Ill Health Liability Insurance – West Sussex County Council Pension Fund – West Itchenor Parish Council

Dear Carol,

Thank you for your interest in Ill Health Liability Insurance cover offered by Legal & General, and for confirming the estimated total salary roll.

Legal & General have provided one overall quotation for all members of the West Sussex Pension Fund which is attached for your information. As an indication of costs, you will note that the rates offered are as follows:

Unit rate: Employer choice: £1.55 per £100 of total plan earnings

As the total pensionable salary roll for West Itchenor Parish Council is £10,325.28 per annum, as quoted in your email of 8th May 2023. The estimated cost for this ill health insurance would be as follows, based on a rate of £1.55:

(Please note: The rate specified is currently the guaranteed rate till 31st May 2023. Legal & General will review the current rate and advise of any rate change. We will advise by separate email of the new rate once this has been agreed with Fund. The figure quoted above should give you an approximate idea of costings involved).

£10,325.28*£1.55/100 = £160.04 premium per annum.

On the assumption that you elect cover to commence from 1st June 2023, the pro-rated premiums for the period 1st June 2023 to 31st March 2024 will be:

£160.04/365 *304 days= £133.29

The actual costs of the premium will be confirmed to you should you decide to proceed with Ill Health cover. Please note that the figure we have provided here is indicative, and subject to change once cover is in place. Legal & General will require a data listing confirming salaries for the members in the pension fund as at the date cover commences. This will enable Legal & General to issue their invoice and statement of costs. The actual premium due may therefore increase or decrease depending on the data provided.

Premiums may be paid annually by cheque, BACS payment or monthly by Direct Debit if you prefer.

*Hymans Robertson will notify West Sussex Pension Fund (the Fund) once your cover is in place. Please note that the insurance premium rate has been obtained by West Sussex County Council **("the** Administering **Authority")** and all employers in West Sussex Pension Fund **("the Fund")** have access to the insurance at this rate. By obtaining the premium rate quotation, this should not be interpreted as the Administering Authority recommending or endorsing Legal & **General's** Ill Health Liability Insurance product to employers in the Fund. It is each **employer's** responsibility to determine the suitability (or otherwise) of the insurance and to decide whether or not to proceed with taking out the cover.*

Legal and General apply strict 'actively at work' requirement. This means a member must not have been absent from work because of illness or injury for more than five consecutive days in the 52 weeks before the date the cover is due to start, and they are at work on that day.

To process a claim, we require copies of the employee's absence records for the 52 weeks prior to the date the Employer joined the IHLI policy to check that the employee/member had not been absent for 5 consecutive days and was actively at work on the day the insurance incepted. If either is not fulfilled, the claim may be deemed ineligible. Please note that this rule might change upon receipt of the new rate, consequently the Actively at Work definition in the Technical Guide would apply (please see point 1.1) on the date cover commences. Any member that does not meet this definition will not be covered by the insurer until the date the member returns to work and fulfils this criteria. In addition, anyone currently in the ill health early retirement medical assessment phase cannot be included for benefits within this policy.

Please note that cover cannot be backdated. The next available date for the policy to commence is now 1st June 2023.

The annual renewal date for all policies is 1st April. As stated in the Technical Guide (under 'The policy' on page 6), all policies automatically renew on the annual renewal date (unless advised otherwise).

The policy can be cancelled at any time by giving us written notification. If a claim has been paid during the policy year, Legal & General would require the full year's premium to be paid in the event of cancellation.

If you are happy to proceed, please complete the attached proposal form and return it to IHLI@Hymans.co.uk. We will then make the necessary arrangements with Legal & General.
Once we have received confirmation from Legal & General that cover is in place, we will email you to advise you accordingly. We will also issue you with our report, client service letter, and supporting documentation, and advise you of the next steps to complete the inception of the scheme.

Hymans Robertson LLP is an ancillary insurance intermediary who is remunerated for carrying out promotional and administration services on behalf of Legal & General. Hymans is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 414430). You can check this at www.fca.org.uk. Further details regarding our services and fees (amongst other things) are contained in the report pack which would be issued if you opt to put cover in place.

I trust this to be in order and look forward to hearing from you. Should you have any questions please do not hesitate to contact us further.