

A Guide To IncomeShield

Income insurance for the essentials

FOR INTERMEDIARY USE ONLY



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Contact us

Find out more information about IncomeShield:



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www.paymentshield.co.uk/incomeshield

Welcome to IncomeShield

What is IncomeShield?

IncomeShield is our most flexible and easy to sell product yet!

IncomeShield is not tied to a mortgage, loan or other credit agreement, it simply pays out a monthly benefit to help cover your customers' essential outgoings if they are unable to work due to accident, sickness, unemployment or have to leave work to become a full time carer.

IncomeShield can be sold alongside long term protection products to help provide your customers with a robust insurance offering. You could even save your customers money by consolidating any existing payment protection policies into one IncomeShield policy.

IncomeShield offers

- Up to **£2,000** per month¹ in the event your client is unable to work due to accident, sickness or unemployment
- **Carer cover** included within our unemployment cover should your client need to stop working to become a full time carer for an immediate family member
- A **monthly benefit which can be used however the client chooses** since cover is not tied to a mortgage or credit agreement
- **Age banded pricing** offering a typical client cover from just **£1.39** a day²
- **Cover that can be tailored** to meet your client's needs and budgets
- **Choice** of full ASU, AS or U only cover
- **The transfer of existing PPI to IncomeShield** and the waiver of our standard unemployment IEP for the amount currently insured when transferring to full ASU cover
- **Peace of mind for your customers** for up to 24 months (AS cover) or 12 months (ASU or U cover)
- **Additional support** including back to work support and HELP (Health, Employment & Legal Protector) cover for employment and bodily injury claims

IncomeShield is underwritten by Pinnacle Insurance plc.

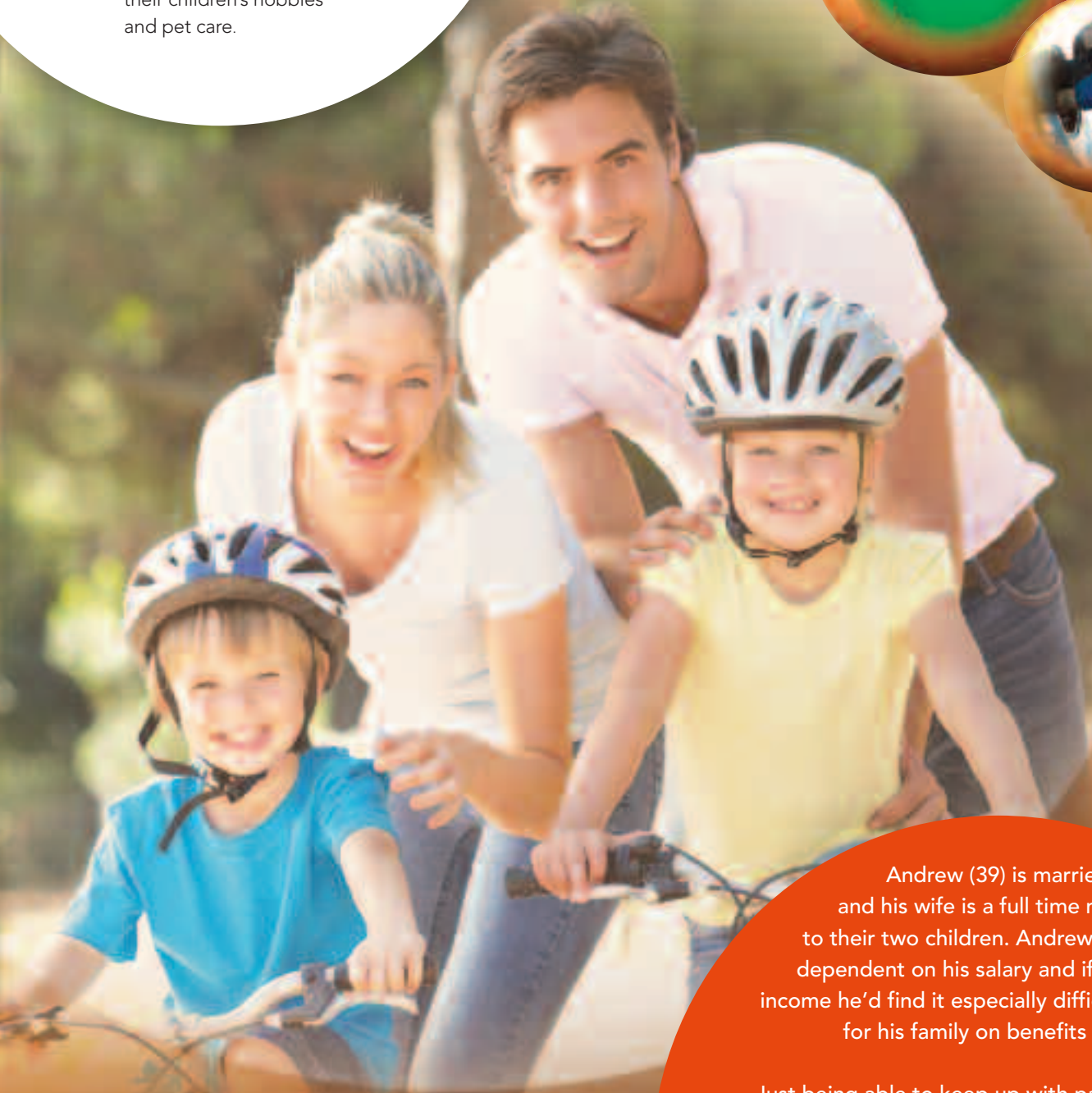
¹Subject to not exceeding 65% of your gross monthly income. Gross monthly income is your average monthly salary before tax including any commission and/or bonus payments received (if you are in full-time employment) or the monthly average of your income as declared on your self assessment return for the previous tax year as confirmed by HMRC (if you are self employed).
²Pricing claim based on the IncomeShield premium cost for a customer taking out full ASU 30 day LTD1 cover, aged 36 – 40 years at £5.94 per £100, with an average benefit cost of £41.58 per month (inclusive of a £2.00 policy admin charge and Insurance Premium Tax)



