

mortgageprotect[®]



Policy Document

MORTGAGEPROTECT
MORTGAGE PAYMENT PROTECTION INSURANCE

INTRODUCTION

This mortgage payment protection plan is designed for **you** to meet **your** mortgage commitments in the event of **your disability** or **unemployment**. This document is evidence of **your** cover, please read it carefully and keep it safe. If **you** do not understand anything please contact **us** at the address below.

IMPORTANT INFORMATION

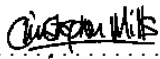

Eligibility for **unemployment** benefit varies according to the type of employment contract **you** hold and how **your unemployment** comes about. It is important that **you** read Clauses 7 and 8 as well as the definitions of **full-time employment**, **self-employed** and **unemployment**.

CHANGE OF CIRCUMSTANCES

Please contact **us** immediately if **your** employment circumstances or mortgage arrangements change and **we** will advise **you** how this affects **your** cover.

CERTIFICATION

Subject to the terms and conditions set out below this **policy** records that in return for **you** paying and **us** accepting the **premium**, **we** will pay **you** the **monthly benefit** should **you** become **unemployed** or **disabled**. Insurance cover is for one month at a time and will be renewed every month until the **termination date** provided **you** have paid the **premium** on the due date.

SIGNED ON BEHALF OF PINNACLE INSURANCE PLC  DIRECTOR(S)

UNDERWRITTEN BY PINNACLE INSURANCE PLC	
Head and Registered Office	: Pinnacle House, A1 Barnet Way, Borehamwood, Hertfordshire WD6 2XX
Company Registered Number	: 1007798
Policy Number	: 01846
Date of Policy	: 1 st November 2003
Policyholder	: NHI Services Ltd
Registered Office	: 66 Wigmore Street, London W1U 2HQ

1. DEFINITIONS

The words which appear in bold in this **policy** have specific meanings which are explained below:

"Agreement" means **your** mortgage agreement, in relation to which **we** have agreed to provide insurance cover under this **policy**;

"Ceased Trading" means where **you** have involuntarily ceased trading as a result of **your** business having insufficient assets to meet its debts and liabilities and:

- (i) **your** accountant confirms that accounts to cease the business have been prepared and submitted to the Inland Revenue; and
- (ii) **your** bank confirms that **your** trading account has been frozen and no further funds will be advanced in respect of **your** business;

"Commencement Date" means the date of completion of the **agreement** (i.e. the mortgage completion date) or the date **we** advise **you** are accepted for cover if **you** apply for cover under this **policy** after the mortgage completion date;

"Condition" means any sickness, disease or injury (or symptoms of any of these) whether or not it results in a diagnosis;

"Consultant Psychiatrist" means a physician registered with the General Medical Council who has completed Parts I and II of the MRC Psych examinations and has held a post as a consultant in the NHS for at least 2 years;

"Disabled" means being unable to **work** at **your** normal occupation (or at any job which **you** are reasonably able to do, given **your** experience, education or training) because of an accident or sickness. If **you** are **self-employed**, **you** cannot be receiving any form of payment or be helping, managing or carrying on any part of the running of the business while **you** are disabled, and **"Disability"** shall be construed accordingly;

"Doctor" means a medical practitioner registered with the General Medical Council and working in the United Kingdom, the Channel Islands or the Isle of Man. The **doctor** who confirms **your disability** when **you** are making a claim, cannot be **you**, a relative or close friend;

"Excess Period" means the number of consecutive days immediately following the occurrence of **your disability** or **unemployment** for which no benefit is payable. The **excess period** applicable to **you** is stated in the **schedule**. If there is a claim for **unemployment** the **excess period** will begin after any period for which payment is received in lieu of notice;

"Existing Borrower" means a person insured whose **agreement** commenced before requesting cover under this **policy**;

"Full-time Employment" means working for at least 16 hours a week, under a contract of employment that does not have a fixed or implied date for ending (if it does have a fixed or implied date for ending, **you** may still be covered but

Clause 7 (vii) will apply). **You** must be receiving a salary or wages and be paying the appropriate National Insurance contributions;

"Monthly Benefit" means the amount chosen by **you** and notified to **us** at the time **you** apply for cover under this **policy** which must not exceed:

- (i) the amount of the monthly repayment under the **agreement**, together with;
- (ii) an amount in respect of mortgage - related outgoings which must not exceed the greater of:
 - (a) 25% of the amount chosen by **you** under sub-paragraph (i) above; or
 - (b) **your** total mortgage-related outgoings;

the maximum **monthly benefit** is £1,500; please note that the total **monthly benefit** shall not exceed 60% of **your** monthly income. If **you** are claiming under any other **policies** in respect of **your** monthly income then **we** will reduce the amount claimed under this **policy** proportionately;

"Monthly Premium" means the sum payable by **you** each month to ensure cover under this **policy**. **You** will be covered in respect of a month only if the **monthly premium** has been paid;

"New Borrower" means a person insured who requests and is accepted for cover under this **policy** when entering into the **agreement**;

"Normal Pregnancy" means:

- (i) symptoms which normally accompany pregnancy which are of a minor and/or temporary nature, and which do not represent a medical hazard to mother or baby; and
- (ii) childbirth, including delivery by caesarean section or any other medically or surgically assisted delivery which does not cause medical complications;

"Period of Insurance" means the period after the **commencement date** and before the **termination date** for which **you** have paid the **monthly premium**;

"Policy" means the terms and conditions set out in this document;

"Regular Care and Attendance" means that **you** are under the regular care and attendance of **your doctor** for **your disability**;

"Schedule" means the letter **we** send **you** which sets out the details of **your** cover;

"Self-employed" means working for at least 16 hours a week for profit in a profession or business, either alone or with others. **You** must be paying the appropriate class of National Insurance contributions and be liable to pay income tax under schedule D;

"Specialist" means a medical practitioner registered under the Medical Act 1983 who holds (or who has held) a consultant post in an NHS hospital or who holds a certificate confirming their position as a specialist, as recognised by the Department of Health;

“Termination Date” means the end of **your** insurance cover which is the earliest of the following:

- (i) the date of **your** death;
- (ii) the date **you** reach 65 years;
- (iii) the date **you** fail to pay **your monthly premium** when it is due;
- (iv) the date **we** advise **you** in writing that **your** cover has ended if Clause 9 (ii) applies;

“Unemployment” means:

- (i) being entirely without gainful employment (which includes the assisting, managing and/or the carrying on of any part of the day to day running of a business); and
- (ii) being available for and actively seeking **work** and being able to provide evidence of this; and
- (iii) having signed a Jobseeker's Agreement or any such agreement in succession and provided **us** with a copy of the same (unless exempt). Failure to comply with any condition of this agreement may result in the suspension or the stopping of benefit;

and **“Unemployed”** shall be construed accordingly;

“We, Our, Us” means Pinnacle Insurance plc;

“Work” means being in **full-time employment** or **self-employed**;

“You, Your, Yours” means the person who has been accepted for insurance cover under this **policy** and is named in the **schedule**.

The masculine gender shall include the feminine and the singular shall include the plural.

2. ELIGIBILITY

You are only eligible for this **policy** if **you** satisfy all the points below:

- (i) **you** are at least 18 years of age and under 60 years of age at the **commencement date**;
- (ii) **you** work and live in the United Kingdom, the Channel Islands or the Isle of Man. **You** may also be eligible for continued cover if **you** worked and lived in the United Kingdom, the Channel Islands or the Isle of Man at the **commencement date** and **you** are subsequently posted to work outside the United Kingdom, Channel Islands or Isle of Man for:
 - (a) the British Armed Forces or as a civil servant in the British Embassy or Consulate; or
 - (b) **your** employer is a United Kingdom registered company and **you** are assigned to work within the European Union;
- (iii) **you** must be in **full-time employment** or be **self-employed** and have been so for 6 months immediately prior to the **commencement date**.

3. ADDITIONAL UNDERWRITING

We may require **you** to undergo additional underwriting in circumstances where:

- (i) **you** are an **existing borrower**;
- (ii) the **monthly benefit** under the **agreement** is more than £1,500; or
- (iii) the **lender** has not been pre-approved by **us**.

