

Lifetime Care Plan

Terms and Conditions

These Terms and Conditions should be read together with your Policy Schedule and the Key Features Document.



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Please take the time to read through this document.

To help, we have signposted certain key information with the following symbols:



Important information

Indicates important information we've highlighted about the Lifetime Care Plan



Useful information

Indicates helpful information that you may find useful

1. Definitions of the policy terms we use

Care Payment

The regular, guaranteed amount we pay to support your care needs for the rest of your life. This is paid directly to a UK-registered care provider to help meet the costs of professional support in your own home or a residential care home.

Deferred Period

The period of time you choose to wait before your care payments begin. You can choose a deferred period of between one and five years from the date your Plan starts. This option is only available if you choose a deferred care plan. Your Policy Schedule will show if you have a deferred period and when your care payments are due to start.

Plan

The British Friendly Lifetime Care Plan.

Policy Schedule

The document showing your personal details, the options you have chosen, and your chosen care payment amounts. Your Policy Schedule will show the initial amount of care payment you will receive.

Retail Prices Index (RPI)

The Retail Prices Index issued by the Office for National Statistics. It measures the average change over time in the prices we all pay for a range of goods and services. These include housing costs, such as council tax and mortgage interest repayments, as well as things like food, clothes and petrol.

Single premium

The single, one-off lump sum you pay to buy your Plan. Your Policy Schedule will show the amount of single premium you have paid. As the Lifetime Care Plan has no cash-in value, your single premium cannot be refunded once your 30-day cancellation period has ended.

Society/We/Us/Our

British Friendly Society Limited.

UK-Registered Care Provider(s)

A care provider(s) registered with the relevant UK care regulator.

You/your

The person insured under the Lifetime Care Plan.

Your legal representative

A person legally authorised to act on your behalf. This may include:

- an attorney acting under a valid Lasting Power of Attorney or Enduring Power of Attorney;
- a deputy appointed by the Court of Protection; or
- the personal representatives of your estate after your death.

2. About the Lifetime Care Plan

The Lifetime Care Plan is designed to give you peace of mind by helping you meet the cost of long-term care. It provides a guaranteed **care payment** every month, paid in advance, for the rest of your life.

To support your care, we make these **care payments** directly to your chosen **UK-registered care provider**. While these **care payments** are intended to contribute towards your care fees, the **Plan** does not guarantee to cover the full cost of your care.

You buy the **Plan** by paying a **single premium**. Once your **Plan** starts and the 30-day cancellation period has ended:

- you can't cancel the **Plan**;
- you can't sell it, cash it in or assign, transfer or trade it to anyone else;
- you can't change the options you selected when you applied.

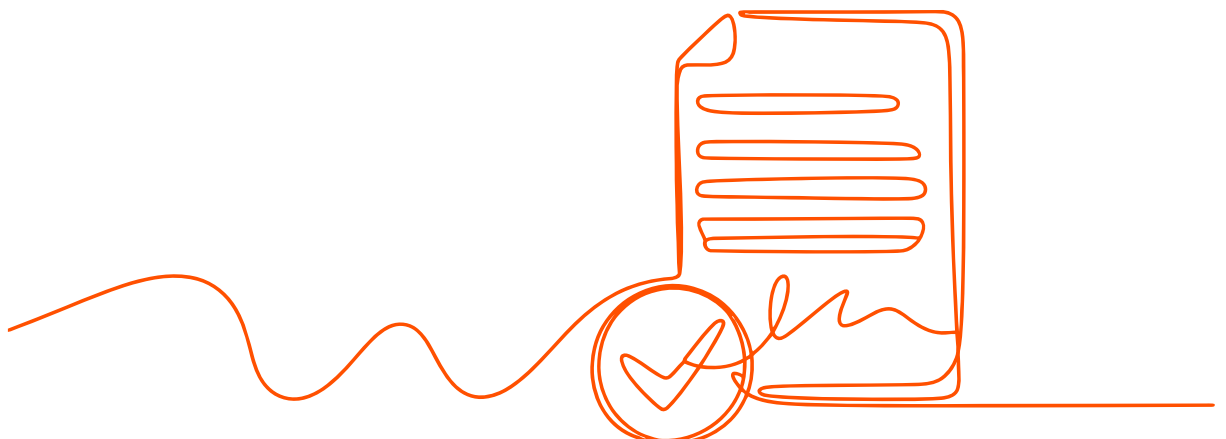
3. Eligibility

To take out a Lifetime Care Plan, you must meet our eligibility criteria.