What's essential to your client?

Protecting their home and family?

e.g. their mortgage/rent payments, grocery bills, fuel costs, utility bills, their children's hobbies and pet care.



Andrew (39) is married and his wife is a full time mother to their two children. Andrew's family is dependent on his salary and if he lost his income he'd find it especially difficult to provide for his family on benefits alone.

Just being able to keep up with payments on the family home would mean struggling to pay other bills, having to cut back on fuel and food costs, no longer being able to pay for school trips or club memberships and having to cancel family holidays. By taking out accident, sickness and unemployment cover Andrew feels reassured that he will be able to continue to pay for what's important in their lives should he be unable to work.

Flexibility

IncomeShield can be tailored to meet your client's individual needs...

Choose the level of Cover

- Accident, sickness & unemployment cover (ASU)
- Accident & sickness only cover (AS)
- Unemployment only 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 £2,000¹ per month

Choose the Benefit Period

Two options for how long monthly benefits are paid:

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

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 your client is unable to work.

With excess cover, in the event of a claim your client would receive benefit from the first day after the chosen qualification period.

...and budget.

By selecting a different qualification period for accident and sickness from that 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 any sick pay runs out whilst offering unemployment cover from day one. So, if your client is entitled to six months' pay then you could consider a 30 day Back to Day One (BTD1) qualification period for unemployment and a 180 day excess qualification period for accident and sickness.

Example Sick Pay Entitlement	Accident & Sickness Qualification Period	Unemployment Qualification Period	Monthly Cost to protect £500 ²
No sick pay or reduced salary	30 day BTD1	30 day BTD1	£24.75
3 months sick pay	90 day excess	30 day BTD1	£22.35
6 months sick pay	180 day excess	30 day BTD1	£21.13

¹Subject to not exceeding 65% of your client's gross monthly income. 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). ²Based on a 30 year old policyholder taking out 12 months benefit period. The monthly cost is inclusive of the £2.00 policy administration charge and insurance premium tax.

What's essential to your client?

Keeping up with financial commitments

e.g. car loan, credit card payments, savings and investments, satellite TV, bills and mobile phone contracts.



David (45) is a self-employed plasterer who only receives an income when he's able to work.

Should he be unable to work due to accident or sickness he could fall into serious financial difficulties which could threaten his business as he only has limited savings to cover his bank loan and van payments as well as other business overheads.

However, David would not only benefit from accident and sickness cover should he cease trading, he would also be able to receive financial support while he finds another job.

Reassurance

How would your client cover their essential outgoings if they were unable to work?

They may think the government would help but could they really live on £67.50 a week?

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 entitlement to claim state benefit, please contact the Department for Work & Pensions.