4. CHANGING THE LEVEL OF BENEFIT

- (i) The **monthly benefit you** chose when **you** applied for this insurance will not change if **your** mortgage repayments change.
- (ii) If **you** want to change **your monthly benefit you** must ask **us** in writing. If **we** agree to increase **your** level of benefit, **we** will change the **commencement date** for any increased benefit to the date **we** accept the change, subject to a qualifying period of 60 days for **unemployment** benefit.
- (iii) If **you** have increased **your** level of benefit and a claim is made during the qualifying period as referred to in Clause 4 (ii), **you** will only be entitled to benefit at the lower rate.
- (iv) **We** will not agree to any change in **your monthly benefit** if **you** are making a claim or receiving benefit.

5. DISABILITY BENEFITS

- (i) If during a **period of insurance you** become continuously **disabled** for the **excess period**, **you** will be entitled to an amount equal to 1/30th of the **monthly benefit** for each continuous day of **disability** exceeding the **excess period**. The **monthly benefit** will be paid monthly in arrears and will only be paid if **you** meet the terms and conditions of the **policy**.
- (ii) To receive the **monthly benefit you** must:
 - (a) have paid the **monthly premium** and continue to do so during **your** claim;
 - (b) have been in **work** when **your disability** occurred;
 - (c) be under the **regular care and attendance** of a **doctor** for this **disability**;
 - (d) be prevented from **working** only as a result of the **disability**;
 - (e) not have received the **monthly benefit** for **unemployment** for the same period; and
 - (f) give **us** any evidence **we** ask for in order to prove **your** claim is valid and continues to be so.
- (iii) When paying **your** claim **we** will consider the first day of **disability** to be the day a **doctor** certifies that **you** are **disabled** and **you** are off **work**.

- (iv) **We** will continue to pay the **monthly benefit** until:
 - (a) **we** have made 12 **monthly benefit** payments; or
 - (b) **you** return to **work**; or
 - (c) **you** fail to provide evidence of **your disability**; or
 - (d) the **termination date**;
 whichever happens first.
- (v) **You** must return to **work** for at least one month before **you** can make another claim for **disability** benefit for an unrelated condition or for at least six months before **you** can make another claim for **disability** benefit for a related condition.

6. DISABILITY EXCLUSIONS

You are not covered for **disability** which arises from any of the following:

- (i) a **condition**:
 - (a) which **you** were treated for, received advice for, or consulted a **doctor** about in the 12 months before the **commencement date**; or
 - (b) which is a chronic or continuing disease which **you** had prior to the **commencement date**;
 even where a diagnosis is not made.
- (ii) a self-inflicted injury;
- (iii) civil commotion, terrorism, riot or insurrection, war or any act incidental to war (whether declared or not);
- (iv) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste, from the combustion of nuclear fuel or from radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- (v) being under the influence of, or being affected by, alcohol or drugs unless prescribed by a **doctor** (other than prescribed for the treatment of drug addiction);
- (vi) **normal pregnancy**, miscarriage or abortion unless the symptoms of a **normal pregnancy** develop into a pathological condition, sickness or disease which is diagnosed by a **doctor** or consultant who is listed by the General Medical Council as specialising in obstetrics, the pathological condition lasts for 60 days or more and is not excluded under any other exclusions listed in this Clause;
- (vii) any condition of a mental or nervous origin including stress, anxiety or depression (unless the **condition** is certified by and under the continuing care of a **consultant psychiatrist**);
- (viii) backache or related conditions unless there is supporting medical evidence. Such evidence may be a report from an appropriate **specialist** or from **your doctor**, in both cases an MRI, CT scan, or equivalent, may be required;