Who can apply?

To be eligible for the **Plan**, you must:

- ✓ Be at least 60 years old and a UK resident.
- ✓ Have an immediate or imminent need for care. This means you are already receiving long-term care or expect to need it soon.
- ✓ Require a care funding plan on a single-life basis only. The **Plan** is designed to support the care needs of one person.
- ✓ Have a minimum **single premium** of £5,000.
- ✓ Apply as the person requiring care or through a **legal representative**. The **Plan** must be purchased using your own funds by you or someone legally authorised to act on your behalf.



4. Applying for your Plan

You can take out the **Plan** if you meet the eligibility criteria set out in **section 3** of this document and we accept your application.

Information we need

Before the **Plan** starts, we'll ask for some information to help us set it up correctly. This includes details about your health, care needs, and personal circumstances. We use this information to work out the amount of your **care payments** and your **single premium**.

If it's easier, this information can be provided by someone acting on your behalf, such as a **legal representative**.



Important information: Care should be taken to supply us with accurate information

It's important that the information you give us is complete and as accurate as you can reasonably make it. We understand that this can feel difficult, particularly at a time when you or your loved ones may be dealing with complex or emotional decisions.

If we later find that some information was missing or incorrect (for example your date of birth), we may need to adjust your **care payments** to reflect what they would have been if the correct information had been used from the start:

- **If we've paid you too much:** You or your estate may need to repay the extra amount we've paid.
- **If we've paid you too little:** We'll make sure any amount owed to you is paid.

If you're unsure about any information we ask for, or need support providing it, please get in touch - we're here to help.

5. When your Plan starts

Your **Plan** will start once we have received your **single premium**, all required information and documents, and we have completed our final checks.

The start date is shown in your **Policy Schedule**. Depending on the option you chose when you applied, your **care payments** will follow one of two timelines:

- An **immediate start date:** Your **care payments** begin as soon as the **Plan** is set up.
- A **deferred start date:** You can choose to wait between 1 and 5 years before your **care payments** begin. This is known as the **deferred period**, which starts from the date your **Plan** begins.

Once your **Plan** has started (and any chosen **deferred period** has ended), we will begin making your **care payments** monthly in advance.

6. Care Payments

Who we pay

To ensure your **care payments** are tax-free under current rules, we will normally pay your **care payments** directly to your chosen **UK-registered care provider(s)**.

- **Care payments** are made monthly in advance. Your first **care payment** will be made once we receive your **single premium**, all required documents and we put your **Plan** in force (subject to any **deferred period**). Subsequent **care payments** will be made on the same date each month, unless it falls on a weekend or Bank Holiday it will then be paid the next working day.
- We can split your **care payment** between up to two different **UK-registered care provider(s)**. You can decide how much each provider receives, provided the total does not exceed the amount shown on your **Policy Schedule**.
- If we have made a **care payment** and the care provider changes in that month, we will not seek to recover any **care payment** paid to the existing care provider to pay a new care provider. That will need to be organised between the existing and new care provider. It's important to make us aware promptly of any care provider changes.
- If you stop receiving care from a **UK-registered care provider**, move overseas, or if **care payments** under this **Plan** exceed your care costs, we may pay the **care payments** directly to you or **your legal representative**.



Useful information: If we pay **you or your legal representative** directly, these **care payments** will normally be subject to Income Tax. **See Section 9** for more details.

Keeping us informed

You, **your legal representative**, or your care provider must tell us as soon as possible if:

- You change care provider.
- Your provider stops being UK-registered.
- You move overseas or stop receiving care in the UK.
- Your **care payment** is more than your actual care fees.
- There are any major changes to your circumstances.
- You die.

If you change to a new **UK-registered care provider**, we will continue **care payments** once we have received and checked a completed 'Care Provider Declaration Form'.

How long payments last

Your **care payments** are guaranteed to continue for the rest of your life.



Important Information: **Care payments** stop on the date you die. Your care provider may continue to charge fees after this date, but the **Plan** will not cover any costs incurred after your death.

Overpayments

If any **care payments** are made after your death, or are otherwise not due, we have the right to recover these amounts from your estate or the care provider.

