

HSBC Income Cover and HSBC Income Cover (2 year)

Policy Summary and Policy Document

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Policy Summary

Please read the information in this Policy Summary carefully.

This is the Policy Summary for Income Cover and Income Cover (2 Year) policies ("Policy"). This Policy Summary does not contain the full Policy Conditions which can be found in the Policy Document section of this booklet which also contains defined terms used in this Policy Summary. Please ensure you keep this booklet safe for future reference. You can request a further copy at any time.

The product provider is HSBC Life (UK) Limited.

What is HSBC Income Cover?

Income Cover pays a fixed monthly benefit to replace lost income if you are unable to work due to illness or injury. You can choose:

- ◆ How much benefit you could receive;
- ◆ How long you could receive benefit for; and
- ◆ When your benefit payments could start.

In order to claim you must have been in active employment immediately before your illness or injury. We will need to determine that:

- ◆ You are unable to work as a result of your illness or injury; and
- ◆ You are unable to perform the material and substantial duties of your occupation; and
- ◆ You are not following any other occupation.

We call this incapacitated and we will request medical evidence from the doctors treating you to support your claim.

You will pay a monthly premium, by direct debit, throughout the term of your policy. Your premiums are not reviewable, which means they are expected to stay the same throughout the term of your policy. There are some circumstances under which your premium may change. (Please see Condition 14 of the Policy Document for further details.)

Can I apply for cover?

You can apply if you:

- ◆ Are aged between 17 and 59; and
- ◆ Are resident and work within the United Kingdom (this does not include the Channel Islands and Isle of Man); and
- ◆ Work for 16 hours or more a week; and
- ◆ Are employed or self-employed, but not on a temporary basis*; and
- ◆ Work in an eligible occupation.

*If your contract does not specify a fixed number of hours worked per week, you must have been working an average of 16 hours a week or more, for the last 12 months, to be eligible for cover.

How long can the policy run for?

The policy has a minimum term of five years and cannot continue later than your 68th birthday.

You can cancel your policy at any time. **The policy has no cash in value at any time.**

You must pay premiums on a monthly basis by direct debit for the term of the policy. The premiums are not reviewable and are expected to stay the same throughout the term of the policy. If you stop paying premiums for a period longer than 28 days, the policy will automatically terminate without value and no benefits will be payable.

What does the policy cover?

You can choose how much benefit you could receive each month, subject to a maximum of:

- ◆ 50% of your pre-tax earnings; to a maximum of
- ◆ £50,000 per year (taking account of all Income Cover policies you have).

The benefit paid under this policy can never exceed 50% of your pre-tax earnings in the 12 months immediately before the date of incapacity. This means we may reduce your monthly benefit if your employment circumstances or earnings change during the life of your policy. If we do have to reduce your benefit on this basis we will not provide a refund of any premiums. **It is therefore very important you review your benefit level periodically to ensure it continues to meet your needs, and tell us if your employment circumstances change, and/or if the amount you earn changes.**

Business start-ups

If you are in the process of setting up your own business, (or have done so in the last six months), you may be unable to produce any evidence of earnings on which to base your initial amount of cover. If this is the case then for the first three years of your policy you may choose a benefit of up to £12,000 per year. On the policy's third anniversary, you should review the level of cover to ensure it accurately reflects 50% of your annual pre-tax profit after the deduction of trading expenses. (Please see Condition 5 of the Policy Document for full details.)

When does payment start?

You can choose when you would like your benefit payments to start. This is called a deferred period. The deferred period is the amount of time, after you become unable to work due to illness or injury, before benefit will be paid.

You can choose from a range of deferred periods between 4 and 52 weeks, depending on your occupation. The deferred period you have selected will be shown in your Policy Schedule.

It is important to note that if you are still earning income when your deferred period has ended, your monthly benefit will be reduced. This is because all eligible income is taken into account when calculating the benefit paid under the policy to ensure that your earnings do not exceed 50% of your pre-tax earnings. (See Condition 4 of the Policy Document for information as to what is considered Eligible Income.)

Monthly benefit is paid monthly in arrears, from the end of the deferred period. It is paid directly in to your bank account.

How long does payment continue?

You can choose how long you could receive benefit for. You can choose between:

- ◆ **Income Cover**, which can pay benefit until you have chosen your policy to end, up to a maximum age of 68 years old; or
- ◆ **Income Cover (2 Year)**, which can pay benefit for up to two years for any one claim (or until you have chosen your policy to end if this is sooner).

If you chose Income Cover (2 Year), once the benefit has been paid for 24 months, benefit payment will stop and premiums will re-start. You will then have to be in active employment for a further unbroken period of 12 months before you can claim again for the same or a new condition.

You can claim more than once during the term. The benefit will be paid for as long as your claim remains valid.

The Policy Schedule you receive will confirm which of Income Cover or Income Cover (2 Year) you have taken out.

What else is covered?

Waiver of premium

The policy contains waiver of premium. This means during payment of a claim on your policy, premiums will not need to be paid along with premiums on any other in force life and/or critical illness policy with us you applied for at the same time as this policy.

Linked claims

If, after a claim, you return to work but are unable to do so for more than 12 months due to the same illness or injury that gave rise to your previous claim, then the deferred period will not apply and benefit will immediately be resumed. For Income Cover (2 Year) a linked claim will be treated as part of a continuous benefit payment period of 24 months for determining when the benefit payment should cease.

Proportionate benefit

If, after a claim, you either:

- ◆ return to work in your own occupation, part-time at a reduced salary; or
- ◆ return to work in an alternative role at a reduced salary because you are medically unfit to perform your own occupation,

we may pay a proportionate benefit to ensure that your total income is not less than the full benefit level under your policy. For Income Cover (2 Year) a proportionate benefit payment will be treated as part of a continuous benefit payment period of 24 months for determining when the benefit payment should cease.

Rehabilitation service

A feature of our claims service is the availability of a team of medically qualified rehabilitation counsellors. Where appropriate, our team can help you overcome the problems associated with long term illness or injury and achieve the fullest and quickest recovery possible.

What does the policy not cover?

There are some limitations and exclusions that you should be aware of.

Payment of a claim will not commence until the end of the selected deferred period.

