This document is designed to:

* Explain how an adviser can access providers early warning systems to know if premiums have been missed
* Advise what happens with each provider when a customer misses a premium and what this means
* Explain how a policy can be reinstated

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| **Approved**  **Early Warning Report**  Please contact your Aegon Sales Representative to discuss Early Warning Reports. | |
| **What happens if a customer doesn’t pay a premium?**  If you miss a payment, you’ll have 30 days from the date your premium is due to make the payment, otherwise we’ll cancel your policy. This would mean that we wouldn’t pay out if you made a claim.  If you make a valid claim within the 30 days from the date your premium is due and before we receive it, we’ll deduct the amount of all missed premiums from the benefit amount payable.  We may be able to restart your policy in the future, however we may need to ask you some more questions about the health and lifestyle of the insured person. We may need medical or other evidence to support your answers. If the insured person’s circumstances have changed since you first applied for cover, it might cost you more to restart your policy. If we agree to restart your policy, you’ll have to pay all your missed premiums, and these may cost you more than they otherwise would have done. We may apply new terms and condition to, or change the existing terms and conditions under, your policy.  [Key Features Document](https://www.aegon.co.uk/content/dam/ukpaw/documents/personal-protection-key-features.pdf) | |
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| **Approved**  **Early Warning Report**  AIG already provide advisers with emails regarding missed premiums by customers. Please speak to your AIG Business Consultant to discuss this further. | |
| **What happens if a customer doesn’t pay a premium?**  If any premium remains unpaid for more than 30 days from the date it was due to be collected, we will cancel the cover. We will write to the owner of the cover and (if different) the person covered to tell them that the cover has been cancelled.  **Restarting a cover**  If we cancel a cover because a premium is not paid, the owner of the cover can ask us to restart it. They can do this at any time up to six months after the date of the first missed premium. We will have no obligation to restart a cover and if the owner of the cover asks us to do this, we will decide at our discretion if we are willing to restart the cover. If we are, we will tell them what we need in order to restart the cover and they must clear any premium arrears. There may be circumstances when we reserve the right not to restart a cover. If this happens, we will explain our decision.  [Term Assurance Cover Details](https://www.aiglife.co.uk/globalassets/aig/documents/1064_yourlifeplan_ta_cd.pdf) | |
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| **Approved**  **Early Warning Reports**  [Access through ALPs Business Tracking service](https://www.aviva.co.uk/documents/view/al97107c.pdf?lid=prod-lit-Guide%20to%20Business%20Tracking&lpos=al97107c.pdf)  This supports retention of your business by allowing you to see when clients miss payments. | |
| **What happens if a customer doesn’t pay a premium?**   |  | | --- | | Your policy schedule will show the initial premium you'll pay, together with the date it and subsequent premiums are due. You have 60 days from each due date to pay your premium. If you have to make a claim during this period, we'll deduct the unpaid premiums from any benefit we pay.  If you don't pay your premiums within the 60 day period, we'll cancel your policy. If this happens you won't be able to make a claim.  **Restarting Cover**  In order to reinstate a policy please email [protection@aviva.com](mailto:protection@aviva.com) and put reinstatement in the subject line our administration teams will pick these out as urgent and contact the customer to arrange reinstatement of the policy.  The customer has 30 days from the DDM being cancelled to reinstate then the policy lapses. The customer then has a further 30 days to reinstate the policy. We don’t have a process where they can reinstate with underwriting once the time runs out then it would need to be a reapply.  [Life Insurance + Policy Conditions](https://www.aviva.co.uk/documents/view/al50002c.pdf?lid=prod-lit-Life%20Insurance+%20Policy%20Conditions&lpos=al50002c.pdf) | | |
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| **Approved**  **Early Warning Reports**  Please see the document below.  A copy of the arrears letter is to the adviser via the adviser portal – an email is sent to them to alert them to the fact. | |
