



MetLife Legacy Products Fair Value Assessments

This document sets out the outcomes of MetLife's Fair Value Assessments of MetLife's Legacy products i.e. those that are no longer available for new customers to take out a policy. It is designed to provide intermediaries with the information they need to understand the outcome of our fair value assessment. We have carried out these Fair Value Assessments in accordance with the Financial Conduct Authority 'FCA' Product Oversight & Governance 'PROD' rules, effective 1st October 2021.

This document also helps intermediaries understand the target market for the legacy products, and any identified groups of customers for whom the product is not intended to provide fair value.

Target markets and non-target markets

Accident Protection and MultiProtect

Accident Protection and MultiProtect are designed for individuals who are looking to protect themselves or their dependants in the case of accidental injury or hospitalisation. It provides lump sum benefits which can be used to supplement a reduced or lost income, and in the case of life-changing injuries could help cover additional costs (for travel, home improvements or help with domestic activities for example).

Accident Protection and MultiProtect could be taken out by any individual who is:

- at least of age 18 and before their 65th birthday; and
- resident in the UK.

However, from experience we knew that the proposition particularly appealed to the following key target segments:

- Individuals who are highly dependent on a monthly income – typically 18- to 59-year-olds with low levels of savings compared to their outgoings.
- Self-employed individuals who don't get sick pay or holiday pay where protection against income shortfalls is critical.
- Individuals who may have an increased risk of accident/illness through work (e.g., healthcare workers, manual/blue collar workers).
- First-time buyers who want additional peace of mind in case of an accident.

If a clear need and affordability is demonstrated the product may also be considered suitable in some circumstances, for example:

- Unemployed customers who are long-term unemployed due to medical reasons that have need for the benefits of Accident Protection and MultiProtect (for example, the hospitalisation benefits for sickness after 12 months and non-accidental death benefit may be of particular interest).
- Unemployed customers who are between jobs that wish for cover to start now and understand their commitments to pay premiums.

- Customers who have been declined for life cover who fully understand the difference between Accident Protection and MultiProtect and full life cover and have a need for protection (which is not a like-for-like life cover replacement).

Child Cover (optional)

Families that want additional protection in case they need to take time off work to look after a child that has had an accident or has an illness.

Active Lifestyle Cover (optional)

Those with active lifestyles, including rugby, football, running and most sports including martial arts. Professional sports are excluded.

Specialist Healthcare Cover (optional)

Healthcare workers that are at particular risk of contracting certain infectious illnesses.

As well as understanding who Accident Protection and MultiProtect may be suitable for, it's just as important to understand who it may not be suitable for. The following segments are not our usual target market, and we do not expect sales to be made to these demographics:

- Those with enough resources to protect them should they (or their children) have an accident.
- Those who are unemployed and / or receiving state benefits as they will have limited income and other priorities.

Those who have been declined for life cover and are seeking a like-for-like alternative. Accident Protection and MultiProtect is not a life cover replacement.

Life Protection

Life Protection is for individuals who are looking to protect their home or family in the event they die or are diagnosed with a terminal illness, or are diagnosed with a critical illness. The policy pays a lump sum benefit, and can be used to provide for financial dependants, pay the mortgage, or make adjustments to life-changing illnesses.

Life Protection could be taken out by an individual who was:

- At least of age 18 and before their 60th birthday; and
- Resident in the UK.

Cover was fully underwritten and so also subject to medical acceptance.

The proposition particularly appealed to the following target segments:

- Individuals who have a mortgage and want the mortgage to be paid in the event they died
- Individuals with financial dependants such as a spouse or children
- Self-employed individuals whose death would leave a significant income gap if they died

The following segments were not our usual target market, and we did not expect sales to be made to these demographics:

- Individuals with no financial dependants or commitments
- Customers who already have term life / critical illness arrangements in place, either with another insurer or through their employer

Income Protection

Income Protection is for individuals who are looking to protect their income in the event they are unable to work due to accident or illness. The policy pays a regular tax-free income as a proportion of their pre-unable-to-work income, and can be used to pay the household bills, and mortgage or rent.

Income Protection could be taken out by an individual who was:

- At least of age 18 and before their 60th birthday; and
- Resident in the UK.

Cover was fully underwritten and so also subject to medical acceptance.

The proposition particularly appealed to the following target segments:

- Individuals who are highly dependent on a monthly income – typically 18- to 59-year-olds with low levels of savings compared to their outgoings.
- Self-employed individuals who don't get sick pay or holiday pay, where protection against income shortfalls is critical.
- Individuals who may have an increased risk of accident/illness through work (e.g. healthcare workers, manual/blue collar workers).