Don't let your client become another statistic:

- Unemployment currently stands at 2.47 million with nearly half of these people (1.16 million) being unemployed for more than 6 months¹.
- 43% of people have enough savings to cover their outgoings for more than 3 months should they be unable to work².
- 1 in 4 of us is relying on winning the lottery to help improve our financial situation. This is compared to just 1 in 20 who will seek professional help to improve their finances³.

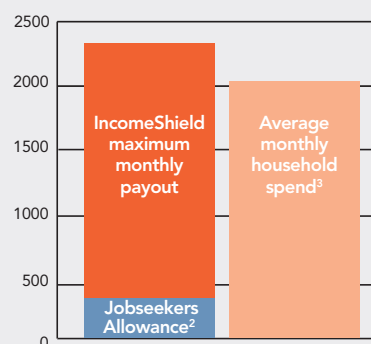
Could they cover all their essential outgoings on benefits alone?

Two years ago the average household spent £471 a week⁴. However, with cost of living increasing since then, the likelihood is the average household will now be spending more.

Encourage your client to ask themselves the following:

- How much is their rent or mortgage?
- How much is a tank of petrol in their car?
- What do they spend each month on food?
- How much are their bills each month; council tax, gas, electricity, water?
- Do they have to pay monthly loan or credit card payments?
- How much do they spend on other things that are important i.e. mobile phone, gym membership, socialising?

IncomeShield can help to bridge the benefit shortfall



IncomeShield's monthly benefit is paid in addition to other Government or employment benefits you might be entitled to*.

Try our cost of living calculator www.paymentshield.co.uk/incomeinsurance

¹Office for National Statistics 'Employment' May 2010. ²Creditation.org.uk 'Debt Statistics' November 2009. ³Creditation.org.uk 'Debt Statistics' April 2010. ⁴The Office for National Statistics Family Spending 2009 (Figures based on 2008 expenditure). ⁵Monthly figure of £283.61 calculated by multiplying the weekly jobseekers allowance of £65.45 by 52 and dividing by 12. ⁶Monthly figure of £2,041 calculated by multiplying the average weekly household expenditure of £471 by 52 and dividing by 12. ^{*}IncomeShield's monthly benefit may affect benefit entitlement to certain means tested State benefits.

What's essential to your client?

Protecting their lifestyle?

e.g. their mortgage/rent
Sky/cable package,
broadband and mobile
phone bills.



Jennifer (28) and Antony (30) are about to get married and move into a new home together. Both of them are currently in permanent employment but Jen's company was restructured early last year and made a number of redundancies.

As this happened over 6 months ago, Jen is eligible to add unemployment cover to her IncomeShield policy and wants to make sure that should either of them be unable to work they would be able to keep up with payments on their new home as well as maintaining their standard of living. Therefore, both of them are looking to take out full accident, sickness and unemployment cover on their income to give them extra peace of mind should the worst happen.

Support

IncomeShield is more than just a monthly payment.

It can help give customers the confidence to get back into work...

As well as providing financial support, IncomeShield's unemployment cover also offers assistance to help policyholders find another job if they're unfortunate enough to be made redundant.

Our back to work support is provided as standard where unemployment cover is included as part of the policy and is designed to provide confidential advice and support to help your client 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 CV preparation
- Help with CV development and tackling difficult interview questions, along with guidance on the current employment market
- Invitation to local recruitment events where you can learn more about job opportunities in your area

...As well as offering legal support and advice.

IncomeShield's Health, Employment and Legal Protector (HELP) cover offers:

- ✓ Legal expenses cover up to £50,000 for the negotiation or defence of your client's legal rights in respect of:
 - employment disputes
 - bodily injury claims

PLUS

- ✓ Free and confidential 24-hour helplines offering:
 - legal advice
 - health and medical information¹
 - telephone counselling

Unfortunately, HELP can not help with 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

Helplines are available 24 hours a day¹, every day of the year. Helplines and the insurance for HELP cover is provided by DAS Legal Expenses Insurance Company Limited.

¹When 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 advisors will contact the insured person the following day or at a preferred time.

What's essential to your client?

Life's luxuries

e.g. holidays, new car, gym membership and eating out.



Emma (34) is a high earner who enjoys the finer things in life such as exotic holidays and eating out. She pays rent on a city centre apartment and recently took out a loan to buy a new car.

With no dependents or partner to support her, Emma's main priority is that she would be able to maintain her lifestyle should she find herself unable to work.