We will not pay any claims when you are unable to work, if caused by:

- ◆ Any Chronic Illness which you knowingly suffered from at the start of the policy (for a definition of what we mean by Chronic Illness please refer to the Definitions section of this document);
- ◆ Attempted suicide or self-inflicted injury;
- ◆ Inappropriate use of alcohol or drugs;
- ◆ Unreasonable failure to follow medical advice.

We will not pay any claims for any illness or injury that you claim for in the first 12 months of your policy, if in the 12 months immediately before cover starts you have:

- ◆ had any symptom related to the illness or injury for which you are claiming (even if a diagnosis has not been made); or
- ◆ attended a medical consultation with a registered medical practitioner in relation to the illness or injury for which you are claiming; or
- ◆ received medication or treatment in relation to the illness or injury for which you are claiming.

There are some restrictions and exclusions that apply to the payment of benefit if you are living, working or travelling outside the countries we class as Permitted Areas. (Please see Condition 11 in the Policy Document for full details.)

You cannot claim simply because you have become unemployed unless it is as the result of an illness or injury leading to you being unable to perform the material and substantial duties of your occupation.

Full details of the exclusions are in Condition 7 of the Policy Document which you should read carefully.

How do I make a claim?

You can make a claim by calling us on **0345 745 6125** or by writing to:

**Customer Services Centre
BX8 7HB**

(Lines are open 8am to 6pm Monday to Friday (excluding public holidays). To help us continually improve our service and in the interests of security, we may monitor and/or record your communications with us.)

Can I change my mind?

You have the right to change your mind and can cancel the policy at any time. If you cancel the policy within 30 days of receiving the Policy Schedule any premium paid by you for the Policy will be refunded.

If you decide to cancel the policy outside of the 30-day cancellation period, we will not refund any premiums you have paid. **The policy has no cash in value at any time.**

You may cancel the policy by:

Calling us on **0345 745 6125** or by writing to:

**Customer Services Centre
BX8 7HB**

(Lines are open 8am to 6pm Monday to Friday (excluding public holidays). To help us continually improve our service and in the interests of security, we may monitor and/or record your communications with us.)

How do I complain?

We want you to be entirely satisfied with the products and services you receive from us. If you are dissatisfied with any aspect of our service, please let us know. We always endeavour to resolve any concerns fairly and quickly.

If you ever need to complain you may do so in writing to:

**Customer Service Centre,
BX8 7HB**

or by calling on **0345 745 6125**. A written copy of our complaints procedure is available on request.

(Lines are open 8am to 6pm Monday to Friday (excluding public holidays). To help us continually improve our service and in the interests of security, we may monitor and/or record your communications with us.)

If you are not satisfied with our response, you can complain to the **Financial Ombudsman Service**.

Complaining to the Financial Ombudsman will not affect your legal rights.

The Financial Ombudsman can be contacted by calling **0800 023 4567** or **0300 123 9123** or by using the online form available on the website: www.financial-ombudsman.org.uk

or in writing to: The Financial Ombudsman Service, Exchange Tower, 1 Harbour Exchange Square, London E14 9SR.

Please refer to the website for opening hours.

Compensation

HSBC Life (UK) Limited is covered by the Financial Services Compensation Scheme (FSCS).

If we are unable to meet our obligations you may be able to claim compensation.

Where this is the case the FSCS will provide cover for 100% of the claim with no upper limit.

Further information about the compensation provided by the FSCS is available from the FSCS website FSCS.org.uk by calling **0800 678 1100** or **0207 741 4100** (if outside the UK) or writing to:

Financial Services Compensation Scheme
PO Box 300, Mitcheldean
GL17 1DY

Opening hours are set out on the FSCS website. Please note only compensation related queries should be directed to the FSCS.

Important Information about your policy

Tax

The benefits payable under the policy are free from UK income and capital gains tax. However, the tax treatment of the policy benefits may change in the future. Some countries may have tax legislation that has extra-territorial effect and this may impact you regardless of your place of domicile or residence. This means you may incur charges as a result of buying this policy/paying the premium. We strongly recommend that you seek your own professional advice if you think that this may be an issue for you.

HSBC Life (UK) Limited

HSBC Life (UK) Limited is the product provider and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our firm reference number is 133435.

These details may be checked on the Financial Services Register by visiting the Financial Conduct Authority website www.fca.org.uk or by contacting the Financial Conduct Authority on 0800 111 6768 or 0300 500 8082. Please refer to the FCA website for opening hours.

HSBC Life (UK) Limited is a member of the Association of British Insurers.

HSBC Life (UK) Limited is incorporated in England and is a company limited by shares. The main business of HSBC Life (UK) Limited is writing life policies.

The language used in the Policy Summary and Policy Document is English.

As part of our reporting requirements, we publish an annual Solvency and Financial Condition Report (SFCR). This tells you about our business and its performance. It also outlines our system of governance, risk profile, valuation for solvency purposes and capital management. You can find a copy of our current SFCR by visiting our group website www.hsbc.com and searching for "SFCR", or you can request a copy by calling us on 0345 745 6125.

Registered Office

HSBC Life (UK) Limited, 8 Canada Square, London E14 5HQ
Registered in England (United Kingdom) number 88695

Your Information

Our Privacy Notice explains how we collect, use, disclose, transfer and store your information and sets out your rights in relation to your information. A copy of our Privacy Notice is available separately and we will inform you when we make any changes to it. You can find a copy at www.hsbc.co.uk/privacy-notice or you can ask for a copy in branch or by calling 03457 404 404.

Policy Document

Introduction

Important

The terms and conditions for **Income Cover** and **Income Cover (2 Year)** policies are set out in this Policy Document.

Different terms will apply depending on which Policy You have applied for. The Policy Schedule states whether You applied for and have **Income Cover** or **Income Cover (2 Year)**.

You should read this Policy Document carefully as along with Your application form it sets out the terms and conditions on which We will rely on in providing cover under the Policy to You. This Policy Document contains exclusions from cover.

Please pay particular attention to the key words and phrases that are defined in the 'Definitions' section. These words have specific technical meanings and explanations for the Policy. They affect what is covered by and what is excluded from the Policy and are capitalised in this Policy Document.

