

MetLife ChildShield

Sales Process Guide

For Advisers Only

We have produced this simple guide to help you:

- Identify clients that could benefit from ChildShield
- Understand how ChildShield can meet the needs of these clients
- Understand the Financial Conduct Authority's expectations

This document is not intended to provide you with full information about the ChildShield proposition.

Information about ChildShield and its features and benefits can be found at www.metlife.co.uk or speak to your MetLife representative.

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Target market

Who is Childshield suitable for?

ChildShield is designed for individuals who are looking for financial protection for themselves and their family if their child suffers a broken bone, is hospitalised, or is diagnosed with a specified serious condition. The lump sum benefits can be used by the individual in case they need to take time off to look after their child and suffer a loss of earnings as a result, as well as to help cover additional outgoings such as travel, accommodation, childcare or help with domestic activities.

ChildShield is a stand-alone policy which doesn't need to be linked to or taken out with another personal protection policy. It has however been designed to complement customers' other protection policies – not to replace them – by providing financial support for the parents and family for insured events they may not be covered for under other policies.

ChildShield covers the policyholder's eligible child(ren); it does not cover the policyholder themselves.

ChildShield can be taken out by an individual who at the policy start date:

- is aged between 18 and 93;
- is a UK resident;
- has at least one child who is aged 17 or under AND who meets the definition of eligible child.

Definition of an eligible child

An eligible child is someone who:

- Is the policyholder's child which means they are any of the following:
 - the policyholder's biological offspring;
 - a child legally adopted by the policyholder;
 - a child for whom the policyholder is the legal guardian; or
 - the policyholder's stepchild (meaning the biological offspring of the policyholder's spouse or civil partner).
- is aged under 23; and
- is a UK resident.

The child does not need to live with the policyholder to be eligible.

The proposition particularly appeals to the following key target segments:

- An individual who has children aged 17 or under at the outset of the policy, and who wants financial protection if they need to cover additional outgoings, or take time off work to look after a child, that has had an accident or has an illness.
- Individuals with low levels of savings compared to their outgoings, where protection for unexpected increased outgoings is critical.
- Self-employed individuals who do not get paid when unable to work, where protection against income shortfalls due to not working to care for their children is critical.

Who is ChildShield not suitable for?

As well as understanding who ChildShield may be suitable for, it's just as important to understand who it may not be suitable for, to ensure your efforts are focused in the right areas. These segments are not our target market, and we do not expect sales to be made to these demographics:

- Any individuals who are not the natural parent, adoptive parent, step-parent or legal guardian of a child, or whose child(ren) do not meet the definition of an eligible child per the ChildShield Policy Terms & Conditions.
- Those with enough resources to protect themselves should their children have an accident or an illness.
- Those who already have sufficient, optimal existing cover for similar insured events, through existing protection policies.
- Any individual who has a child who is already covered for the maximum cover under other ChildShield policies.
- Those who are unemployed and / or receiving state benefits as they will have a limited income, and other financial priorities.

For any client it will always be important to explain what is covered and the key exclusions so that they can make an informed decision.

Sales process

Know your customer

The Financial Conduct Authority sets out some rules to ensure that any products recommended are suitable for the client.

First, you need to demonstrate that you 'know your customer,' and show that you gather information on each individual set of circumstances and objectives to understand each customer's needs.. A good way to do this is through a Fact Find.

Initial questions to help the client think through their needs and objectives should be open questions or conversation starters, for example:

- Have you thought about how you would cope financially if your child had an accident, was hospitalised, or was diagnosed with a serious condition?
- Would you need to take time off work to look after them, or make other costly arrangements for continuing family life while one of your children was being treated?
- What sources of income or savings would you have that would help you meet unforeseen childcare costs or increased living expenses, in the event that your child had periods of hospitalisation, for example?
- Do you have any personal protection policies including critical illness or life cover for example which has a child cover element? Do you understand in what circumstances these would pay out? And do you understand the limitations of how many children are covered, and how many times those policies would pay out?