By taking out accident, sickness and unemployment cover she feels reassured she wouldn't have to make too many sacrifices if she found herself out of work following accident, sickness or unemployment.

Simplicity

Making a claim with IncomeShield is easy and straightforward.

IncomeShield policyholders should contact the IncomeShield claims helpline as soon as they find themselves either:

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

OR

- have lost their job due to circumstances beyond their control and are now registered as unemployed

OR

- have stopped work and registered as a carer for a member of their immediate family

Making a claim

Claims can be registered over the phone.

Claims Helpline:

0845 201 1719

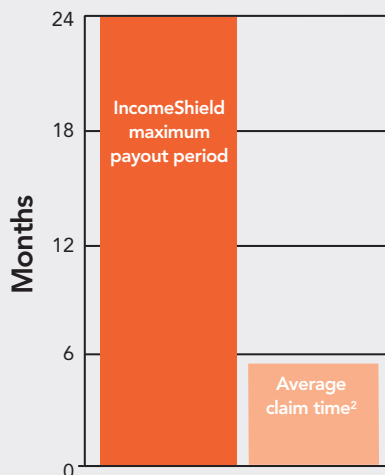
Lines open between 8:30am and 6:00pm, Monday to Friday. Our call centres are based in the UK and staffed with highly supportive and professional claims handlers - there to offer your customers the service they need.

IncomeShield offers something very precious...time.

Paymentshield Accident and Sickness claims

The average period for accident and sickness claims is just under 6 months.*

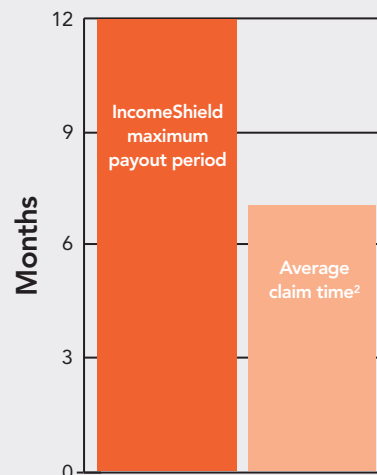
With IncomeShield offering protection for up to 24 months this gives your client plenty of time to get back on their feet.



Paymentshield Unemployment claims

The average period for unemployment claims is 7 months.*

Thankfully with IncomeShield offering cover following redundancy for up to 12 months your client has the time they need to find another job.



*Paymentshield MPPI claims figures from 1/6/2009 - 31/5/2010.

Making protection affordable

The cost per month will depend on your client's age and preferred cover options.

The table below shows IncomeShield's pricing for our most comprehensive '30 day Back to day One' cover (based on 12 months benefit).

Age band	Accident, Sickness & Unemployment (ASU) Cover		Accident & Sickness (AS) Cover		Unemployment (U) Cover	
	Rate per £100	Rate per £100	Rate per £100	Rate per £100	Rate per £100	Rate per £100
	Benefit less than £500	Benefit more than £500	Benefit less than £500	Benefit more than £500	Benefit less than £500	Benefit more than £500
18 - 25	£3.28	£4.27	£1.36	£1.78	£2.95	£3.84
26 - 30	£4.52	£4.89	£1.88	£2.03	£4.17	£4.39
31 - 35	£5.43		£2.26		£4.89	
36 - 40	£5.94		£2.47		£5.34	
41 - 45	£6.12		£2.55		£5.51	
46 - 50	£7.35		£3.06		£6.62	
51 - 55	£8.69		£3.62		£7.82	
56 - 60	£9.88		£4.11		£8.90	
61 - 65	£10.43		£4.34		£9.39	

This second table shows how the pricing is affected by tailoring IncomeShield cover with different qualification periods for AS and U.

Age band	ASU 60 day Excess for AS cover 30 day LTD1 for U cover		ASU 90 day Excess for AS cover 30 day LTD1 for U cover		ASU 180 day Excess for AS cover 30 day LTD1 for U cover	
	Rate per £100	Rate per £100	Rate per £100	Rate per £100	Rate per £100	Rate per £100
	Benefit less than £500	Benefit more than £500	Benefit less than £500	Benefit more than £500	Benefit less than £500	Benefit more than £500
18 - 25	£3.02	£3.94	£2.93	£3.82	£2.75	£3.59
26 - 30	£4.18	£4.50	£4.05	£4.36	£3.80	£4.10
31 - 35	£5.00		£4.85		£4.56	
36 - 40	£5.48		£5.31		£4.99	
41 - 45	£5.64		£5.47		£5.14	
46 - 50	£6.78		£6.58		£6.18	
51 - 55	£8.01		£7.77		£7.30	
56 - 60	£9.11		£8.83		£8.30	
61 - 65	£9.62		£9.32		£8.76	

