

Group Life Assurance

CLASS Technical Guide

For death in service benefits under registered pension schemes and Excepted Group Life Policies

Introduced from 24 November 2021



About us



We provide support when it's needed most

We are Canada Life Group Insurance, the UK's largest provider of group insurance. We have over 45 years' experience covering thousands of businesses throughout the UK.

Our mission is to help people when they need it most, so we specialise in three products that help employers do exactly that – **Life Insurance, Income Protection and Critical Illness** cover.

We've grown considerably since we first arrived in the UK in 1903. We now support over **25,000 employers**, covering **2.8 million employees** for over £280 billion of benefits. This makes us the largest provider of group insurance in the UK.

Support Services

At Canada Life, we believe insurance is about much more than just a financial benefit. When employers choose our Group Life Assurance policy, they also get access to four **FREE¹ Support Services**. Helping employees, their family and colleagues through the emotional and legal side of bereavement.

Bereavement Counselling

Losing someone close can be devastating – no one should go through it alone. Our bereavement counselling service provides up to four telephone sessions with a qualified counsellor.

Probate Helpline

Our Probate Helpline provides access to probate experts who can help employees with will writing, administration of estate, finding missing beneficiaries and applying for probate.

Second Medical Opinion

The Second Medical Opinion service provides access to over 50,000 leading consultants worldwide. They offer second opinions on diagnoses and treatments for almost any condition.

WeCare

Looks after your employees' wellbeing with a 24/7 UK-based online GP, mental health counselling, a get fit programme, legal and financial guidance, plus much more. Using their phone, tablet or desktop, employees and their families have 24/7 access to thousands of experts, all from the comfort of their own home.

Find out more

We are dedicated to helping more employers support their employees when they need it most.

Call us
0345 223 8000



Lines are open Monday
to Friday from 9am to 5pm

Online
www.canadalife.co.uk/group



To find out more about our Support Services please visit

www.canadalife.co.uk/group

¹ Free for all service users as the Support Service costs are absorbed within the Group Income Protection Insurance premium.

These are Support Services provided by Canada Life's services company CLFIS (UK) Limited (CLFIS), through its service provider Teladoc Health and Best Doctors. These services are non-contractual benefits which are available if you have a Group Life Assurance policy with us. The provision of these services does not form part of your insurance contract with us and we provide access to these services as a value added extra. These are complimentary services and can be altered or withdrawn at any time.

An excellent choice

Canada Life Limited aims to satisfy your specific requirements for Group Life, where a registered pension scheme or excepted life policy has been set up under trust.

You will directly benefit from the full support of a dedicated team of specialist underwriters, administrators and account managers.

This eProduct is only available through Canada Life's web portal CLASS (Canada Life Automated Self Service). CLASS is provided to authorised and registered intermediaries. It aims to streamline processes and offer a more cost effective way to quote, place, administer and renew group protection business.

Your quotation gives you an illustration of the first year costs which may be incurred and the technical guide outlines the main features of this product. You should be comfortable that you understand its features before we are asked to provide cover. If there is anything you are not sure about, you can ask us or your intermediary.

This document should be read in conjunction with the quotation. This document does not override the Policy, which contains full details.

Visit our website to download all our forms and materials.

Follow us on Twitter and receive our news as it happens.

Subscribe to our YouTube Channel to be notified of our latest webcasts.

Current **Policy** Conditions, claims guides and forms can be found in our Document Library section [click here](#).

You can also request copies of any items or contact us at the following address:

CLASS User Support Team
Canada Life Group Insurance
Canada Life Limited
Canada Life Place
Potters Bar
Hertfordshire EN6 5BA

Or e-mail: class@canadalife.co.uk
or ring **0345 223 7137**.

Lines are open Monday to Friday, 9am to 5pm.

This technical guide has been produced based on the 'best practice' format recommended by the Group Risk Development group (GRiD) and The Association of British Insurers (ABI).

Registered Trust options

The scheme that you wish to insure must be registered with HMRC as a registered pension scheme before cover can start.

Setting up your own scheme

You may wish to set up your own scheme or you may have already have a scheme set up.

If you do not have a scheme set up, **click here** to download specimen draft trust documentation from the **Trusts section** of our website.

You can also obtain more information about registered pension schemes using the HMRC Registered Pension Schemes Manual which is available on the HMRC website: www.hmrc.gov.uk/manuals/rpsmanual/index.htm

Information on **how to register a scheme with HMRC** is available from **our website**.

You will be required to enter the HMRC PSTR reference as part of your CLASS application.

You will be required to fill in any reports required by HMRC and to keep the trust up to date and compliant with relevant legislation.

In the event of the death of a member of the scheme you must submit the required information to us. If we accept the claim we will pay the benefits to you, as trustee, so that these can be paid to the appropriate beneficiaries in accordance with the rules of the trust.

You will be required to set up a trustees' bank account in the name of the trustees of the scheme and separate from the employer's trading account to accept and distribute benefit payments.

Joining the Canada Life Group Life Master Trust

Alternatively, you may wish to join the Canada Life Group Life Master Trust. CLFIS (U.K.) Limited, an affiliate of Canada Life Limited, has established the Canada Life Group Life Master Trust. The Canada Life Group Life Master Trust is a HMRC registered pension scheme and is administered by Trustee Solutions Limited.