7. UNEMPLOYMENT BENEFITS (IF SHOWN ON YOUR SCHEDULE)

- (i) If during a **period of insurance**, **you** become **unemployed** and remain continuously **unemployed** for the **excess period**, **you** will be entitled to an amount equal to 1/30th of the **monthly benefit** for each continuous day of **unemployment** exceeding the **excess period**. The **monthly benefit** will be paid monthly in arrears and will only be paid if **you** meet the terms and conditions of the **policy**.
- (ii) To receive the **monthly benefit** **you** must:
 - (a) have paid the **monthly premium** and continue to do so during **your** claim;
 - (b) have been in **work** immediately before **your** claim for **unemployment**;
 - (c) satisfy the definition of **"unemployment"** set out in Clause 1 (if **you** were **self-employed** **you** must have **ceased trading**);
 - (d) not have received the **monthly benefit** for **disability** for the same period; and
 - (e) give **us** any evidence **we** ask for in order to prove **your** claim is valid and continues to be so.
- (iii) When paying **your** claim, **we** will consider **your** first day of **unemployment** to be the day **you** are first registered as **unemployed** with the Employment Service Job Centre or such government office which replaces it. **You** will not be considered to be **unemployed** for days for which **you** receive payment in lieu of notice.
- (iv) **We** will continue to pay the **monthly benefit** until:
 - (a) **we** have made 12 **monthly benefit** payments; or
 - (b) **you** return to **work**; or
 - (c) **you** fail to satisfy the definition of **"unemployment"** set out in Clause 1; or
 - (d) **you** fail to provide **us** with evidence of **your unemployment**; or
 - (e) the **termination date**.
- (v) **You** must return to **work** continuously for at least 6 months before **you** can make another claim for **unemployment** benefit. However, periods of **unemployment** separated by 3 consecutive months or less shall be treated as one continuous period of **unemployment**, subject to a maximum of 12 **monthly benefit** payments.
- (vi) **You** must return to **work** for at least 1 month before another claim can be made under this **policy**.

- (vii) If **you** were made **unemployed** from a fixed-term contract, **you** will only be entitled to **unemployment** benefits if:
 - (a) **you** were on a yearly contract which had been renewed at least once immediately prior to **you** being made **unemployed**; or
 - (b) **you** were under contract with the same employer for a period of at least 24 consecutive months immediately prior to **you** being made **unemployed**.
- If **you** were with the same employer for at least 6 months and **your** contract had been renewed at least twice then **you** will only be entitled to benefit for **unemployment** if **your** contract terminated early. **Unemployment** benefit will cease at the end of the contract term.

8. UNEMPLOYMENT EXCLUSIONS

You are not covered for **unemployment**:

- (i) if at the **commencement date** **you** knew **you** would become **unemployed** or **you** had reason to believe that **you** might become **unemployed**;
- (ii) if **you** are made **unemployed** or are told that **you** will be made **unemployed** within 60 days of the **commencement date** (for **new borrowers**) or within 120 days of the **commencement date** (for **existing borrowers**);
- (iii) if **your work** was seasonal, casual or temporary or **unemployment** is a regular feature of **your work**;
- (iv) if **you** come to the expected end of a fixed-term contract unless Clause 7 (vii) above applies;
- (v) **you** resign or **you** accept voluntary **unemployment**;
- (vi) if **you** lose **your** job because of misconduct, fraud, dishonesty or any act **you** carried out;
- (vii) if **you** have reached 65 years of age;
- (viii) for any period for which **you** are in receipt of wages in lieu of notice;
- (ix) if **you** are outside the United Kingdom, the Channel Islands or the Isle of Man;
- (x) arising from any of the **disability** exclusions set out in Clause 4.

9. PREMIUM VARIATION AND CANCELLATION OF POLICY

- (i) **We** will give **you** 30 days written notice before any change to the amount of **monthly premium** takes effect (unless it is due to a change in the rate of insurance premium tax).
- (ii) **We** may cancel **your** insurance cover by giving **you** 90 days' written notice (where no substitute scheme is offered) or 30 days' written notice (where a substitute scheme is offered).

- (iii) **We** may cancel **your** insurance cover immediately if **we** have proof of **your** fraud in relation to **your** cover under this **policy**.
- (iv) **You** have 14 days from receipt of **your policy** documentation to check that this **policy** meets **your** requirements. If this **policy** does not meet **your** requirements please inform **us** within 14 days of receipt and **we** will refund **your monthly premium**. Thereafter, **you** may cancel **your policy** at anytime by giving **us** 30 days written notice, however, no refund of **monthly premium** shall be payable.

10. MIS-STATEMENT OF AGE OR OTHER INFORMATION

If **you** gave false or misleading information when **you** applied for insurance cover and this information affected the decision to insure **you**, the cover will end, **we** will not pay any benefit and will refund the percentage of the **monthly premium(s)** that **we** think is reasonable.

11. INVALID MONTHLY BENEFIT PAYMENTS

If **we** make any payments to **you** as a result of **your** fraud, recklessness or negligence, **you** will no longer be entitled to any benefits under this **policy** and **we** may demand that any payments **you** have received from **us** are paid back. **We** may take legal action against **you** for the return of such monies and **we** may demand that **you** reimburse **us** for any investigation costs reasonably incurred.