| **What happens if a customer doesn’t pay a premium?**  **4.1 - Payment of premiums**  You must pay regular monthly premiums by direct debit throughout the term of the policy. Premiums will be collected from your bank account on or around either the 1st or the 15th of each month, depending on which date you choose. If your premiums are more than 7 days in arrears we will only pay you benefit from the date that all arrears are paid. If your premiums are 4 months in arrears the Society will cancel your policy without your request or permission. No payment will be due to you on cancellation. You will lose the cover provided by your policy and you will need to reapply for a new policy which will be subject to underwriting. The only occasions when you are not required to pay premiums are during a “career break”, which has been approved by the Society (in accordance with section 6), or if your claim for benefit has entered the “waiver of premiums” phase, as described in section 4.2 below.  **6.0 - Career break**  You may suspend your cover and your premium payments for a period of up to a maximum of 24 months. Such a suspension of premium Payments is referred to in this policy as a “career break”.  The following conditions will apply:   * You must contact the Society to request a career break by phone, email or post. * The Society will notify you if your career break has been agreed and the start and end date of the career break. * Premium payments and entitlement to benefit will be suspended for the duration of the career break and you will be unable to apply to vary your cover during this time. * You will need to have paid premiums for at least 12 months before you can apply to take a career break. * You can apply to suspend premiums for up to 4 years in total during the life of your policy. Any applications to exceed this period will be considered at the discretion of the Society at the time of application. * If your premium payments are in arrears when you apply for a career break, you can only suspend your cover from the date the arrears are paid. * You can cancel a career break at any time before the career break starts. * Once your career break has started, you may only cancel the career break if the Society agrees to such cancellation.   At the end of your career break, premium collection and your entitlement to benefit will recommence. If you do not resume your premium payments at the end of your career.  **‘Given the COVID-19 pandemic, we have temporarily relaxed our Career Break (Payment Holiday) rules to help those who may find it difficult to pay premiums during this time, reducing the qualifying period from one year to one month’s premium paid. However, this will mean they will be unable to claim whilst on a career break. All other Career Break T&Cs still apply’.**  [Protect Terms and Conditions](https://bfs-assets.s3.amazonaws.com/media/filer_public/fe/01/fe01b605-0888-4105-a606-17b4b442a708/protect_terms_and_conditions_guaranteed_6618.pdf)  [Breathing Space Terms and Conditions](https://bfs-assets.s3.amazonaws.com/media/filer_public/d8/0d/d80d291d-3173-44de-b47c-5aedc996e7f0/breathing_space_terms_and_conditions_guaranteed_v_6618.pdf) | |
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| **Approved**  **Early Warning Reports**  We inform our customers by post if they have missed premiums or lapsed policies and send a copy of this letter to their adviser.  **What is your missed direct debit process?**  **Recollection Rules and timeframes:**    ·            We are notified by the bank 5-7 days after customers miss a payment.  ·            Our system will then automatically produce a lodgement date. This is the day we’ll attempt to take their payment again. It’s normally 5 working days after we’ve been notified that they missed it.  ·             We only attempt to recollect a payment once. If that fails then the policy will be in arrears and the customer will owe a month’s payment. At this point they‘ll need to contact us to make their payment via world pay, BACs or cheque.    **Example:**     1. Payment is due on 01 July 2019. 2. It fails to go through due to insufficient funds in the policyholder’s account. We’re notified on 08 July 2019 (five working days later). 3. Our system creates a recollection date for 15 July 2019 (five working days after we were notified of the missed payment) 4. Please note, if the recollection on 15 July 2019 also fails, we will not attempt to collect it again. Instead the policy holder will have to make the outstanding payment over the phone using a debit card.     We’ll keep the direct debit mandate in place after one missed payment so we can attempt to collect the following month’s payment as normal.  If the policyholder fails to make the following month’s payment, we’ll suspend their policy. We won’t try to collect their payment again. If the policyholder doesn’t contact us to make their missed payments we’ll lapse their policy(s).  We’ll always notify customers who’ve missed payments by sending them automated premium reminder letters in the post. | |
| **How can a direct debit be reset:**    ·            We can only take a change of bank details or a request to reinstate the same bank details from the policy holder. **We can’t take this from the adviser.**  ·            If a direct debit is suspended or cancelled in error, they can request to reinstate it over the phone as long as the bank details **have not changed.**  ·            If the policy holder wants to change bank details completely, we need them to send us a new Direct Debit mandate form. We can’t take these details over the phone due to data protection restrictions.  **What is the process for reinstating?