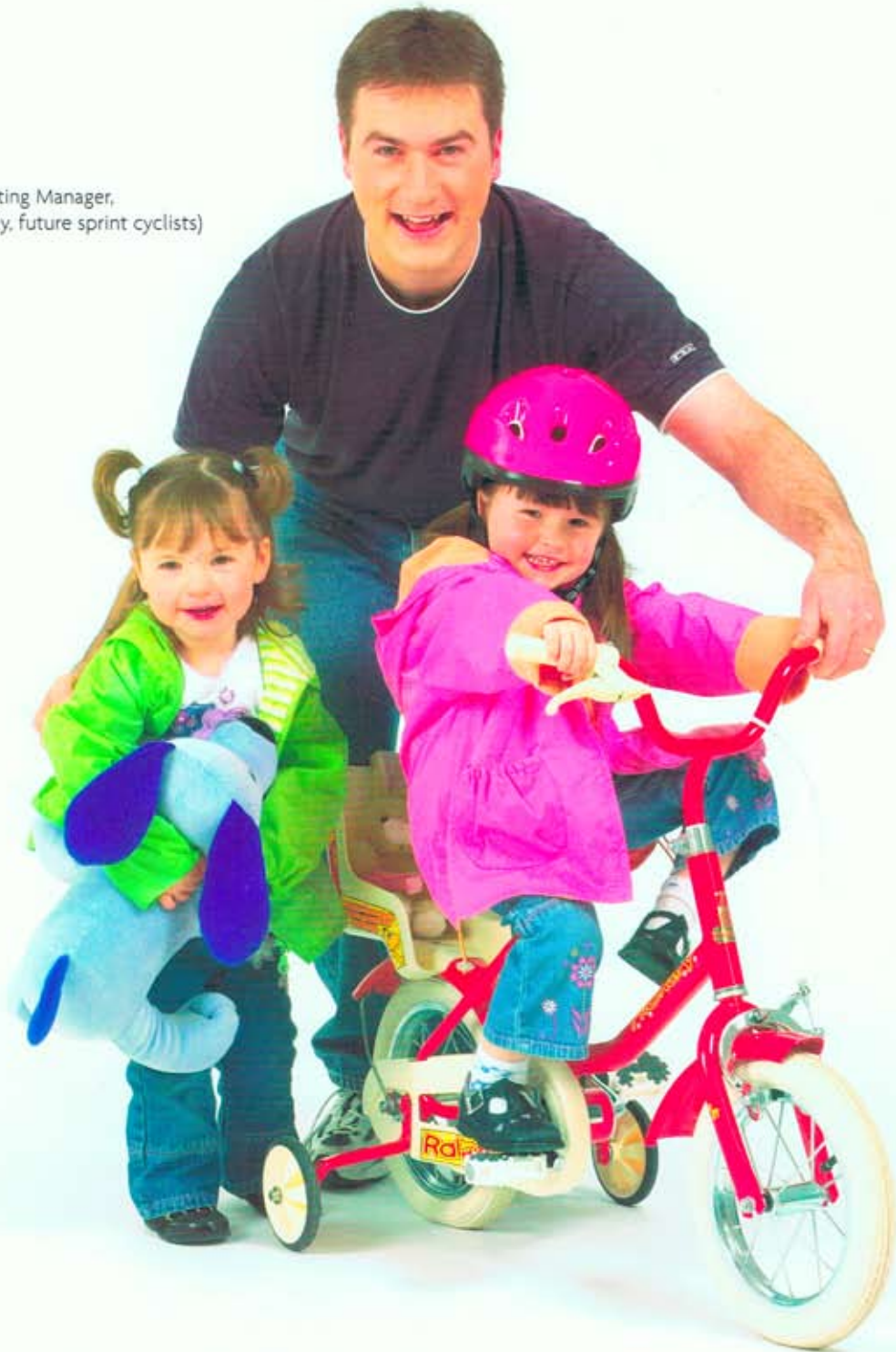


“There’s more than one way to
look after what’s *important*”

James, Halifax Marketing Manager,
(and father of Hannah and Emily, future sprint cyclists)



Income Security Plan

The level of cover you need for
the lifestyle you want to keep



Maintain your lifestyle – even if you can't work.

All our lives have high and low points. At Halifax we help you manage some of the lows so that you and your family can remain financially secure. With an income protection plan you can insure against loss of income should illness or accidental bodily injury prevent you from working long-term. That means you can get on with your life, safe in the knowledge you're protected.

