

Employee Accident Cover and Employee Life Cover from B&CE (Isle of Man)

B&CE



Be safe. Be sure. We've got you covered.

A technical guide – what you need to know

**For people,
not profit**

What you need to know about Employee Accident Cover and Employee Life Cover

We've created this employer guide to help you understand how the Employee Accident Cover from B&CE (EAC) and Employee Life Cover from B&CE (ELC) work. It also gives employers answers to the most commonly asked questions.

This guide is explanatory. It's not intended to replace, in respect of EAC, the **Policy Conditions** or in the case of ELC, the **Trust Deed** and **Rules of the Scheme**. Any claims in respect of EAC or ELC will be governed by the terms of the relevant Policy Conditions or Rules of the Scheme respectively. If you have any additional questions or would like to take out ELC separately, please call us on **01293 586 666** or email **support@bandce.co.uk**.

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EAC and ELC allow you to provide essential financial protection for your employees.

Once employees are included for EAC/ELC cover, they are entitled to:

- a lump sum (normally tax-free) of at least £40,000 payable on the death of a member while employed by you
- a lump sum (normally tax-free) of up to £40,000 payable on the death of a member if death occurred during a period of continuous unemployment or incapacity ('death in unemployment' cover and 'death in incapacity' cover) and the member was under the State Pension age at the date of death
- a further sum (normally tax-free) if their death is due to an accident at work or while travelling to or from work
- a tax-free lump sum if they suffer a qualifying injury due to an accident at work or while travelling to and from work. This amount depends on how severe the accident is.

As an employer, our EAC/ELC helps you:

- protect your most valuable asset – your workforce
- reassure staff that they (and their dependants) will be more financially secure if they die or have a work-related accident
- build your reputation as a caring employer
- attract quality staff as part of a comprehensive benefits package.

How does it work?

To make life easy, we've kept the administration and management simple and straightforward:

- you agree with B&CE, which employees will benefit from the cover. We'll then enrol them
- we calculate costs payable in arrears, based on the amount of cover you choose. We ask you to make payments within 90 days of the period of cover. If you don't maintain payments, we will cancel the cover
- each month you'll need to log in to your account to check that we have the correct employees for that month. You can also tell us about anyone joining or leaving. We'll revise the charges to reflect any changes made
- if a claim is made, we'll confirm with you the member's entitlement and then deal directly with them (or their beneficiaries) and if necessary, keep you updated
- there's no limit to the number of claims, and exclusions are kept to a minimum. See "What isn't covered in EAC" and "What isn't covered by ELC"
- the EAC and ELC benefit is offered under two separate products that are combined within a single package. ELC is available as a single product on request.
- you can cancel cover for EAC at any time with at least 90 days' notice.
- a member's cover for EAC/ELC will cease if you fail to make payments when they are due.



protect your most
valuable asset –
your workforce

Deciding what benefits to provide

1 Who can it cover?

Eligibility

Cover is available to anyone aged 16 or over who is a resident in the United Kingdom or the Isle of Man, employed full time or part time in construction or related industries.

There is no upper age limit for joining except that 'death in unemployment' cover and 'death in incapacity' ELC cover is not available for employees over the State Pension age.

Actively at work

An employee must be 'actively at work' at the time you want cover to start.

For ELC, actively at work means fully active employment (but not necessarily full time if the employee is contracted to work less hours than normal full time employees), in which the individual is physically and mentally able to perform all the duties associated with the individual's normal job and is doing so.

Employees on authorised leave are considered 'actively at work'. You must provide confirmation that employees meet any 'actively at work' requirement when they join or when you upgrade their cover and declare you have no knowledge of the employee having been diagnosed with a terminal illness (an illness where the expectation of life is less than one year from the date of diagnosis).

You must confirm that the individual has not been absent from work due to an accident or ill-health in the preceding 4 weeks; and has not reduced their working hours due to an accident or ill-health in the preceding 3 months.

Where an employee is rejoining as a member after a period of absence, the 'actively at work' requirements must be re-confirmed.