Premiums

Premiums are payable on a monthly basis by direct debit and You must pay all Premiums, unless a claim is being paid. If You stop paying Your Premium, benefits under the Policy may be lost and the Policy may be automatically cancelled.

Documents

You should keep the following documents together and in a safe place:

- ◆ The Policy Summary;
- ◆ This Policy Document;
- ◆ Policy Schedule(s);
- ◆ Any amendments, endorsements or specially agreed terms relating to the Policy; and
- ◆ The HSBC privacy policy.

The above documents provide evidence of Your legal entitlement to the benefits under the Policy. Please do not destroy any of these documents as You will need them in the event of a claim under the Policy.

Policy Conditions

1. Income Cover and Income Cover (2 Year) benefit

The Policy will pay a regular monthly benefit at the end of the Deferred Period if:

- ◆ You are Incapacitated; and
- ◆ You are in Paid Employment at the date of Incapacity; and
- ◆ As a result of the Incapacity You suffer a loss of Earnings.

In order to apply for cover You must be

- ◆ aged between 17 and 59; and
- ◆ resident and work within the United Kingdom (this does not include the Channel Islands and Isle of Man); and
- ◆ work for 16 hours or more a week; and
- ◆ employed or self-employed, but not on a temporary basis*; and
- ◆ work in an Eligible Occupation

The policy has a minimum term of five years and cannot continue later than Your 68th birthday.

*If Your contract does not specify a fixed number of hours worked per week, You must have been working an average of 16 hours a week or more, for the last 12 months, to be eligible for cover.

The Deferred Period selected for the Policy is shown on the Policy Schedule. If a claim is accepted then payments will not start until the end of the Deferred Period.

2. Payment of the monthly benefit

a) Income Cover

When a, Income Cover claim is accepted as valid by Us the benefit is payable monthly in arrears from the end of the Deferred Period direct to Your bank account until the earlier of:

- ◆ The Policy expiry date; or
- ◆ The date on which You are no longer Incapacitated; or
- ◆ The date on which You no longer have a loss of Earnings; or
- ◆ Your death.

b) Income Cover (2 Year)

Income Cover (2 Year) can pay for a maximum Continuous Period of 24 months for each illness or injury resulting in Incapacity. When a claim is accepted as valid by Us the benefit is payable monthly in arrears from the end of the Deferred Period direct to Your bank account until the earlier of:

- ◆ The Policy expiry date; or
- ◆ The end of a Continuous Period over which 24 monthly benefit payments have been made; or
- ◆ The date on which You are no longer Incapacitated; or
- ◆ The date on which You no longer have a loss of Earnings; or
- ◆ Your death.

If benefit, including any proportionate benefit (see Condition 6), has been paid for a Continuous Period of 24 months, a new claim cannot be made until the Premiums have restarted and You have been back in Active Employment for a further unbroken period of at least 12 months. Any monthly benefit payments that are made following a linked claim (See Condition 3) will be assessed as part of the Continuous Period of 24 months for the purposes of assessing when benefit payment should cease.

If, after the Deferred Period, a period of Incapacity lasts for less than one month duration then there will be a part payment of the monthly benefit.

3. Linked Claims

If, after a valid claim during which the monthly benefit was paid, You return to work and within 12 months of receiving the last monthly benefit are Incapacitated as a result of the same illness or injury that gave rise to the previous claim, then the monthly benefit will become due from the date of the Incapacity. We describe this as a linked claim. This is subject to the receipt of satisfactory medical and financial evidence to confirm a loss of Earnings (see Condition 8).

For **Income Cover (2 Year)** a linked claim will be treated as part of the Continuous Period of 24 months for determining when the benefit payment should cease.

For **Income Cover (2 Year)** if benefit has been paid for Continuous Period of 24 months (see Condition 2) a linked claim cannot be made and You would need to have been back in Active Employment for an unbroken period of at least 12 months before a new claim can be made.

4. Maximum monthly benefit

The maximum monthly benefit is 50% of Your Earnings (subject to the overall maximum benefit available on the Policy of £50,000). We can either reduce the monthly benefit, or cease the monthly benefit, if You continue to be in receipt of other Eligible Income which causes this limit to be exceeded.

Any reduction in the monthly benefit will be so as to restrict the total income being received from all sources to 50% of Your pre-tax Earnings from the 12 month period immediately before the date of Incapacity.

If at the date of Incapacity Your Earnings are not sufficient to allow the full payment of the monthly benefit, then the monthly benefit will be reduced so as not to exceed the 50% maximum benefit level as described.

Full details of any other sources of income must be provided to Us on request.

When determining the amount of Earnings from other sources for the purposes of this Condition and for calculating the maximum monthly benefit payable, We will use the amount You are entitled to less any tax which is payable on it. If it is not possible to establish the actual tax liability, it will be estimated on a fair and reasonable basis using tax rates current at the time and making any necessary adjustments when the actual income tax liability is known.

If as a result of the operation of this Condition 4 the monthly benefit payable is reduced, no refund of Premiums paid before the Incapacity will be made.

It is therefore very important You review Your benefit level periodically to ensure it continues to meet Your needs, and tell Us if Your employment circumstances change, and/or if the amount You earn changes.

5. Business start-up

For self-employed customers who have started a business in the six month period leading up to the date the Policy is applied for and who are unable to satisfactorily provide evidence of Earnings for the purposes of calculating the monthly benefit level, the following will apply.

For a period of three calendar years from the Policy commencement date as shown on the Policy Schedule the maximum Policy benefit will be the lower of:

- ◆ The amount requested; or
- ◆ £12,000 per year.

If the benefit becomes payable then any other income which is Eligible Income will be taken into account and the benefit in payment may be reduced so that the amount being received in total from all sources does not exceed the lower of the amount requested or £12,000 per year. If the monthly benefit payable is reduced, no refund of Premiums paid before the Incapacity will be made.

After three calendar years from the commencement date of the Policy, provided that the monthly benefit is not in payment, any claims will be assessed in accordance with Condition 4.