The following segments were not our usual target market, and we did not expect sales to be made to these demographics:

- Unemployed customers
- Customers who already have income protection arrangements in place, either with another insurer or through their employer

RSA Life Insurance

In 2005 the UK Government developed a Financial Inclusion task force to work alongside Financial Services providers to develop a range of financial products and services designed for the financially excluded, to bring this group into the mainstream. Home contents and life insurance were seen as key to this proposition to enable people to break the 'cycle'.

CYBG (NAG) and RSA put together a proposal for affordable home contents and life insurance, accessible from the local banking branch.

At the time of launch there were over 5 million people in the UK classed as financially excluded, typically living in social housing, with an annual household income of less than £10,000.

Future165 Personal Accident

Noting that the product had been closed to new business in 1999, before the Part VII transfer to MetLife in 2005, it is reasonable to assume the policy was aimed at individuals looking to protect themselves and / or their spouse / partner in the event of a serious accidental injury. Individuals needed to be at least 18 years of age, and no older than 60.

Group Personal Accident

The product would have been targeted at organisations who wish to purchase cover for their employees for personal accident and/or sickness. The employer working with their third party consultant would select the benefit structure that was appropriate for their requirements.

Group Life sold via a banking partnership

The product was designed for employers who are looking to provide life cover for their employees. The life cover would be used to protect the dependants of their employees in the event of their death. Furthermore, employees and their dependants are given access to a Bereavement & Probate helpline, and for employers with up to 1,000 employees, a telephone-based Employee Assistance Programme (EAP).

Subject to scheme underwriting, this could be taken out by an employer who:

- had at least 3 employees; and
- is based in the UK.

The following segments were not our usual target market, and we did not expect sales to be made to these demographics:

- Larger pension schemes with significant assets under management
- Employers needing to cover their major non-UK subsidiaries and their employees

Group Life insuring small self-administered scheme ‘SSAS’ pensions

The product was designed for employers who are looking to insure their SSAS pensions. The life cover would be used to protect the dependants of their employees in the event of their death. Furthermore, employees and their dependants are given access to a Bereavement & Probate helpline, and for employers with up to 1,000 employees, a telephone-based Employee Assistance Programme (EAP).

This was sold to employers with only 1 or 2 scheme members, and was not suitable for employers with more members than this.

Fair Value Assessment

This section sets out what benefits are provided under the legacy products and the premiums payable, limitations to the cover, and an assessment of the remuneration paid under the distribution arrangements. We then summarise the outcome of our fair value assessment.

Accident Protection and MultiProtect

What benefits are provided

Accident Protection and MultiProtect is designed to help an individual cope financially by providing a lump sum if they suffer an injury, die, or must spend time in a hospital as a result of an accident. An accident is a sudden event which happens by chance and couldn't be expected.

Once they have held the policy for at least 12 months they will also be covered for UK hospital stays as a result of sickness for up to 90 days per condition or event for the life of the policy. There is also benefit should they die from non-accidental causes. Any lump sum paid out could be used to help with living costs if income is restricted or additional expenses incurred, for example travelling to medical appointments or making changes to their home.

Individuals can also choose to protect their children, their active lifestyle, or themselves from infectious illness.

Benefits available range from £50 per day for hospitalisation, to £250,000 for accidental total permanent disablement – *unable to look after yourself ever again*. Multiple claims are permitted, and in the event of a single accident resulting in a claim for a combination of multiple benefits, this is capped at the benefit payable for total permanent disablement – *unable to look after yourself ever again*.

Customers who took out a MultiProtect policy from February 2018 also have access to MetLife's Wellbeing Support Centre provided by Health Assured. This is provided at no extra cost. They provide useful services which give access to qualified counsellors, legal advisors, and registered nurses. Access is also available for household family members which includes a spouse or partner and any brother, sister, parent, and legal dependants who live in the same household. It's also available for children or legal dependants who do not live with the policyholder but live in the UK and are in full-time education.

What the customer pays

The premium a customer pays is based on the product version, number of units and type of cover selected. There is no other additional cost to the customer in respect of the policy regardless of the frequency and method of premium payment.