For EAC, actively at work means fully active employment in which the employee is physically and mentally able to perform all the duties associated with the individual's normal job specification.

You must provide confirmation that employees meet the 'actively at work' requirement when they join. Where an employee is re-joining as a member after a period of not being covered, the 'actively at work' requirements must be re-confirmed.

Membership category

You decide which employees to provide cover for, and define with B&CE the membership eligibility rules. This definition should cover one or more categories, such as employee role, occupation, or length of service. It must also state their entry date.

Examples of membership categories could be:

- all employees of A&B Builders Ltd with over 3 months' service
- all employees of A&B Builders Ltd employed as tradesmen
- all manual workers employed with A&B Builders Ltd with over 6 months' service.

Defining the right membership category at the start is important, as we use it as a validity check during the claims process.

All members in a category must have the same level of benefits and you must apply the definition consistently to all employees when they first join. You must also include at least 95% of all employees within a defined category. You can set up cover with more than one membership category if you want to offer different levels of life cover to different groups of employees. You can find out more about this in the Levels of life cover within the ELC section.

2 Levels of cover

EAC provides accident cover up to £30,000 in the event of an accident at work, further details are provided in the EAC section.

ELC provides life cover to the member's beneficiaries or estate in four instances:

- should death occur while employed by you
- should death occur as a result of an accident while at work or travelling to and from work, an additional amount, equal to the life cover payment (called accidental death benefit) is paid
- should death occur under State Pension age during a period of continuous incapacity within 3 years of the last contribution being paid (called 'death in incapacity' cover)
- should death occur under State Pension age during a period of continuous unemployment within 2 years of the last contribution being paid (called 'death in unemployment' cover).

You can also set the plan up to pay a higher amount of ELC (and accidental death benefit), but the amount of 'death in unemployment' cover and 'death in incapacity' cover is limited to a maximum of £40,000. See "Levels of life cover" in the ELC section for more details.

3 Setting up the cover

To set up the cover, just complete the application form and member schedule with:

- your details
- defined membership categories
- employees' details (eg name, address, date of birth, National Insurance number)
- level of cover
- start date
- written confirmation of 'actively at work' status
- confirmation for ELC that you are not aware of any employee to be included having been diagnosed with a terminal illness.

The application form is available at www.bandce.co.uk/apply-for-eac-etc.

4 How do you calculate costs?

We calculate costs based on the level of cover you choose.

The costs for our ELC & EAC cover:

ELC Level	Minimum payment made if a member dies*	Payment made if member dies as a result of an accident at work*	Weekly cost per employee for both ELC and EAC
Standard	£40,000	£80,000	£1.49
Double	£80,000	£160,000	£2.62
Triple	£120,000	£240,000	£3.75

*This may be lower in the case of ill-health or unemployment.

The costs are reviewed from time to time and may be increased. We will let you know about any changes in advance.

5 Cost breakdown

ELC Level	Weekly cost broken down includes
Standard	£1.26 (Life cover) 17p (Admin fee) 6p (Accident cover)
Double	£2.39 (Life cover) 17p (Admin fee) 6p (Accident cover)
Triple	£3.52 (Life cover) 17p (Admin fee) 6p (Accident cover)

6 When does the cover start?

Cover starts from the date you specify on the application form, provided we've received all the necessary information. If you make a claim while we're processing your application, you'll need to pay any outstanding premiums before we can process it.

7 When will the cover stop?

Cover stops if:

- a member leaves your employment (unless for ELC it was due to unemployment or incapacity)
- a member no longer satisfies the agreed membership criteria
- you fail to pay any premiums or contributions due
- you end it.

We will pay any valid claims after the cover ends if they arose during the period of cover.

8 Cancelling the cover

You can cancel the EAC cover at any time, with at least 90 days' written notice. B&CE may cancel the cover after no less than 3 months prior written notice to you. Once cancelled, you won't be liable for premiums after that date. Please note, you cannot backdate a cancellation. A member's cover for EAC/ELC will cease if you fail to make payments when they are due.