The pricing in the above tables does not include a deferred payment period. Premium rates are not guaranteed, they will change as customers get older and move to a different age band. They may change to reflect changes in Pinnacle Insurance plc's expectations on the cost of providing cover, refer to full terms and conditions for full details. There are some instances where taking full ASU may be cheaper than U only cover, as our underwriter uses a number of factors to decide the premium rate. Rates shown are inclusive of IPT at current rate of 6% but do not include the monthly policy administration charge of £2.00. The monthly policy cost for each policyholder will be reviewed prior to the anniversary of the insurance start date and if they have moved to a new age band their monthly policy cost will be amended to reflect this change. Policyholders will be given at least 30 days written notice of any change to the monthly policy cost.



Indicative premiums for ASU 30 day Back to Day One cover, with up to 12 months benefit.

Use the table below to assess the monthly budget required once the amount of benefit needed has been agreed.

Age Band \ Benefit Insured	£100	£250	£500	£600	£700	£800	£900	£1,000
18 - 25	£5.40	£10.30	£18.49	£27.71	£31.97	£36.24	£40.50	£44.77
26 - 30	£6.65	£13.43	£24.75	£31.36	£36.24	£41.11	£45.99	£50.86
31 - 35	£7.55	£15.69	£29.27	£34.71	£40.13	£45.56	£50.99	£56.43
36 - 40	£8.06	£16.96	£31.80	£37.74	£43.66	£49.60	£55.53	£61.47
41 - 45	£8.24	£17.41	£32.71	£38.83	£44.94	£51.06	£57.18	£63.30
46 - 50	£9.47	£20.52	£38.91	£46.27	£53.62	£60.98	£68.34	£75.69
51 - 55	£10.81	£23.86	£45.59	£54.28	£62.98	£71.67	£80.37	£89.06
56 - 60	£12.00	£26.83	£51.55	£61.43	£71.31	£81.19	£91.08	£100.96
61 - 65	£12.55	£28.19	£54.27	£64.70	£75.13	£85.56	£95.99	£106.42

The table below can be used to quickly identify how much your client can insure based on their monthly budget.

	£15	£25	£30	£35	£40	£45	£50	£75
18 - 25	£394	£537	£654	£771	£889	£1,006	£1,123	£1,709
26 - 30	£285	£500**	£572	£675	£777	£880	£983	£1,496
31 - 35	£237	£422	£514	£606	£698	£790	£882	£1,342
36 - 40	£217	£386	£470	£554	£638	£723	£807	£1,228
41 - 45	£210	£374	£455	£537	£619	£701	£782	£1,191
46 - 50	£175	£311	£379	£447	£514	£582	£650	£990
51 - 55	£148	£263	£320	£378	£435	£493	£550	£838
56 - 60	£130	£231	£282	£332	£383	£433	£484	£737
61 - 65	£123	£219	£267	£315	£363	£411	£459	£698

* Monthly cost includes insurance premium tax at 6% and the £2.00 monthly administration fee. The benefit insured under the specified monthly cost is shown to the nearest pound.

Remember, in addition to their age and level of cover, the price your client pays will depend on their chosen benefit period and qualification period. You can keep monthly costs as low as possible by selecting a different qualification period for accident and sickness from that selected for unemployment.

Fit within your portfolio

IncomeShield has been designed to fit within your existing insurance portfolio in order to help you provide your customers with a robust insurance offering.

IncomeShield provides a monthly benefit in addition to any other protection your client may have in place and can be sold alongside longer term income insurance and life cover.