It is also important to consider other aspects, such as:

- Whether the client has any children who would be eligible for cover under a ChildShield policy.
- Note: the criteria for 'eligible child' is broad and includes biological offspring, adopted child, step-child (biological offspring of the policyholder's spouse/civil partner), child under legal guardianship of the policyholder. However, it does not include grandchildren, nieces or nephews, or siblings for example.
- The ages of the client's eligible children, including capturing the date of birth of the client's youngest child, to calculate the likely term of the policy until the youngest child's 23rd birthday
- Any existing protection policies which may cover the same child(ren) – whether with MetLife or elsewhere – and whether that existing protection covers the same insured events as ChildShield.
- Other resources available to the client, for example are there any savings that could support the client in the short- or long-term?

If the client does have one or more existing protection arrangements, it's important to establish whether these already meet their needs, or whether there are gaps or shortfalls where additional cover is needed. The benefits could be compared to the client's expected additional outgoings following their child suffering an accident or illness, or being hospitalised.

Fair treatment of vulnerable customers and the consumer duty

Under the Consumer Duty, firms must act in good faith to deliver good outcomes and avoid foreseeable harm to customers, especially those with vulnerabilities. In February 2021, the Financial Conduct Authority 'FCA' published its finalised guidance for firms on the fair treatment of vulnerable customers (FG21/1). This can be found [here](#). The FCA defines a vulnerable customer as “someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care”.

All customers are at risk of becoming vulnerable, and this risk is increased by four key drivers related to the characteristics of vulnerability: health, life events, resilience, and capability.

As a financial intermediary, you must treat customers fairly, and this includes vulnerable customers. This means vulnerable customers experience outcomes that are as good as those for other customers, and receive consistently fair treatment. For example, you should ensure you clearly explain the insurance policies you are selling, and that they are understood by your clients.

Statement of demands and needs

Once you have obtained information from the client and ensured the policy is consistent with their demands and needs, you must provide the client with a statement of their demands and needs. The statement of demands and needs must be clear and accurate and will usually be provided in writing.

Personalised explanation

If a personal recommendation is being made you must take reasonable care to ensure the policy is suitable for the client's demands and needs. When doing this you should consider the level of cover, cost and exclusions of the policy. Please note that ChildShield is a Pure Protection policy, so you will need to inform the client of any demands and needs that are not met. (ICOBS 5.3.2)

If you've provided a personal recommendation you must provide the client with a personalised explanation of why the policy best meets their demands and needs. This is in addition to the Statement of Demands and Needs (ICOBS 5.3.4). The personal recommendation should also be provided in writing, or another durable medium.

Product Information

You must ensure that the client is given information about the ChildShield policy that's appropriate, easy to understand, and in good time so they can make an informed decision as to whether to purchase a policy.

Where a ChildShield policy is proposed, this information should include the ChildShield Policy Summary and Key Facts document.

Price information, including the selected monthly premium and the total premium disclosure, is displayed on the application system. This should be read and explained to the customer during the application so they can make an informed decision to purchase the policy.

Example wording (Telephone Sales)

The following is some sample wording that can be used to explain ChildShield on the telephone. This wording is not a script, but may be used as part of a sales process conducted in accordance with the Distance Marketing Directive. You must ensure that your sales process is compliant with FCA requirements, in particular ICOBS 3.1, ICOBS 4, 5 and 6.

All the required regulatory information concerning you and your link with the firm, as well as a description of the financial service being provided, should be covered with your client. You must ensure that you establish your customer's needs and that the product you are recommending is suitable and affordable. The Statement of Demands and Needs, personalised explanation, and Policy Summary document should be provided to the client in writing immediately after the telephone discussion, if the sale is in accordance with the Distance Marketing Directive.