**   * If a policy has lapsed, it means the policy has gone out of force due to unpaid premiums. * The client has 60 days to pay each premium from the date it is due. The Policy will continue in force during these 60 days. For example, if the premium is due on 1st October, it won’t lapse until 1st December. * Should a claim arise within this 60 day period the policy holder will still be covered, but the unpaid premiums will be deducted from any payment made under the claim. * If any payments are still unpaid at the end of this 60 day period, we’ll end the Policy. This means we won’t pay any claims. * Sometimes a policy holder may want to keep their policy and ask to reinstate it by paying any outstanding amounts. * We can only reinstate a policy if the request is within 30 days of it going out of force as no additional evidence is required. * If they change their mind and want to reinstate the Policy after it has lapsed, the Policy holder must write to us within 30 days from the date their Policy lapsed. * **All outstanding payments must be made before reinstatement**. After this 30 day period the Policy cannot be reinstated.   **How can we arrange payments?**   * The policy holder can pay outstanding premiums over the phone using a debit card * The policy holder can also ask us to arrange a lodgement (recollection) date * We cannot take instruction for a payment to be taken from advisers | |
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| **Approved**  **Early warning reports**  **Day 1**  We receive notification from your clients bank that the direct debit is cancelled or returned unpaid.   * If the reason shows as “refer to payer”, we’ll automatically try to collect the payment for a second time within 7 days. * If the direct debit has been cancelled or the bank details are not valid, we won’t try to take another payment. We’ll email you and your client to let you know.   **Day 7**  If the second premium collection attempt fails, we’ll cancel the direct debit and email you and your client to let you know.  The policy will lapse 30 days after the first missed premium.    **7 days before lapse date**  We’ll email you and your client to let you know the policy will lapse in 7 days.    **Lapse date**  We’ll email you and your client to let you know the policy has lapsed.  If the policy lapses, your client can apply to reinstate it up to 2 months afterwards, provided all missed premiums are paid in full. This may be subject to underwriting. | |
| **What happens if a customer doesn’t pay a premium?**  If your clients doesn’t pay their monthly premiums for any reason, their policy will lapse and they’ll no longer be covered. No previous premiums will be refunded.  However, if they’re unable to pay their premiums due to loss of income, they may be able to claim Premium Waiver, which is included in their policy at no additional cost – please see section 2.4 of our key Facts for more information. [Key Facts Document](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fcontent.guardian1821.co.uk%2Fliterature%2Fkey-facts.pdf&data=02%7C01%7CMike.Devaney%40guardianfs.co.uk%7Cd2a4faae8972496123a908d7e7614c04%7Caaea68e14491403198a93048d15b56a7%7C0%7C0%7C637232277380474878&sdata=HXgtz4uV%2BcklkXlKdo2Y2DG4xHENrkF1jeN55dTQ8wU%3D&reserved=0)  **Restarting cover**  If the policy lapses, the client can apply to reinstate it up to 2 months afterwards, provided all missed premiums are paid in full. This may be subject to underwriting.  Please call us on 0808 133 1821 or email [advisers@guardian1821.co.uk](mailto:advisers@guardian1821.co.uk) | |
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| **Approved**  **Early Warning Report**  Please speak to your business consultant.  **Premium Holiday Guidance**  https://www.holloway.co.uk/coronavirus | |
| **What happens if a customer stops paying premiums?**  **Premiums**  7. If you fail to maintain Premium payments your Plan will be terminated and benefit payment will cease.  8. Premiums must be paid regularly, including whilst a claim is being paid. If a claim is being paid, Premiums will be refunded after 1 month of the monthly benefit being paid, and will continue to be refunded for as long as you are receiving the monthly benefit. Premiums will recommence upon your recovery and/ or the claim benefit ceasing.  9. If you stop paying Premiums your cover will end. Premiums need to be paid to maintain your cover and entitlement to claim. If you owe more than three months Premiums you cease to be a Member of the Society. Reinstatement will be considered within 6 months of the first missed payment subject to payment of all arrears and completion of a Declaration of Health which must be accepted before Membership can continue.  10. A change in any of the following: health, residence, overseas travel, hazardous pastimes or occupation, could result in amended terms or refusal to reinstate Membership. We reserve the right to request a medical report at your expense in support of your request to reinstate your Membership.  When a direct debit is returned the adviser will be informed within 24 hours by telephone. We treat business retention very seriously.  **Career Break**  12. If you take a career break, for example to raise a family, study, travel or redundancy, you can suspend your cover for  up to 24 months in total during the life of the plan up to a maximum of 6 months in any 12 month period subject to the Premiums not being in arrears. The career break option can be used once your Plan has been in force for 36 months and provided the Premiums are paid up to date. You will be eligible to have cover restored to the level it was before the start of your career break without the need for underwriting and you will be able to claim again once you have been back at work for 3 months.  As a temporary measure to help advisers and our members through the COVID-19 pandemic we have introduced a 3 month premium holiday facility for members who have had their plans for at least 3 months and whose premiums are up to date.  [Purely Income Protection Plan Policy Schedule](https://www.holloway.co.uk/docs/download/purely-ip-schedule.pdf)  [one2Protect Policy Schedule](https://www.holloway.co.uk/docs/download/one-2-protect-schedule.pdf) | |
