

Private & Confidential

Alison Kunaj
Town Clerk
Neston Town Council
Town Hall
High Street
Neston
Cheshire
CH64 9TR

April 2023

Dear Alison Kunaj

**Ill Health Liability Insurance – Cheshire West and Chester Council – G74154-08 –
Neston Town Council**

Renewal – 1st April 2023

This letter sets out further information relating to the renewal of the above scheme for policyholders.

Summary

Ill Health Liability Insurance (“IHLI”) is provided by Legal & General Assurance Society Limited (“Legal & General”; “the insurer”). All policies fall due for renewal on 1st April each year. In line with previous years, your policy has been automatically renewed by Legal & General on 1 April 2023.

If you did not want the policy to automatically renew, please let us know as soon as possible.

Your renewal pack contains a letter from Legal & General detailing your cancellation rights.

Legal & General have introduced new policy terms with effect from 1 April 2023 and changed their Employee Assistance Program (EAP) provider from 1 March 2023. Full details of these changes are included later in this letter.

The previous premium rate expired on **31 March 2023** and the rate review exercise is ongoing. Legal & General have agreed to extend the period of validity for the previous rate until **31 May 2023** to allow the rate review to be completed. 2023 renewal deposit invoice for insured employers in Cheshire Pension Fund (the “Fund”), which is part of the Local Government Pension Scheme (“the LGPS”), have been prepared using the previous rate. We will inform in advance once the rate has been determined or if a further extension of the current rate is required. See ‘2023 rate’ section for details.

All policyholders are required to submit membership data as at 1st April annually, as outlined in the 'Membership data' section of this letter.

If you are (or should you become) aware of the potential ill health early retirement of one of your members, please inform our IHLI team as soon as you can, as this may result in a claim. See 'Claims' section of this letter.

New policy terms

Legal & General have updated the terms and condition for all IHLI policies. The new terms and conditions will apply to each policy from 1 April 2023. The changes are as summarised in Legal & General's commentary below.

Legal & General summary of changes:

"1) Reducing the maximum insured benefit for any individual to £2 million

While not unknown, our analysis of recent quote data indicates strain costs above £2 million are rare. The data suggests as few as 1 in 10,000 members across the market could have a strain cost above our new maximum.

We don't want to take away cover for anyone we're already insuring for more than £2million, however need to know who is affected so that we can manage our risk exposure. If, within three months, you notify us of anyone who is likely to have cover above £2 million immediately before the new plan terms and conditions take effect, they will apply an alternative maximum for that person equal to their cover at that time.

To help prevent oversight, we'll also check through the data we hold.

2) Introducing a new financial crime management term

As a large UK regulated financial services company, we take steps to reduce financial crime risks for us and our customers. We're adding more detail about the laws and regulations we follow and the actions we may take if we identify a financial crime risk.

We already monitor financial crime risks and nothing in their recent searches has highlighted an issue for Ill Health Liability Insurance customers.

We're also preparing a new technical guide to include these two updates."

The updated technical guide can be found at: [IHLI technical guide](#); and the new terms can be found at: [IHLI Plan Employer Choice: 04-15](#).

'2023 rate'

Legal & General determine the premium rates payable by insured employers each year. Premium rates are set at LGPS pension fund level using each fund's own ill health early retirement data (e.g., rates of incidence, associated strain costs and potential exposure costs for active members). Each fund's premium rate is applicable to all insured employers in that fund.

As mentioned in the introduction paragraph, the review of the rate for 2023 is still ongoing. For the time being, the 2023 rate will continue as:

- **A unit rate of £1.25 per £100 of LGPS pensionable pay (i.e. 1.25% of pay).**

This rate will remain guaranteed* for the renewal period from 1 April 2023 to 31 May 2023. We will inform in advance once the rate has been determined or if a further extension of the current rate is required.

Any future change in rate may lead to a corresponding change in employer contribution rate payable to the Fund for some employers. Policyholders should liaise directly with their payroll providers to ensure this change is implemented (where applicable).

The insurance premium rate will be obtained by Cheshire West and Chester Council (“the Administering Authority”) and all employers in 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 to proceed with taking out the cover.

*Please note that any future change (increase or decrease) in the underlying anticipated costs of providing ill health benefits within the Fund *may* result in a corresponding change (again, increase or decrease) in the premium rate to reflect the new costs. Examples of such future changes include changes to the early retirement factors used by the Fund to calculate ill health strain costs and changes to LGPS regulations, Government guidance or UK laws, which may impact the calculation methodology for ill health benefits and/or strain costs.