Example wording	
<p>ChildShield</p> <p>What is ChildShield and why it is important.</p>	<p>ChildShield can help you cope financially by providing a lump sum benefit if your child suffers a broken bone as a result of an accident, is hospitalised as an in-patient for 24 hours or more, or is diagnosed with a serious condition as defined in the ChildShield Terms & Conditions.</p> <p>There are other types of policies that are designed to pay a benefit if the child of the policyholder suffers a critical illness or, in some cases, passes away. These are typically added as 'extra' cover when the parent is taking out a policy to cover themselves. We can discuss whether these may be more appropriate for you depending on your circumstances and needs. ChildShield is a standalone product that covers your child(ren), so you don't need to take out protection for yourself to cover them.</p>
<p>Basics</p> <p>Summary of ChildShield.</p>	<p>Your ChildShield policy covers your children, it does not cover you. It will pay a fixed sum to you if, during the term of the policy, your eligible child(ren):</p> <ul style="list-style-type: none"> • breaks a bone, • is hospitalised in the UK as an in-patient, due to accident, sickness, or for the treatment of self-inflicted injury, or • is diagnosed with a serious condition (as defined in these Terms & Conditions). <p>ChildShield can cover your children from as early as birth/adoption, until their 23rd birthday.</p> <p>There is no limit to the number of children you can have covered by a ChildShield policy, provided they meet the definition of eligible children.</p> <p>You must have at least one eligible child at all times for the policy to remain active.</p> <p>You do not need to tell MetLife if you have more eligible children after the policy has started. They will automatically be covered by the policy. However, you must tell MetLife when all your children are no longer eligible, as you will need to end your policy. This is usually on the 23rd birthday of your youngest child.</p> <p>Your cover is subject to certain exclusions, limits and definitions which are explained in the ChildShield Terms & Conditions and the significant ones are summarised in this document.</p>

What is covered

Broken Bones.

If during the term of the policy your eligible child suffers a broken bone, caused by an accident, or, from 12 months after the policy start date, as a result of self-inflicted injury or attempted suicide by the eligible child, the ChildShield policy will pay a specified lump sum. The benefit amount differs depending on whether the broken bone is defined as a Major bone or a Minor bone, and the level of cover you choose; ChildShield Standard or ChildShield Plus.

What's covered?	How much does the policy pay out?		When does the cover start?	Significant limitations
	ChildShield Standard	ChildShield Plus		
Broken major bone – <ul style="list-style-type: none"> ✓ arm ✓ ankle ✓ back ✓ hip ✓ mandible ✓ leg ✓ neck ✓ pelvis ✓ shoulder ✓ skull (not including the facial bones or ear bones) 	£300	£600	Broken bones resulting from an accidental cause: cover begins from the policy start date. Broken bones as a result of self-inflicted injury (or attempted suicide) by the eligible child: cover begins after 12 months from the policy start date.	Multiple breaks to the same bone, as a result of a single accident, will be treated as a single claim and a single payout applies.
Broken minor bone – <ul style="list-style-type: none"> ✓ ear bones ✓ facial bones other than the mandible, not including the nose ✓ any other broken bone that is not a major broken bone 	£100	£200		

Hospitalisation.

If, during the term of the policy, your eligible child is hospitalised as an inpatient for 24 hours or more as a result of an accident, sickness, or for the treatment of self-inflicted injury, the ChildShield policy will pay a specified lump sum per day of hospitalisation, up to a maximum of 90 days.

The benefit amount differs depending on whether the child is in an Intensive Care Unit (ICU) or equivalent, or is in a non-ICU ward, and the level of cover you choose (ChildShield Standard or ChildShield Plus).