Product	Length of Benefit & Events covered	Benefit	Where IncomeShield could provide additional support
IncomeShield	<p>Monthly payment payable until the policyholder returns to work (maximum of 12 or 24 months) to cover.</p> <ul style="list-style-type: none"> • Accident • Sickness • Unemployment • Becoming a carer 	<p>Protects the lifestyle of the policyholder and their family against temporary loss of income.</p> <p>The monthly benefit can be used however the policyholder chooses. Cover can be easily increased or decreased if the policyholder's circumstances change*.</p>	
Mortgage Payment Protection Insurance (MPPI)	<p>Monthly payment payable until the policyholder returns to work (usually a maximum of 12 or 24 months) to cover</p> <ul style="list-style-type: none"> • Accident • Sickness • Unemployment • Becoming a carer 	<p>Helps ensure the policyholder's home is not at risk while they are getting back on their feet</p>	<p>MPPI cover is tied to a mortgage agreement and non-mortgage related outgoings may not be protected.</p> <p>IncomeShield can be used to cover a range of different outgoings in one policy not just mortgage payments.</p>
Personal Loan Payment Protection Insurance (PLPPI)	<p>Monthly payment to cover payment due on a personal loan or secured loan usually for the term of the loan or a maximum of 12 or 24 months to cover</p> <ul style="list-style-type: none"> • Accident • Sickness • Unemployment • Death 	<p>Repays the monthly loan instalment and may pay a lump sum if the policyholder dies which is used to clear the outstanding loan amount.</p>	<p>PLPPI only covers the cost of the repayments of a personal loan. Single premium PLPPI can be more expensive than monthly regular payment policies.</p> <p>IncomeShield can provide additional protection for other key outgoings in addition to loan payments.</p>

*Exclusions may apply when increasing cover



Product	Length of Benefit & Events covered	Benefit	Where IncomeShield could provide additional support
Long Term Income Protection/ Permanent Health Insurance (LTIP)/ (PHI)	<p>Monthly payment payable until the policyholder returns to work, the policy ends or the policyholder dies.</p> <ul style="list-style-type: none"> • Accident • Sickness 	<p>Covers long term illnesses that prevent the policyholder from returning to work.</p>	<p>LTIP may be expensive if the policyholder requires a short deferment period and LTIP does not cover the policyholder for redundancy.</p> <p>IncomeShield may be used to provide policyholders with short term cover in addition to any long term protection. It protects against redundancy or accident and sickness for the first 12 months they are unable to work and can for example, be sold alongside LTIP with a 52 week deferment period if suitable.</p>
Critical Illness Cover (CIC)	<p>A one-off cash lump sum if the policyholder is diagnosed with a terminal illness.</p> <ul style="list-style-type: none"> • Critical Illness 	<p>Helps the policyholder's family maintain financial security should they be diagnosed with a critical illness.</p> <p>Will help to pay off a mortgage or other loans.</p>	<p>With CIC certain exclusions may mean that some illnesses are not covered and the benefit may not be sufficient if their illness prevents them from working long term.</p> <p>IncomeShield provides cover against redundancy which CIC does not include</p>
Family Income Benefit (FIB)	<p>Monthly payment made until the agreed policy end date or the option to have a lump sum payment.</p> <ul style="list-style-type: none"> • Death 	<p>Helps to ensure an income is maintained if the main income provider dies.</p> <p>Help to pay off a mortgage or other loans. May be suitable for younger customers with dependants looking for protection on a budget.</p>	<p>FIB provides no financial support while the policyholder is alive, even if they lose their source of income.</p> <p>However, IncomeShield can provide cover for accident, sickness and redundancy to help protect the policyholder and their family while they are alive.</p>
Term Life Assurance	<p>A one-off cash lump sum if the policyholder dies.</p> <ul style="list-style-type: none"> • Death 	<p>Helps the policyholder's family maintain financial security if they die by helping to pay off a mortgage or other loans.</p>	<p>Term Life Assurance provides no financial support while the policyholder is alive, even if they lose their source of income.</p> <p>However, IncomeShield can provide cover for accident, sickness and redundancy to help protect the policyholder and their family while they are alive.</p>

The information in this document is based on a general understanding of the various types of protection products available and not based on any specific policies in the market. The benefits of actual products available may vary greatly from those summarised in this document.

Eligibility

IncomeShield is open to a broad range of customers.

To be eligible for cover your client should meet the following criteria:

- ✓ Be 18 or over and under 64 when the cover is purchased
- ✓ Be in paid work for at least 16 hours a week
- ✓ Live and work in the United Kingdom, Channel Islands or 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
- ✓ Not be registered as unemployed in the 12 months before the start date of this policy
- ✓ Be unaware of any circumstances which may result in making a claim under this policy

If their policy includes unemployment cover then in the 6 months before the policy start date they must also meet the following criteria:

- ✓ Have not received formal or informal notification that their own job is at risk
- ✓ Their 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 their location of work
- ✓ Their company or the company they are employed by is not in administration or has not announced formally or informally that it is going into administration, receivership or liquidation

Unfortunately, there are some people we cannot cover:

- ✗ 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 reoccurring 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 such as 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

Transferring cover

Consolidating any existing payment protection plans into one IncomeShield policy could save your client money.