There is no additional cost for this service and you will not be required to register with HMRC. The trustee will maintain the trust and complete the necessary reports for HMRC.

In some circumstances where the trustee has been involved in complex or protracted enquiries relating to determining beneficiaries, we reserve the right to deduct costs and expenses from the claim benefit payments.

You will be required to complete a Deed of Participation in order to be included in the Master Trust.

If cover is required for any other employers under the policy full details must be provided, but only a single Deed of Participation completed by the participating company is required.

We can only provide cover for employees who would normally qualify for Membership of a registered pension scheme. Cover cannot be provided for Equity Partners, self-employed or individuals working for their own company.

A copy of the **Master Trust Deed** is available to view on our website <https://www.canadalife.co.uk/group-insurance/group-life-assurance/trusts>

You will receive the tax advantages of a registered scheme.

The trustee of the Master Trust will hold the Policy and will be responsible for the identification of any beneficiaries who will receive any claim benefit. In all other respects the employer is responsible.

You must ensure that the Canada Life Group Life Master Trust is appropriate and meets your needs. Canada Life strongly recommends that employers seek appropriate advice before taking action in respect of the Canada Life Group Life Master Trust.

Once a Canada Life Group Life Assurance policy lapses, expires or is cancelled the policies will be automatically removed from the Canada Life Group Life Master Trust.

Excepted Trust options

Setting up your own scheme

You may wish to set up your own trust or you may have already have a trust set up. If you do not have a trust set up, **click here** to download specimen excepted draft trust documentation from the Trusts section of our website.

If cover is required for any other employers under the policy full details must be provided, and a deed of participation needs to be completed by each participating company.

We are not able to supply specimen trust wording for use in the Channel Islands or the Isle of Man.

A trustees' bank account in the name of the trustees and separate from the employer's trading account is required to accept and distribute benefit payments.

Setting up an Excepted Solution Trust

Alternatively, you may wish to complete an Excepted Solution Trust and Rules. This has pre-appointed trustees, Trustee Solutions Limited, (TSL), who will be responsible for the identification of any beneficiaries who will receive claim benefits. TSL will also maintain the trust and assess any potential tax charges which need to be reported to HMRC. In all other respects the principal employer is responsible.

In some circumstances where the trustee has been involved in complex or protracted enquiries relating to determining beneficiaries, we reserve the right to deduct costs and expenses from the claim benefit payments.

If cover is required for any other employers under the policy full details must be provided, but no additional deed needs to be completed.

You must ensure that the Excepted Solution Trust and Rules is appropriate and meets your needs.

Canada Life strongly recommends that employers seek appropriate advice before taking action in respect of the Excepted Solution Trust and Rules.

Once a Canada Life Group Life Assurance policy lapses, expires or is cancelled the Excepted Solution Trust and Rules will cease.

Please see the Claims section of this guide for more information about how claims can be made.

Terms and expressions we use

In this guide when we refer to ‘we’, ‘us’ or ‘our’ we mean Canada Life Limited. When we refer to ‘you’ or ‘your’, we mean the participating company, or the trustees of the scheme if you are not using the Master Trust, to which the quotation and this guide relate. Some terms have specific meanings. These are listed below in alphabetical order together with their meanings. If a particular term cannot be identified you may need to combine more than one of the definitions listed below.

‘Actively at work’:

means that a person:

- is present at their place of work; and
- has not received medical advice to refrain from work; and
- is mentally and physically capable of performing fully the normal regular duties associated with the job they are engaged to do; and
- is working their normal contracted number of hours, either at their normal place of work or at a place that the business requires.

‘Annual revision date’:

the date in each calendar year when the premiums are calculated.

‘Associated Company’:

a company which has control of or is controlled by the **participating company**, or a company which is under the control of the same person as the **participating company** and which we have specifically agreed to include in the **Policy**.

‘Catastrophic event’:

one originating cause, event or occurrence or a series of related originating causes, events or occurrences, resulting in the deaths of four or more members, irrespective of when or where the members die.

‘Catastrophic event limits’:

the maximum amount which we will pay in the event of a **catastrophic event**. These will be shown in your quotation.

‘Cease age’:

the age agreed between us as being the age at which cover for a **member** ceases, as set out in your quotation. The maximum age must not exceed a **member’s** 75th birthday.

‘Claim benefit’:

the amount of **insured benefit** that we have agreed to pay following a **member’s** death.

‘Commencement date’:

the date that the **Policy** starts.

‘Decision Letter’:

written confirmation issued by us following our assessment of medical and other evidence obtained for a **member**.

For the purpose of this definition this will include:

- acceptance of benefits,
- declinature of benefits,
- postponement of a decision,
- restriction of benefits.

‘Deed of participation’:

a deed completed by the **participating company** in which they agree to be bound by the terms of the **Master Trust** deed.

‘Discretionary benefit’:

a benefit you want us to provide for a **member** that is larger or smaller than the **scheme benefit** for which the **member** would be eligible.

Terms and expressions we use

‘Discretionary entrant’:

someone:

- who is not an **eligible employee** but who you wish to include in the **Policy**, or
- who is an **eligible employee** but who you want covered from a different date to their **normal inclusion date**, or
- who is a late entrant.

