Information

The Accident Sickness and Unemployment Insurance for IncomeShield is underwritten by Pinnacle Insurance plc. Registered Office: Pinnacle House, A1 Barnet Way, Borehamwood, Hertfordshire WD6 2XX. Registered in England and Wales Number: 1007798. A BNP Paribas Company. Authorised and regulated by the Financial Services Authority (FSA) under registration number 110866.

The insurance for Health, Employment & Legal Protector (HELP) cover is provided by DAS Legal Expenses Insurance Company Limited. Authorised and regulated by the Financial Services Authority (FSA) under registration number 202106. Paymentsshield acts as the policy administrator. If you have any questions about the cover provided by Paymentsshield please speak to your financial intermediary or contact our Customer Services Team by telephone on 0845 6011 050 or email enquiries@paymentsshield.co.uk.

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