You may want to consider getting advice before cancelling your cover.

Employee Accident Cover (EAC)

EAC provides a lump sum of up to £30,000 if an employee suffers a qualifying accident or qualifying injury at work, or while travelling to or from work.

What it is

EAC is a Group Accident Insurance Policy provided by B & C E Insurance Limited and administered by B & C E Financial Services Limited and B & C E Insurance Limited are both wholly owned subsidiaries of People's Financial Services Ltd, which itself is wholly owned by B&CE Holdings Ltd.

Further details are set out in the Policy Conditions which are available on request.

What it does

This product is designed to meet the needs and demands of an employer wishing to provide their employees with accident cover. EAC provides up to £30,000 if an employee suffers a qualifying accident resulting in a qualifying injury at work, or while travelling to or from work. A qualifying accident is a single accident occurring at any time during the period of cover anywhere in the world while at the employee's place of work or while travelling directly to or from the place of work, either during the course of the employee's work or to or from his/her residence.

The meaning of 'qualifying injury' is explained on the next page.

Important factors

- The maximum amount of benefit payable per qualifying accident is £30,000.
- Claims are only paid if the injury is a qualifying injury as defined on the opposite page.
- Cover stops if you fail to comply with the terms and conditions or you do not pay premiums when they are due.
- The policy is designed to provide cover in the event of an accident suffered at work or while travelling to or from work only, and has no surrender value.
- A claim may not be paid if it is caused by or related to an act of violence. Also, a claim may be invalid if the accident resulted from a member being affected by alcohol or drugs.
- B&CE has the right to investigate any claims to check their validity. We may stop claim payments and cover if we find claims are not within the rules.
- Claims must be submitted within 12 months of the qualifying accident and will normally be settled within 12 months of submission.

Levels of benefits

The amount of cover payable depends on the qualifying injury:

Qualifying Injury	Benefit payable
Loss of sight in both eyes	£30,000
Loss of sight in one eye	£12,000
Loss of hearing in one ear	£3,600
Loss of hearing in both ears	£12,000
Loss of hand or foot	£30,000
Loss of arm or leg	£30,000
Loss of big toe	£1,600
Loss of any other toe	£700
Loss of thumb	£4,800
Loss of index finger	£4,800
Loss of any other finger	£1,000
Total disablement: – lasting no less than 12 months or over	£3,000
– lasting no less than 24 months or over	£3,000
– that is permanent	£15,000 less any payment previously made in respect of the total disablement

A qualifying injury is:

The bodily loss or damage an employee suffers in a single qualifying accident which, within six months, is or becomes the sole and direct cause of any one or more of the following:

Injury	Explanation
Loss of arm or leg	Separation at or above the elbow or knee, or permanent loss of use of such limbs
Loss of hand or foot	Separation below the elbow or knee, or permanent loss of use of such limbs
Loss of big toe	Loss of at least one joint of a big toe, or permanent loss of use of a big toe
Loss of any other toe	Loss of at least one joint of a toe other than a big toe, or permanent loss of use of a toe
Loss of thumb	Loss of at least one joint of a thumb, or permanent loss of use of a thumb
Loss of index finger	Loss of at least one joint of an index finger, or permanent loss of use of an index finger
Loss of any other finger	Loss of at least one joint of a finger other than a thumb or index finger, or permanent loss of use of a finger
Loss of sight	Total and permanent loss of sight
Loss of hearing	Total and permanent loss of hearing
Total disablement	Disablement caused (other than by loss of hand, foot, arm or leg, or loss of sight) which entirely prevents an employee from carrying on any work of any type from the date of the qualifying accident
Permanent disablement	A total disablement is regarded as 'permanent' if it is certified by a registered medical practitioner that the employee has suffered total disablement and is totally unfit for any work and will remain so from the date of the qualifying accident

What isn't covered in EAC

We pay claims arising from a single accident suffered at work or while travelling to or from work. We won't pay claims for:

- any sickness or disease a member suffers that does not directly result from the qualifying accident
- an injury where it's proved the qualifying accident happened due to a member being affected by alcohol or drugs not prescribed by a registered medical practitioner
- a previous problem affecting the area of the injury where there is evidence indicating that a single accident is not the sole and direct cause, or that

the previous problem prevented the member from working at any time

- war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny or any other civil commotion to overthrow or influence the government or de facto government by terrorism or violent means, terrorist activity, earthquakes, windstorms, flooding, pandemics, nuclear radiation, radioactive contamination (controlled or not) and biological or chemical contamination.

