

ACCIDENT, SICKNESS & UNEMPLOYMENT

# ACCIDENT, SICKNESS & UNEMPLOYMENT.

Helping you to keep your lifestyle safe when  
your income isn't.



hyde associates  
Mortgage and Protection Advisers



# ASU SUMMARY

You have a choice of either Accident, Sickness and Unemployment (ASU) cover, Accident & Sickness only (AS) cover, or Unemployment only (U) cover

## WHO PROVIDES THIS COVER?

Your independent insurance adviser will help you choose from the whole market.

## WHAT IS ASU COVER?

ASU Cover is a short-term income protection policy. It's designed to pay you a tax free monthly benefit for up to 12 months, if you can't work due to an accident, sickness and/or involuntary unemployment.

You can choose your monthly benefit amount, normally up to 65% of your gross monthly income. This amount usually cannot exceed £5,000. Your gross monthly income is your total monthly earnings before income tax and National Insurance contributions are deducted – this can include commission and bonus payments, which are a regular feature of your income, but not any other payments, such as overtime, car allowances, expenses or any investment income.

ASU Cover can be a 12 month contract, which is reviewed each year. This means that you can change your cover and the cost of this insurance once a year.

You can pay for your ASU Cover in one payment or in monthly payments.

Monthly benefits paid under ASU Cover may affect your entitlement to Department for Work and Pensions (DWP) benefits.



## CAN YOU TAKE OUT ASU COVER?

### YOU CAN TAKE OUT ASU COVER IF:

1. You're a permanent resident in the UK, Channel Islands or Isle of Man;
2. You're employed, self employed, or a contract worker, working for at least 16 hours a week within the UK, Channel Islands or Isle of Man; or working for at least 16 hours a week outside the UK, Channel Islands or Isle of Man for either:
  - a) Armed Forces, Civil Service; or
  - b) a company registered in the UK, Channel Islands or Isle of Man and you are required to work within the European Union;
3. You're aged 18 or over but under 64 years old on the policy start date;
4. Immediately before the policy start date you've been working for a minimum of six consecutive months; and
5. You haven't been told by your employer, verbally or in writing, that you may lose your job or your employer hasn't formally announced a re organisation, restructure or programme of redundancy which affects your role.

You should be treated as employed if you have an employment contract which has no set end date.

You should be treated as self employed if you own your own business or own 25% or more of the shares in a business.

You should be treated as a contract worker if you have an employment contract which has a specified end date or ends when you have completed a specific task.

You are unlikely to get cover if you are on a 'zero hours' contract.

It's important that you give us accurate information when you apply for a policy – if you give us incorrect information then you may not be covered.

## WHAT ARE THE COVER OPTIONS?

You can choose to protect your income in the event of:

- accident, sickness and unemployment; or
- accident and sickness only; or
- unemployment only.



## WHAT ARE YOU COVERED FOR?

### ACCIDENT AND SICKNESS COVER

Accident and sickness cover provides a monthly benefit if you can't work due to an accident or sickness. Immediately prior to your accident or sickness, you must have been working on an employed, self-employed or contract worker basis.

Your doctor has to certify that, due to an accident or sickness, you're unable to carry out your normal occupation. We do need a suitably qualified consultant to certify that you're unable to work in the case of a back related condition for us to consider your claim.

### UNEMPLOYMENT COVER

When you make a claim, your employment status affects how your benefit is paid

If you're employed

Unemployment cover for the employed provides monthly benefit if:

- your employment ends unexpectedly and the circumstances of your unemployment are beyond your control;
- you stop work to become a full time carer for a member of your immediate family; or
- your income is reduced due to your employer temporarily reducing your contractual working time.

If you're self-employed

Unemployment cover for the self-employed provides monthly benefit if you've ceased to trade on a permanent basis as a result of your business, or a company or business, which you have a shareholding of 25% or more having insufficient assets to meet its debts and liabilities and where you are a director:

- you've prepared and submitted final closing accounts to HM Revenue & Customs; or
- your business has been put in the hands of an insolvency practitioner or an officer of the bankruptcy court; or
- your partnership has been dissolved and you have prepared and submitted final closing accounts to HM Revenue & Customs.

You will also be covered if you stop work to become a full time carer for a member of your immediate family.

There are some important limitations to our unemployment cover for the self-employed:

- In the event of a claim you'll need to provide information to confirm that your business has permanently ceased to trade and your final accounts have been provided to HM Revenue & Customs. You may need to provide your accounts, tax returns and bank statements.
- You are unlikely to receive benefits for any temporary periods that you're without work.



If you're a contract worker

Unemployment cover for contract workers provides monthly benefit if:

- your employment ends unexpectedly and the circumstances of your unemployment are beyond your control;
- you stop work to become a full time carer for a member of your immediate family; or
- your income is reduced due to your employer temporarily reducing your contractual working time.

There can be some important limitations to your unemployment cover for contract workers:

If you've been under a fixed term contract for a period of at least 12 consecutive months immediately before you were made unemployed and your contract is ended early:

- You should receive monthly benefit to the end of your contract term or to the date you go back to work, if sooner. You are unlikely to receive more than 365 days' benefit.

If you've been under a fixed term contract for at least 24 consecutive months immediately before you were made unemployed and your contract is ended early or comes to its natural end:

- You should receive monthly benefits for up to 365 days or to the date you go back to work, if sooner.