‘Eligible employee’:

someone who meets the eligibility requirements for inclusion in the **Policy**.

‘Employer’:

any company or organisation that we agree to include in the **Policy**.

‘Evidence of insurability’:

any documentary or medical evidence that we may reasonably require to include someone for benefits in the **Policy**.

‘Excepted group life assurance policy’:

an excepted group life policy as defined in Section 480(3) of the Income Tax (Trading and Other Income) Act 2005.

‘Expression of wish form’:

a form completed by the **member** in which they can nominate who they wish to receive any **claim benefit** in the event of their death. This is not binding on the **trustee**.

‘Family information form’:

a form completed by the legal personal representatives, relatives or the **employer** of the deceased **member** giving details of the deceased **member’s** circumstances. This will be used by the **trustee** to assist them in their decision making process to identify the beneficiaries.

‘Free cover limit’:

the total amount of a **normal entrant’s** benefit that we will cover on standard terms without the need for **evidence of insurability**. This will be shown in your quotation.

‘HMRC’:

HM Revenue & Customs.

‘Insured benefit’:

the benefit for which the **member** has been accepted in the **Policy**.

‘Late entrant’:

a person who joins an **employer’s** pension arrangement after the date on which they first became eligible to join that arrangement, where entry and/or the benefit entitlement under the **Policy** is dependent on membership of that arrangement.

‘Lifetime allowance’:

has the meaning given to that expression in the Glossary to the **HMRC** Registered Pension Schemes Manual.

‘Master Trust’:

The Canada Life Group Life Master Trust established by a trust deed dated 27th January 2015.

‘Member’:

an **eligible employee** included in the **Policy**.

‘Normal entrant’:

an **eligible employee** who you include in the **Policy**:

- on the first day they meet the normal entry conditions; and
- for their **scheme benefit**.

Terms and expressions we use

‘Normal inclusion date’:

the first day that an **eligible employee** qualifies for inclusion in the **Policy**.

‘Normal place of business’:

a location at which one or more of your employees carry out their duties on a regular basis.

‘Participating company’:

the **employer** participating in the Master Trust that has completed the **deed of participation**.

‘Periodic review date’:

the date when your premium rates, **Policy** Conditions and **policy fee** are reviewed.

‘Policy’:

this is comprised of:

- the **Policy** Conditions and any subsequent updates and/or replacements,
- the information provided in the Proposal Form,
- your **Policy Particulars** and any subsequent updates and/or replacements,
- the information provided prior to the **commencement date**, or in relation to any alteration to the cover provided under the **Policy**,
- any **deed of participation** completed by the **participating company** in connection with the **Master Trust**,
- the executed Excepted Solution Trust and Rules (if appropriate),
- any questionnaire or written statement relating to a **member**, including but not limited to, a Health Declaration Form,
- any **decision letter** issued in writing by us in respect of any **member**, and
- any special terms, exclusions or limitations issued by us in writing.

‘Policy fee’:

an annual charge for each **Policy** towards our costs.

‘Policy year’:

any 12 month period from an **annual revision date** during which the **Policy** is in force.

‘PSTR’:

the Pension Scheme Tax Reference is the unique reference allocated by **HMRC** when a pension scheme has been successfully registered for tax relief and exemptions.

‘Registered pension scheme’:

a scheme set up under discretionary trust (including a standalone life assurance trust) that is registered with **HMRC** as a registered pension scheme in accordance with Part 4, Chapter 2 of the Finance Act 2004.

‘Relevant date’:

the **commencement date** or such other date specified by us.

‘Scheduled territories’:

the United Kingdom, all European Union (EU) countries, Andorra, Australia, Canada, the Channel Islands, Gibraltar, Hong Kong, Iceland, the Isle of Man, Liechtenstein, Monaco, New Zealand, Norway, San Marino, Switzerland, USA and the Vatican City.

‘Scheme’:

the **registered pension scheme** for which cover is required.

‘Scheme benefit’:

the benefit or benefits set out in your quotation.

‘Secondment’:

a period of time when an employee is sent to work somewhere other than their normal place of work by an **employer** on a temporary basis with an expectation of return to their original job, or to their original **employer** in their original location.

Terms and expressions we use

‘State pension age’:

the age at which the **member** is first entitled to receive the basic state pension or any benefit that may replace it.

‘Statutory leave’:

any statutory leave taken from active employment because of maternity, adoption or paternity.

‘Total benefit’:

the sum of a **member’s** lump sum benefit and any benefits provided for the **member** under any other Group Life assurance Policies insured by our Group Insurance department.

‘Trustee’:

the trustee named in the establishing trust deed.

‘Underwriting’:

the process whereby **evidence of insurability** is obtained and assessed.

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The aim of the policy

The aim of the Policy is to cover all or part of the liabilities for death benefits under the terms of your trust.