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| **Approved**  **Early Warning Report**  Our Existing Business Agent Hub keeps you informed of when your clients may have missed payments, or asked to cancel their policy, due to changes in their circumstances, giving you the opportunity to remind them of the importance of the cover they have.  [Sales Aid](https://www.legalandgeneral.com/adviser/protection/doing-business-with-us/covid-19/)  [Self-Service Menu](https://www.legalandgeneral.com/adviser/files/protection/doing-business-with-us/covid-19/advisor-self-serve-guide.pdf) | |
| **What happens if a customer doesn’t pay a premium?**  **Customer Payments**  Our purpose as a business is to support our customers at the most challenging times in their lives and this remains unchanged.  We understand that these are unprecedented times and as the situation evolves, we want to help customers facing financial hardship.  If a customer is suffering from financial hardship, we would always encourage them to contact us to explore their options and how we might support them. As part of our response to the impact of Covid 19,  we are clarifying and enhancing the payment grace period that all Retail Protection customers have access to.   This grace period means that if a customer were to miss or cancel their payment, they will remain covered by their policy for 60 days from the first missed premium (this is the day in the month that the premium is collected from the customer’s account), subject to their policy’s usual terms and conditions.  Within 60 days, if regular payments are restarted, and the missing premiums are paid, there will be no change to the customer’s cover or their usual premiums and no need for the customer to provide new information regarding health or lifestyle.  We would advise customers who may find themselves in financial hardship to visit our websiteor contact your financial adviserto explore how they might maintain their cover and access to our protection policies.  Due to the impact of Covid 19, our contact centres are currently receiving a high volume of calls and there may be delays in answering customer calls. The quickest and most efficient way of getting the information customers may need will be via our website.  Customers can choose to repay the missed premiums by debit card or by credit card or by asking us to collect them in their next direct debit payment.  **For further information please visit**  <https://www.legalandgeneral.com/adviser/files/protection/doing-business-with-us/covid-19/covid-19-intermediary-faqs.pdf> | |
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| **Approved**  **Early Warning Report**  Some clients who already have protection in place may be worried about, or unable to keep paying their policy premiums - and importantly ensuring their valuable long term cover remains in place. Time is of the essence and we can help you in this area, with our early warning reports. We issue these three times a week (or any other frequency you require) detailing your clients' LV= plans which have missed premiums and been cancelled and lapsed. If you don't receive these already, let your LV= account manager know and we'll set them up.  LV clients have a number of options if they need emotional, practical or financial support at any time. These are covered in this [document](https://www.lv.com/lifeassets/assets/documents/support-for-members-overview.pdf)  Further information is also available on our adviser website [here](http://www.lv.com/adviser) | |
| **What happens if a customer doesn’t pay a premium?**  A number of scenarios are covered in our [Overview](https://www.lv.com/lifeassets/assets/documents/support-for-members-overview.pdf) Document, such as if a customer is unable to pay their premiums in the current situation. In this case, we ask them to contact us on 0800 678 1906 or [ebprotection@lv.com](mailto:ebprotection@lv.com)  Our standard approach is below:  **C1 – Paying your premiums**  You are responsible for paying premiums on the date shown in your Policy Schedule (these are known as premium due dates). You must pay your premiums by Direct Debit through a bank or building society. Your premiums are guaranteed not to increase unless you have chosen inflation-linked cover (which we explain in section A2(b)).  **C2 – Stopping your premiums**  We give you 60 days from the due date for you to pay a premium. If we haven’t received a premium from you, we will send you a reminder to let you know. If you fail to pay any premium within this 60 day period, then your policy stops immediately, and we will cancel it. We will not pay anything to you if this happens. If we cancel your policy, we’ll let you know.  **C3 – Re-starting your premiums**  If your policy has stopped because you didn’t pay a premium, you can ask us to start it again. You can do this within six months of the first unpaid premium. So that we can restart your policy, we will need you to pay all of the premiums that you haven’t paid. You will also need to complete some health questions. Unfortunately, it is possible that we may not be able to restart your policy, or if we can it may be on different terms to those originally offered, for example if your health has got worse since your policy started. If this happens, we will explain our decision to you and the reasons for it. Please note as the policy has actually ended we are not obliged to restart it for you.  [Combined Life & Critical Illness Policy Conditions](https://www.lv.com/lifeassets/assets/documents/combined-life-and-ci-policy-conditions-guaranteed-premiums.pdf)  ***Income Protection specifically***  **Payment of premiums during unemployment**  If you become unemployed through no fault of your own (we call this involuntary unemployment), you can claim for up to six months premiums to be paid by us. This means we’ll take care of those premiums for you, you don’t need to pay them and your insurance will stay in place. You can only claim for a maximum of six months premiums to be paid by us during the whole period that your policy lasts for. You must inform us immediately if you return to work, so we don’t continue to pay your premiums and use up your 6 month allowance. If you go back to work mid- month, we will continue to pay the full month’s premium. There is an initial exclusion period for this benefit of 90 days, which means if you become unemployed within the first 90 days of your policy starting you cannot claim for any of your premiums that relate to that whole period of unemployment to be paid by us. More details can be found in section B15 of the Policy Conditions.  [Income Protection and Budget Income Protection Key Facts](https://www.lv.com/lifeassets/assets/documents/income-protection-and-budget-income-protection-key-features.pdf) | |
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| **Approved**  **Early Warning Report**  Please speak to your Business Development Manager in the first instance. | |
| **What happens if a customer doesn’t pay a premium?**  If you don’t pay your first premium, your plan won’t start - so you won’t be covered. If any other premium is five weeks overdue, we’ll cancel the plan your cover is under - so you won’t be covered at all any more. We’ll write to you to tell you that we’ve cancelled your plan.  **What to do if we cancel your plan**  If we cancel your plan because you didn’t pay a premium, you can ask us to restart it. We’ll need you to tell us if there has been a change to the health, occupation or leisure activities of the person covered since your plan start date, so there may be times when we can’t restart your plan. If this happens, we’ll explain our decision to you.  [Personal Menu Plan Life or Critical Illness Plan Details](https://adviser.royallondon.com/globalassets/docs/protection/pcp8p10010-plan-details-for-the-personal-menu-plan-life-or-critical-illness-cover.pdf) | |
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| **Approved**  **Early Warning Reports**  Scottish Widows have long prioritised the importance of clients maintaining their life and critical illness cover and have a Retention team that’s been established for over ten years.  In the midst of the current COVID 19 pandemic, it is more important than ever for clients to ensure their cover remains in place and fully understand the risk of allowing their policy to lapse. Advisers and providers have a responsibility to highlight this to their clients. In the link below you will find the current Scottish Widows Protect retention timeline where we look to support the adviser in retaining this business.  We appreciate this is a particularly difficult time with potentially exceptional financial pressures on clients and Scottish Widows and we will continually look to improve this lapse management process where possible.  **How do you help with policy retention?**    Scottish Widows has a robust lapse process to support you and your clients.  We write to your clients when they have missed a premium or where a Direct Debit hasn’t collected the premium. We send a number of follow up letters to encourage them to continue payments or set up a new Direct Debit to ensure they remain protected. We will send you an email every time a letter is issued to your client.  **We allow a period of 110 days from the first missed premium before their plan will be cancelled.**  Please find a copy of our retention timeline [here](https://adviser.scottishwidows.co.uk/assets/literature/docs/25430.pdf). | |
| **What happens if a customer doesn’t pay a premium?**  If you miss four months’ payments, we’ll cancel the policy at the end of the fourth month. We won’t refund any payments you’ve made.  --------  **2.3 NON-PAYMENT OF PREMIUMS**  If any premium is not paid, we will allow 30 days from its due date for it to be paid. We will then write to the policyholder with our reasonable requirements to allow the policy to continue. If these requirements are not met, we will cancel the policy and no premiums will be returned.  ---------  Our reasonable requirements could include a declaration of good health and paying the outstanding payments. We will let you know any deadline for our requirements when we write to you. We must inform anyone to whom the policy is assigned in security if premiums are not paid.  [Policy Provisions](https://adviser.scottishwidows.co.uk/assets/literature/docs/54472.pdf) | |