Membership data

Legal & General require annual membership data to both determine the appropriate insurance premium (in pounds and pence) payable by each policyholder annually and to ensure that individual employees can be identified in the event of a claim. The following data is required for each active LGPS member in your employment:

- Forename or initials;
- Surname;
- Gender;
- Date of birth;
- Age**; and
- Gross annual LGPS pensionable pay (including any overtime and bonuses).
- Total number of members to be covered and total salary roll should be detailed at the top of the data spreadsheet.

**Please ensure you only include members who are eligible for ill health early retirement from the LGPS. Exclude members under 16 or over State Pension Age at the renewal date. If such members are not excluded, the insurer *may* include them for costing purposes.

All employees eligible to join the LGPS are covered by the insurance with effect from their date of employment, providing they are both 'Actively at Work' (as defined in Legal & General's Technical Guide for IHLI) and an active member of the LGPS. For all employees who join the company after 1st April 2023:

- Those who do not join the LGPS at their first opportunity will not be covered until they do join the LGPS; and
- Those who are not Actively at Work will not be covered until they return to full active employment and are physically able to perform all the duties associated with their normal role.

Data should only be provided for the specific fields listed above. Any additional data fields must be excluded. Datasets containing additional data will be deleted and revised data requested.

Data must be provided electronically, in spreadsheet format, with one member's data entered per line. We are unable to accept PDF data, MS Word documents, hard copy data or data where each member's data is detailed over multiple lines. All such data will be returned for amendment, and this may lead to delays in issuing invoices, statements and accounts.

The data should be sent via encrypted channels to ihli@hymans.co.uk as soon as possible after the renewal date, and ideally within 30 days. Our default approach is to use a secure portal called Sharefile. If you require any assistance to send the data via encrypted channels or you are unable to provide data in the format or within the period requested, please call our IHLI team on 0121 210 4356 for assistance.

Please inform us as soon as possible if there is a change of status for you as an employer, such as a change of contacts, name of employer, ceasing of contract with the Fund or a new school joining a multi academy trust.

Paying the premium

Your method of paying the premium is set out in the documentation from Legal & General contained within your renewal pack. To ensure continuity of cover whilst the renewal process is completed, Legal & General will:

- *for those policyholders who currently pay by monthly Direct Debit:*
 - continue to collect your monthly premium by the existing direct debit mandate. Please ensure that the existing mandate continues to operate at the current level.
- *for those policyholders who currently pay via lump sum:*
 - Legal & General will require payment of a deposit premium invoice, a copy of which is included within this pack. Deposit premium invoices are based upon the annualised premium calculated in the 2022 policy year. Payment should be received no later than the payment due date shown on the invoice. Failure to pay the deposit premium by the due date may lead to a delay in any claims being processed. Please make cheques payable to Legal & General.

Once the 2023 renewal data has been received, Legal & General will calculate the accurate annual premium (allowing for the 2023 insurance premium rate) and will issue a Statement of Costs reflecting any additional payments or refunds due. They will also confirm the new monthly Direct Debit amounts for policyholders who use this payment method.

Claims

If you are (or should you become) aware of the potential ill health early retirement of one of your employees during the policy year, please inform our IHLI team at IHLI@hymans.co.uk as soon as possible. We will explain the IHLI claim process, provide copies of the claim forms and help with any questions you may have. **Legal & General have a 90-day notification period for claims so it is important for policyholders to instigate the claim process as soon as they can.** The 90-day period is 90 days from the later of the member's date of retirement and the date when the decision was taken to award ill health early retirement.

Care Concierge

Legal & General have enhanced the Care Concierge service launched in 2021. Care Concierge is a confidential telephone guidance service which allows employees to speak directly to a care expert about later life care needs for a loved one. All your employees (i.e. not just your LGPS employees detailed in the membership data) will automatically have access to the service for free. Benefits of the service include:

- Guidance from professionals who know the care system, meaning that the right options are found more easily.
- Helps to reduce the emotional burden on employees and their immediate family.
- Helps to reduce the time span between needing care and accessing care.
- Information and guidance on how to find the best care for the employee or a loved one.
- Understand the funding options that may be available to help cover the cost of care.
- Employees can access the Care Concierge service by calling Freephone **08000 608823** (Monday – Friday, 9am-5pm).