Your commitment

If you choose to insure benefits with us you must:

- ensure that any intermediary you appoint to act for you is authorised and registered to use the CLASS web portal,
- give us your current Companies House registration number,
- ensure that your intermediary deals immediately with any data or information provided to them in connection with your Policy using the CLASS web portal,
- give us accurate and complete information and data at all times and tell us immediately, whenever this changes,
- pay us all of the premiums we ask for, when they are due, in UK currency,
- abide by the terms and conditions of the Policy,
- operate the scheme in accordance with the requirements for a registered pension scheme,
- set up an excepted discretionary trust, (if applicable),
- set up a trustees' bank account in the name of the trustees of the trust and separate from the employer's trading accounts, to accept and distribute benefit payments (for a Master Trust or Excepted Solution policy the trustees will instruct us to pay benefits to specified beneficiaries),
- submit any claims in line with the process and timescales described in Section 5 of this guide.

You must also tell us immediately, whenever:

- a member dies, or
- there is any change to the companies or groups of people included in the scheme, or
- there is any change to the structure or legal status of any of the employers, or
- you wish to change the cover or the way in which benefits are calculated, or
- you wish to include (or remove) any special cover, or
- there are changes to the work locations or business travel destinations of any members, or
- there are any changes in the nature of an employer's business which makes the occupations of the members more hazardous, or
- changes are made to an employer's pension scheme, to which the membership or levels of benefit insured under the Policy are linked, or
- a member's total benefit exceeds the free cover limit, or
- you want to include someone who is a discretionary entrant or a late entrant, or
- you want to include someone for a discretionary benefit, or
- you change or dismiss your intermediary, or
- you want to cancel cover completely.

Risk factors

- It is important that you fulfil your commitments under the Policy. A breach of certain commitments within the Policy will result in us rejecting your claim, or withdrawing cover.
- We will only continue your cover if you keep your premium payments up to date and give us the information and data we need.
- Any delay in paying your premiums or giving us the information or data we need, may result in unexpected premium arrears or someone not being fully covered.
- In order for us to pay any insured benefit, or any additional amounts of insured benefit, you must provide us with a completed claim form, in respect of the benefit being claimed, within two years of a member's death.
- If the Policy is linked in any way to any other group life assurance policy provided by us, we reserve the right to cancel the Policy if the linked policy ceases for any reason.
- We may alter the premium rates, Policy Conditions and policy fee at the periodic review date or at any other time if a change that affects any of these occurs.
- There may be changes to legislation, regulation, the state pension age, HMRC practice or tax rules affecting the treatment of registered pension schemes and/or excepted group life policies, or the Policy.
- Cover is not provided for members who travel outside the UK, other than on holiday, on business or on secondment.
- You may request or advise us of a change to your cover that is not available through the CLASS web portal. In which case, we will tell you, and you can either:
 - modify or cancel your change to enable the outline services of the CLASS web portal to continue to be used, or
 - request our standard product. If accepted this will result in an increase in premium.
- If the cover under the policy is cancelled by you, or us, it will automatically be removed from the Master Trust.
- If the cover under the Policy is cancelled by you, or us, the Excepted Solution trust will automatically cease at the same time.

How does the Policy work?

You contact your intermediary before you want cover to start, or change. Together with your intermediary you decide the basis of the eligibility conditions and the benefits you would like us to cover.

Your intermediary obtains a quotation for this cover using the CLASS web portal.

If you agree the quotation provided, your intermediary will arrange cover with us online.

If you want to make any changes to the eligibility conditions or benefit after the Policy has started, you can, but you must agree any changes with us before they can take effect.

If you provide us with all the information we require and pay the premiums we ask for, we will provide cover on the basis we have agreed with you.

If a member dies and we can settle your claim, we will pay the benefit as shown in the Claims section of this guide headed Trust options.

This product does not acquire a surrender value.

Your questions answered

Section 1.0

1.0 What factors should be considered in deciding what benefits to provide?

You will need to consider:

- what benefit promises you have made.
- the importance of group life benefits as part of your overall benefits package.
- what salary basis you wish to use for benefit purposes, for example basic salary only, fixed at a specified date.
- whether you wish to limit the member's salary or benefits, for example to the amount of Lifetime Allowance.
- whether you want to give the same level of benefit to all members.
- whether you want cover for members for a multiple of their salary, or for a fixed amount. Separate policies will be required for each category of member where an excepted trust has been used.
- any legislation relating to sex discrimination, age regulations or discrimination against part time, fixed term and disabled employees.

Our Group Life Assurance eProduct offers you simplified options to enable the business to be processed online.

1.1 Who can be covered?

We can cover all employees or defined groups of employee. It is also possible to provide cover for other individuals, if the trust and rules allow for this.

We can cover up to 8 categories of membership. If there is more than one category, there must be at least 2 members in each category.

Only employees who are employed and resident in the UK can be covered, other than as shown in Section 7 of this guide.

Everyone who satisfies the agreed eligibility and actively at work requirements must be automatically included in the Policy.

These requirements will also apply to increases in the basis of cover for existing members.

We can cover different categories of membership for different levels of benefit.

1.1.1 Eligibility requirements

The eligibility conditions will normally include:

- the minimum and maximum entry ages and any service qualifications,
- the age at which cover ceases,
 - this can be the date on which the member reaches age 65, or state pension age if higher, or
 - the date the member reaches age 70, or
 - the date the member reaches age 75.
- the eligible categories, normally by occupation or job title that you want us to cover,
- when new entrants will be included in the Policy, and
- when members may have increases in their benefits.

