



Product: Group Loss of Licence and Disability Income

Manufacturer Information
Product information
<p>Group loss of licence and disability income insurance is an insurance product that has been designed to be purchased by airlines, general aviation operators, professional associations and/or staffing agencies to cover 'insured crew members' against disability, injury and/or illness which results in that individual's inability to undertake their role, by virtue of the fact that they have been unable to maintain their medical certificate/licence to fly.</p> <p>This form of Personal Accident/Income Protection cover is distinct to aviation professionals, such as pilots, air traffic controllers and other aviation related staff, as they must maintain a medical certificate and/or licence to fly, which is only granted on the basis of stringent examination of the individual's physical and mental state. Injuries or illnesses that could be less consequential to other professions, for example office workers who may be able to return to working more quickly following injury/illness, can often cause significant long term issues for aviation professionals, who will not be able to have their license reinstated until they pass a thorough medical examination.</p> <p>The product provides a fixed benefit payout where an insured crew member suffers injury/illness that causes them to not be able to maintain their medical certificate on either a temporary or long term basis. This is intended to cover financial loss (loss of earnings) associated with loss of medical certificate subject to a specified 'waiting period.' Structure of these benefits is selected by the insured 'group' e.g. airline and tailored to meet specific requirements of the group and its members. Aviation professionals are well aware of the impact that injury/illness can have on their ability to work and generally take specific interest in ensuring that they have cover in place (through an airline, association or on an individual basis). Airlines/associations and agencies often purchase the product as a key part of their benefits package to attract and retain employees by ensuring security is in place to protect their earnings.</p>
Target market
<p>The product has been designed to meet the needs of commercial airlines, general aviation operators, pilot associations and/or staffing agencies who purchase the product to cover liabilities for employee benefits provided to insured crew members where they lose their licence to fly / medical certificate due to illness or injury.</p> <p>The professions (in relation to named insured crew members) that the product provides indemnity for loss of income for, are pilots who hold a commercial pilots license, air traffic controllers and cabin crew.</p>
Types of customer for whom the product would be unsuitable
<p>The product is not suitable for:</p> <ul style="list-style-type: none"> - Individuals and/or consumers; - A group policyholder seeking to insure persons not engaged in applicable aviation professions and/or those that do not already hold appropriate medical certificates / licenses required in order to undertake their role; - Where the product has been taken out to cover pilots, the product is not suitable for pilots who do not hold a commercial pilots license.
Any notable exclusions or circumstances where the product will not respond
<p>Exclusions</p> <ul style="list-style-type: none"> • Deliberate attempt to sustain injury or illness; • Criminal act; • Active duty with any armed force; • Pre-existing conditions;



- Pregnancy or childbirth;
- Breach of sanctions/restrictions imposed by law / regulation;
- Disclosure and accuracy of information / change of circumstances that are notified.
- Injury or illness derived from Cyber Acts will be excluded where not specifically selected by the policyholder at the point of purchase;
- Mental and behavioral disorder will be excluded where not specifically selected by the policyholder at the point of purchase.

Other Restrictions / Conditions

- Long Term Inability to Fly
 - Age related restrictions on cover are applicable, a maximum age limit is stated in the schedule beyond which, benefits will not be payable. It is noted that benefits reduce by 20% for each year commencing 5 years prior to the insured crew member reaching the maximum age limit.
 - Benefits will not be payable where an insured crew member dies within 30 days of the start of disability.
- Temporary Inability to Fly
 - The policy pays out subsequent to the waiting period as long as the crew member remains disabled;
 - The policy will not pay more than 75% of pre-disability earnings of the insured crew member and this is reduced by any other benefits, insurance held;
 - Age related restriction are applicable;
 - Benefits stop where a crew member ceases to be employed for reasons other than the disability or if they attain the maximum age limit, the maximum benefit period expires, a payment for long-term inability to fly becomes due, or due to death.

Limits of Liability / Excesses

The main limits of liability utilised relate to:

- Waiting period. The waiting period refers to a period of time selected by the insured (60/90/180 days) that must be exceeded before the policy will start paying out monthly temporary inability to fly benefits. The limits TMK's exposure as it does not have to pay benefit amounts during the waiting period, and when the waiting period has elapse, the insured crew member will generally be closer to a point of recovery, than at the initial point that illness or injury has occurred. Waiting period is a key rating factor and significantly impacts price; the product is intended to kick-in at a point in time where the insured's self-insured retention has expired (i.e. the insured will generally be expected to be making payments to the insured crew member themselves during the waiting period);
- The Policy Schedule contains a schedule of insured crew members and specifies a salary and maximum sum insured for each named person. If the policy responds, it will only respond for each individual up to a % of the stated maximum sum insured e.g. long term inability to fly = up to 100%, and temporary inability to fly = on average 2% per month;
- There are no excesses / deductibles.

Other information which may be relevant to distributors

This product should be sold in line with FCA regulations and can only be sold by a regulated insurance distributor.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegation or sub-broking), it is their responsibility to ensure all distributors have been provided this document, have reviewed it and understand the content. If there is any additional remuneration, including commissions, fees or other 'non-standard' remuneration charged to the customer by other distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full.

Distributors are expected to fully understand the eligibility criteria, covers and exclusions of the product.

This product can be sold face to face or via telephone or a mix of these methods, as long as customers are provided with sufficient information to make an informed decision regarding the suitability of the product.

Commission & Fees

Total commissions must not exceed 32% of the gross written premium charged to the customer.

No additional fees, charges or other remuneration arrangements are in place.

Brokers are reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6 as well as the requirements to make all necessary disclosures to the customer.

How value is assessed

Value is assessed based on a number of metrics, including underwriting, claims and complaints information as well as through broker and coverholder engagement.

Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.

If additional add-ons (including premium finance) are sold alongside this product or additional remuneration is charged, this may affect the value for the customer.

Further information on our product approval processes can be obtained on request.

Date Fair Value assessment completed	July 2023
Expected date of next assessment	July 2024