

# Financial Underwriting Questionnaire

Financial evidence is required to support Life and Critical Illness applications for large sums assured. This is so the underwriter can assess whether the type and amount of cover applied for is appropriate. For this purpose the definition of a large sum assured is where the life to be assured or the applicant is applying for a sum assured in excess of £800,000 Life cover or £500,000 Critical Illness cover. Under these sums assured, financial evidence will generally not be requested unless total cover in the market exceeds £1,000,000 Life cover or £600,000 Critical Illness cover.

Full details of our minimum requirements can be found on pages 1 and 2 of this questionnaire.

For business protection, where the policy is to be owned by a company or business, the questionnaire should be completed and signed by an authorised official of the company other than the life to be assured (eg a Director or the Company Secretary).

If you need more space to write your answers, please use the section headed Additional Information.

## Financial evidence requirements

- These are Friends Life's minimum requirements and we reserve the right to ask for additional information if deemed necessary
- Sums assured below relate to total cover in the market per life
- For sole applications up to £800,000 Life cover and £500,000 Critical Illness cover, financial evidence will generally not be requested unless total cover in the market exceeds £1,000,000 Life cover or £600,000 Critical Illness cover
- For keyperson cover, the sums assured below relate to total keyperson cover in the market on all key employees
- For share purchase or partnership cover, the sums assured below relate to total share purchase or partnership cover in the market on all shareholders

### PERSONAL PROTECTION

Life cover	Critical Illness cover	Evidence requirements
£800,001 to £1,500,000	£500,001 to £800,000	<ul style="list-style-type: none"> <li>• Reason for policy</li> <li>• Annual taxable earned income</li> <li>• Details of existing cover</li> </ul>
£1,500,001 to £2,500,000	£800,001 to £1,000,000	<p><b>Family protection</b></p> <ul style="list-style-type: none"> <li>• Financial Underwriting Questionnaire (Part 1 and Part 2, Sections A and B)</li> <li>• Independent evidence of taxable earned income (eg latest P60, latest tax assessment, statement from employer, last 3 months' payslips)</li> </ul> <p><b>Loan or mortgage cover</b></p> <ul style="list-style-type: none"> <li>• Financial Underwriting Questionnaire (Part 1 and Part 2, Sections A, B and C)*</li> <li>• Independent evidence of taxable earned income (eg latest P60, latest tax assessment, statement from employer, last 3 months' payslips)</li> <li>• Copy of the loan/mortgage offer</li> </ul> <p><b>Inheritance tax cover (Critical Illness cover not available)</b></p> <ul style="list-style-type: none"> <li>• Financial Underwriting Questionnaire (Part 1 and Part 2, Sections A, B and D)</li> <li>• Independent evidence of taxable earned income (eg latest P60, latest tax assessment, statement from employer, last 3 months' payslips)</li> </ul>
Over £2,500,000	Over £1,000,000	<ul style="list-style-type: none"> <li>• Cover of this level is rarely justified. Individual consideration</li> </ul>

\*Not required if copy of loan/mortgage offer is received and cover is £2,000,000 Life Cover or £1,000,000 Critical Illness Cover or less.

### KEYPERSON PROTECTION

Life cover	Critical Illness cover	Evidence requirements
£800,001 to £1,000,000		<ul style="list-style-type: none"> <li>• Annual taxable income</li> <li>• Details of existing cover</li> </ul>
£1,000,001 to £2,000,000	£500,001 to £800,000	<ul style="list-style-type: none"> <li>• Financial Underwriting Questionnaire (Part 1 and Part 3, Sections A, B and C)</li> </ul>
Over £2,000,000	£800,001 to £1,000,000	<ul style="list-style-type: none"> <li>• Financial Underwriting Questionnaire (Part 1 and Part 3, Sections A, B and C)</li> <li>• Copy of the last 2 years' reports and accounts</li> <li>• In the case of a new business, copy of the business plan to include projections</li> <li>• Copy of the life to be assured's CV</li> <li>• Copy of the life to be assured's service agreement</li> </ul>
	Over £1,000,000	<ul style="list-style-type: none"> <li>• Cover of this level is rarely justified. Individual consideration</li> </ul>

### COMMERCIAL LOAN PROTECTION

Life cover	Critical Illness cover	Evidence requirements
£800,001 to £1,000,000	£500,001 to £800,000	<ul style="list-style-type: none"> <li>• Annual taxable income</li> <li>• Details of existing cover</li> <li>• Loan details</li> </ul>
£1,000,001 to £2,000,000		<ul style="list-style-type: none"> <li>• Financial Underwriting Questionnaire (Part 1 and Part 3, Sections A, B and D)*</li> </ul>
Over £2,000,000	£800,001 to £1,000,000	<ul style="list-style-type: none"> <li>• Financial Underwriting Questionnaire (Part 1 and Part 3, Sections A, B and D)*</li> <li>• Copy of the last 2 years' reports and accounts</li> <li>• In the case of a new business, copy of the business plan to include projections</li> <li>• Copy of the loan/mortgage offer</li> </ul>
	Over £1,000,000	<ul style="list-style-type: none"> <li>• Cover of this level is rarely justified. Individual consideration</li> </ul>

\*Not required if copy of loan/mortgage offer is received and cover is £2,000,000 Life Cover or £1,000,000 Critical Illness Cover or less.