What's covered?	How much does the policy pay out? (per 24-hour period spent as an in-patient)		When does the cover start?	Significant limitations
	ChildShield Standard	ChildShield Plus		
Hospitalisation in a non-ICU ward as a result of: <ul style="list-style-type: none"> ✓ accident ✓ sickness ✓ for the treatment of self-inflicted injury or for five days or more due to: <ul style="list-style-type: none"> ✓ pregnancy-related complications 	£50	£100	Hospital admission due to an accident Cover begins from the policy start date. Hospital admission due to: <ul style="list-style-type: none"> sickness; pregnancy-related complications; self-inflicted injury. 	Hospitalisation benefit (for all causes) is limited to a maximum of 90 days for the same or related cause of admission per child. The payment for each day of hospitalisation will be either the amount for being in ICU or being in a non-ICU ward, but not both.
Hospitalisation in an Intensive Care Unit (ICU) or equivalent, as a result of: <ul style="list-style-type: none"> ✓ accident ✓ sickness ✓ for the treatment of self-inflicted injury or for five days or more due to: <ul style="list-style-type: none"> ✓ pregnancy-related complications 	£150	£300	Cover begins from 12 months after the policy start date.	

Diagnosis of a serious condition (as specified)

If during the term of the policy (and after 90 days have elapsed since the policy start date) your eligible child is diagnosed with a specified serious condition, the ChildShield policy will pay a specified lump sum. The benefit amount differs depending on the level of cover you choose (ChildShield Standard or ChildShield Plus).

What's covered? Please see the ChildShield Policy Terms & Conditions for full definitions and details.	How much does the policy pay out?		Significant limitations
	ChildShield Standard	ChildShield Plus	
✓ Bacterial meningitis	£5,000	£10,000	
✓ Cancer malignant tumour skin cancer (not including melanoma) - advanced stage as specified other cancers treated by surgery			A single diagnosis which meets more than one of the definitions of cancer, or which involves more than one tumour, will be treated as a single claim and only one benefit may be payable.
✓ Benign brain tumour resulting in neurological deficit or specified treatment			
✓ Paralysis. Loss of / loss of use of a limb (or limbs)			Loss of, or loss of the use of, more than one limb as a result of the same accident or clinical cause will be treated as a single claim and only one benefit would be payable.
✓ Diabetes mellitus Type 1 requiring insulin injections			
✓ Rheumatic fever			
✓ Burns (of specified severity)			

<p>What is not covered</p>	<ul style="list-style-type: none"> • The policy does not cover the policyholder (parent). • The policy doesn't cover any other children if they do not meet the definition of the policyholder's eligible children, even if the customer may have parental responsibility for them.
<p>Significant exclusions</p> <p>Explain the most significant or relevant exclusions</p>	<p>As with any insurance there are several exclusions, where MetLife would not pay a claim. Full details of these can be found in the ChildShield Policy Terms and Conditions document, and are summarised in the ChildShield Policy Summary Key Facts document that I will send you/have provided you with.</p> <p>Significant Exclusions – Broken Bones</p> <ul style="list-style-type: none"> • Broken nose • Any broken bone, resulting from an accident which was itself caused by an underlying illness • Any broken bone, resulting from a cause which is linked to a previous injury • Any broken bone caused by degenerative bone disorder(s) • Bruised bones or micro-fractures • Deliberate breaks as part of a surgical procedure <p>Significant Exclusions – Hospitalisation</p> <ul style="list-style-type: none"> • Hospital stays for the routine care for a newborn (e.g. the eligible child being born in hospital and remaining in hospital until such time as they can be allowed home) are not covered by this policy. • Hospital stays outside the UK are not covered. • Admissions to other care facilities that are not hospitals, such as care homes or rehab units, are not covered. • Once the treatment of the self-inflicted injury has been completed, any further days spent in hospital to treat the underlying cause of the self-harm are not covered. <p>Significant Exclusions – Diagnosis of a serious condition</p> <ul style="list-style-type: none"> • Re Bacterial Meningitis. All other forms of meningitis, including viral meningitis, are not covered • Re Cancer. All other forms of tumour or cancer which do not meet one of the definitions in the ChildShield Policy Terms & Conditions, are not covered • Re Benign Brain Tumour. Tumours in the pituitary gland, and Angioma are not covered. • Re Type 1 Diabetes. Gestational diabetes, and Type 2 diabetes (including Type 2 diabetes treated with insulin) are not covered by this policy. <p>Significant General Exclusions</p> <p>There are several exclusions, the main ones being:</p> <ul style="list-style-type: none"> • Psychiatric illness, depression, mental or anxiety disorders • Unreasonable failure to seek or follow medical advice • Assault or fighting • Active participation in an illegal act • Any form of travel to a country where the Foreign, Commonwealth & Development Office (FCDO) advises against all travel. • The eligible child drinking alcohol which causes the accident/injury • Solvent abuse, or drug taking • Participation in a contest of speed, mountaineering, outdoor cliff or rock climbing, or potholing • Any form of military, army, naval or air force service.