Many people believe their employer or the State will provide a replacement income. But many employers only offer full salary payments for a short period and some companies do not pay sick payments beyond the statutory requirements of £63.25 for 28 weeks (Statutory Sick Pay April 2002). And the State Incapacity Benefit of £70.95 a week (Single persons long-term State Incapacity Benefit April 2002) will only help you survive rather than enable you to continue your present lifestyle.

That's why Halifax offers an income protection plan called Halifax Income Security Plan. It means you can still afford not just the basic everyday necessities like the bills and the mortgage, but also the things you value in life, such as holidays and other little luxuries.

Halifax Income Security Plan helps you maintain your and your family's standard of living by providing a monthly income, should illness or injury prevent you from working. (Some types of illness or injury are not covered – please see 'The important information explained' on page 8.)

Halifax Income Security Plan pays you a tax-free income (under current UK tax rules April 2002) until you are well enough to return to work. The Halifax Income Security Plan is administered by Norwich Union Healthcare Limited and underwritten by Norwich Union Life & Pensions Limited.

Halifax Income Security Plan - you no longer have to worry about what might happen.

Protecting your lifestyle, insuring your future

Halifax Income Security Plan pays you a tax-free income (under current UK tax rules April 2002) until you are well enough to return to work.

Halifax Income Security Plan differs from most mortgage payment protection plans in that it helps cover all your outgoings, not just your mortgage, and also pays up to retirement age, if necessary. That means you and your family can continue to do the things you enjoy.

Halifax Income Security Plan works like this:

- You choose the level of benefit you would want to receive each month, based on your current earnings. We will pay up to 60% of your gross earnings, to a maximum of £120,000 per annum. This maximum must take into account any other income you would receive during incapacity from:

- Disability benefits (other than State Benefits)
- Salary or wages
- Your business
- A pension fund (other than as a continuation of regular pension payments which were being paid prior to incapacity).

- You decide how soon you would like the payments to start in the event that you are incapacitated – options range from 8 weeks to 2 years. For example, if you will receive company sick pay for 6 months, you may want the plan to start paying out after 26 weeks. Or if you are self-employed, a regular income could be needed as soon as possible.

- You pay a monthly or annual premium and, should you become incapacitated, we will provide a regular monthly income for as long as your incapacity continues – right up to your chosen retirement age, if necessary.

With such flexible options, you can easily tailor Halifax Income Security Plan to suit your family budget.



Enjoy the peace of mind that Halifax Income Security Plan brings

By protecting your own future through Halifax Income Security Plan, you will be entitled to a range of financial benefits.

Guaranteed benefits every month

Your benefits are guaranteed every month, until you are fit to go back to work – or until the plan terminates (for example, at your retirement age). We will never cancel your Halifax Income Security Plan because of the length or number of eligible claims you make.

Tax-free

Halifax Income Security Plan payments are tax-free (under current UK tax rules April 2002) and linked to the Retail Prices Index (RPI), which means they automatically help keep pace with the growing cost of living.

Benefits in the event of reduced earnings

Halifax Income Security Plan will also pay benefits if you are unable to return to your previous work and undertake alternative work at a reduced salary, or if you only return to your job in a reduced capacity with a reduced salary. The size of the benefits will depend on the amount by which your earnings have been reduced.

Linked benefits

In the event that you are incapacitated from the same cause within a period of 12 months following the end of your previous claim, the deferred period will not be reapplied, and benefit payments will recommence immediately.

Waiver of premium

There are no premiums to pay all the time you are in receipt of benefit.

Hospital benefit

After you have spent 7 consecutive nights in hospital we will pay £75 for each extra night provided it is within the deferred period, for a maximum of 90 nights.

Benefit for housepersons, part-time workers and the unemployed

If you work part-time, are unemployed, or are engaged full-time in household duties, you can still receive cover. If you are unable to work and you meet the criteria of the Personal Capabilities Assessment, we will pay up to a maximum benefit of £1,000 per month. (Details of these criteria can be found in 'The important information explained' section on page 8.)

Career Break

You can choose to exercise a Career Break option, which means the cover and premium will be reduced to the houseperson's level during the period of the Career Break. If you return to work within 5 years and have completed 3 consecutive months of employment, the cover and premium can be restored to your previous level without the need for further medical underwriting.