Please note, a member may make more than one claim, but the maximum amount payable for each separate qualifying accident is £30,000.

How to make a claim

To process a claim the member will need to provide:

- a completed claim form, consent form and employer form
- medical evidence of the qualifying injury
- bank details and proof of bank details (as specified in our prescribed 'claim notice')
- proof of identity – eg a driving licence, or passport. Please contact us for a full list of the documents we can accept.

We may also need other documents, medical evidence, or other information to process the claim.

We may also use an electronic verification service through SmartSearch to help us verify the member's identity. This check will be visible on their credit file but will not affect their credit rating. If the electronic check does not provide us with satisfactory evidence, we may ask for further proof, such as a recent utility bill. This evidence is required by law to ensure we comply with Money Laundering Regulations.

We may also ask you (the employer) for evidence that the member was covered.

The member must submit the claim within 12 months of the qualifying accident and final settlement will normally be made within 12 months of submission.

A member can obtain a claim form by contacting us:

Address: B & C E Insurance Limited
Manor Royal, Crawley,
West Sussex RH10 9QP

Telephone No: 0300 2000 500

Email: info@bandce.co.uk

All our calls are recorded for training and monitoring purposes.

Taxation

Premiums

Because you pay premiums, they are generally considered a trading expense and therefore not a benefit in kind for members.

Benefits

Benefits paid in respect of EAC claims are tax-free.

This information is for guidance only and is based on B&CE's understanding of current legislation and taxation. It's not intended to give advice, and employers should seek clarification of their specific tax position.



Benefits paid in
respect of EAC
claims are **tax-free**

Law

B & C E Insurance Limited is authorised to carry on insurance business in the United Kingdom and the Policy is issued on the basis that it concerns insurance business carried on in the United Kingdom, and that B&CE are not required to be licenced or authorised to carry on insurance business in any other jurisdiction. B&CE will refuse to provide cover should it transpire that providing the employee accident cover in respect of any employee may require us to be licenced or authorised otherwise than in the United Kingdom. The policy is issued subject to the laws of England and Wales. We have based the information in this document on our understanding of current legislation and tax law. Legislation and taxation may change.

Our standard policy provides that employees do not have any rights under the Contracts (Rights of Third Parties) Act 1999. This means there is no requirement to involve employees in day-to-day decisions on administration.

Complaints and compensation

Any complaint about any aspect of our activities in relation to the operation of the policy, should be sent to:

Address: B & C E Insurance Limited
Manor Royal, Crawley, West Sussex
RH10 9QP

Telephone No: 01293 586 666

Email: info@bandce.co.uk

If a member is not happy with how we've responded to their complaint, they can (or their employer can on their behalf) refer their complaint to the Financial Ombudsman Service at the following address:

Address: Financial Ombudsman Service
Exchange Tower,
Harbour Exchange Square,
London E14 9SR

Telephone No: 0800 023 4567 (free from mobile phones and landlines) or 0300 123 9123 (calls to this number cost no more than 01 or 02 numbers)

www.financial-ombudsman.org.uk

In the event we are unable to pay a valid claim against us, there may be an entitlement to receive compensation from the Financial Services Compensation Scheme. This will depend on the type of business and the circumstances of the claim.

Further information about compensation arrangements can be obtained by contacting the Financial Service Compensation Scheme at:

Address: Financial Services
Compensation Scheme
10th Floor, Beaufort House,
15 St Botolph Street,
London, EC3A 7QU

Telephone No: 020 7741 4100

www.fscs.org.uk

Employee Life Cover (ELC)

ELC provides a lump sum (normally tax-free) to a member's beneficiaries if the member dies for any reason while employed by you.