<p>Limitations / restrictions</p> <p>Explain the significant limitations affecting the cover.</p>	<ul style="list-style-type: none"> Maximum amount of cover. A 'ChildShield Standard' policy provides 1x unit of cover. A 'ChildShield Plus' policy provides 2x units of cover. An eligible child can be covered by more than one ChildShield policy, however, the maximum benefit payable for any single insured event is based on 4x units of cover in total. Any claim made under a ChildShield policy needs to be supported by satisfactory, dated evidence from a qualified medical practitioner You must have at least one eligible child at all times for the cover to remain active. The cover for each child ends when they turn 23 (or when they are no longer UK resident). You must tell MetLife when all of your children are no longer eligible, as you will need to end your policy. This is likely to be on the 23rd birthday of your youngest child.
<p>Child protection</p>	<p>Note: for the protection of children, no claims will be payable in instances where:</p> <ul style="list-style-type: none"> You deliberately caused the injury to the eligible child; Your actions caused the eligible child to suffer the insured event, or You knowingly exposed the eligible child to unreasonable risk leading to them suffering the insured event.
<p>Premiums</p> <p>The amount and basis of the premium</p>	<ul style="list-style-type: none"> Premiums are payable monthly by Direct Debit in GBP from a UK bank account. The premium amount depends on the level of cover selected. ChildShield Standard has a monthly premium of £6 ChildShield Plus has a monthly premium of £11. MetLife can increase or decrease the premium for existing policies no more than every 5 years under specific circumstances. Any change in premium is not based on a policyholder's individual circumstances Once your policy has started, the premium is payable until your 99th birthday unless you end the policy before then. ChildShield does not have a fixed term. A ChildShield policy no longer provides any cover once all of your children are no longer eligible (e.g. they have all turned 23, left the UK or have passed away). Therefore the expected cover end date is based on your youngest child's 23rd birthday, which is in approximately YY years and MM months (or NNN months total) [YY*12 + MM]. <p>If you had a ChildShield Standard policy in place over that term, at £6 month, the total premium payable would be</p> <p>£XXXX. This is based on <£6* NNN months></p> <p>If you had a ChildShield Plus policy in place over that term, at £11 month, the total premium payable would be</p> <p>£XXXX. This is based on <£11* NNN months></p>
<p>Cooling off period</p>	<p>Once you have bought the policy you have 30 days to change your mind and cancel the policy. If you do this, you will be entitled to a full refund of any premiums paid up to that time providing you have not made a claim.</p>

Disclosure & completion of application form

The importance of answering all the questions carefully, to the best of your knowledge and belief, and the consequences of not doing so

If you are happy to proceed, we will submit your application online.

When we are completing this it is important that you answer all the questions carefully, to the best of your knowledge and belief. Insurance companies can refuse to pay a claim or your policy may be void if the information you provided was incorrect (whether deliberately or innocently).

Policy Summary

Explain the importance of reading and keeping the Policy Summary

All the information we've discussed is contained in the Policy Summary and Key Facts document I will send / have sent to you. It explains clearly how your policy works, what it covers and what's not covered. This also covers MetLife's complaints process, information on how you can make a claim, tax and information on the Financial Services Compensation Scheme should MetLife be unable to meet its liabilities. Further information is available on request.