## SHARE PURCHASE OR PARTNERSHIP AGREEMENT PROTECTION

Life cover	Critical Illness cover	Evidence requirements
£800,001 to £1,000,000		<ul style="list-style-type: none"> <li>Annual taxable income</li> <li>Details of existing cover</li> </ul>
£1,000,001 to £2,000,000	£500,001 to £800,000	<ul style="list-style-type: none"> <li>Financial Underwriting Questionnaire (Part 1 and Part 3, Sections A, B and E)</li> </ul>
Over £2,000,000	£800,001 to £1,000,000	<ul style="list-style-type: none"> <li>Financial Underwriting Questionnaire (Part 1 and Part 3, Sections A, B and E)</li> <li>Copy of the last 2 years' reports and accounts</li> <li>In the case of a new business, copy of the business plan to include projections</li> <li>Copy of the share purchase agreement</li> </ul>
	Over £1,000,000	<ul style="list-style-type: none"> <li>Cover of this level is rarely justified. Individual consideration</li> </ul>

### Part 1 (To be completed for all applications)

Full name of life to be assured

Application number

**For Personal Protection, please go to Part 2 below and for Business Protection go to Part 3 on page 5**

### Part 2: Personal Protection

**Please complete Sections A and B below and then Section C or D as appropriate**

**The questionnaire should be completed and signed by the life to be assured**

**If you need more space to write your answers, please use the section headed Additional Information on page 4**

#### Section A (If you have already provided this information on the Application Form, please move on to Section B)

1 What is the reason for the policy type and level of cover chosen (for example family protection, loan or mortgage cover on your principal residence, buy to let mortgage cover etc)?

2 Please provide details of any existing Life and/or Critical Illness cover you have in force along with any simultaneous applications you are making which you intend to proceed with

Company	Type of cover (Life or Critical Illness)	Sum assured	Date effected or date to be effected	Reason for policy

3 What is your annual taxable earned income?

£

**Section B (To be completed for all personal protection applications)**

1 Do you receive any investment income or other unearned income?  Yes  No

If Yes, please provide details of the source and the annual amount received

2 Do your assets exceed £10,000 in total?  Yes  No

If Yes, please provide details

Assets	Value

3 Do your liabilities exceed £10,000 in total?  Yes  No

If Yes, please provide details

Liabilities	Value

4 Do you have any dependants?  Yes  No

If Yes, please provide details to include relationship and age

5 Where the total sum assured for Life cover exceeds £1,500,000 or Critical Illness cover exceeds £800,000, please provide:

- **Independent evidence of taxable earned income (eg latest P60, latest tax assessment, statement from employer, last 3 months' payslips)**

**Section C: Loan or mortgage cover (To be completed for all personal loan or mortgage applications)**

Please provide details of the lender, name(s) of the borrower(s), amount and term of the loan, interest rate payable and repayment method (If you have already provided this information on the Application Form, please move on to question 2)

1 a) Lender

b) Name(s) of borrower(s)

c) Amount of loan

d) Term of loan

e) Interest rate payable

f) Repayment method (eg interest only, capital & interest)

2 What is the reason for the loan?

3 Is the loan conditional upon the issue of this policy?  Yes  No

4 Where the total sum assured for Life cover exceeds £1,500,000 or Critical Illness cover exceeds £800,000, please provide:

- **A copy of the loan/mortgage offer**

**Section D: Inheritance tax cover (To be completed for all inheritance tax cover applications)**

1 What is the estimated liability to inheritance tax? £

2 a) Is this liability in respect of a lifetime gift? Yes  No

b) If Yes, what was the value and date of the gift Value £  Date

3 a) Is this liability in respect of the residual estate on death? Yes  No

b) If Yes, what is the estimated net worth and composition of the estate?

**Additional Information**

**Declaration**

I declare that the answers I have given are, to the best of my knowledge and belief, true and I have not withheld any fact.

I agree that this questionnaire will form part of my application for insurance to Friends Life and that failure to disclose a fact or the giving of false information may invalidate any future claim.

I agree Friends Life will use the information I give for administration, underwriting, claims, research and statistical purposes. I agree Friends Life may pass information to reinsurance companies and any agency appointed by Friends Life for these purposes. (These agencies may be located in countries outside the United Kingdom that do not have laws to protect your information. Details of the companies and countries involved in your case will be provided on request. Friends Life will remain responsible for making sure that the information is held securely).

I also agree that Friends Life may pass the information to third parties for the prevention of crime or detection of fraud, enabling assets to be rightfully claimed or where required by law or regulation.