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If you have more than one employment status, you may need to meet all of the conditions relevant to your circumstances if you make a claim. For example, if you're both employed and self-employed, your employment will need to end unexpectedly because of circumstances beyond your control and you'll have to cease to trade your business.

## WHAT HAPPENS IF YOU ALREADY HAVE UNEMPLOYMENT COVER WITH ANOTHER INSURER?

Under the normal policy exclusions, you are unlikely to receive benefits if you're made unemployed or you're told by your employer that you may lose your job within the first 60 days of your unemployment cover starting. This period is called the 'qualifying period'.

The qualifying period won't apply if:

- your other policy has been active for at least 12 months immediately before taking out another cover;
- you cancel your other policy as soon as you take out further cover; and
- you've not claimed under another policy within the last 12 months.

If you're made unemployed, or told by your employer that you may lose your job, within the first 60 days you may only receive unemployment benefit each month up to the amount covered by your previous policy.



## SOME OF THE THINGS YOU MAY NOT BE COVERED FOR?

We've listed the main exclusions and limitations below that you may not get cover for

### ACCIDENT AND SICKNESS COVER

Most insurers won't provide cover:

- in the 12 months from your policy start date, or the date you add accident and sickness cover to your policy, for any medical condition for which you've had symptoms, treatment or medical advice during the previous 12 months;
- for normal pregnancy;
- for stress or anxiety;
- for depression, unless the symptoms are defined as severe by a suitably qualified consultant or your doctor;
- for back or back related conditions, unless your condition is confirmed by a suitably qualified consultant and you remain under the continuing care of a suitably qualified consultant, or your treatment is under the direction of a suitably qualified consultant; and
- for elective or cosmetic surgery, which isn't medically necessary.



Insurers may only consider depression to be severe if it meets the definition of severe under the NICE guidelines at [www.nice.org.uk/guidance](http://www.nice.org.uk/guidance)

### UNEMPLOYMENT COVER

Most insurers won't pay monthly benefits for:

- unemployment which you've been told about, either verbally or in writing, or a re-organisation, restructure or programme of redundancy, affecting your role, which is formally announced by your employer before your unemployment cover starts;
- unemployment which you've been told about, either verbally or in writing, or a re-organisation, restructure or programme of redundancy, affecting your role, which is formally announced by your employer within the 60 day qualifying period unless we have agreed to match unemployment benefits from another policy;
- voluntary unemployment, including resignation, or unemployment due to a disciplinary action by your employer;
- unemployment caused by your employer terminating your contract within, or at the end of, your stated probationary period; and
- you stopping work to become a full time carer for a member of your immediate family within the first 60 days of unemployment cover starting.



## WHAT IF YOUR CIRCUMSTANCES CHANGE?

### CHANGES TO YOUR INCOME

You must tell most insurers straight away if your gross monthly income falls so they can check that your benefit level isn't more than 65% of your gross monthly income.

### CHANGES TO YOUR PERSONAL CIRCUMSTANCES

You must tell most insurers straight away about changes in your circumstances or if you change address.

At least 21 days before your annual renewal date, your insurers should send you details of your cover for the following year and we'll ask you to confirm that the information they have based your renewal quote on is correct.

### IF YOU WANT TO CHANGE YOUR COVER

Your monthly benefit doesn't automatically change when your outgoings increase or decrease. It's important that you make sure you regularly check that you have the right amount of cover. You can ask your broker at any time to change your policy cover after you've taken it out to make sure that it continues to meet your needs.

Where your insurers make changes that you have asked for, any exclusions and limitations that affect your cover will apply from the date that they make these changes. Any changes you make may affect the cost of your cover when you make the change and at the next annual renewal date.

## HOW LONG DO YOU HAVE TO WAIT BEFORE INSURERS PAY YOU?

Most insurers don't pay benefits straight away when you make a claim and we call this the deferred period. You can choose a 30, 60, or 90 day deferred period for accident or sickness and unemployment options. You can also have a longer deferred period of 180 days for accident and sickness cover.

The insurers calculate your claim at a daily rate and pay your benefit to you monthly in arrears. This means they will make your first payment 31 days after your chosen deferred period ends. Any further payments will then be made at 30 day intervals. This payment option is called the 'Standard Option'.

If you'd prefer to be paid your first payment on the first day after your deferred period ends you need to let your adviser know in advance, so they can look for a policy that meets your criteria.



## WHEN COULD YOUR FIRST MONTHLY BENEFIT BE PAID?

This table shows the date you are likely to receive your first benefit payment from your insurers after your claim has started depending on the deferred period and payment option you have selected:

Deferred Period	Standard Option	Back To Day One Option
30 days	First payment on day 61	First payment on day 31
60 days	First payment on day 91	First payment on day 61
90 days	First payment on day 121	First payment on day 91
180 days	First payment on day 211	Not available

## WHAT IF YOU WANT TO CANCEL YOUR POLICY?

You can cancel your policy at any time by calling your Insurance providers

If you cancel your policy within 30 days of the start date or after you receive your policy booklet, whichever is later, your insurers shouldn't charge you any premium provided you've not made a claim.

If you decide you don't want your policy after 30 days, and you've not made a claim, your providers should only charge you for the period that they've provided cover to you.

If you've made a successful claim during a policy year then you'll have to pay the full annual premium, so you are unlikely receive a refund.







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