Full details about the service can be found on Legal & General's website, [here](#). You can download brochures (separate employer and employee versions) using links at the bottom of the above webpage. Additionally, there are separate webpages for employees ([here](#)) and for the Later life care service ([here](#)).

Employee Assistance Programme (EAP)

IHLI policyholders have access to L&G's new enhanced EAP service, provided by Spectrum Life, which retains all the features of the previous offering whilst adding a broad range of enhanced wellbeing content. These include an enhanced wellbeing mobile application including engaging features such as:

- A live and on demand digital gym to aid physical wellbeing.
- A range of retail discounts to support financial wellbeing.
- Over 275 healthy recipe videos to encourage improved nutrition.
- Curated library of wellbeing content including exclusive podcasts and webinars to improve mental and emotional wellbeing.

Accessing the service

All your employees (i.e., not just your LGPS employees detailed in the membership data) can access this service using the following details:

- UK Freephone 24-hour telephone helpline on **0800 197 0655**. Callers will be asked to confirm the name of the LGPS pension fund they participate in and/or name of their employer.
- WhatsApp/SMS: **Text 'Hi' to +44 800 197 0655**
- Online platform: **legalandgeneral.com/eap**. Please use access code: BeWellEAP
- Mobile app: download the app by searching **Spectrum.Life** in the IOS or Android app stores. Please use access code: BeWellEAP

More detailed information about the EAP can be found at the links below:

[EAP - Employee Brochure](#)

[EAP - Poster](#)

The United Kingdom General Data Protection Regulation ("UK GDPR")

The annual membership data required includes Personal Data (and, in respect of our provision of services to you in relation to your policy, Sensitive Personal Data). Unless we have agreed other data processing terms which apply from 25th May 2018 with you, the following link will take you to the terms upon which we will process any Personal Data and Sensitive Personal Data you send to us in respect of your Ill Health Liability Insurance policy. The terms are unchanged from those which were issued in 2018.

[GDPR Terms](#)

In providing Personal Data to us, you are accepting those terms (and confirming that you are authorised to accept the terms on behalf of **Neston Town Council**). As a Data Controller, you must have grounds for processing the Personal Data (and Sensitive Personal Data) - such as explicit consent of the members. You confirm that fair processing notices have been made available to (and/or, as applicable, consents obtained from) members in connection with the processing we carry out on your behalf.

In addition, by providing the data, you consent to our passing any data you send to us (whether as part of the renewal exercise or otherwise) to Legal & General in relation to your Ill Health Liability Insurance policy. Please note that Legal & General are not processing data/acting as a Data Processor for Hymans Robertson and we have no responsibility for their acts or omissions, including how the data is handled by them.

Personal Data, Sensitive Personal Data, Data Controller, Data Processor and the UK General Data Protection Regulation will have the meanings set out in the terms accessible at the link above.

You will be providing L&G information about your employees who are, or become, eligible for cover. This may include medical and health information. You need to satisfy yourself of a legal basis that allows you to send these details.

L&G's full Privacy Policy is available at <https://www.legalandgeneral.com/privacy-policy/>. Please share this with your employees so they understand what L&G do with the information they collect.

Remuneration

Hymans Robertson is an Ancillary Insurance Intermediary, and we carry out promotional and administration services on behalf of Legal & General. Legal & General pay us 10% of the annual premiums paid for the Ill Health Liability Insurance. If the insurance premium rate decreases/increases, there will be a corresponding decrease/increase in the fee we receive, in pounds and pence, as this remains at 10% of premiums paid.

In particular, any change in early retirement factors which may have been implemented by the Fund, if recommended to do so by the Actuary (whether or not Hymans Robertson is the Actuary), may give rise to a change in the premium rate (and therefore fees paid to Hymans Robertson accordingly). Any change in factors will be to reflect the change in anticipated costs of providing ill-health benefits in current market conditions.

Hymans Robertson is Actuary to the Fund. The IHLI team is independent from the actuarial team.

Further information

Further information regarding IHLI can be found in Legal & General's Technical Guide. The latest version can be found at the following location:

[Legal & General Technical Guide](#)

Alternatively, should you have any questions, please do not hesitate to contact our IHLI team directly on 0121 210 4356 or by email at: ihli@hymans.co.uk.

We look forward to receiving the requested data from you in the near future.

Yours sincerely

IHLI Team

For and on behalf of Hymans Robertson LLP

DDI 0121 210 4356