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| **Approved**  **Early Warning Report**  Collection 1 - Whenever a premium payment is missed an email alert is generated to the adviser within 2 days.  For example, if a premium payment was missed today, “rejected closed account”, the adviser would get an email alert within two days of the collection date.  A letter would also be sent to the client advising them of the non-payment and that they need to contact us to pay. If the payment rejects reason ‘refer to payer’ the adviser will receive an alert and a letter will be sent to the client advising recollection prior to next ordinary premium.  Collection 2 – If consecutive collections fail another alert is sent to the adviser as outlined at collection 1 this time advising that the policy is now at risk of lapse and a letter is sent to the client advising the same and that the policy is at risk of lapse if not resolved.  Third premium becomes due - A final letter is sent to the client once their third outstanding premium becomes due confirming the policy has now lapsed with a corresponding email alert to the adviser. For example if a clients policy started on 01/03/2020 with a nominated collection date of 15th of each month, if the payments on 15/3 and 15/04 both failed then the policy would lapse on 01/05/2020.  The policy cannot be reinstated without a new application and underwriting.  A copy of the letter issued to the client will also be visible in the document vault on the advisers portal. | |
| **What happens if a customer doesn’t pay a premium?**  **Paying your premiums**  You must continue to pay your premiums regularly by monthly Direct Debit. If you fall behind on your premium payments you will not be able to make a claim.  **If you miss one month’s premium** you will need to pay any premiums you have missed.  **If you miss two months’ premiums or more** we will cancel your policy with effect from the last paid premium.  **Policy breaks**  We know that sometimes a change in circumstances means that you no longer need or want to continue your income protection cover.  For example, you may want to take a break from your occupation to study or raise a family, or it could be that your financial situation has changed and you feel you can no longer afford your policy.  Pure Protection Plus gives you the option to put your policy ‘on hold’ during this time, meaning you can retain the existing terms of your policy and reinstate it again quickly and easily. There are two options available to you.  [**Pure Protection Plus | Income protection | Customer | The Exeter**](https://the-exeter.com/customer/income-protection/pure-protection-plus/)  **Reinstating Cover**  The policy cannot be reinstated without a new application and underwriting. | |
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| **Approved**  **Early Warning Report**  Vitality understands that now is an important time to make sure your clients’ protection policy stays in place.  In order to be able to help you identify any clients which may be at risk of their policy lapsing, Vitality has outlined their Early Warning process here.  You can also view any cases at risk under the “Retentions” tab on the Vitality Adviser Hub or you can contact your Business Consultant or call (0345) 273 9961.    **New facility for clients with affordability concerns**  We do however also understand that there is a lot of uncertainty at the moment, and the health and well-being of our members is our top priority.    To help at this time, we are offering your clients who may be experiencing financial difficulties, the opportunity to reduce the premiums they pay each month.  The reduction in premiums will assist those in financial need to afford cover in the time that they need it most. Should this be appropriate for your clients we are offering to reduce their premiums by 25%, 50% or 75% and their cover will reduce by the same percentage. This would be effective from their next premium collection date. We are recommending that any clients who contact us directly should refer to you, as their adviser, to ensure that the cover still meets their individual needs as we are unable to give advice.    The reduction in premium will be effective for three months following which we will revert to their previous premium and cover amounts without the need for further underwriting. There will also be no commission impact to you where clients utilise this facility.    **Please contact**[vitalitylife\_creditcontrol@vitality.co.uk](mailto:vitalitylife_creditcontrol@vitality.co.uk)**if you have clients who may need to utilise this facility due to affordability concerns.** | |