Guaranteed Insurability

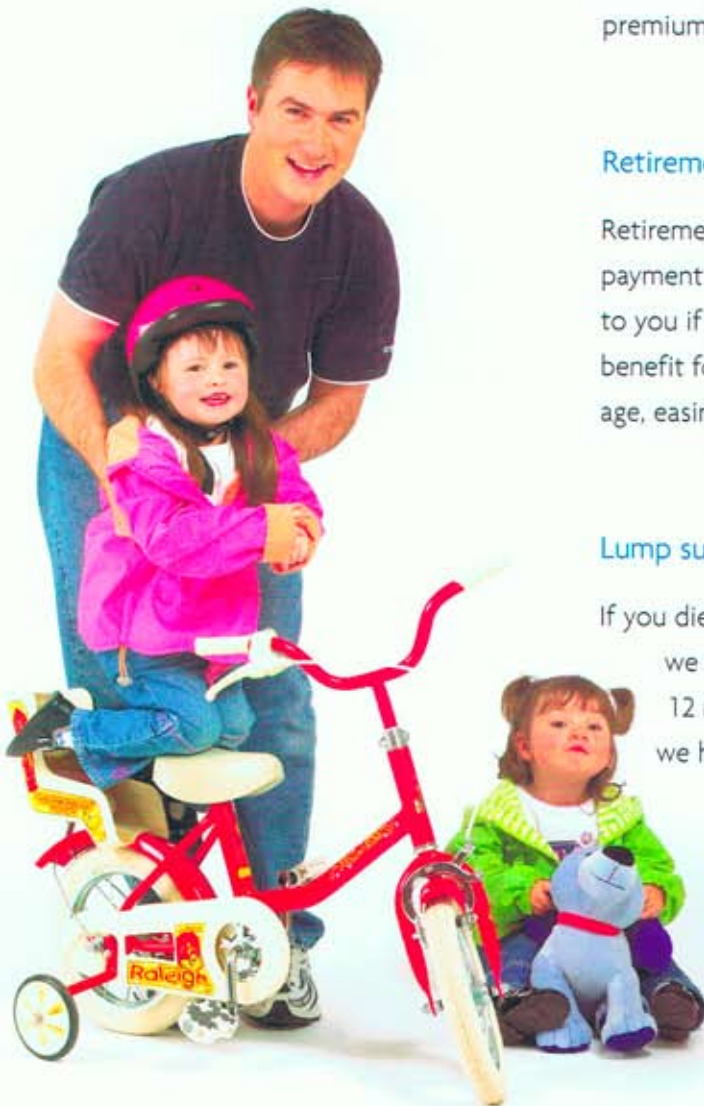
Our Guaranteed Insurability option allows you to increase your benefit from your current level (within specified limits) without further medical underwriting in the event of a house move or home improvement which leads to increased mortgage payments, getting married, becoming a parent, or receiving a significant salary increase on attaining a professional qualification. This option only applies if you have been granted cover on standard terms (i.e. with no additional premiums or exclusions).

Retirement benefit

Retirement benefit equivalent to a one-off payment of 3 months benefit will be paid to you if you are in receipt of monthly benefit for 12 months prior to termination age, easing the path into retirement.

Lump sum payment

If you die during the first year of a claim, we will pay a lump sum equivalent to 12 months' benefit, less any benefit we have already paid you.



Calculating the cover you need

The amount of benefit you need depends, of course, on your current level of outgoings. You will need to calculate how much you spend on household bills, mortgage payments and other essentials, as well as clothes, holidays and general leisure activities. Once you have arrived at a figure (this mustn't exceed 60% of your gross earnings or £120,000 a year), you must decide when you would want your Halifax Income Security Plan benefits to begin, following your incapacity.

There are 5 'deferred periods' to choose from including 8, 13, 26 or 52 weeks. We also offer a 104 week deferred period which will be useful for people who want to complement their existing Mortgage Repayment Cover under their Total Mortgage Protection Plan. The longer your deferred period, the lower the premium. You can also choose a plan with more than 1 deferred period. This may help to keep premiums down as you may only need a lower benefit for a short period after which it can be stepped up to a higher amount.

In fact, the premium you pay each month will depend on a number of factors:

- Your age, sex and occupation;
- the level of Halifax Income Security Plan income you choose;
- your current state of health, whether you smoke or are involved in 'high-risk' pursuits;
- which deferred period you decide on;
- how long you want the plan to run.

For example:

A 30 year old male office worker wants £1,500 a month benefit income. He is a healthy non-smoker who has opted for benefit to be paid after a 13 week deferred period. The plan is due to stop when he reaches 60.

He will pay £25.65 a month for this benefit. The premium rate is fixed for five years and may then be reviewed annually.

The 'important information' explained

Halifax Income Security Plan is an income protection plan designed to make your life easier. Here are some key points which you should read to give you a clearer understanding of the plan.

What's not covered

Halifax Income Security Plan covers you for inability to work arising from most types of illness or accidental bodily injury. However, in common with other income protection plans, there are a few exclusions. We will not provide cover for incapacity due to, or arising from:

- Pregnancy or childbirth without complications;
- war, riot or revolution;
- self-inflicted injury;
- misuse of alcohol or drugs;
- HIV/AIDS – unless you work in the medical profession and you have contracted the disease through your work.