6. Proportionate benefit

If after a valid claim You return to work but do so to either:

- ◆ Your own occupation on a part-time basis at a reduced salary; or
- ◆ Another occupation at a reduced salary;

because You remain medically unfit to perform the Material and Substantial Duties of Your own occupation at the hours and on the salary immediately before the claim, then a proportion of the monthly benefit may be payable. The level of

proportionate benefit will be such that when it is added to Your net income the total amount being received is equal to the benefit level under the Policy. If Your reduced Earnings on return to work are equal to or exceed the benefit level under the Policy then no proportionate benefit is payable.

For **Income Cover (2 Year)** any proportionate benefit payment will be counted as a payment for the purposes of determining when the Continuous Period of 24 monthly benefit payments have been made and benefit should stop under Condition 2.

Please note that if You return to work either on an unpaid basis or for less than the Market Rate of Pay for that work, when determining any loss of Earnings We will assume You are earning a salary which is the Market Rate of Pay for that work. When a claim ends after the payment of proportionate benefit, the level of benefit provided by the Policy reverts to the full insured benefit level as detailed in the Policy Schedule or as subsequently amended.

7. Exclusions

A claim for **Income Cover** and **Income Cover (2 Year)** will not be paid if it is caused directly or indirectly from:

- ◆ Any Chronic Illness from which You knowingly suffered on the commencement date;
- ◆ An illness or injury that You claim for in the first 12 months of Your Policy, if in the 12 months immediately before cover starts You have:
 - had any symptom related to the illness or injury for which You are claiming (even if a diagnosis has not been made); or
 - attended a medical consultation with a registered medical practitioner in relation to the illness or injury for which You are claiming; or
 - received medication or treatment in relation to the illness or injury for which You are claiming;
- ◆ Attempted suicide or intentional self-inflicted injury or deliberate exposure to exceptional danger;
- ◆ Inappropriate use of alcohol or drugs, including but not limited to the following:
 - consuming too much alcohol;
 - taking an overdose of drugs, whether lawfully prescribed or otherwise;
 - taking Controlled Drugs (as defined by the Misuse of Drugs Act 1971) otherwise than in accordance with a lawful prescription;
- ◆ Any unreasonable failure to seek or follow medical advice.

If it is not possible to confirm Your Incapacity to Our satisfaction then a claim may not be paid under the following circumstances:

- ◆ For any period of illness or injury prior to Us receiving written notification of Incapacity;
- ◆ Where notification of illness or injury is received more than 90 days after the end of the Deferred Period;
- ◆ Where illness or injury is no longer present at the time We are notified of the claim.

In assessing whether or not a claim can be paid We will at all times act fairly and reasonably.

We will not be liable to pay any benefit where:

- ◆ You are no longer Incapacitated by the end of the Deferred Period;
- ◆ The Policy is not in force when You first become Incapacitated;
- ◆ Medical evidence that We request does not support the claim;
- ◆ You are not in Paid Employment at the date of Incapacity;
- ◆ You have no loss of Earnings.

8. Requirements to pay Income Cover and Income Cover (2 Year)

The monthly benefit will only be paid once We are satisfied the claim is valid. The evidence that We can request will include:

- ◆ Satisfactory evidence from Your Doctors that You are medically unfit to perform the Material and Substantial Duties of Your occupation as a result of illness or injury and that You are not following any other occupation. All reasonable information We ask for to substantiate the claim must be provided.
- ◆ Any additional medical evidence We request to substantiate the claim. You must agree to any medical examination which We arrange and pays for.

- ◆ Evidence of employment/self-employment and the duties of employment/ self-employment.
- ◆ Evidence that, where applicable, Your employer has stopped paying You, or that Your income has reduced to below the level of the monthly benefit.
- ◆ Evidence of Earnings in the 12 months* prior to the date of Incapacity and details of all sources of other and/or continuing income. You will, when requested, provide the authority to allow Us to request information direct from HM Revenue & Customs, where appropriate.
- ◆ Any other information that We reasonably require to be able to assess the claim.

The continuation of the payment of the monthly benefit is also subject to the production of relevant information that is reasonably required by Us in order to substantiate that You remain Incapacitated and continues to suffer a loss of Earnings.

*We may average Earnings over a different period to the 12 months prior to the date of Incapacity if Your Earnings fluctuate significantly and using a different period would provide a better measure of Your usual Earnings. We will at all times act fairly and reasonably when assessing the period over which to consider Earnings.

9. Notification of a claim

A claim for Income Cover or Income Cover (2 Year) should be made to the Claims Department. We should be notified no later than four weeks after the date of Incapacity.

10. Recovery and/or return to work

We must be notified immediately if You:

- ◆ Recover from the illness or injury;
- ◆ Return to work either on a full-time or part-time basis. We must be told even if the work undertaken is unpaid.

Any failure to notify Us immediately of these events could result in the monthly benefit being stopped or reduced, and a requirement for all or part of any benefit previously paid to be returned to Us if the event results in no, or a reduced, entitlement to the monthly benefit.

11. Living, working or travelling outside the United Kingdom

If at the end of the Deferred Period You are living, working or travelling outside the Permitted Areas, You must return to within the Permitted Areas within six months or entitlement to the monthly benefit will end. The monthly benefit will also end if, when the benefit is in payment, You travel outside of the Permitted Areas for more than two consecutive months in any 12 month period.

12. Premium payments when claiming

Premiums are waived and will not be collected by Us when the monthly benefit is in payment. Premiums must be paid whilst a claim is being considered, before it is accepted as a valid claim, and during the Deferred Period.

If You also have a Life and/or Critical Illness cover Policy with Us applied for at the same time as this Policy, then Premiums under that Life and/or Critical Illness cover Policy will also be waived for as long as the monthly benefit is paid under the **Income Cover** or **Income Cover (2 Year)** Policy.

13. Changes in employment circumstances

The monthly benefit is not payable if You are not in Paid Employment at the date of Incapacity. Also, the amount of benefit insured for may not be paid in full if Your Earnings reduce after applying for the Policy. It is therefore very important to review Your monthly benefit level periodically and to notify Us of changes to employment status and/ or levels of Earnings. We are then able, on request, to explain the options available.