**Signature of life to be assured**

Date

## Part 3: Business Protection

Please complete Sections A and B and then Section C, D or E as appropriate

Where the policy is to be owned by a company or business, the questionnaire should be completed and signed by an authorised official of the company other than the life to be assured (eg a Director or the Company Secretary)

If you need more space to write your answers, please use the section headed Additional Information on the back page

### Section A (To be completed in all cases)

1 Please provide the following information:

a) Name of company or business

b) Nature of business

c) Number of employees

d) Date business established

e) Date life to be assured joined the business

f) Position held by life to be assured

2 Please provide details of turnover, gross profit and net profit before tax for the last 3 years. If the business is only recently established, please provide projections

Year	Turnover	Gross profit	Net profit before tax
	£	£	£
	£	£	£
	£	£	£

3 If a gross or net loss has been reported in the last 3 years, please provide a brief explanation for this

4 a) Where the total sum assured for Life cover exceeds £2,000,000 or Critical Illness cover exceeds £800,000 or there has been a gross or net loss reported in the last 3 years, we will request a copy of the last 2 years' reports and accounts from the Registrar of Companies. Will these be available (ie have the accounts been submitted for the last two years' trading)?

 Yes

 No

 Not applicable

b) If No and the above limits have been exceeded or a loss has been reported in the last 3 years, please provide:

- **A copy of the last 2 years' reports and accounts or in the case of a new business, a copy of the business plan to include projections**

**Section B (To be completed in all cases unless you have already provided this information on the Application Form in which case please move on to the next applicable section)**

1 What is the reason for the policy type and level of cover chosen (eg keyperson, commercial loan, share purchase agreement etc)?

2 Please provide details of any existing Life and/or Critical Illness cover the life to be assured has in force along with any simultaneous applications which are currently being made and which the life to be assured intends to proceed with

Company	Type of cover (Life or Critical Illness)	Sum assured	Date effected or date to be effected	Reason for policy

3 What is the annual earned income of the life to be assured? £

**Section C: Keyperson (To be completed for all keyperson cover applications)**

1 What special knowledge or qualities does the life to be assured have and why is the company so dependent on them?

2 Does the company have any existing keyperson insurance in force either on the life to be assured or any other key personnel or does it intend to effect any such policies?  Yes  No

If Yes, please provide details

Employee's name	Employee's position in the company	Type of cover (Life or Critical Illness)	Sum assured	Reason for cover

3 Where the total sum assured for keyperson Life cover exceeds £2,000,000 or Critical Illness cover exceeds £800,000, please provide:

- A copy of the life to be assured's CV
- A copy of the life to be assured's service agreement

**Section D: Commercial Loan (To be completed for all commercial loan cover applications)**

Please provide details of the lender, name(s) of the borrower(s), amount and term of the loan, interest rate payable and repayment method (If you have already provided this information on the Application Form, please move on to question 2)

1 a) Lender

b) Name(s) of borrower(s)

c) Amount of loan

d) Term of loan

e) Interest rate payable

f) Repayment method (eg interest only, capital & interest)

2 What is the reason for the loan?

3 What is the reason for the choice of the life to be assured to be covered under this policy?

4 Is the loan conditional upon the issue of this policy? Yes  No

5 Are any other loans in existence? Yes  No

If Yes, please provide details

6 Where the total sum assured for Life cover exceeds £2,000,000 or Critical Illness cover exceeds £800,000, please provide:

- **A copy of the loan offer**

**Section E: Share Purchase or Partnership Agreement (To be completed for all share purchase or partnership cover applications)**

1 What share of the business/partnership is held by the life to be assured?  %

2 What is the current value of the business/partnership?

3 Who performed this valuation and what is their professional status?

4 How many partners/shareholders are there in the business/partnership?

5 Are policies being effected on the lives of other partners/shareholders? Yes  No

If Yes, please provide details. If No, please provide reason

6 Is there a 'double option' agreement in place or is it intended to complete such an agreement? Yes  No

If No, please give details of any obligation which exists which gives rise to the need for this policy

7 Where the total sum assured for share purchase or partnership Life cover exceeds £2,000,000 or Critical Illness cover exceeds £800,000, please provide:

- **A copy of the share purchase agreement**

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## Additional Information

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## Declaration

I declare that the answers I have given are, to the best of my knowledge and belief, true and I have not withheld any fact.

I agree that this questionnaire will form part of my application for insurance to Friends Life and that failure to disclose a fact or the giving of false information may invalidate any future claim.

I agree Friends Life will use the information I give for administration, underwriting, claims, research and statistical purposes. I agree Friends Life may pass information to reinsurers and any agency appointed by Friends Life for these purposes. (These agencies may be located in countries outside the UK that do not have laws to protect your information. Details of the companies and countries involved in your case will be provided on request. Friends Life will remain responsible for making sure that the information is held securely.)

I also agree Friends Life may pass the information to third parties for the prevention of crime or detection of fraud, enabling assets to be rightfully claimed or where required by law or regulation.

**Signature**

Date

**Status in the company or business**

Friends Life Limited

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Incorporated company limited by shares and registered in England and Wales number 4096141

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