There must be at least 2 members when your Policy starts.

Inclusion in the Policy must be available to all individuals who meet the eligibility conditions and not solely at your invitation.

If either the eligibility conditions or the benefit categories depend on inclusion in a scheme for pension retirement benefits, you must tell us what the eligibility conditions are for those benefits. We will also require details of the percentage of eligible employees who have chosen to join the pension scheme.

If someone does not join the scheme when they are first eligible, we will have further requirements.

1.1.2 Actively at work requirements

There are no actively at work requirements for eligible employees who, after the commencement date, join the scheme for the normal agreed benefits basis when they first satisfy the agreed eligibility conditions.

However, there are other circumstances where we will apply our actively at work requirements.

Scheme is insured for the first time, including when benefits have been previously self-insured

Our actively at work requirement will be applied to all employees who are to be insured on the commencement date.

Scheme is already insured but you wish to switch the cover to Canada Life

- where there are less than 50 members involved in the switch our actively at work requirement will be applied to all members on the commencement date.
- where there are more than 50 lives involved in the switch we may agree to waive our actively at work requirement, provided you have given sufficient information about anyone who does not satisfy those requirements on the commencement date.

Changes to the eligibility conditions or increases in benefits on the date the cover switches to Canada Life

In addition to any requirement detailed above, our actively at work requirement will also be applied to all members who are affected by, or whose benefits increase as a result of, the switch on the commencement date.

Changes to the eligibility conditions or increases in benefits after the commencement date

Our actively at work requirement will be applied to all members who are affected by the change or whose benefits increase on the date we agree to make the changes to the policy.

Inclusion of a new group of people including a company or organisation (including new categories, new companies or transfers to new contracts of employment)

Our actively at work requirement will be applied to all members who are included as a result of the new group being added on the date we agree to make the changes to the policy.

What we need if our actively at work requirement is not met

Any person who is not actively at work due to ill health or disablement on their last contractual working day before the relevant date, will not be covered for any benefit or increase in benefit, until they either:

- complete 7 consecutive days actively at work with the employer, or
- provide evidence of insurability to us and we issue our decision letter.

If a person's benefit is insured under another group life assurance policy immediately prior to the relevant date, and the actively at work condition has not been applied, any member not actively at work on the relevant date will continue to be covered until the earlier of:

- the end of a period of temporary leave of absence, as shown in Section 1.2.1 of this guide, or
- the date on which cover under that other policy ceases.

Please note that there will be circumstance where we will require other forms of evidence of insurability in order to provide cover. These are as follows:

- benefits that have not been accepted by a previous insurer, or
- benefits that are above the free cover limit, or
- benefits that were subject to special terms or were declined by a previous insurer, or
- changes to the eligibility conditions or increases in benefits which affect less than 2 members.

1.2 When will cover cease?

1.2.1 Under normal circumstances

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

- on reaching the cease age agreed with us, or
- on ceasing to satisfy the agreed eligibility conditions for inclusion in the Policy, or
- on ceasing to be actively employed by the employer for any reason other than during a period of temporary leave of absence, or
- on reaching the end of a period allowed under the Policy for a temporary leave of absence and having not returned to active employment, or
- on ceasing to work in the UK other than as shown in Section 7 of this guide, or
- on reaching the end of their contract of employment.

Where the cease age is linked to state pension age, and the state pension age changes, the cease age will be based on the member's new state pension age.

Cover will also cease if it is not allowed under the HMRC regulations applicable to an excepted group life assurance policy.

Cover may continue for a member during a period of temporary leave of absence from active employment. If you continue to pay premiums, we will continue to cover a member:

- during any period of illness, disablement or statutory leave, or
- for up to 3 years for any other reason.

Any benefit increases during a period of temporary leave of absence will be restricted as shown in Section 1 of our Policy Conditions – Who is covered.

1.2.2 Cancelling the cover

1.2.2.1 When you can cancel the cover

If you want to cancel the Policy you must ask your intermediary to tell us using the termination facility within eAdmin in CLASS. The Policy will continue until we receive your instructions.

We will not backdate cancellation of cover and will charge for the time we have been providing cover.

If you cancel the cover you will not be able to continue to participate in the Master Trust.

If you cancel cover under the policy, the Excepted Solution Trust and Rules will cease immediately.

1.2.2.2 When we can cancel the cover

We reserve the right to cancel cover if:

- you do not pay the premiums requested within 30 days of the date they were due, or
- new legislation or regulations are introduced, or changes are made to existing legislation which affect registered occupational pension schemes, excepted life policies or the Policy.

If we cancel the cover under the Policy it will automatically be removed from the Master Trust.

If we cancel the cover under the Policy the excepted solution trust will automatically cease at the same time.

1.3 What type of cover is available?

1.3.1 Lump sum benefit

This is payable when a member dies. It can be for either a fixed amount, for example £250,000 per member, or a multiple of the member's salary, for example four times salary.

Where the lump sum benefit is based on the member's salary, you may also choose to apply a total benefit cap, for example the lifetime allowance.