14. Changes We can make

We may make changes any time in a fair, proportionate and reasonable manner to:

- ◆ The terms and conditions of the Policy; or
- ◆ Any Premiums or benefits under the Policy,

To take account of:

- ◆ Any relevant ombudsman decision; or
- ◆ any actual or proposed changes in taxation, legislation, guidance, legal precedents, regulations, or the manner in which such legislation or regulations are interpreted or construed.

We may make changes at any time in a fair, proportionate and reasonable manner to the Policy terms and conditions to take account of changes in technology or other systems.

We may also make changes at any time in a fair, proportionate and reasonable manner for any other valid reason.

If We make any changes to the terms and conditions of the Policy and/or the Premiums or benefits under the Policy, We will give You at least 30 days prior notice in writing or, where the change is required sooner, We will notify You in writing as soon as reasonably practical. In either case, We will notify You in accordance with Condition 23.

If we give You notice as set out above and You do not want to accept a change, You are free to cancel the Policy in accordance with Condition 15. We will not refund any Premiums You have paid. You will not be able to reinstate the Policy once it is cancelled.

Any changes We make will always be subject to Condition 32.

Where We or You make any changes to the Policy We will issue an Endorsement to You as evidence of the change(s) to Your Policy.

15. Alteration and cancellation by You

Alteration

If requested in writing by You We may, but are not obliged to, reduce the Sum Insured and Premium, and/or make the Expiry Date earlier. This does not affect Your right to cancel under Condition 19 but Premiums will not be refunded unless specified in this Condition 15.

If allowed, any such change will take effect from the Premium due date following the receipt, at the Customer Services Centre, of the full written instruction from You.

Cancellation

You have the right to reconsider Your decision and change Your mind. If You cancel the Policy within 30 days of receiving the Policy Schedule any Premium paid by You for the Policy will be refunded.

If You decide to cancel the Policy outside of the 30 day cancellation period, We will not refund any Premiums You have paid.

If requested by You We will cancel the Policy with immediate effect. You will not be able to reinstate the Policy once it is cancelled.

You may cancel the Policy by:

Calling us on **0345 745 6125**

Lines are open 8am to 6pm Monday to Friday (excluding public holidays). To help Us continually improve Our service and in the interests of security, We may monitor and/or record Your communications with Us.

Or in writing to:

**Customer Services Centre
BX8 7HB**

16. Currency and place of payment

All benefits payable and Premiums due under the Policy will be made in pounds sterling or, if different, the lawful currency of the UK. All Premiums due under the Policy shall be payable to Us by Direct Debit.

17. Payment of Premiums

All Premiums are payable on the due dates set out in the Policy Schedule. Premium payment will have only been made when We has received the total amount of the Premium at the Customer Services Centre. All Premiums are non-refundable unless We collect an amount in error of direct debit instructions and where this occurs the excess Premium will be returned or if You cancel within 30 days under Condition 15.

18. Non-payment of Premiums

A Grace Period of 28 days following the Premium due date is allowed for the payment of each Premium. If the monthly benefit becomes payable during the Grace Period it will be reduced by the amount of any outstanding Premiums. If no Premium is paid within the Grace Period, the Policy will lapse without value and will terminate automatically and no benefits will be or will become payable. This Condition will not apply during any period the Premium is waived in accordance with Condition 12.

19. Termination of the Policy

All the rights and obligations of Us and You under the Policy, and entitlement to any monthly benefit in payment, will cease immediately when one of the following events occurs:

- ◆ The lapse of the Policy following the non-payment of Premiums in accordance with Condition 18; or
- ◆ The Expiry Date as shown in the Policy Schedule is reached; or
- ◆ We take action to comply with Our Financial Crime obligations under Condition 31 and are unable to provide all or part of the Services to You and are unable to continue Our entire relationship with You; or
- ◆ You cancel the Policy; or
- ◆ The death of the Life Insured.

20. Information you have given Us

In deciding to accept this Policy and in setting the terms and Premium, We have relied on the information You have given Us. You must take care when answering any questions We ask by ensuring that all information provided is accurate and complete.

If We establish that You deliberately or recklessly provided Us with false or misleading information We will treat this Policy as if it never existed and decline all claims.

If We establish that You carelessly provided Us with false or misleading information it could adversely affect Your Policy and any claim. For example, We may:

- ◆ treat this Policy as if it had never existed and refuse to pay all claims and return the Premium paid. We will only do this if We provided You with insurance cover which We would not otherwise have offered;
- ◆ amend the terms of Your insurance and treat the Policy as if it had been entered into on those different terms; or
- ◆ reduce the amount We pay on a claim in the proportion the Premium You have paid bears to the Premium We would have charged You.

We will write to You if We:

- ◆ intend to treat Your Policy as if it never existed; or
- ◆ need to amend the terms of Your Policy.

If You become aware that information You have given Us is inaccurate, You must inform Us as soon as practicable.

21. Fraudulent claims

If You make a fraudulent claim under this Policy, We:

- (a) are not liable to pay the claim; and
- (b) may recover from You any sums paid by Us to You in respect of the claim; and
- (c) may by notice to You treat the contract as having been terminated with effect from the time of the fraudulent act.

If We exercise Our right under (c) above:

- (a) We shall not be liable to You in respect of a relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to Our liability under the insurance contract (such as the occurrence of a loss, the making of a claim, or the notification of a potential claim); and,
- (b) We need not return any of the Premiums paid.

22. Reinstatement of a Lapsed Policy

If the Policy has lapsed due to the non-payment of Premiums (as described in Condition 18) You may, within 12 months of the due date of the first unpaid Premium, request in writing to the Customer Services Centre that We consider reinstating the Policy. We may, but are under no obligation to, reinstate the Policy. If We agree to reinstate the Policy, all the Premiums which were unpaid and all those that would have become due if the Policy had not been lapsed shall become immediately payable together with the next Premium due.

Following any reinstatement a claim will not be paid if it is caused directly or indirectly by an event or conditions arising during any period that the Policy has been lapsed.

23. Notification to You

Any written notice that We give to You in relation to the Policy will be sent by pre-paid post to the last known address You notified to Us or by email to the last known email address You notified to Us. Any such notice if sent by pre-paid post will be deemed to be served two days after posting or if sent by email shall be deemed served once sent.