Please read the document carefully and then keep it safely.

Sample of Statement of Demands and Needs: for non-advised sales of ChildShield

Important note

We have provided you with the information in this document to help when you are writing a statement of demands and needs for non-advised sales of MetLife ChildShield.

As stated earlier in this document, if a personal recommendation is being made (i.e. advice is being provided), you must take reasonable care to ensure the policy is suitable for the client's demands and needs, when doing this you should consider the level of cover, cost and exclusions of the policy based on their specific circumstances. On that basis, any wording used should be tailored to each client, but the example wording below may be referred to.

Text in blue is optional or requires an input from you to tailor to the client. Brackets indicate that some action should be taken, or information should be entered if the sentence is included.

The information is provided as a suggestion only. You are responsible for ensuring that the content is accurate and personalised to your client, and that it adheres to all regulatory guidelines.

Your demands and needs

You do not have enough insurance or other means to cover additional costs which may be incurred / you have a need for financial support to help you through disruption to your normal life, if your child should suffer an injury resulting in a broken bone, is hospitalised or diagnosed with one of the specified serious conditions.

Please let me know as soon as possible if your needs are not reflected here correctly as this may mean the policy is not suitable for you.

MetLife ChildShield

A ChildShield policy can help you cope financially and minimise disruption to normal family life by paying you a lump sum, if your child suffers a broken bone, is admitted to hospital or is diagnosed with a serious condition defined in the Policy Terms & Conditions..

You can select the level of cover you require (either ChildShield Standard or ChildShield Plus) and the monthly cost is known up front (either £6/month or £11/month depending on the level of cover chosen).

You have selected [ChildShield Standard at £6/month / ChildShield Plus at £11/month] after we read through the benefit amounts payable for each insured event.

I have informed you of the total cost of the policy and you confirmed that you can afford the monthly premium of ([£6 / £11] per month).

Exclusions

As with any insurance there are several exclusions, where MetLife would not pay a claim. We have discussed some of these, but you should also refer to the Policy Summary Key Facts document and the ChildShield Policy Terms and Conditions for further detail.

[Include details of any particularly relevant exclusions for this customer here – for instance

The client's household and parental responsibilities may also include children who do not meet the eligibility criteria so would not be covered (such as the children of the client's partner to whom they are not married/civil partnered, and have not been adopted by/under the legal guardianship of the client). It is important that the client is clear on who is/isn't eligible for cover.

If the client's eligible child(ren) already has a pre-existing diagnosis of one of the specified serious conditions, or is undergoing investigations/tests as it is suspected they are suffering from one of the specified serious conditions, then the client will not be able to make a claim for that child for that condition.

If the client's eligible child(ren) has an underlying medical condition which makes them particularly prone to injuring themselves (for example epilepsy or hypotension which may cause the child to fall), then they should be aware that injuries and broken bones resulting from accidents which are caused by an underlying illness are not covered

About MetLife

MetLife Europe d.a.c. is an affiliate of MetLife, Inc. with a financial strength rating of A+ by Standard & Poor's¹. MetLife Europe d.a.c. has been in the UK since 2007, providing innovative protection, employee benefits and retirement solutions.

With over 150 years of experience, MetLife, Inc. is an innovator and recognised leader in protection planning and retirement saving solutions around the world.

MetLife, Inc. has established a strong presence through organic growth, acquisitions, joint ventures and partnerships in over 40 countries worldwide and is trusted by tens of millions of customers².

MetLife Europe d.a.c. provides the policy referred to in this document.

Services are delivered from MetLife Europe d.a.c.'s head office in Ireland, and from offices in the U.K. For more information about MetLife Europe d.a.c., you can visit the company's website at www.metlife.co.uk.

Sources:

¹https://www.standardandpoors.com/en_EU/web/guest/home

²MetLife Worldwide: https://www.metlife.com/about-us/corporate-profile/global-locations/?WT.mc_id=vu1133

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For every moment, there's  **MetLife**