This is a summary of the details. Full details of standard exclusions are given in the Policy Wording, a copy of which is available on request. Non-standard personal medical exclusions may also apply.

Altering the premium

Your premium rate for your initial benefit is guaranteed for the first 5 years (except if you have chosen to increase your benefit or your level of risk has changed, for example you have changed occupation to a higher health-risk job). After this time, we may review the premium in line with our actual and expected experience for plans of this type. You will be given at least 1 month's notice of any change in premium. Premiums do not increase just because you get older.

Travelling abroad

You may travel or temporarily live in any part of the world, but payment of benefits from your Halifax Income Security Plan will be limited to 6 months while you are travelling, or temporarily living, outside the following areas:

- European Community;
- Channel Islands;
- Isle of Man;
- USA;
- Canada.



Personal Capability Assessment Definitions

If you are engaged in household duties, work part-time or are unemployed, the following definitions would apply. The insured person must not be performing any work and must be unable to satisfy at least three of the Personal Capabilities listed in Table A or must suffer one of the Serious Illnesses listed in Table B:

Table A – Personal Capabilities

1 Rising from a chair	the ability to rise from a dining room chair with arms, without assistance.
2 Standing	the ability to stand for 10 minutes with one hand for support.
3 Walking	the ability to walk 200 metres on a level surface without having to stop.
4 Stairs	the ability to walk up and down a flight of 12 stairs, with 2 feet on each stair if required.
5 Bending	the ability to bend or kneel, from a sitting or standing position, and touch the floor with either hand.
6 Lifting and Carrying	the ability to pick up with either hand, from knee height, a 2 kilogram weight and carry it for 5 metres.
7 Transport	the ability to get in and out of a standard saloon car passenger seat.
8 Manual Dexterity	the ability to use a keyboard or grip a pen with either hand.
9 Fits and Blackouts	the ability to retain, or have the potential to retain, a UK driving licence for a car without fits or blackouts preventing this, based on a reasonable medical opinion.

Table B – Serious Illnesses

10 Blindness	total permanent and irreversible loss of sight in both eyes.
11 Terminal Illness	advanced or rapidly progressing incurable illness, where, in the opinion of an attending consultant and our Medical Officer, the life expectancy is no greater than 12 months
12 Complete Dependency	to be totally incapable of caring for oneself, requiring 24 hour medical supervision in a hospital or nursing home.

Cancelling the plan

Norwich Union Healthcare may cancel the plan for one of the following reasons:

- There is a significant change of risk such as a change to an occupation we do not cover or a permanent move abroad;
- failure to pay the premium, or to observe the other terms and conditions of the plan or to act with utmost good faith.

For a comprehensive list of frequently asked questions and answers about Halifax Income Security Plan please refer to your Halifax Income Security Plan Key Features document.

Apply today for a Halifax Income Security Plan

If you are in full or part-time employment, self-employed or engaged in full-time household duties, and you are aged between 18-54 and living in the United Kingdom, then you are eligible to apply for a Halifax Income Security Plan.

For a premium illustration contact your financial adviser or call into your local Halifax Branch.

You get a full money-back guarantee.

When you receive your policy documents, you will have 30 days to examine them in detail, during which time you may cancel and receive a full refund.

Full details of Halifax Income Security Plan's standard terms and conditions are in the Policy Wording, which is available on request. Non-standard terms may also apply. Applications are required.

Halifax Income Security Plan is administered by Norwich Union Healthcare Limited and underwritten by Norwich Union Life & Pensions Limited.

Information given in this brochure is correct at the date of printing (December 2002).



People like you choose the Halifax because...

We've got the solutions you want

Whether you're protecting your income or family, saving for the future or making the most of your money, we have simple, clear, good value products designed to suit you. Not only that, we can give you advice on each product to make sure you're doing what's right for you.

You'll always have someone to talk to

We're here whenever you need us and if you ever want to review your finances, discuss your plans, or ask a question about any products you already own, our advisers are always happy to help.



Always giving you extra

Halifax plc. Registered Office: Trinity Road, Halifax, West Yorkshire HX1 2RG. Registered in England No. 2367076.

The Halifax Income Security Plan is administered by Norwich Union Healthcare Limited, Chilworth House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3RY. Registered in England number 2464270. Registered Office: 8 Surrey Street, Norwich, NR1 3NG. This insurance is underwritten by Norwich Union Life & Pensions Limited. Registered in England number 3253947. Registered Office: 2 Rougier Street, York, YO90 1UU, United Kingdom. Member of the Association of British Insurers. Member of the Financial Ombudsman Service.