



## **Multi Choice Individual Lump Sum and Monthly Benefit Flying Licence Protection Insurance Policy (the “policy”)**

**Provider: Flightcrew Risk Solutions PCC Limited (FRSPCC)**  
(the “Insurance Company”)

**Address: Level 5, Mill Court, La Charroterie,  
St Peter Port, Guernsey GY1 1EJ**

**Administrators: BALPA Financial Solutions Limited (“BFS”)**

### **Key Features**

This Key Features document gives you the main points of your policy. Your illustration will show the amount of cover you have chosen, the waiting period and benefit payment period for monthly benefits, any additional individual exclusions of cover in addition to the general policy exclusions, and the premium for the first year of the policy. Please take time to read and understand what you are buying, and keep this document with the policy documents, when you receive them.

#### **Its aim**

To pay out a cash lump sum or monthly benefits or a combination of both depending on the cover selected, if you lose your pilot’s licence for health reasons during the period the policy is in force.

#### **Your commitment**

- To ensure you answer the questions on your proposal form correctly and to the best of your knowledge.
- To tell BFS if any of the information you give us changes in the time between you signing the application and the start of your policy.
- To tell BFS if you are off work due to sickness for a period longer than 30 consecutive days. This notification should be within 60 days of the start of the sickness, even if you do not envisage claiming on the policy.
- To tell BFS if your circumstances change whilst you hold this policy, such as a change of job or if your income has fallen.
- To pay either regular monthly or yearly premiums over the term of the policy.
- To tell BFS if your main place of residence changes to or from the UK so that we can add or remove the liability to pay Insurance Premium Tax from your policy.

## Risk factors

- If you don't pay your premiums, your policy and your cover will end 30 days after the last premium was due. You will get nothing back, and to reinstate cover, you will have to re-apply and may possibly be refused cover, or be offered restricted cover.
- This policy has no cash-in value at any time.
- Your premiums will be increased every year at the policy anniversary, in line with your age, although you may also reduce the amount of cover at that time.
- Your premiums may also increase (or decrease) at the policy anniversary to reflect a change in the overall premium rates on the policy. There is no maximum amount that your premium can be increased by. If you decide to cancel your policy due to increased premiums, you will not get any money back.
- If you don't provide any information asked for by us when making a claim, the policy will not pay out.
- The policy will not pay out in the circumstances described under the heading 'What will stop the policy paying out?'
- The amount of cover may be less than you need if you don't review it regularly.
- The monthly benefits we may pay under this policy may affect your claim to some means-tested State benefits. These benefit rules may change in the future.
- The monthly benefits we may pay under this policy may affect your claim to benefits under an income protection policy, whether provided by your employer or taken out by yourself.
- The present tax-free treatment (for UK taxpayers) of the policy's benefits may change.
- Although your licence is suspended, we may consider that you are capable of regaining it within five years and will not pay out the lump sum benefit.
- Although your licence is suspended, we may consider that you are capable of regaining it immediately and will not pay out or will stop paying the monthly benefits.
- If you are liable for tax outside of the UK, there may be a tax liability when a claim is paid. We recommend that you take advice from your local tax adviser before taking out this policy.

## Questions & Answers

### What is this policy?

- Depending on the cover chosen, it's an insurance policy that is designed to pay out a lump sum if you permanently lose your flying licence due to ill health and in our opinion will not regain it within 5 years. We will use the EU medical standards current at the time of the claim to make this assessment.
- If you have chosen monthly benefits cover, a monthly benefit will be paid after the deferred period for the selected benefit period, if you have temporarily lost your flying licence due to ill health and in our opinion you are either not fit to fly for the benefit period or will not regain your licence within 5 years.
- There is no payment if you die and any benefits in payment will cease.
- There is a maximum limit on the amount of cover you can take out. For the lump sum and monthly benefit schemes combined, there is an overall cover limit of £420K, and cover is also limited by percentages or multiples of earnings which are defined as salary plus allowances.