- We understand that dealing with an estate is a sensitive time. Where we consider it would not be reasonable to recover an overpayment, we may choose not to do so.

Evidence to continue care payments

From time to time, we may ask for reasonable evidence to ensure the **Plan** is still supporting you correctly. This might include confirmation that:

- You are alive.
- You are still receiving professional care.
- Your care provider is still UK-registered.

If this information isn't provided within a reasonable timeframe, we may have to pause your **care payments** until we receive it.

7. Care Payment increases

When you took out your **Plan**, you selected how your **care payments** would work over time. Depending on the option you selected, your **care payments** will either:

- **Stay the same (Level):** Your **care payments** will stay at the same amount for the rest of your life.
- **Increase by a fixed percentage:** Your **care payments** will go up each year by a set percentage (between 1% and 10%), as shown in your **Policy Schedule**.
- **Increase in line with inflation:** Your **care payments** will go up each year in line with the cost of living, measured by the **Retail Prices Index (RPI)**.

When your payments increase

If your **care payments** are set to increase, this will happen once a year on the anniversary of the date your **Plan** started. If your **care payments** increase with inflation, here's how we work it out:

- We use the **Retail Prices Index (RPI)** figure published three months before your **Plan** anniversary
- Your **care payments** can increase by up to a maximum of 10% in any year
- If inflation is negative (prices fall), your **care payments** won't go down - they'll stay the same for that year.

If the **Retail Prices Index (RPI)** is no longer published or its calculation changes significantly, we will use a suitable alternative index to ensure your **Plan** continues to work as intended. We will notify **you or your legal representative** if this happens.

8. Capital protection

Capital protection is designed to provide your estate with a refund of part of your **single premium** if you die early in the **Plan**.

Short-term capital protection

Short-term capital protection is included with your **Plan** automatically, unless you chose to remove it when you applied.

- If you die within the first six months of your **Plan**, we may return part of your **single premium** to your estate, minus any **care payments** we have already made.

Long-term capital protection

You may have chosen to add long-term capital protection for an extra cost. This allows you to protect a specific percentage of your **single premium** for the rest of your life.

- If you die and the total **care payments** we have made are less than the percentage you chose to protect, we will pay the difference to your estate.
- If you did not choose long-term protection, your capital protection ends exactly six months after your **Plan** starts.
- If the total **care payments** we have made already exceed your protected percentage, no further **care payments** will be made.

How we calculate the payment

If both short-term and long-term protection apply to your **Plan**, we will always calculate the amount due under both options and pay your estate the higher amount of the two. If the total monthly **care payments** made are equal to or greater than the amount of **single premium** you chose to protect, **no payment will be made to your estate**. Your **Policy Schedule** will show exactly which protection options you have chosen and the percentage of the **single premium** that is protected.



What happens if you chose to opt out?

If you and your financial adviser choose to remove capital protection entirely no payments will be made to your estate when you die, regardless of how soon that happens after the **Plan** starts.

Your **Policy Schedule** will clearly state whether capital protection is included or if you have chosen to opt out.

Claiming a payment

If a capital protection payment is due to your estate following your death, we will need the following to process the payment:

- **Proof of death:** Usually a certified copy of the death certificate.
- **Proof of entitlement:** Documentation showing who is legally authorised to receive the funds.

We understand that this is a difficult time for families. Your **legal representative** or executors can contact us directly, and we will guide them through the process to ensure the payment is made as smoothly as possible.

Capital protection examples (Short-term Capital Protection)

Short-term (standard) capital protection is included with the **Plan** automatically unless you chose to remove it when you applied. If you die within the first 6 months of the start date of the **Plan**, we may pay your estate a percentage of the **single premium**, minus:

- Any **care payments** we've already made to your care provider(s); and
- Any adviser charges you asked us to pay to your financial adviser on your behalf (where applicable).

Percentages of your single premium returned to your estate on death:

Month 1: 100% Month 2-3: 50% Month 4-6: 25%

Example calculation

The examples on below show how this protection works in practice. These figures are based on a **single premium** of £200,000 used to buy a Lifetime Care Plan that pays £2,500 each month. Please note, the actual amount payable to your estate will depend on your chosen **single premium** and the amount of your **care payments**. Any capital protection payments paid to your estate may be subject to Inheritance Tax.