An IncomeShield Policy can be used to cover a broad range of different outgoings. This means your client can transfer any existing creditor policies¹ into one IncomeShield policy as long as they have been in place for 18 months or more.

When switching to an IncomeShield ASU policy from one that includes unemployment cover we will remove the normal initial exclusion period² for the amount of the benefit insured on the existing policy.

This means for customers switching to IncomeShield, unemployment claims can be made from day one of the policy (subject to our eligibility requirements and policy exclusions).

Waiver of Initial Exclusion Period

When transferring existing PPI cover to an IncomeShield full ASU policy we will waive the IEP for the amount of benefit currently insured.

Example:

Existing PPI policy monthly benefit insured = £500
IncomeShield monthly benefit to be insured = £750

IEP **waived** for = £500 of the monthly benefit
IEP **applied** to = £250 of the monthly benefit.

¹Mortgage payment protection, loan payment protection or short term income insurance.
²A 60 days initial exclusion period applies if at the policy start date the client has a new credit agreement which has been in force for 60 days or less, otherwise a standard IEP of 120 days would apply.



IncomeShield overview

Features	IncomeShield	Helpful Information
Type of Cover	IncomeShield offers a choice of 3 different types of cover: <ul style="list-style-type: none"> • Accident, sickness and unemployment (ASU) • Accident and sickness only (AS) • Unemployment only (U) 	Cover can be selected to meet individual needs and budget. For example, if a customer's gross salary is heavily dependent upon bonuses then AS cover may be particularly useful as their sick payment alone is unlikely to allow them to maintain their regular outgoings.
Maximum Monthly Benefit i.e. The maximum monthly amount which can be selected	Up to a maximum of £2,000 (or 65% of gross monthly income, whichever is less)	What's considered to be an essential outgoing will vary; some people will prioritise their mortgage payment whereas others can't live without Sky TV or their mobile phone. Ideally enough monthly benefit would be selected to cover essential outgoings and if your customer has budget to protect "luxury"/discretionary spends then this can be covered too.
Benefit Period i.e. How long benefit payments will last in the event of a claim	<ul style="list-style-type: none"> • 12 months • 24 months (AS cover only) 	Our average MPPI claim figures show that a 12 month benefit period is usually long enough for the majority of customers*. However, there are some illnesses where people may be unable to work for more than 12 months, therefore, IncomeShield provides the option to choose longer term AS cover for up to 24 months for a single claim. Benefit will be paid following the expiry of the selected qualification period (see below) until the claimant returns to work or a maximum of the benefit period selected (i.e. 12 or 24 months).
Deferred Premium Payment Period	<ul style="list-style-type: none"> • 2 months 	IncomeShield offers the choice to defer the first 2 months payments at the start of the policy. However, this means that the premiums payable after the deferred period will be higher than if the client started to pay from the beginning of the policy.
Qualification Period* i.e. The number of consecutive days a policyholder is unable to work for before being entitled to make a claim.	<ul style="list-style-type: none"> • 30 day back to day one (BTD1) • 30 day excess • 60 day excess • 90 day excess • 180 day excess 	Each customer should consider how long they could afford to wait before receiving a claim payment to ensure they select the best qualification period to suit their needs. Consider: <ul style="list-style-type: none"> - how much would be available from savings - how long would any sick pay be payable - entitlement to any redundancy package & how much for 30 day BTD1 cover offers the most comprehensive cover, with the claim payment being backdated to the first day the claimant is unable to work (i.e. back to day one). It is possible to choose different qualification periods for accident, sickness and unemployment. For example, if a policyholder receives 3 months full salary sick pay, then they may select 90 day excess for accident & sickness and 30 day BTD1 for unemployment.
<p>*Qualification period' may be called waiting, excess or deferral period by other providers.</p>		