- For lump sum cover this is 4X *gross* annual earnings or £300K whichever is the lower, but from this figure you must then deduct any other cover you have such as employers or individual cover.
  - For monthly benefit cover the maximum benefit limit is £7K per month, but the policy will not pay more than 75% of your pre-disability *after tax earnings*, less any other employer or private benefits you will receive.
- You must be aged over 18 and under 60 to start the plan; under 55 years of age for lump sum cover. There are restrictions on the amount of cover available to new applicants aged between 55 and 60.
  - From the policy renewal immediately following your 60<sup>th</sup> birthday, for lump sum cover you will only be covered if you lose your licence due to accidental bodily injury with cover ceasing at the renewal immediately following your 65<sup>th</sup> birthday. However, you will be given the option to transfer your lump sum cover to monthly benefits without new underwriting if you wish to maintain sickness cover, at the renewal immediately following your 60<sup>th</sup> birthday as long as your new monthly benefits do not exceed 1/60<sup>th</sup> of your lump sum cover held at that time, or £2000, whichever is the lower.
  - If you die while outside of your country of residence, then reasonable costs and expenses not exceeding £10,000 will be paid towards transporting your remains or ashes to your normal country of residence.
  - The premiums will go up at each policy anniversary in line with your age and at that time you can choose to:
    - Accept the higher premium
    - Reduce the amount of cover
    - Cancel the plan. If you decide to cancel the plan you won't get any money back.

### How flexible is it?

- The policy is an annual policy and if you cancel the policy mid year, you are still liable to pay the premium for the remainder of the policy year, even if you are paying premiums monthly. This requirement may be waived at our discretion.
- At each policy anniversary, you can cancel the policy without penalty, although you will not get any money back.

### What will stop the policy paying out?

- Although your licence is suspended, we may consider that you are capable of regaining it in the foreseeable future and will not pay out the lump sum benefits.
- Although your licence is suspended, we may consider that you are capable of regaining it immediately and will not pay out or will stop paying the monthly benefits.
- If you are suffering from certain psychological conditions the policy may not pay out, or the benefit period could be restricted.
- The policy will not pay out if you do not inform BFS that your licence has been suspended within the time shown on the policy document. This is usually within 60 days of the date you first went sick.
- If you fail to supply medical evidence to support your claim.
- If you unreasonably refuse to undergo any surgical or medical treatment which will assist in obtaining restoration of your licence.
- If you die before the end of the waiting period.

- If you die whilst monthly benefits are in payment, they will cease.
- If the claim is related to
  - A Criminal Act by the Insured
  - Active duty with any Armed Force
  - Intentional self-injury
  - HIV/AIDS
  - Any medical condition that existed before you took out the policy, unless notified to and accepted by us
- If you lose your licence as a result of a specific exclusion placed on your policy.
- If you lose your licence for disciplinary reasons or any other reason not related to your health.

Further details of all exclusions and conditions are in the policy document, a specimen of which is available on request.

### **What other benefits can I choose?**

- The monthly benefit option will cover you if you are unable to fly either temporarily or permanently and there are a range of waiting periods before benefit payments start, and also a range of benefit payment periods.

### **What will the premiums be?**

- Your illustration will show you the premium you will need to pay for the first 12 months of the policy. The premium will increase at the end of this period in line with your age and may also increase or decrease due to an overall review of the scheme's premiums.
- Your premiums are based on a number of factors, which include:
  - The amount of cover you choose
  - Your age
  - The charges on the policy
  - The waiting period you choose on the monthly benefit
  - Whether you fly fixed wing or rotor wing, onshore or offshore
- Your premiums may be paid monthly or quarterly by direct debit, or yearly by cheque or direct debit.
- If you are not a BALPA member your premiums will be increased by 10% over the standard premium rates.

### **What are the charges?**

- We make a charge for managing your policy. The charges cover the policy costs and our expenses. All these charges are included in your premium.