It is therefore important that You keep Your details with Us up to date. If any provision of the Policy is altered by the exercise of any Condition, We will give You at least 30 days prior notice of such a change, unless such variation has been requested by You or the nature of the variation requires immediate change.

24. Change of personal details of You and/or Life Insured

Address

You should as soon as practicable, tell Us of a change of address by writing to Our Customer Services Centre.

Age and name

Before any payment of the monthly benefit can be made under the Policy, We will need to see evidence of Your date of birth and evidence of any changes of name. Such evidence will include, but is not limited to, the originals of:

- ◆ Birth Certificate
- ◆ Marriage Certificate
- ◆ Deed Poll

If this information is not provided, any payment under the Policy may be delayed.

If Your age has been misstated We may, but are not obliged to, alter any amount payable under the Policy to reflect the amount which would have been payable if Your age had been correctly stated.

25. Surrender value

The Policy has no cash in value at any time.

26. Law and jurisdiction

Under the laws of the United Kingdom (England, Scotland, Wales and Northern Ireland) both You and We may choose the law which applies to this contract, to the extent permitted by those laws. Unless You and We agree otherwise, We have agreed with You that the law which applies to this contract is the law which applies to the part of the United Kingdom in which You live.

We and You have agreed that any legal proceedings between You and Us in connection with this contract will only take place in the courts of the part of the United Kingdom in which You live.

27. Policy Servicing

This Policy is intended for sale only in the UK. If You, or anyone else with authority over or otherwise connected to this Policy (such as the Life Insured or the beneficiary) is, temporarily or permanently:

- i. Outside of the UK or
- ii. Otherwise subject to the laws of any other place,

such that We reasonably believe that by complying with a particular term or condition of this Policy We would breach any laws of the UK or such other place, then We are entitled not to comply with such term or condition for any period of time We deem necessary, which might include declining to service Your requests related to this Policy. We will not be liable for any losses, damages, claims, liabilities or costs You or any other relevant person may suffer from Our exercise of Our rights under this Condition even if this Policy terminates for any reason.

28. Complaints

We want You to be entirely satisfied with the products and Services You receive from Us. If You are dissatisfied with any aspect of Our Service or Your Policy, please let Us know. We always endeavour to resolve any concerns fairly and quickly. If You ever need to complain You may do so in writing to:

Customer Services Centre

BX8 7HB

or by calling on **0345 745 6125**.

A written copy of Our complaints procedure is available on request.

Lines are open 8am to 6pm Monday to Friday (excluding public holidays).

To help Us continually improve Our service and in the interests of security, We may monitor and/or record Your communications with Us.

If You are not satisfied with Our response, You can complain to the Financial Ombudsman Service. Complaining to the Financial Ombudsman will not affect Your legal rights. The Financial Ombudsman can be contacted by calling **0800 023 4567** or **0300 123 9123** or, by using the online form available on their website or in writing to:

**The Financial Ombudsman Service,
Exchange Tower, 1 Harbour Exchange
Square, London E14 9SR.**

Website www.financial-ombudsman.org.uk.

29. Compensation

We are covered by the Financial Services Compensation Scheme (FSCS).

If We are unable to meet Our obligations You may be able to claim compensation. Where this is the case the FSCS will provide cover for 100% of the claim with no upper limit. Further information about the compensation provided by the FSCS is available from the FSCS website www.FSCS.org.uk, by calling **0800 678 1100** or **0207 741 4100** (if outside the UK) or writing to:

**Financial Services Compensation Scheme
PO Box 300, Mitcheldean, GL17 1DY**

Please refer to the website for opening hours. Please note only compensation related queries should be directed to the FSCS.

30. Tax Compliance

It is up to You to meet Your tax responsibilities in the UK and any other countries where this arises. This relates to the opening and use of accounts and services provided by members of the HSBC Group. Some countries' tax laws may apply to You even if You don't live there or aren't a citizen of that country. Connected Persons, are responsible for their own tax obligations. As You are responsible for Your own tax obligations (and Connected Persons, for theirs), no HSBC Group member is responsible for this nor provides tax advice. It is Your choice if You seek independent legal and tax advice.

31. Actions We may take in order to prevent Financial Crime

We and other members of the HSBC Group, are required to, and may undertake Financial Crime Risk Management Activity.

Exceptionally, Our Financial Crime Risk Management Activity may lead to Us:

- a) Delaying or refusing to either process a payment or Your instructions
- b) Being unable to provide all or part of the Services to You and ending Our entire relationship with You
- c) Taking necessary steps for any member of the HSBC Group to meet the Compliance Obligations; and/or
- d) Blocking or closing Your account(s) or products(s) (although not any of Your mortgage account(s))

To the extent permissible by law, no member of HSBC Group shall be liable to You or any third party in respect of any loss (however it arose) that was suffered or incurred by You or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

32. Unfair contract terms

If any Policy provision is considered by Us or any regulator or ombudsman to be wholly or partly unfair or ambiguous in accordance with The Consumer Rights Act 2015 We may by suitable Endorsement and in a fair and reasonable manner change the wording of such condition to prevent and resolve the unfairness or ambiguity.

If any change is made to the Policy in accordance with this Condition:

- ◆ It shall be made so as not to disadvantage You; and
- ◆ Written notification of such change shall be given to You in accordance with Condition 23; and
- ◆ We will give You at least 30 days prior notice in writing or, where the change is required sooner, We will notify You in writing as soon as reasonably practical; and
- ◆ The rest of the Policy will not be affected unless the Endorsement specifically alters it.

33. Your responsibilities

If We make a reasonable request for information, You must give it to Us as soon as possible. If You don't give it to Us, or if We suspect fraudulent or criminal activity of any kind:

- ◆ You might not be able to maintain some or all of Your products and/or Services with Us anymore
- ◆ We might try to get it from another source, ourselves

It's up to You to make sure the information You give Us is accurate and up to date, and You must tell Us if anything changes, as soon as reasonably practicable.