1.3.2 How salary is defined

So that we both know what is covered, we need to agree how to define salary. You must also agree with us when salary changes become effective, and therefore alter a member's benefit. Some examples of acceptable salary bases are:

- basic salary only,
- basic salary plus agreed other variable earnings from the employer (for example overtime, bonus, commission or directors' fees),
- total P60 earnings in the preceding tax year,
- pre salary sacrifice.

Salary cannot include dividends from the employer.

If the benefit is based on a multiple of salary, you may apply a notional salary cap.

If a salary sacrifice arrangement is being operated which will reduce a member's contractual basic salary and you want to base the benefits on the pre-sacrificed salary level, you must agree the basis with us.

You must give us data that is consistent with the salary basis you have agreed with us. We will use the agreed salary basis to determine the amount payable for any claims you make, not the data provided.

1.3.3 Cover for members who have been made redundant

Lump sum cover can continue for up to 6 months for someone who leaves active employment due to redundancy.

Redundancy cover may be subject to certain limitations. The full details of our standard terms that apply can be found in Section 1 of our Policy Conditions – Who is covered.

You must ensure that your trust and rules include provision of this benefit.

Section 2.0

2.0 Setting up the Policy

2.1 Requirements to set up the Policy

Before the quotation expires (usually 1 month), your intermediary must instruct us to assume risk by completing the CLASS online process.

If the basis of risk differs from the quotation, your intermediary will need to obtain a new quotation.

You can accept the quotation up to 30 days before the commencement date. Cover cannot start on the same day that you accept the quotation. Cover will start at 00.01 on the selected commencement date. Cover cannot be backdated.

2.1.2 Setting up your own scheme

If you have chosen to have your own scheme, you must establish this and register it with HMRC before the Policy can start.

If you have chosen to set up your own excepted discretionary trust, this must be in place on the day the Policy starts but it does not need to be registered with HMRC.

2.1.3 Joining the Master Trust

If you have chosen to join the Master Trust, this has already been registered with HMRC.

You must complete a deed of participation in order to join.

2.1.4 Using the Excepted Solution

If you wish to use the Excepted Solution Trust and Rules, the trust deed must be correctly executed at the same time as the start of the Policy.

2.1.5 Assuming risk for the Policy

In order to complete the CLASS process, whereby we assume risk, your intermediary will need:

- the employer's company name, address and Companies House registration number,
- eligibility conditions,
- benefit structure,
- employers included,
- the HMRC PSTR number if you have chosen to use your own scheme, and,

any specific requirements set out by us in the quotation, before we can provide cover.

Once the Policy starts and in order for cover to continue, you must also provide the following within 30 days of the date your cover starts:

- a fully completed proposal form,
- a deposit premium or a completed Direct Debit mandate,
- completed actively at work and/or continuation of cover declarations as appropriate, (if applicable)
- a completed deed of participation if you have chosen to join the Master Trust, (if applicable)
- a copy of the executed Excepted Solution Trust and Rules, (if applicable)
- any specific requirements set out in the letter confirming risk.

Failure to provide these items within 30 days means your cover will cease. We will treat the Policy as never having been on risk and any premiums paid will be refunded.

2.2 Evidence of insurability to be provided before members are covered

If you include members in the Policy as soon as they satisfy the agreed eligibility conditions and on the agreed benefit basis, we can usually allow a free cover limit. The amount is shown on your quotation and may change at any annual revision date

If a member is included in more than one Group Life Assurance Policy insured by our Group Insurance department, the member's total benefit will be used to assess whether the free cover limit is exceeded.

Benefits in excess of the free cover limit, discretionary benefits and benefits for discretionary entrants will also normally require evidence of insurability.

We may impose additional premiums, special terms, postpone or decline cover where cover is subject to evidence of insurability to reflect a member's medical condition, hazardous occupation, or any hazardous pursuits undertaken (see Section 3.2 of this guide).

You must tell us immediately if you require cover for anyone in the above situations, so that we can tell you what evidence of insurability we will need before we can provide you with cover.

If a member's benefits above the free cover limit have been declined, the member will not be entitled to any future increase in the free cover limit.

2.3 What happens if a claim arises before an underwriting decision has been made?

If evidence of insurability is needed by us before we can accept a member's total benefit we will provide temporary cover.

This will apply for up to 120 days, from the date:

- the person is first included in the Policy, or
- when an increase in a member's total benefit applies, or
- when we are notified of any discretionary entrant or late entrant, or
- we are notified of any discretionary benefits

and will cease when we tell you what our decision is, if earlier.

However, temporary cover will not apply:

- if the person has previously had some or all of their total benefit declined or postponed, or
- if any additional premiums chargeable following the issue of our decision letter have not been accepted, or
- if a decision letter has not been issued where evidence of insurability has previously been requested, or
- to any part of the person's total benefit that exceeds £5,000,000, or
- if the person dies before a decision has been made and death was directly or indirectly linked to a medical condition suffered within a 5 year period prior to the date temporary cover commenced.

Section 3.0

3.0 What premiums will be charged for the cover

The premiums we calculate depend on various factors including the:

- type and amount of benefits,
- eligibility and entry conditions,
- cease age,
- scheme profile such as age, sex, occupation, and locations of the workforce,
- claims history, and
- amount of the policy fee.

There is a minimum total annual premium of £480.

3.1 How will premiums be calculated?

For schemes with up to and including 9 members, we will use our single premium basis. Where there are 10 or more members, we will use our unit rate basis.