12. CLAIMS

- (i) **We** must be notified about **your disability** or **unemployment** by sending **us** a claim form with full details of the facts which the claim is based on, as soon as possible after the date **you** last worked and in all cases within 180 days of that date.
- (ii) **We** will need proof of **your** claim and the circumstances leading to **your** claim. This proof could be (amongst other things) a **doctor's** certificate, a letter from **your** current or previous employer, or confirmation from the Department of Work and Pensions Job Centre or such government office which replaces it.
- (iii) If **you** are **self-employed** **we** may contact **your** accountant, bank or tax office for proof that **you** have **ceased trading**.
- (iv) During the period of a claim, **we** will need proof that **you** are still **disabled** or **unemployed**. **You** must pay any costs of getting the proof **we** ask for. However, if **you** are claiming for **disability**, **we** may require medical evidence in addition to **your doctor's** initial report or **we** may ask **you** to go for a medical examination with a **doctor** or **specialist** appointed by **us**. **We** will pay the costs of this additional medical

evidence. **We** will not pay **you** any **monthly benefit** if **you** fail to go for a medical examination and **you** do not have a reasonable excuse.

- (v) Insurers share information with each other to prevent fraudulent claims via a register of claims. A list of participants is available on request. In the event of a claim, any information **you** have supplied relevant to this insurance and on the claim form, together with other information relating to the claim, will be provided to the register.

13. HOW TO MAKE A CLAIM

- (i) **You** can get a claim form from **us** at the address below. The form contains notes on how to fill in the form and what **you** must do.
- (ii) Send the claim form and any other necessary documents to **us** at the address below. **You** can also contact **us** at this address if **you** need another claim form or help. **Our** address is:

Pinnacle Insurance plc
Pinnacle House, A1 Barnet Way
Borehamwood, Hertfordshire WD6 2XX
Telephone: 08707 200 745

14. GENERAL CONDITIONS

- (i) **You** may increase or change **your** cover by writing to **us** at the above address. **Your commencement date** will become the day **we** accept **your** amended cover.
- (ii) If **you** do not keep to the terms of the **policy**, **you** will not be entitled to any benefit under the **policy**.
- (iii) The parties to this **policy** are free to choose the law applicable to it. Without agreement to the contrary English Law will apply. If **you** live in Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man, **you** will be entitled to commence legal proceedings in **your** local courts.
- (iv) The rights under this **policy** cannot be transferred to anyone else.
- (v) The **policy** or the **monthly benefit** cannot be used to protect any person other than **you**.
- (vi) The **monthly benefit** cannot be paid to anyone else or in any way other than described in this **policy**.

(vii) When **your** cover under this **policy** ends it will not have a cash or surrender value.

(viii) **We** may change this **policy** by making an endorsement. The change must be signed by our authorised official and **you** will be told at least 30 days before the change takes effect.

(ix) To improve the quality of **our** service, **we** will be monitoring and recording some telephone calls.

(x) If **you** do not keep to the terms under this **policy** **you** will not be entitled to any benefit under the **policy**.

(xi) **We** are covered by the Financial Services Compensation Scheme (the "Scheme"). **You** may be entitled to compensation from the Scheme if **we** cannot meet **our** obligations. The amount of compensation depends on the type of business. Most types of insurance business are covered for 100% of the first £2,000 of a valid claim and 90% of the remaining amount of the loss. Further information about compensation arrangements is available from the Financial Services Compensation Scheme, telephone number 020 7892 7300.

ENQUIRIES AND COMPLAINTS

While it is always **our** intention to provide a first class standard of service, if **you** do have any concerns regarding **your** insurance cover, please address them to:

Customer Relations Manager
Pinnacle Insurance plc
Pinnacle House, A1 Barnet Way, Borehamwood
Hertfordshire WD6 2XX

Should **you** remain dissatisfied with the outcome of any internal enquiries, **you** have the right to refer **your** complaint to:

The Financial Ombudsman Service (FOS)
South Quay Plaza, 183 Marsh Wall,
London E14 9SR
Telephone: 0845 0801 800

This procedure will not prejudice **your** right to take legal proceedings. However, please note that there are some instances when the FOS cannot consider complaints. A leaflet detailing **our** full complaints/appeals process is available from **us** on request.