For an overview on how We'll collect and use Your information see "An overview of how we collect and use your information" at the end of this Policy. For further information, see Our Privacy Notice, which can be found at www.hsbc.co.uk/privacy-notice. We'll give it to others if We're compelled to do so by law, We've a public duty to disclose it, We need to disclose to protect Our own interests (for example in any legal proceedings) or if We have Your specific agreement. For example, if We believe You may have tax obligations in other countries, We may have to disclose information about You directly to HM Revenue & Customs (HMRC) or other local tax authorities.

34. Contracts (Rights of Third Parties) Act 1999

Any person who is not a party to the Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision or condition of the Policy but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.

Definitions

Active Employment

Means working for at least 16 hours per week under a contract of employment and receiving a salary or wage. Or if self-employed working for profit for at least 16 hours per week and being liable to pay Income Tax and National Insurance Contributions.

Authorities

Includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

Chronic Illness

A disease, illness or injury which has at least one of the following characteristics:

- ◆ It needs long term monitoring, consultations, check-ups, examinations or tests;
- ◆ It continues indefinitely and has no known cure;
- ◆ It comes back or is expected to come back;
- ◆ It is permanent; and/or
- ◆ The Life Insured needs to be rehabilitated or specially trained to cope with it.

Claims Department

Means Customer Services Centre,
BX8 7HB

Compliance Obligations

Means obligations of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring Us to verify the identity of Our customers.

Connected Person

Means any natural person or legal entity (other than You) whose information (including Personal Data or Tax Information) You provide, or which is provided on Your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include any guarantor or any other persons or entities with whom You have a relationship that is relevant to Your relationship with the HSBC Group. A Connected Person may include any guarantor or owner of a legal estate in land over which We are to take security, provider or recipient of a payment or any other persons or entities with whom You have a relationship that is relevant to Your relationship with the HSBC Group.

Continuous Period

Means either:

- ◆ An uninterrupted period of time over which 24 monthly benefit payments are made, or
- ◆ A period of time over which 24 monthly benefit payments have been made when a linked claim results in an interruption to the payment of monthly benefit.

For the purposes of this definition a proportionate benefit payment will be regarded as a monthly benefit payment for assessing when 24 monthly benefit payments have been made.

Customer Information

Means Your Personal Data, confidential information, and/or Tax Information or that of a Connected Person.

Customer Services Centre

Customer Service Centre, BX8 7HB

or by telephone on **0345 745 6125**.

Deferred Period

This is the Continuous Period of Incapacity during which no benefit is payable and which must pass before any benefit is paid. The Deferred Period selected will be shown on Your Policy Schedule.

Doctor

Means a medical practitioner other than the Life Insured or a member of their family, who holds a full qualification entitling them to full registration with the General Medical Council in the United Kingdom.

Earnings

If You are employed this means:

- ◆ Your taxable earnings in the United Kingdom in the 12 months immediately before the date of Incapacity. These are Your pre-tax earnings for PAYE assessment purposes as shown on HM Revenue & Customs form P60, or on the previous 12 months' pay slips; and
- ◆ P11D benefits received in the 12 months immediately before the date of Incapacity; and
- ◆ Dividends received in the 12 months immediately before the date of Incapacity from a private limited company representing Your share in the net trading profit.

If You are self-employed this means:

- ◆ Your share of pre-tax profit in the United Kingdom in the 12 months immediately before the date of Incapacity. This is after the deduction of trading expenses as assessed for income tax and agreed by HM Revenue & Customs.
- ◆ For Earnings outside the UK the amount used for the purposes of determining the monthly benefit for those employed and self-employed will be the pre-tax earnings as assessed for Income Tax or its equivalent and agreed by the Tax Authorities in the relevant country.

Eligible Income

Means other income from any of the following sources:

- a) Benefits from any other illness or injury policies;
- b) Any other Earnings that You are entitled to receive as a result of employment, trade, profession or vocation;
- c) Any ill health retirement pension;
- d) Dividend income from a private limited company representing Your share in the net trading profit.

Eligible Occupation

Means one of the occupations on Our list of job occupations. We will confirm whether Your occupation is acceptable when the application is accepted.

Endorsement

Means any schedule, letter or other document that We issue to the Life Insured that alters the provisions, conditions, definitions or schedule of the Policy.

Expiry Date

Means the date shown in the Policy Schedule on which the Policy terminates and all benefits come to an end.

Financial Crime

Means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or break any Laws relating to these matters.

Financial Crime Risk Management Activity

Means any action to meet Compliance Obligations relating to the detection, investigation and prevention of Financial Crime. This may include (a) screening, intercepting and investigating any communication, application for Services or any payment, whether sent to or by You or on Your behalf, (b) investigating the source of or intended recipient of money, (c) combining Customer Information with other related information in the possession of the HSBC Group and/or (d) making further enquiries as to the status of a relevant person or entity (whether they are subject to a sanctions regime or confirming their identity or status).

Grace Period

Means, in respect of each Premium, a period of 28 days immediately following the Premium due date.

HSBC Group and any member of the HSBC Group

Means HSBC Holdings plc, and/or any of its affiliates, subsidiaries, associated entities, and any of their branches or offices, and includes HSBC Life (UK) Limited and HSBC UK Bank plc.

Incapacity/Incapacitated

Means that, as the result of illness or injury, the Life Insured is unable to perform the Material and Substantial Duties of the occupation being undertaken at the time of the illness or injury, and is not undertaking any other occupation.

Laws

Include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to Us or any other member of the HSBC Group.

Life Insured

Is the person shown as Life Insured in the Policy Schedule relating to whom payment of the benefit depends.

Market Rate of Pay

Means the rate of pay for an occupation determined from the New Earnings Survey published from time to time by the Office for National Statistics and takes into account regional variations.

Material and Substantial Duties Means those duties that are normally required for the performance of the Life Insured's own occupation and which cannot reasonably be omitted or modified.

Paid Employment

This is the occupation from which You receive taxable earned income and in which You are actively engaged, normally working 16 or more hours a week on a regular basis.

Permitted Areas

The UK and any EU member country plus the following countries and territories:

Andorra, Australia, Canada, Channel Islands, Gibraltar, Hong Kong, Iceland, Isle of Man, Japan, Liechtenstein, Monaco, New Zealand, Norway, San Marino, Saudi Arabia, South Africa, Switzerland, Turkey, United States of America.