### **What if I stop paying?**

- Your policy will end 30 days from the date the last premium was due. You won't get back any premiums you've paid.

### **What about tax?**

- Any benefit paid under an individual plan is currently free from income and capital gains tax, for UK taxpayers. If you are liable for tax outside of the UK, there may be a tax liability in your country of residence when a claim is paid. We recommend that you take advice from your local tax adviser before taking out this policy.
- The premium attracts IPT if you are resident in the UK (other than CI or IOM).
- Tax rules can change.

### **Can I change my mind?**

- You can change your mind within 14 days from the later of:
  - The day you are advised the policy has started
  - The day you receive the policy document
- If you change your mind within the timescales outlined above and don't want the policy, we will give you your money back.
- You will also be given cancellation rights at renewal, and you will be advised of the terms of these at that time.
- The cancellation notice will include the address you must send your instructions to if you change your mind about your policy.

### **How do I make a claim?**

- If you are off sick for more than 30 days, please contact BFS and a claim form will be sent to you. You need to do this within 60 days of the start of the sick period.

### **How long do I have to wait for payment of a claim?**

- A claim will not be paid until all our requirements have been met.
- There is a waiting period, which is the time between you having your licence suspended and the time we first pay your claim.
- For a lump sum loss, the waiting period is 30 days, although we may pay the claim earlier at our discretion.
- The waiting period for monthly benefits depends which option you choose when taking out the policy. The monthly benefits are then payable monthly in arrears.

### **If I disagree with your decision on a claim, what safeguards do I have?**

- If you think you are unfit but your claim has been denied there is a Medical Disagreements procedure detailed in the policy document.
- If you think that your claim has been denied unfairly for a reason not covered by the Medical Disagreements procedure, there is also an Arbitration procedure detailed in the policy document.

## How to contact BFS

- As administrators of the scheme on behalf of Flightcrew Risk Solutions PCC Ltd., your first point of contact should be BALPA Financial Solutions Ltd. (BFS).



Call BFS on **020 8476 4056**  
**Monday to Friday 8.50am – 5.00 pm**

Outside of these hours, you can use the same number and leave a message on voicemail.



[FLP@balpa.org](mailto:FLP@balpa.org)



BALPA Financial Solutions Limited, BALPA House,  
5 Heathrow Boulevard, 278 Bath Road, West Drayton, UB7 ODQ

## Other Information

### How to complain

- If you ever need to complain, first write to BFS at the above address. Flightcrew Risk Solutions PCC Ltd is based in Guernsey, so does not fall under the jurisdiction of the Financial Services Authority so you have no recourse to the Financial Ombudsman. There is however a Medical Disagreements procedure and an Arbitration procedure detailed in the policy document.
- If your complaint is about the advice you have received from BFS when taking out the policy and you are unhappy with their response, BFS is regulated by the Financial Services Authority and you may be able to take your complaint to:

Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR Tel: 0845 080 1800

### Compensation

- Suitable advisers will recommend that you buy products that meet your needs. You've legal rights if at any time it's decided that you've been advised to take out a plan that wasn't suitable for your needs at that time.
- BFS is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if they cannot meet their obligations. FRSPCC is not covered by the FSCS.

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## Terms and conditions

- This key facts document only gives a summary of the policy. You should also see the Premium Rates, and a copy of the policy document, all of which are available on request or from [www.balpa-bfs.co.uk](http://www.balpa-bfs.co.uk).
- We have the right to change some of the terms and conditions at the policy anniversary date. We will write to you and explain what has changed if this affects your policy.
- We will not be liable for any benefit until:
  - You've fully completed a proposal form
  - Acceptance terms have been issued
  - You've paid your first premium

## Law

- The law and courts of England will apply in legal disputes and your contract will be written in English. We'll always write and speak to you in English.

## Ownership

- The insurance is issued through Cell BF4 of Flightcrew Risk Solutions PCC Limited. This cell and Flightcrew Risk Solutions PCC Limited are wholly owned by BALPA Financial Solutions Limited.