

GROUP INCOME PROTECTION

How it Works Product Information Risk Considerations

When does cover stop for individuals

Introduction

You need to decide on the age cover should cease if an individual still satisfies all the other criteria to be insured under the policy.

The minimum cease age should be state pension age (SPA).

At present the link to age 65 remains appropriate as some female employees will have a SPA which is below age 65. Therefore we currently define the cease age as 'the greater of age 65 or SPA'.

The policy cease age must be clearly defined for each category of cover insured.

Maximum cease age

The maximum cease age we will allow for our income protection policies is 70.

Flexibility is available up to the maximum.

Certain occupations may be restricted to a lower cease age e.g. professional sports.

See below for examples of cease age chosen on our policies.

Notes

Cease age will be one of the factors used in determining when a claim ceases.

General information

If SPA changes and the policy cease age is linked to this, we will base an individual's cease age on the new SPA.

This will not apply to someone in receipt of income protection benefits. A claimant's cease age will be based on the SPA applicable at their last date of last attendance at work.

We can, if required, maintain cover until the last day of the month following the attainment of the cease age.

We do not usually allow cover past age 65 for an equity partner unless the partnership agreement specifically allows for a higher age.

Providing cover beyond the agreed cease age

This is usually required where cover on the policy ceases at SPA. We recommend that customers seek legal advice regarding providing continued cover in this manner as we believe that this may not satisfy the 2010 Equality Act.

If required, we are able to provide continued cover. We need to agree the revised cease age and cover will be subject certain criteria being met.

Notes

Where cover is already provided beyond the policy cease age we can amend the policy cease age so that it matches the maximum already in place.

Cover ceasing for an individual who is insured by the policy

Cover will cease for a member on whichever of the following events is the first to occur:

- on ceasing to be employed by a company insured under the policy
- on reaching the agreed cease age
- on ceasing to satisfy any of the agreed criteria to be insured under the policy
- on reaching the end of a period allowed for a temporary leave of absence
- on ceasing to reside or work in a country where have agreed to provided cover
- on reaching the end of their contract of employment
- on reaching the end of the period allowed in respect of claim payments

Typical cease ages an employer may choose

	Example 1	Example 2	
Category of employee	All	Directors	All others
Cease age	greater of age 65 or SPA	70	greater of age 65 or SPA



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