Full details of our standard terms that apply to each premium basis are set out in our Policy Conditions, See Section 5 – Premiums, and the circumstances when we may alter the rates to apply are set out in Section 6 – Alterations to the Policy cover.

3.2 Will there be any unexpected extra premiums?

If the information we need to calculate the premium is delayed or inaccurate, your premiums could change.

The premium rates, Policy Conditions and policy fee may change at the periodic review date. They may also change at any time that you make any changes that affect the factors we have used to calculate your premiums as shown in our Policy Conditions, see Section 6 – Alterations to the Policy cover.

We may charge additional premiums for members' benefits that have special terms applied following the issue of our decision letter. Any additional premiums will only be charged for the amount of insured benefit to which those special terms apply and will reflect a member's medical condition, hazardous occupation or participation in any hazardous pursuits.

3.3 What commission is included within the premium?

The rate of commission payable to financial advisers is shown in the quotation. The premium quoted includes the amount of commission payable.

3.4 Is there a discount for good claims experience?

A poor claims experience may affect the availability of this eProduct.

Section 4.0

4.0 How does the Policy accounting work?

The Policy operates on one year accounting periods. You will normally pay your premiums annually in advance. If you choose to pay monthly by Direct Debit premiums increase by 2%.

While we are awaiting complete accurate information we will charge a deposit premium. A statement of account showing the accurate premiums due will be provided once the information has been received. The account will show any arrears which are due from you, or we will make a refund to you, if you have paid too much.

4.1 What information is required for accounting purposes?

We will normally advise you before each annual revision date what information we require. Full details of the information we need to calculate your premiums are set out in the Policy Conditions, see Section 5 – Premiums.

4.2 How are the accounts adjusted for members who join, leave or have benefit changes during the year?

4.2.1 Single premium schemes

At each annual revision date, we will calculate a premium adjustment for the amount and duration of the cover actually provided since the commencement date (or the last annual revision date, if later).

4.2.2 Unit rated schemes

At each annual revision date, we will calculate a premium adjustment to allow for any increases or decreases in insured benefits or changes in membership since the commencement date, or the last annual revision date if later. We assume that all changes occur half way through the policy year.

If there has been any change during the policy year to the following:

- basis of cover,
- eligibility,
- employers or groups of people included,
- legislation, or
- unit rate

we will calculate adjustments for the periods before and after that change took effect.

4.3 If the Policy is discontinued mid-year will premiums paid in advance be lost?

A final statement of account will be produced based on the cover actually provided and premiums paid up to the date when cover ceased. We will either send you a refund or request the balance of premiums you owe us.

Section 5.0

5.0 Claiming benefit

Claims will be paid by us in UK currency.

Our claims guide will help you through the process and answers some of the questions we are frequently asked.

Click here to download our claims guides and claims forms from our website or request them from the CLASS User Support Team, using the contact details given at the beginning of this guide, on page 3.

5.1 How are claims made?

You must submit a current and fully completed claim form as promptly as possible after a member's death.

If death occurred in the UK and a Certified Copy of an Entry of Death has been issued, we may be able to validate death using an online register. If we are not able to validate online, will require an original copy (not a photocopy) of either the Registrar's or Coroner's Certificate of Death.

You must also provide us with any other documents and information that we may need to process your claim, which will include but will not be limited to evidence of membership and earnings.

If the member has completed an expression of wish form this must also be provided.

5.2 Claims made under the Master Trust and Excepted Solution Trust and Rules

In the event of the death of a member you must submit the required information to us. If we accept the claim, the trustee of the Master Trust/Excepted Solution Trust and Rules will decide which person(s) will receive the lump sum benefit under the terms of the appropriate Trust Deed.

If you have chosen to join the Master Trust, or use the Excepted Solution Trust and Rules, you will need to arrange for the completion of an additional family information form to help the trustees decision making process.

If the member has completed an expression of wish form this must also be provided.

You will be asked to provide information about the deceased and the potential beneficiaries to help the trustee's decision making process.

Canada Life has no control over this decision making process and is not liable for any act or omission of the trustee.

The receipt of any payment we make by the person(s) identified in accordance with the trustee's instruction will mark an end to our responsibilities for that payment.

To avoid disputes at the claim stage, the trustee strongly recommends that each employee completes an Expression of Wish Form when their cover starts.

Payment of benefits will be made directly to the beneficiaries.

5.3 When do we need to know about a claim?

Claims will only be paid if the completed claim form has been received by us within 2 years of the member's death.

5.4 What happens when a member dies outside the UK?

We will require the original locally issued death certificate (or equivalent) together with an English translation that is acceptable to us.

You should send completed forms and documentation to:

Life Claims Team
Canada Life Group Insurance
Canada Life Limited
Canada Life Place
Potters Bar
Hertfordshire EN6 5BA

Fax: **01707 671180**

E-mail: **grouplifeclaims@canadalife.co.uk**

Section 6.0

6.0 What is not covered?

6.1 Claim limitations as a result of a catastrophic event.

We apply a catastrophic event limit on the total aggregate amount of claims arising as a result of a catastrophic event.