What it is

Employee Life Cover from B&CE (ELC) is a death in service registered scheme in accordance with Chapter 2 of Part 4 of the Finance Act 2004.

As a registered scheme, Building and Civil Engineering Benefits Scheme Trustee Limited is appointed as Trustee, and B & C E Financial Services Limited is appointed to administer it.

As ELC is a trust-based arrangement, the Trustee must ensure it is operated within the Rules fairly and in the interests of all members. As such, all benefits payable under ELC are made at the discretion of the Trustee.

Further details are available in the Trust Deed and Rules, available on request.

What it does

This scheme is designed to meet the needs and demands of an employer wishing to provide their employees with employee life cover.

The standard cover provides life cover of £40,000. If death occurs due to an accident at work or travelling to or from work, an extra sum, equal to the life cover amount, is payable. For example, if a member dies while employed by you of a heart attack, the cover will pay out £40,000. However, if the member dies in an accident on-site, the cover will pay £40,000 life cover plus £40,000 accidental death benefit, so the total amount payable is £80,000.

In addition, ELC will pay an amount if death occurred after a period of continuous unemployment or continuous ill health, up to the State Pension age. You can provide different amounts of life cover to different categories of employee. See the ELC benefits section for more details.

Levels of life cover

ELC provides standard life cover of £40,000. If death occurs due to an accident, an additional amount of cover called accidental death benefit (ADB) equal to the life cover amount, will be payable. You can set it up to provide double or triple the standard life cover and ADB amount.

Important factors

- Cover stops if you fail to comply with the Rules of the Scheme or you don't pay contributions when they are due.
- Accidental death benefit (ADB) is only payable for accidents at work or travelling to and from work.
- ELC does not have a surrender value.
- B&CE has the right to investigate any claims to check their validity. We may stop claim payments and cover if we find claims or cover are not within the Rules.
- The claim must be submitted within 12 months of death and final settlement will normally be made within 12 months of submission.
- We aim to pay valid claims as quickly as possible but see "What isn't covered by ELC" section.

ELC benefits

Cover type	Life cover	Accidental death benefit	Total
Standard	£40,000	£40,000	£80,000
Double	£80,000	£80,000	£160,000
Triple	£120,000	£120,000	£240,000

You can also set up ELC to provide higher levels of cover for different categories of employee. For example, you may want to provide standard cover for all operatives, but double cover for managers. To do so, you must clearly define each membership category separately at the outset (see membership category below).

For example, A&B Builders Ltd has 35 employees comprising 20 skilled tradesmen, 5 manual workers, 5 clerical staff and 5 senior managers/owners of the business. The company wants to provide different levels of cover for the following categories of employee:

Membership category	Category definition	Cover type
A	All clerical staff employed at A&B Builders	Standard
B	All skilled tradesmen employed at A&B Builders	Double
C	All senior managers employed at A&B Builders	Triple

Note that in this example A&B Builders Ltd has chosen not to provide cover for its manual workers through B&CE.

All members in a category must have the same level of benefits and the definition must apply consistently to all employees when they first become eligible to join for that level of cover.

In the example above, it would not be possible to include an individual skilled tradesman into membership category A (clerical staff). Neither would it be possible to have different eligibility or joining criteria for the skilled tradesmen. If the category definition for joining the scheme is 'over three months' service', then this would apply to all the skilled tradesmen. Please note if you employ under the Construction Industry Joint Council Working Rule Agreement (CIJC WRA), cover must start immediately for your employees.

You must include at least 95% of all employees within a defined category into the cover, and if you've defined more than one membership category, each must contain a minimum of five members.



