

28th March 2017

Dear Member

**GROUP INSURANCE SCHEME - RENEWAL 2017 - SERVING OFFICER/POLICE STAFF
EMPLOYEE/SPOUSE MEMBERSHIP**

The Cleveland Police Federation JBB Group Insurance Scheme falls due for renewal on 1st April 2017. We are pleased to confirm this Scheme has been renewed with our existing Insurance Broker, Arthur J. Gallagher Insurance Brokers (Arthur J. Gallagher), for the forthcoming 12 months.

Please note the purpose of this communication is to confirm renewal of cover and advise you of some important changes to the Group Insurance Scheme. We also need to confirm the monthly deduction, remind you of the availability of the Scheme Literature and the need to ensure your membership records are up-to-date with the Federation. For further details please refer to the Federation Website www.clevelandpf.org.uk or contact the Federation and/or Arthur J. Gallagher.

Please take time to carefully review the important information contained within the Group Insurance Scheme Booklet which is attached to this communication and all of the Group Insurance Scheme literature to familiarise yourself with all of the valuable benefits as well as the Terms, Conditions, Exclusions and Limitations.

CLAIMS

In insurance there is usually a direct link between the claims history and the premium cost.

Over the last 5 years we have paid in the region of £1.5 million (including some outstanding payments to be made) in claim settlements for our Members, across the entire Group Insurance Scheme.

There has been a significant deterioration in claims under the Critical Illness and Domestic Emergency policies. With regard to the Critical Illness the 5 year loss ratio (premium v claims) is approximately 93%. This means that for every £1 paid to Insurers in premium, 93p has been paid out in claim settlements.

Domestic Emergency has ran particularly badly and the loss ratio since inception of cover in 2014 is approximately 110% and therefore for every £1 paid to Insurers in premium, £1.10 has been paid in claims.

MONTHLY DEDUCTIONS

Despite a poor claims performance on a number of elements of the Group Insurance Scheme and two increases to the rate of Insurance Premium Tax we are confident that costs have been contained as much as possible.

We are also pleased to advise that within the revised costings detailed below we have enhanced the Life Assurance cover as well as including an additional benefit: Mobile Phone and Gadget Insurance.

With effect from 1st April 2017 the revised monthly deductions for the forthcoming 12 month period are as follows:-

- Serving Officer – lunar monthly deduction increased from £21.66 to £23.88
- Serving Officer with Spouse cover – lunar monthly deduction increased from £26.11 to £28.55
- Serving Police Staff – calendar monthly deduction increased from £23.11 to £25.85
- Serving Police Staff with Spouse cover – calendar monthly deduction increased from £27.91 to £30.92
- Payment method will continue via payroll deduction.
- Deductions are inclusive of Insurance Premium Tax (IPT) (where applicable) at the prevailing rates. IPT is levied by the Government, the amount as well as the basis of application can be amended at any time.
- Monthly deductions are inclusive of an administration fee, details of which can be obtained from the Federation Office.

SCHEME COVER

As a Serving Member you are included under all sections of the Scheme which are listed below.

- Life Assurance - Member
- Life Assurance - Spouse – (only if option taken) *
- Critical Illness – Family cover
- Best Doctors – Expert Second Medical Opinion Services - Member, Spouse and Dependent Children
- Sick Pay Insurance – Member
- Worldwide Travel Insurance – Family cover
- Legal Expenses (including online legal document service) – Family cover
- Care first Lifestyle Counselling Helpline and Online Support Services – Family cover
- UK and European Motor Breakdown – Family cover
- Domestic Emergency cover – Member
- Mobile Phone and Gadget Insurance – Member
- Mobile Phone and Gadget Insurance – Spouse – (only if option taken) *

* Both of these optional covers must be taken as a package

There is an option for Serving Officers to remain in the Scheme upon retirement at a revised deduction and a reduced basis of cover. There is no retirement option for Police Staff Employees at present.

Please see details below of a change to the Life Assurance cover, the new Mobile Phone and Gadget Insurance and the change to the Domestic Emergency Insurer. There are no other material changes to the Group Insurance Scheme covers but if you would like to review the cover, please see the Group Insurance Scheme Booklet or refer to the Federation.

