My Sick Pay Intermediary Product Guidance

What does My Sick Pay do?

My Sick Pay allows your client to:

- choose to replace some of their lost earnings each month, if an illness or injury means they can't do the essential duties of any job they've done in the last 12 months
- choose how long they need to wait before My Sick Pay pays out
- choose how long My Sick Pay pays out for when they're unable to work (either 1 year, 2 years or to the end date your client chooses)
- choose when My Sick Pay will end, between ages 50 and 70
- chose to insure 60% of the first £100,000 they earn before tax, and 40% thereafter, capped at £100,000 a year. This means that they can cover earnings before tax of up to £200,000 a year. If they're self-employed and they've been trading for less than 12 months, we'll pay the lower of their chosen amount of insurance, or 35% of the earnings they can provide proof of.
- choose whether their cover goes up each year in line with the cost of living, as measured by the Retail Prices Index (or a suitable alternative measure of inflation)
- choose whether the price they pay is a level-priced (the amount will stay the same from start to finish) or age-based (the amount they pay will increase with their age each year)
- choose if the price they pay is reviewable. This means on or after the 5th anniversary of their My Sick Pay, it's possible we may change the price. Your client may end up paying the same, more or less than we originally expected. We'll then review the price they pay each year after that.

Key additional features

- Your client won't have to pay anything during a claim
- We guarantee to pay your client £1,500 a month (or the amount of insurance they chose if it was less than this), even if their earnings have dropped since they bought it. They'll need to have normally been working 21 hours a week, before they became too unwell to work, to get our guarantee
- We'll pay an additional payment of 6 months sick pay if they're diagnosed with a terminal illness plus immediately start their claim
- We'll pay for rehabilitation support to help them recover so they can return to their job
- We'll pay financial support for up to 1 year after they've returned to work in a new lower paid or part time role
- We'll pay towards the cost of an operation or treatment if we feel it could lead to a faster recovery

The product also offers your client the following additional features:

- Cover can be increased without any health questions if certain events happen, including marriage/civil partnership, birth or legal adoption of a child, salary increase or promotion, change of job including a salary increase, taking out a new mortgage or increasing an existing mortgage, increase in rent due to landlord or moving to a new rental property
- A break from paying for My Sick Pay of up to 6 months is available after your client has paid their Direct Debit for three years.

Who is My Sick Pay suitable for?

My Sick Pay is suitable for your employed and self-employed clients, who want to make sure they can pay for regular outgoings if they can't work due to an illness or injury.

Who is eligible?

Your client can apply if:

- They're 18 to 59 (for some jobs, they may need to be under 59)
- they're working in a job we can quote for, which is most jobs
- their main home is in the UK or Isle of Man
- they have the legal right to live and work in the UK or Isle of Man
- they've lived in the UK or Isle of Man for at least the last 3 years
- they've been registered with a UK or Isle of Man GP for at least the last 3 years
- they're not planning to move outside the UK or Isle of Man
- they're employed or self-employed, and have worked in the UK or Isle of Man for the last 12 months and they can provide proof of their earnings for this time
- they're currently working and they're not already off work because of an injury or illness
- they're not working reduced hours as part of a phased return to work

- they work at least 16 paid hours a week
- they pay income tax in the UK or Isle of Man, and will continue doing so
- they have a UK or Isle of Man bank account in their name to pay their Direct Debit from.

Distribution

My Sick Pay is only available to buy through authorised intermediaries. This is because it's important that your client receives advice or guidance and understands what they're buying and how to set it up in a way that's right for them, including:

- The right level of cover for their individual needs and circumstances
- Taking into account any existing sick pay arrangements, State benefits, and the cover they have selected, including choosing how long to wait before any claim is paid
- We don't accept Execution Only business or direct applications arising from advertising or mailshots where advice or guidance has not been given.

Who is My Sick Pay not suitable for?

Who is My Sick Pay not suitable for?

- My Sick Pay covers your client for lost earnings caused by illness and injuries that have made them too unwell to work. It doesn't pay out for any other reason.
- It's not suitable if they won't suffer a financial loss by being unable to work.
- It doesn't pay out for deliberate, self-inflicted injuries.
- It doesn't pay out for time off work because of workplace stress or bereavement. However, for these, we can put your client in touch with services that may be able to help them.
- As you'd expect, we can't pay out Sick Pay if your client was already too unwell to work before they bought My Sick Pay.
- It's not unemployment, business or private medical insurance.
- My Sick Pay won't pay out where their injury or illness are the result of illegal activities, drugs or alcohol, and their payments will stop if they go to prison. It's not a savings or investment product and if they don't need to claim, there isn't any money back at the end.

Risks of having My Sick Pay

The following risks need to be considered by both you and your client:

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- If your client normally works less than 16 hours a week, or stop working altogether, they won't be able to claim

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- If your client doesn't give us the full and complete information we ask for when they apply or make a claim, we may not be able to pay their claim
- That your client doesn't understand what is and isn't covered
- That your client's income drops over time, leaving them with too much insurance and meaning we can't pay their claim in full
- Where a reviewable price has been chosen, after the 5th anniversary of buying My Sick Pay, the amount they pay could increase
- That if your client moves abroad from the UK or Isle of Man, we may not be able to continue with their cover (we may be able to agree to continue cover in certain countries).

Risks of cancelling My Sick Pay

Before cancelling My Sick Pay, your client should consider:

- What income would they have to live on if they could not work?
- Whether they have enough savings to cover any extended period of being unable to work?
- The impact on their life of any extended period of being unable to work?

Further information

You can find more information on My Sick Pay in our Key Features Document and our Terms and Conditions, which are stored on our website.

Contact us.

We're here to help.

Address
Holloway House
71 Eastgate Street
Gloucester GL1 1PW

We're here
Monday - Friday 9.00am to 5.00pm

0800 716 654

advisers@holloway.co.uk

www.holloway.co.uk

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