If you die in month 1:

Single premium covered	100% = £200,000
Payments made to your care provider	£2,500 (1 care payment of £2,500)
Payment made to your estate on death	£197,500

If you die in month 3:

Single premium covered	50% = £100,000
Payments made to your care provider	£7,500 (3 care payments of £2,500)
Payment made to your estate on death	£92,500

If you die in month 6:

Single premium covered	25% = £50,000
Payments made to your care provider	£15,000 (6 care payments of £2,500)
Payment made to your estate on death	£35,000

Capital protection examples (Additional Long-term Capital Protection)

Long-term capital protection is an optional feature you can add to your **Plan** for an extra cost. It allows you to protect a specific percentage of your **single premium** (between 1% and 75%).

Please note: Long-term capital protection is only available if you have chosen a level or fixed escalating cover **Plan** with an immediate start date. It is not available if you have chosen:

- A deferred start date; or
- **Care payments** that increase in line with inflation (**Retail Prices Index (RPI)**).

How it works with Short-term Capital Protection

If you die within the first six months of your **Plan**, we will look at both your short-term (standard) and long-term capital protection options. We will always pay your estate the higher amount of the two.

Calculating the payment

When we calculate a capital protection payment, we will deduct the following:

- Any **care payments** we have already made to your care provider(s); and
- Any adviser charges you asked us to pay to your financial adviser on your behalf (where applicable).

Examples of Long-term Protection

The examples below show how long-term capital protection could protect your **single premium** if you die within the first 48 months of your **Plan** starting. These figures are based on a **single premium** of £200,000 and **care payments** of £2,500 per month. The actual amount your estate receives will depend on your specific **single premium, care payment** amounts, and the percentage of protection you chose. Any payment made to your estate may be subject to Inheritance Tax.

Capital protection examples (where 50% protection has been chosen)

If you die in month 4:

Single premium covered	50% = £100,000
Payments made to your care provider	£10,000 (4 care payments of £2,500)
Payment made to your estate on death on death under short-term capital protection	£40,000
Payment made to your estate on death under long-term capital protection	£90,000 - We would pay this higher amount

If you die in month 8:

Single premium covered	50% = £100,000
Payments made to your care provider	£20,000 (8 care payments of £2,500)
Payment made to your estate on death under short-term capital protection	£0 - short-term protection has now ended.
Payment made to your estate on death under long-term capital protection	£80,000 - We would pay this higher amount.

If you die in month 48:

Single premium covered	50% = £100,000
Payments made to your care provider	£120,000 (48 care payments of £2,500)
Payment made to your estate on death under short-term capital protection	£0 - short-term protection has now ended.
Payment made to your estate on death under long-term capital protection	£0 - No single premium remains after care payments.

Capital protection examples (where 25% protection has been chosen)**If you die in month 3:**

Single premium covered	25% = £50,000
Payments made to your care provider	£7,500 (3 care payments of £2,500)
Payment made to your estate on death under short-term capital protection	£92,500 - We would pay this higher amount.
Payment made to your estate on death under long-term capital protection	£42,500

If you die in month 8:

Single premium covered	25% = £50,000
Payments made to your care provider	£20,000 (8 care payments of £2,500)
Payment made to your estate on death under short-term capital protection	£0 - short-term protection has now ended.
Payment made to your estate on death under long-term capital protection	£30,000 - We would pay this higher amount.

If you die in month 48:

Single premium covered	25% = £50,000
Payments made to your care provider	£120,000 (48 care payments of £2,500)
Payment made to your estate on death under short-term capital protection	£0 - short-term protection has now ended.
Payment made to your estate on death under long-term capital protection	£0 - No single premium remains after care payments.

9. Tax

The way your **care payments** are taxed depends on who receives them and current HM Revenue and Customs (HMRC) rules.

Care payments to a care provider

Under current law, **care payments** made directly to a **UK-registered care provider(s)** are usually tax-free. We will pay these without deducting any Income Tax, provided the qualifying conditions are met.

Care payments made to you

If we make full or partial **care payments** directly to you (or anyone other than a **UK-registered care provider**), these will be subject to Income Tax.