| **What happens if a customer doesn’t pay a premium?**  **D1.1 What happens if you do not pay your plan premium**  If you do not pay your plan premium by the due date, we will suspend all the covers in your plan. However, you can ask us to reinstate your plan within thirteen months of the date of the first unpaid plan premium as long as:   * You pay all of the outstanding plan premiums. If your plan premium would have increased in the time that you have not been paying it, you will need to pay the increased amounts. * You provide us with a new direct debit instruction so we can collect future plan premiums. * You and any other person covered by the plan completes a reinstatement application form. This is so that we can underwrite your request. We may offer you revised terms, or decline your request. If your plan is reinstated, we will not pay any child’s claim for a condition that was pre-existing at the time of reinstatement.   [VitalityLife Essentials Plan Provisions](https://adviser.vitality.co.uk/adviser.vitality.co.uk/media-online/advisers/literature/life/personal-protection/policy-documents/essentials-plan-provisions.pdf) | |
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| **Approved**  **Early Warning Report**  This is for LPP policies sold since Sept 2018  – there will be numerous variations for the legacy plans. We still send out lapse letters to advisers/clients, rarely via email for these older plans.  Advisers are registered on LPP and have a default setting to receive ALL email notifications – unless they’ve gone in themselves to edit notifications – so they should see these messages unless the adviser has switched them off.   1. Early warning - A notification is added to the advisers portal (My actions & notifications > notifications) as soon as the direct debit is returned, which states ‘This policy will lapse in X number of days) and this notification counts down each day until lapse. 2. Lapse process (insufficient funds) – First letter is sent after a direct debit re-collection has failed i.e. attempted today and failed AND we’ve tried to re-take automatically 10 working days later and this has also failed. After a direct debit has failed twice (the reason the first letter is sent) we cancel the direct debit and a new direct debit mandate is required. A further letter is sent if the premium is not paid for 2 consecutive months with details of how to make a bank transfer (we provide the Zurich sort code and account number) to bring the policy back up-to-date. A final letter is sent to confirm the policy has lapsed – at this point the policy then CAN NOT be reinstated.   **Note – Direct debits have to be set back up at least 10 working days in advance of the collection date to provide enough time for us to be able to notify the payer and retake the direct debit (BACS rules, not Zurich). Also if making payments up via bank transfer the money must be sent to Zurich 3 working days before the lapse date to give enough time for the money to clear onto the policy.** | |
| **What happens if a customer doesn’t pay a premium?**  **10.4 If you don’t pay your premium**  If you don't pay a premium within two months of the premium due date, the policy will end and we’ll stop providing you with cover. If your premiums are paid by a third party, it’s your responsibility to ensure they’re paid on time. We won’t reinstate a policy which has ended – if you still need cover you‘ll need to apply for a new policy.  [Zurich Personal Protection Terms and Conditions](https://www.zurichintermediary.co.uk/-/media/project/zwp/uk-intermediary/docs/720480.pdf?la=en-gb&hash=B6B5EF1136431611ACA4CFEF57F481DB)  ***Income Protection Specifically***  **10.2 Reducing your monthly benefit**  **To make a permanent change**  If you want to reduce your monthly benefit, you can do this at any time. There‘s no limit on the amount you can reduce this by, providing your premiums do not go below the minimum premium amount, as shown in section 5. See section 10.1 for what will happen if you want to increase your monthly benefit again. If you reduce your monthly benefit, your new premiums will be adjusted accordingly.  **To make a temporary change – career break**  If you only want to reduce your monthly benefit for a short period, you can take what‘s known as a career break.  A career break lets you reduce your monthly benefit to as little as £250 a month (subject to our minimum premium – see section 5) for up to 52 weeks. You can do this once at any time during the term of your policy but not until the policy has been in force for 12 months. At the end of your  career break, your monthly benefit and premiums will automatically be increased back to their previous levels without the need for you to provide any further information on your health. You can also end your career break at any time if you need to. If you tell us to end your career break, your cover and premiums will be increased with effect from your next premium due date. If you have increasing cover and accept an increase during your career break, this will also be included when your monthly benefit and premiums automatically increase at the end of your career break. If you make a claim during your career break, your monthly benefit  will remain at the reduced level whilst you‘re incapacitated. You won‘t be able to increase your monthly benefit and premiums back to the previous levels until you‘re no longer incapacitated and return to work.  [Zurich Income Protection Terms and Conditions](https://www.zurichintermediary.co.uk/-/media/project/zwp/uk-intermediary/docs/720488.pdf?la=en-gb&hash=30B7E482293B8D2E9EC6D8E9E4FF0FD2) | |
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