LIFE ASSURANCE – the following enhancement to the cover has been incorporated:-

- Terminal Prognosis Advance payment benefit has been added. This pays 20% of the Sum Assured if a terminal prognosis is given. It is restricted to Members under the age of 64 years. The diagnosis must be made before the member's 64th birthday and it must confirm life expectancy of less than 12 months. The death benefit then reduces by the amount paid, from the benefit applicable at the time of death.

MOBILE PHONE AND GADGET INSURANCE - new section:-

Scheme Name: Police Federation Mobile Phone and Gadget Insurance

This cover has been arranged with Supercover Insurance Ltd and is underwritten by Zenith Insurance Plc.

- Cover applies to the member and dependent children resident at the same address if the contract is in the name of the Member. Spouse cover applies if the Spouse package is chosen.
- Insurers will pay up to two claims per Member per year, up to a maximum of £1,000 per claim, for repair or replacement (as applicable), in the event of:-
 - Accidental Damage
 - Theft
 - Accidental Loss (mobile phones only)
 - Breakdown
- Gadget means portable electronic items and mobile phones.
- The Gadget must have been bought and used in the UK, the Isle of Man or the Channel Islands. Cover extends to include use of the gadget anywhere in the world up to a maximum of 90 days in any one insurance period.
- £25/£50 excess – dependent upon the value of the item when new.
- Apple Swap option.

Full details are provided in the Group Insurance Scheme Booklet and on the Federation website

DOMESTIC EMERGENCY – Change of Insurer from IPA to AmTrust/Change of provider from AXA Assistance to CET (UK) Limited:-

New Contract No: 10033/60129

24 hour Emergency Helpline number is unchanged: 03447016628.

The following enhancements to the cover have been included in the new policy:-

- Partial failure of boiler and heating system now covered, not just complete failure
- Boiler service requirement exclusion has been removed
- Partial electric failure now covered, not just complete failure
- Broken toilet now covered even if there is another working toilet in the property
- Flushing mechanism to the toilet is now covered
- Temporary heating now included

The Domestic Emergency, Legal Expenses and Travel policies will all be re-issued at this renewal.

Please refer to the Federation website for all up-to-date Group Insurance Scheme literature, detailing the Cover, Terms, Conditions, Exclusions and Limitations.

MEMBERSHIP REMINDERS

We wish to take this opportunity to remind you of the following:-

- Whilst there is no need to renew your membership it is your responsibility to ensure that the appropriate deductions continue to be made and that you remain

eligible for inclusion. Should you wish to cancel cover please contact the Federation Office.

- Serving Officers have the option to remain in the Scheme (reduced cover) upon retirement, providing there is no break in membership. Refer to the Federation Office for details. There is no retirement facility for Police Staff Members.
- Spouse cover can only be provided whilst the Member remains in the Scheme. Please note Spouse Life and Mobile Phone & Gadget cover is only applicable if option taken.
- Membership of the Scheme for Serving Members ceases at the age of 65 years and Retired Members at the age of 70 years. Cover in respect of the Spouse may cease earlier, please refer to the Group Insurance Scheme Booklet.
- Up-to-date contact details and beneficiary details should be logged with the Federation Office.

GROUP INSURANCE SCHEME LITERATURE

The following information is available for you to download from the Federation website. If you do not have internet access copies will be sent to you upon request.

- Group Insurance Scheme Booklet – providing a summary of cover under all elements of the Scheme.
- Travel Policy
- Legal Expenses Policy
- Motor Breakdown Policy
- Domestic Emergency Policy
- Mobile Phone and Gadget Insurance Keyfacts and Terms and Conditions

The information is reviewed and updated as required on an annual basis. We recommend that you log on to the website around the time of renewal to ensure you are in possession of the most up to date documentation. We also advise that you check the website periodically for any Group Insurance Scheme bulletins.

TOP UP LIFE – NOW AVAILABLE

We are delighted to advise that we are launching a Top Up Life facility with effect from 1st April 2017 which will enable Members of the Group Insurance Scheme to increase their Life Assurance cover by £50,000, £75,000 or £100,000.

If this is of interest, please contact the Federation Office for further details of this Top Up Life facility.

CONTACTS

Should you have any queries please contact either the Federation Office or Arthur J. Gallagher:-

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Yours sincerely

Mark Richardson
JBB Secretary

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