

Key features of the Shepherds Mortgage Payment Protection Plan

What is the purpose of this document?

The Financial Services Authority is the independent financial services regulator. It requires us, The Shepherds Friendly Society Ltd, to give you this important information to help you to decide whether our Mortgage Payment Protection Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Its aims

To provide:

- You with your chosen benefit when you are unable to work due to sickness or an accident for the term of your mortgage or you return to work.
- A wide choice of when benefits will start based on the date from which you are unable to work.

Your commitment

- To pay a regular monthly premium for the whole term of the Plan.
- To tell us all relevant medical and non-medical information about yourself when completing your application form and when making a claim under the plan.
- To tell us if your mortgage ends before the date given in your application.

Risks

- If you stop paying premiums under this plan your plan will end.
- Benefits received from this Plan may affect your entitlement to any other benefit.
- If you provide information which is deliberately false the plan will be invalid.

Questions and answers

What is the Mortgage Payment Protection Plan?

The Shepherds Mortgage Payment Protection Plan is designed to help you cover your mortgage payments and other associated household costs in the event that you suffer an accident or sickness and you are unable to work.

The minimum time the Plan can run for is five years the maximum depends on your mortgage term. On the anniversary and every 5th anniversary thereafter, the premium will change to match the relevant age band.

Who can have this Plan?

You can have this Plan if:

- You are aged from 18 up to and including age 59.
- You are a UK resident at the beginning of the Plan.
- You have a mortgage that is a UK regulated mortgage on your main residence.
- You are accepted by us after our underwriting.

You cannot have the plan if:

- You are unemployed or not recognised as self employed by HM Revenue and Customs.
- You are not named on the Mortgage agreement.
- You are currently unable to work due to Accident or Sickness.
- Your mortgage payments are in arrears.

What are the benefits of this Plan?

The minimum initial benefit is £200 a month and the maximum is £2000 a month.

You can have an amount of benefit that will cover up to 100% of your monthly mortgage payments if you are ill or have an accident and are unable to work.

Alternatively, you may choose to increase your level of benefit up to 150% of those payments to include additional bills.

If there are 2 or more parties to the mortgage agreement they may each take out a plan as long as the total monthly benefit to both does not exceed 150% of the mortgage payment.

How long do I have to wait before I receive any benefit?

The benefit will be paid after your chosen waiting period. A waiting period is the length of time from when you become ill or have an accident, to the date when we start to pay sickness benefit.

You can choose the waiting period that you want at the start of the plan, and you can change it at any time (but not if you are claiming Mortgage Payment Protection benefits) - 4 weeks, 8 weeks, 13 weeks, 26 weeks and 52 weeks.

We will stop making payments on the date that: -

- You return to work.
- You fail to meet any of the policy Terms or Conditions.
- The Plan or your mortgage ends.

The payment of Premiums

The premium is payable monthly in advance by Direct Debit.

Premiums depend on the level of cover and your age. (See rate table for details)

Premiums are fixed for 5 years and then increase every 5th year.

What happens if I stop paying my premiums?

If you do not pay your premiums we will not pay the sickness benefit.

If your bank returns a direct-debit payment, we will only try and claim the premium once more. If the payment is not accepted cover will cease and the Plan will be cancelled.

Once I have applied what if I change my mind?

You can cancel your plan within 30 days of receiving your plan documents.

If you cancel within this period, we will automatically refund any premiums you have paid.

You can cancel any time after the first 30 days but you will not be refunded any premiums you have paid.

If you wish to cancel the policy please write to Shepherds Friendly at the address shown in this document.

Exclusions

There are certain circumstances where we will not pay out on a claim. We will not pay benefit for an injury or illness caused by War, an invasion, hostilities, cosmetic surgery for non-medical reasons or by taking part in dangerous activities and fail to use the correct equipment or undertake and utilise the appropriate training. For a full list please see our Terms and Conditions.

What about tax?

Benefits are payable free of tax, provided they are being used to replace income lost through illness or accident.

Please remember that Taxation rules can be changed by HM Revenue and Customs in the future.

How to make a claim

As soon as you think you may need to make a claim please contact us by telephone on 0161 428 1212. The claims department will explain the claims process and send you a Claim Form.

At the time of the claim we will need evidence of your current mortgage and original medical certificate. A delay in sending these documents to us could result in a delay to the payment of benefits.

Please make sure that you send in medical certificates within seven days of the last one running out.

You must pay the premium during the waiting period. When the benefit starts we will not claim direct debits until your medical certificate expires.

How much will any advice cost?

Your financial adviser (if you have one) will give you details about the cost of advice. The amount will depend on how much you are paying each month and the length of your plan.

Where can I find out more?

Before your plan starts we will send you the full terms and conditions; this explains how the plan works.

If you would like to see these terms and conditions before you apply please contact us.

Phone: **0161 428 1212**

Fax: **0161 428 3666**

e-mail: **info@shepherdsfriendly.co.uk**

Web: **www.shepherds.co.uk**

More information

Claims - to make a claim please contact us by phone on 0161 428 1212 and ask for the Claims Department. They will explain the claims process and send out a claim form.

Cancellation Rights - after we accept your application we will send you a notice of your right to cancel. You will then have 30 days in which to change your mind.

Complaints - if you want to make a complaint, please contact:

Compliance Officer, Shepherds Friendly,
Shepherds House, Stockport Road,
Cheadle SK8 2AA

Phone: 0161 428 1212

Email: info@shepherds.co.uk

If we don't deal with your complaint to your satisfaction you can complain to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.
Phone 0845 080 1800

Making a complaint will not affect your right to take legal action.

Financial Services Compensation

Scheme (FSCS) - we are covered by the FSCS, which means you may be entitled to compensation under the terms of the scheme if we cannot meet our obligations.

For long term plans such as this the scheme covers 90% of the claim with no upper limit. This depends on the type of business and the circumstances of the claim.

Further information about the scheme is available from the FSCS –

FSCS, 7th floor, Lloyds Chambers
Portsoken Street, London E1 8BN

Financial Crime - we will take measures to protect members against Financial Crime. We may need proof of identity on application or claim and if required we may gather this proof by electronic means, for example checking Electoral Registration.

Tax - information that we provide in this leaflet about taxes in the UK is based on our understanding of current laws and HM Revenue and Customs practice which may change in the future.

The Data Protection Act - you have the right to ask to see any personal information which we may hold about you and to have any mistakes in this information corrected. You can do this by writing to the data protection officer at our head office. There may be a charge for this.

Law - this plan is governed by the laws of England and Wales.

The Shepherds Friendly Society Limited

Registered Office:

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Phone: 0161 428 1212

Fax: 0161 428 3666

Email: info@shepherdsfriendly.co.uk

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The Head office and Registered office of The Shepherds Friendly Society is based in the United Kingdom.



Providing Financial Security Since 1826

**AUTHORISED AND REGULATED BY THE
FINANCIAL SERVICES AUTHORITY AND
ENTERED ON THE FSA REGISTER, NO
109997.**

**THE SHEPHERDS FRIENDLY SOCIETY IS
INCORPORATED UNDER THE 1992 FRIENDLY
SOCIETIES ACT NO.240F**