

Product Overview – Group Life

The majority of group life policies are set up under pension legislation as registered group life schemes. Any lump sum benefits from registered group life schemes will be aggregated with those from other registered pension schemes and tested against the Lifetime Allowance (LTA).

The alternative, an excepted group life policy, is subject to life insurance legislation but life insurance benefits are not tested against the LTA. However, they are subject to inheritance tax rules which are applicable to discretionary trusts, and where an employee buys excepted group life insurance through salary sacrifice, their premium will be subject to income tax and National Insurance Contributions.

There are usually no exclusions under these policies although there is a maximum total amount that may be paid if multiple deaths arise from the same cause.

Product Summary

Lump sum benefit	<ul style="list-style-type: none"> ✓ Registered - Any multiple of salary up to 6 or a fixed benefit amount ✓ Excepted – All members must be written on the same benefit basis
Minimum / maximum number of lives	<ul style="list-style-type: none"> ✓ Minimum 3 lives, no maximum
Minimum premium	<ul style="list-style-type: none"> ✓ None
Premium payment frequency	<ul style="list-style-type: none"> ✓ Annual or monthly
Costing basis	<ul style="list-style-type: none"> ✓ unit rated
Standard guarantee period	<ul style="list-style-type: none"> ✓ 2 years
Late entrants	<ul style="list-style-type: none"> ✓ Members who join the scheme within six months of first becoming eligible will automatically be covered up to the free cover limit ✓ Other late entrants and cover provided is subject to an individual assessment

Product Summary

Absentees due to ill health	<ul style="list-style-type: none"> ✓ At application stage, we reserve the right to amend or even withdraw our terms if, in schemes of 25 or fewer members, a member has been absent due to ill health for 10 days in the previous 12 months and we have not been previously notified of their absence. ✓ Where the scheme has between 26 and 100 members, if a member has been absent due to ill health for 60 days in the previous 12 months and we have not been previously notified of their absence. ✓ Where the scheme has 101 or more members, if a member has been absent due to ill health for 90 days in the previous 12 months and we have not been previously notified of their absence.
Age cover ceases	<ul style="list-style-type: none"> ✓ Linked to state pension age or any fixed age up to a maximum of 75
Extended cover	<ul style="list-style-type: none"> ✓ Cover beyond the age cover ceases is subject to individual assessment
Redundancy cover	<ul style="list-style-type: none"> ✓ Available for up to a maximum 24 months. Available at time of application only.
Event limits	<ul style="list-style-type: none"> ✓ Based on the sums assured in each postcode, up to a normal maximum of £50 million
Group travel limit	<ul style="list-style-type: none"> ✓ Maximum 11 members travel together unless specifically agreed by Underwriters

Product Summary

Free cover limits	<ul style="list-style-type: none"> ✓ Based on the number of members and average benefits in the scheme. Maximum of £1.5 million.
Individual assessment	<ul style="list-style-type: none"> ✓ Those with benefits over the Free cover limit are assessed in respect of their benefits above, but not below, the limit ✓ Discretionary entrants will be individually assessed for their full benefits (no automatic acceptance limit applies)
Insurance Act 2015 – paying claims in full	<ul style="list-style-type: none"> ✓ The employer has a duty to make a fair presentation of the risk to us. If they do not fairly present the risk and we would have charged a higher premium had we known about it, the Insurance Act 2015 allows us to proportionately reduce the claim amount rather than charge a higher premium. We believe it is fairer to contract out of this part of the Insurance Act 2015, so that we can pay those claims in full, whilst charging the employer the correct higher premium (and apply any other different policy terms which we would have applied if we had known the information).
Master Trusts	<ul style="list-style-type: none"> ✓ All Lutine Group Life schemes (both registered and excepted) are eligible to join a MasterTrust administered by Pitman’s Trustees Ltd (PTL).
Lutine Lifestyles	<ul style="list-style-type: none"> ✓ All Lutine group Life schemes are eligible to join the Lutine Lifestyles platform delivering lifestyle offers with free health screening. ✓