*PaymentsShield MPPI claims figures from 1/6/2009 - 31/5/2010



Features	IncomeShield	Helpful Information
<p>Unemployment Initial Exclusion Period (IEP) i.e. The exclusion period for unemployment claims which <u>applies at the start date of the policy</u></p>	<ul style="list-style-type: none"> • 120 days • 60 days if at the policy start date the customer has a new credit agreement for a secured or unsecured loan*, which has been in force for 60 days or less. <p><small>*A secured or unsecured loan includes first or second charge mortgages and secured or unsecured personal loans</small></p>	<p>The initial exclusion period is to prevent customers buying insurance where they are aware of a need to claim, this ensures that we can maintain competitive prices for our new and existing customers.</p> <p>A claim for unemployment cannot be made if the policyholder is notified of unemployment within the initial exclusion period.</p>
<p>Transferring from an existing creditor policy and waiver of the unemployment IEP</p>	<p>The unemployment IEP will be waived for customers with an insurance policy that includes unemployment cover when transferring from that policy to an IncomeShield ASU policy for the amount of benefit previously insured.</p> <p>This means customers are protected for unemployment from the first day of their cover.</p>	<p>To ensure that we offer customers comprehensive cover, we've introduced waiver of the unemployment IEP to help them switch from insurance that includes unemployment cover to an IncomeShield policy. This ensures that customers can transfer cover safe in the knowledge that they are able to make an unemployment claim from the day their policy starts.</p> <p>This option is only available for customers buying IncomeShield ASU cover where the existing policy includes unemployment cover.</p>
<p>Pre-existing medical conditions (PEC)</p>	<p>A pre-existing medical condition includes illnesses your client has received medical treatment for, or should reasonably have been aware of, in the 12 months before the policy start date.</p> <p>However, if your client had a pre-existing medical condition but has been symptom free and has 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.</p>	<p>Pre-existing medical condition exclusions are included to ensure that our insurance is for unforeseen circumstances and people do not buy cover with knowledge that they need to claim.</p> <p>Some PPI policies exclude customers from making claims relating to a pre-existing medical condition for the life of the cover.</p>
<p>Age Banded Pricing</p>	<p>Premiums are dependent on the customer's age and type of cover.</p>	<p>Premium rates for a customer aged 31 to 35 years taking cover with a 30 day LTD1 qualification period are as follows*:</p> <ul style="list-style-type: none"> • ASU £5.43 per £100 benefit insured • AS £2.26 per £100 benefit insured • U £4.89 per £100 benefit insured
<p>Back to Work Support & HELP (Health, Employment & Legal Protector) Cover</p>	<ul style="list-style-type: none"> • Advice in interview technique and interview preparation • Up to £50,000 legal expenses cover • Free helplines offering legal advice, health and medical information and telephone counselling 	<p>Back to Work Support & HELP Cover is included where unemployment cover is selected.</p>

*All rates shown are with a 30 day LTD1 period, 12 month benefit period cover and are correct as of 26/05/2011. Please note premium rates shown are inclusive of Insurance Premium Tax but do not include the £2.00 monthly policy administration charge.

How IncomeShield compares

IncomeShield offers a wider range of flexible options than some of our competitors.

	Paymentshield IncomeShield	Uinsure Bill Protector ¹	Assurant Income Protection ²	Keystone Income Protection ³
Type of Cover	<ul style="list-style-type: none"> ASU AS U 	<ul style="list-style-type: none"> ASU 	<ul style="list-style-type: none"> ASU 	<ul style="list-style-type: none"> ASU AS U
Qualification Period Options	<ul style="list-style-type: none"> 30 day BTD1 30 day Excess 60 day Excess 90 day Excess 180 day Excess 	<ul style="list-style-type: none"> 30 day BTD1 	<ul style="list-style-type: none"> 30 day BTD1 30 day Excess 	<ul style="list-style-type: none"> 30 day BTD1 30 day Excess 60 day Excess
Benefit Period	<ul style="list-style-type: none"> 12 months 24 months (AS only) 	<ul style="list-style-type: none"> 12 months 	<ul style="list-style-type: none"> 12 months 	<ul style="list-style-type: none"> 12 months 18 months
Unemployment Initial Exclusion Period (IEP)	<ul style="list-style-type: none"> 60 days New Borrowers 120 days Standard 	<ul style="list-style-type: none"> 90 days 	<ul style="list-style-type: none"> 120 days 	<ul style="list-style-type: none"> 90 days
Transfer of Cover	✓	✓	✗	✓

Products listed above will have different features and exclusions, therefore please refer to each provider for full details of cover. Whilst every effort has been made to ensure the information is accurate, Paymentshield does not accept any liability, directly or indirectly from the use of or reliance upon any information contained within this document. Not for public distribution.

¹ Source: AEQUOS Database May 2011

² Source: Assurant Intermediary Website May 2011

³ Source: AEQUOS Database May 2011



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