Where possible we will allow a catastrophic event limit which exceeds the amount of cover being provided at each postal address where your members are located by 25%.

However:

- the maximum overall catastrophic event limit at any one location will not exceed £100 million (or £50 million in EC or E14 London postcodes).
- there may be locations where we can only provide lower limits
- If we do not receive the information needed to assess the catastrophic event limit at each location we will apply a limit of £10 million (£5 million in EC or E14 London postcodes).

If more than one location is affected by a catastrophic event the overall maximum we will pay is £100 million, subject to the catastrophic event limit at each location affected.

If the catastrophic event affects members travelling, the maximum amount payable will be £20 million both during travel and at the destination if this is not a normal place of business.

Claims will be settled in the order we receive completed claim forms until the relevant catastrophic event limit has been reached. For claims received for Master Trust or Excepted Solution, claim forms will be sent to the Trustees in the order in which we receive them.

Where we are covering employees of an employer under separate policies we will treat the policies as if they were one single Policy.

Section 7.0

7.0 Can cover be provided for someone who is outside the UK, Channel Islands or the Isle of Man?

Cover will be maintained for members whilst they are outside the UK on holiday or travelling in connection with their business, other than on secondment.

We may agree to cover members who are working outside the UK on secondment to another country within the scheduled territories subject to further information.

For members working outside the UK, premiums must be paid in UK currency, and all claim benefits will be paid in UK currency.

The salary for a member not paid in UK currency will be converted to UK currency based on the exchange rate at the previous annual revision date.

If we require medical evidence for evidence of insurability or in support of a claim and it is obtained outside the UK, then any medical evidence must be provided in English.

If we agree to contribute an amount towards the cost, this will be equivalent to obtaining similar evidence in the UK, unless otherwise agreed.

Section 8.0

8.0 Taxation of schemes

Our understanding of the legislation and HMRC practice on 1 September 2020 is that the following applies to both registered and excepted policies:

- Premiums paid by the employer are normally treated as a business expense. However, tax relief on premiums paid by the employer in respect of any employees who have a proprietary interest in the company will not normally be available.
- HMRC may, nevertheless, agree to allow such relief if similar benefits are provided for a substantial number of other employees.
- Clarification of the tax position in such cases should be sought from the employer's local Inspector of Taxes.
- Premiums paid by the employer are not treated as a P11D benefit for employees.

For registered policies:

- Lump sum benefits will be paid tax-free.

For excepted policies:

- Lump sum benefits are subject to the normal inheritance tax rules applicable to discretionary trusts. This means that exit and periodic charges may apply.
- Lump sum benefits will not be subject to income tax and will not count towards the member's lifetime allowance.

Section 9.0

9.0 Further information

9.1 The Company

This Group Insurance is issued by Canada Life Limited, an incorporated company limited by shares, whose head office is in the United Kingdom. Its address is:

Canada Life Limited
Canada Life Place
Potters Bar
Hertfordshire EN6 5BA

9.1.2 What we do

Canada Life Limited is a company carrying out insurance business (also referred to as an insurance undertaking). We do not provide advice on whether the product meets your particular requirements.

9.1.3 Remuneration

Canada Life may pay some of our staff bonus payments which are linked to the number and/or value of the policies which we sell.

9.1.4 Financial strength

If you want to find out about our financial strength, including our solvency margin, you can view our Solvency and Financial Condition Report (SFCR) at www.canadalife.co.uk/adviser/about-us/solvency-2

9.2 Queries and complaints

9.2.1 Queries and complaints about the Policy

If you have any questions about either your Policy or your cover, please contact your intermediary in the first instance. You should also contact your intermediary if you wish to complain about the service you have received. If you do not have an intermediary or if the matter is not resolved, please write to:

CLASS User Support Team
Canada Life Group Insurance
Canada Life Limited
Canada Life Place
Potters Bar
Hertfordshire EN6 5BA

You can also e-mail: class@canadalife.co.uk
or ring **0345 223 7137**

Lines open Monday to Friday, 9am to 5pm.

Complaints which we cannot settle can be referred to the Financial Ombudsman Service:

Financial Ombudsman Service
Exchange Tower
London E14 9SR

Telephone: **0800 0234 567** or, for mobile phone users:
0300 123 9123

E-mail: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Making a complaint will not prejudice your right to take legal proceedings.

9.2.2 Queries and complaints about the Master Trust or the Excepted Solution Trust and Rules

If you have any questions about the Master Trust or the Excepted Solution Trust and Rules, or you are unhappy with the management of the trust, please contact:

Trustee Manager
Trustee Solutions Limited
3 Colmore Circus
Birmingham B4 6BH

You can e-mail: clgmt@trusteesolutions.co.uk

They will advise you of their complaints procedure.

If the trustee of the Master Trust changes you will be provided with further details.

9.3 Compensation

If we are unable to meet our liabilities, you may be able to claim compensation from the Financial Services Compensation Scheme. Further information is available from the Financial Conduct Authority and the Financial Services Compensation Scheme.

9.4 Law

The construction, validity and performance of the Policy will be governed by English law. If there is any dispute between the parties about anything to do with the Policy, the English Courts are the only courts which may make a judgement about the dispute.

Any person or company who is not a party to this Policy does not and shall not have or acquire any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy.



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