- **Basic Rate Deduction:** We are required to deduct tax at the basic rate from a proportion of the **care payments** we make to you.
- **Reclaiming Tax:** Depending on your total income, you may be able to reclaim some or all of the tax we deduct.
- **Higher Rate Tax:** If you are a higher-rate taxpayer, you may have an additional tax liability to pay.

Payments to your estate

If a capital protection payment is made to your estate after you die, it may be subject to Inheritance Tax.



Important Information: Tax treatment depends on your individual circumstances and tax rules may change in the future. We cannot provide tax advice; if you are unsure how these rules apply to you, we recommend speaking to your financial adviser or a specialist tax professional.

10. Changes to the Plan

The information in these Terms and Conditions was correct when we issued them. We might need to change them to correct any mistakes, if it's fair and reasonable to do so, or if there are changes to:

- The laws, regulations or codes of practice they have to comply with.
- The way we operate and run policies of this kind.
- How the life and pensions industry operates.
- The technology that underpins the life and pensions industry.

We'll always aim to give you at least 30 days' notice of any changes. Sometimes, we have to make changes immediately. If we do, we'll let you know within 30 days of making the change.

11. Cancellation

You have **30 days** from the date you receive confirmation that your **Plan** has started to change your mind and cancel.

What happens if you cancel?

If you cancel within this 30-day period, we will return your **single premium**, minus:

- Any **care payments** we have already made to your provider; and
- Any adviser charges you asked us to pay from your **single premium**.



Important Information: Once this 30-day period has ended, the **Plan** cannot be cancelled or cashed in, and your **single premium** will not be refunded.

How to cancel

If you wish to cancel your **Plan**, please contact us:

Write

Registered Office:

British Friendly Society Limited

45 Bromham Road, Bedford MK40 2AA

Call

01234 358344

Email

careplan@britishfriendly.com

12. We'll communicate with you in English

All your policy documents will be in English. And when we write to you, we'll use English.

13. All payments will be in sterling

The **single premium** you pay us, and the payments we make, will be in pound sterling.

14. Law and jurisdiction

These Terms and Conditions are governed by the law of England and Wales, and the courts of England and Wales have exclusive jurisdiction.

15. You must cooperate with us

When we reasonably ask you to, you must cooperate fully with us in relation to your **Plan**. This includes providing us with information and documents.

16. Complaints

If you're unhappy with any aspect of your **Plan**, you can complain to us. If you remain dissatisfied, you may refer your complaint to the Financial Ombudsman Service. Making a complaint won't affect your legal rights.

If you wish to complain about any aspect of our service, or if you'd like us to send you a copy of our internal complaint handling procedure, please contact us using one of the methods below:

Write

Registered Office:

British Friendly Society Limited
45 Bromham Road, Bedford MK40 2AA

Call

01234 358344

Email

careplan@britishfriendly.com

Find us online at:

britishfriendly.com

If you are not satisfied with the way your complaint is handled, you can contact:

Write

The Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Call

0800 023 4567 or 0300 123 9123

Email

complaint.info@financial-ombudsman.org.uk

Find us online at:

financial-ombudsman.org.uk

Making a complaint to British Friendly Society or The Financial Ombudsman Service will not affect your legal rights.

17. Third party rights

Your **Plan** does not give any rights to anyone except you and us. This is a single life **Plan** and it covers only you.

18. Our rights

Nothing we do or say, or that's done or said on our behalf, waives our rights under this **Plan** unless we specifically say so.

19. How we use your personal information

We collect and use your personal information to manage your **Plan** and to operate our business. This includes:

- Confirming your identity and taking steps to prevent fraud.
- Checking the information you provide.
- Processing your application.
- Answering your questions and investigating any complaints.

Our privacy policies contain a full explanation of how we use your personal information. You can find our policies at www.britishfriendly.com/info/privacy-policy/. If you'd like us to send you a copy of our privacy policies or have any questions about these, please call, email or write to us using the details in these terms and conditions.

Get in touch

We want to help. So if you have any questions, here are all the ways you can contact us.

Call

01234 358344

Email

careplan@britishfriendly.com

Write

Registered Office:

British Friendly Society Limited
45 Bromham Road, Bedford MK40 2AA

Go online

www.britishfriendly.com/members/

British Friendly Society Limited

Registered Office:

45 Bromham Road, Bedford MK40 2AA

Telephone:

01234 358344

Email:

careplan@britishfriendly.com

Web:

britishfriendly.com

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