You must include at least 95% of all employees within that defined category

Entitlement to benefits when no longer employed by you

Benefits may be payable to members no longer employed by you, if this is due to unemployment or long-term incapacity and they have had at least one year's continuous membership of ELC. To qualify for payment, the following criteria apply:

Death during unemployment

- The member has been continuously absent from any work through unemployment and is under State Pension age.
- The member died within two years of the last contribution being paid.
- The member had at least one year's continuous membership of ELC. This may include previous membership with different employers.

Death during incapacity

- The member has been absent from work through incapacity and is under State Pension age.
- The member died within three years of the last contribution being paid.
- The member had at least one year's continuous membership of ELC. This may include previous membership with different employers.

The amount of benefit payable depends on when the member was last actively employed. The table below shows the percentage of the standard amount of life cover of £40,000 payable:

Period of absence	% for incapacity absence	% for unemployment absence
0 – 6 months	100	90
6 – 12 months	100	70
12 – 18 months	60	50
18 – 24 months	60	30
24 – 36 months	30	nil
36 month >	nil	nil

What isn't covered by ELC

There are no specific exclusions applicable to payments under ELC.

However, claims may not be paid where all the relevant provisions of the Rules are not complied with. This includes if we become aware that:

- the member was not actively at work; or
- you knew that the member was suffering from a terminal illness (an illness where the expectation of life is less than 1 year from the date of diagnosis)

when you arranged cover for them.

How to make a claim

To process a claim the following items are required:

- a completed claim form, consent form and employer form
- an original copy of the member's death certificate, Grant of Probate or Letters of Administration
- evidence the member sought Jobseeker's Allowance (or acceptable equivalent) where a claim is made in respect of death in unemployment and medical evidence for death in incapacity
- bank details and proof of bank details (as specified in our prescribed 'claim notice')
- proof of ID – e.g. a driving licence or passport. Please contact us for a full list of the documents we can accept.

We may also need other documents, medical evidence or other information to process the claim.

We may also use an electronic verification service through SmartSearch to help us verify the beneficiary's identity. This check will be visible on their credit file but will not affect their credit rating. If the electronic check does not provide us with satisfactory evidence, we may ask for further proof, such as a recent utility bill. This evidence is required by law to ensure we comply with Money Laundering Regulations.

In addition we may ask you (the employer) for evidence that the member was covered.

The person claiming must submit the claim within 12 months of the date of death and final settlement will normally be made within 12 months of submission.

For a claim form, we can be contacted at:

Address: FREEPOST
B&CE

Telephone No: 0300 2000 500
(All our calls are recorded for training and monitoring purposes).

Email: info@bandce.co.uk

Complaints

Any complaint about any aspect of our activities in relation to the operation of this cover, should be sent to:

Address:

B & C E Financial Services Limited
Manor Royal, Crawley, West Sussex
RH10 9QP

Telephone No: 0300 2000 500

(All our calls are recorded for training and monitoring purposes).

Email: info@bandce.co.uk

Taxation

Employees

Your employees are not taxed on the amount you pay for them to be covered by ELC as a benefit in kind.

Benefits

As ELC is a registered scheme, payments made in respect of death claims are normally tax-free if the deceased member was under age 75 and has sufficient lifetime allowance available.

Data Protection

Data protection law says that we are allowed to use personal information only if we have a proper reason to do so. As an employer, you may be asked to provide information to B&CE about your company, your administration contacts and your employees. To manage our relationship with you and your business and for the purposes of providing this product and providing your employees with the benefits for which you apply, we are required to collect and process personal information.

B&CE is committed to ensuring that all personal data is processed in accordance with the Data Protection Act 2018 and all associated legislation. All personal data is treated in confidence and will be dealt with in a secure manner.

For further details of how B&CE processes and looks after personal data please see our privacy policy www.bandce.co.uk/privacy-policy/

Law

HM Revenue & Customs (HMRC) rules regarding taxation of benefits, contributions and premiums may change in the future.

This document is a guide to the features of the accident and life products. This document is a guide only and does not replace the associated Rules of ELC or the EAC Policy Conditions. You can obtain these by contacting us on **01293 586 666**.



B & C E Financial Services Limited

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