Personal Data

Means any information relating to an individual from which they can be identified or be identifiable when combined with other information.

Policy

Means this Income Cover or Income Cover (2 Year) policy.

Policy Conditions

The conditions set out from page 9 of this booklet in the Policy Document section.

Policy Schedule

Means the schedule to the Policy or any replacement schedule issued by Us in accordance with these Policy Conditions which shows the details of the cover provided by this Policy.

Policyholder, You, Your

Means the person shown as the Policyholder in the Policy Schedule who for the time being is the legal holder of the Policy, but could, if appropriate, mean:

The executor/administrator of the Policyholder; or

The legal assignee of the Policyholder or subsequent assigns (including for the avoidance of doubt any trustee in bankruptcy or liquidator); or

The executor/administrator of such assignee holding title to the Policy.

Premium

Means the amount shown in the Policy Schedule or any subsequent Endorsement

Services

Means (a) the opening, administration and closing of Your Policy via termination, (b) providing You with credit facilities and other banking products and services (including insurance), processing applications, credit and eligibility assessment, and (c) maintaining Our overall relationship with You, including marketing services or products to You, market research, insurance, audit and administrative purposes.

Sum Insured

Means the amount shown in the Policy Schedule against the heading of Sum Insured.

Tax Authorities

Means UK or foreign tax, revenue or monetary authorities (for example, HMRC).

Tax Information

Means documentation or information about a person's tax status, including Yours.

UK

Means England, Wales, Scotland and Northern Ireland (this does not include the Channel Islands and the Isle of Man).

We, Us, Our

Means HSBC Life (UK) Limited or its successors in title.

An overview of how we collect and use your information

This is an overview of:

- ◆ The types of information we collect about you
- ◆ How we collect and use it
- ◆ Who we might share it with
- ◆ The steps we'll take to make sure it stays private and secure
- ◆ Your rights to your information.

More information

For more details about anything covered in this overview, please see our full Privacy Notice. You can view or download a copy by visiting www.hsbc.co.uk/privacy-notice or if you prefer paper, give us a call on 03457 404 404 and we'll send you one in the post.

To contact our Data Protection Officer, contact us at Customer Service Centre, BX8 7HB addressed 'for the attention of the DPO'.

Who we are

When we say 'we', we mean HSBC Life (UK) Limited, part of the HSBC Group of Companies, who is the 'data controller' for the information in this overview. This means we're responsible for deciding how we can use your information.

The information we collect

We collect information about you from different places including:

- ◆ directly from you
- ◆ from a third party acting on your behalf eg an intermediary or broker who promote and distribute products for us
- ◆ from other HSBC companies, including HSBC UK Bank plc, first direct and M&S Bank
- ◆ from publicly available sources
- ◆ from comparison websites or aggregators
- ◆ information relating to your medical records, with your agreement;
- ◆ information relating to your insurance claims history;
- ◆ information from other parties involved in your insurance policy or claim
- ◆ when we generate it ourselves
- ◆ from other organisations

We'll only collect your information in line with relevant regulations and law and this may relate to any of our products or services you apply for, currently hold or have held in the past.

You're responsible for making sure you give us accurate and up to date information. If you provide information for another person on your account, including the Lives insured's or beneficiaries under your policy, dependants, claimants and other third parties involved in an insurance policy or claim (such as witnesses), you'll need to tell them how to find the Privacy Notice and make sure they agree to us using their information for the purposes set out in it.

How we'll use your information

We'll use it to provide the insurance products you've requested and other purposes eg:

- ◆ to confirm your identity and address
- ◆ to understand how you use your products and services
- ◆ to carry out your instructions
- ◆ to improve our products and services

- ◆ evaluate your insurance application and provide you with a quotation
- ◆ handle or monitor any claims which you make or which arise under your insurance policy
- ◆ where relevant, bring a claim against a third party
- ◆ apply for and claim on our own insurance policies
- ◆ to offer you other services we believe may benefit you unless you ask us not to

We'll only use your information where we're allowed to by law eg carrying out an agreement we have with you, fulfilling a legal obligation, because we have a legitimate business interest or where you agree to it.

We need to collect sensitive health information for insurance purposes to:

- ◆ evaluate your insurance application and provide you with a quotation
- ◆ handle or monitor any claims which you make or which arise under your insurance policy

We may, for the purposes of underwriting this proposal, disclose to an approved medical agency, your name, address, doctor's details, telephone number and date of birth in order to arrange and obtain medical examinations and tests.

Where appropriate, we will ask for consent to collect and use this information.

We may use automated systems to carry out fraud and money laundering checks and to help us make decisions, eg to determine whether or not we can offer you insurance and at what price. We may base our decision on factors such as health, lifestyle and occupational information, as well as the level of cover being requested.

In addition, we may carry out a post-sale check on the accuracy of the disclosure given in this application. This may include disclosing information to your doctor, in order to request and obtain copies of your medical records. Where we intend to do this, we will contact you first.

Who we can share your information with

We may share your information and information about your policy with and other HSBC Group members and others outside of the HSBC Group such as:

- ◆ parties involved in the distribution of your insurance policy (for example introducers, intermediaries, brokers and panel managers)
- ◆ companies/parties we work in partnership with and agents or service providers who work for us or provide services to us (for example third parties involved in the administration of the relevant insurance policy or claim including loss adjusters, claims handlers, private investigators, experts and our advisers and, where relevant, medical experts and rehabilitation providers)
- ◆ regulators
- ◆ insurers and reinsurers

How long we'll keep your information

We'll keep your information for as long as you have a relationship with us. After it ends we'll keep it where we may need it for our legitimate purposes e.g. to help us respond to queries or complaints, or for other reasons eg fighting fraud and financial crime, and responding to requests from regulators.

Transferring your information overseas

Your information may be transferred and stored in countries outside the European Economic Area, including some that may not have laws that provide the same level of protection for personal information. When we do this, we'll ensure it has an appropriate level of protection.

Your rights

You have a number of rights relating to your information e.g. to see what we hold, to ask us to share it with another party, ask us to update incorrect or incomplete details, to object to or restrict processing of it, to make a complaint etc.