We monitor the premium needed to provide the policy benefits. We may increase or decrease the premium no more than every 5 years. Any increase or decrease of the premium is assessed fairly, to reflect unexpected changes in our actual and expected experience of claims, expenses, policy lapses and new policies agreed, investment income we receive, or the law affecting the policy or us. We will not increase or decrease the premium for any other reason.

Temporary and permanent limitations

Beyond the eligibility requirements of age and UK residency, a policy does not require any underwriting before a customer is accepted for cover. Cover can be issued immediately. There are some limitations to the cover. During the period of temporary limitations, premiums must be paid in full. The limitations are necessary in order to ensure as broad an access as possible for suitable customers without need for medical underwriting, and to keep premiums at an affordable level.

Temporary limitations

- 12 month waiting period for hospitalisation due to sickness (Core Cover and Optional Child Cover): once cover has been in place for at least 12 months, hospitalisation claims due to sickness are payable.
- Increasing non-accidental death benefit (Core Cover): if the policyholder dies because of non-accidental causes during the first 12 months of the policy, a refund of premiums is payable. Benefit then increases for each year cover is held, reaching its maximum benefit from year 5.
- 90 day waiting period for cancer – *excluding less advanced cases* diagnosis benefit (Optional Child Cover): benefit is not payable if the eligible child is diagnosed with cancer – *excluding less advanced cases* during the first 90 days of cover.

Benefit is also not payable if the eligible child has any medical tests or investigations during the first 90 days of cover which subsequently lead to the diagnosis of cancer – *excluding less advanced cases*.

Permanent limitations

- Pre-existing cancer exclusion (Optional Child Cover): benefit is not payable if the eligible child has previously been diagnosed as having any form of cancer – *excluding less advanced cases* prior to the start of cover.

Benefit is also not payable if the eligible child has had any medical tests or investigations prior to the start of cover which subsequently lead to the diagnosis of cancer – *excluding less advanced cases*.

- Exclusions including travel, occupation-related and mental health (Core Cover and all Optional Covers): the policy does not cover any claim caused directly or resulting directly in whole or in part by or from several reasons listed as exclusions. These include those relating to travel, occupation of the policyholder and / or eligible child, and mental health.

Life Protection

What benefits are provided

Life Protection is a contract between MetLife and the policyholder. The policy pays a lump sum benefit, depending on the cover selected.

- Life Cover only – lump sum benefit payable if the policyholder dies or is diagnosed with a terminal illness.
- Critical Illness Cover only – lump sum benefit payable if the policyholder is diagnosed with a specified critical illness or suffers total permanent disablement, including cancer, heart attack or stroke.
- Life or Accelerated Critical illness cover – lump sum benefit payable if the policyholder dies or is diagnosed with a terminal illness; or if they are diagnosed with a specified critical illness or suffers total permanent disablement – whichever event occurs first.

Cover was sold in number of units with each unit providing £1,000 of sum assured. The maximum amount of cover that could be selected was £850,000 for life cover, and £300,000 for critical illness cover.

Policyholders could select level or decreasing term cover. For level cover, the policy benefit remains the same throughout the term of the policy. For decreasing term cover, the policy benefit reduces each month. Policyholders could also select the number of years of the term of the policy.

When the product was launched in 2011, customers received up to 60 days free accidental death benefit of up to £100,000 whilst we assessed their application. This was withdrawn for new customers from 2014.

Key benefits are:

- Life Only Cover up to £850,000
- Critical Illness Only Cover up to £300,000
- Life or Accelerated Critical Illness Cover up to £300,000

What the customer pays

Premiums are based on sum assured, smoker status, age, type of cover, term of cover, and medical history. Premiums are payable monthly by Direct Debit with no retail premium finance payable for premium payments.

We monitor the premium needed to provide the policy benefits. We may increase or decrease the premium no more than every 30 days with 30 days notice. Any increase or decrease of the premium is assessed fairly, to reflect unexpected changes in our actual and expected experience of claims, expenses, policy lapses and new policies agreed, investment income we receive, or the law affecting the policy or us. We will not increase or decrease the premium for any other reason.

Temporary and permanent limitations

In addition to eligibility, cover was subject to medical acceptance. There were some limitations to the cover to keep premiums at an affordable level.

Definitions applied for the critical illness cover were based on the Association of British Insurers 'ABI' best practice at the time the policies were written.

Temporary limitations

First 60 days of the policy - where the date of diagnosis of the critical illness or the manifestation of symptoms of total permanent disablement is within the first 60 days of the policy start date. This exclusion did not apply if the critical illness or total permanent disablement was caused by an accident during the term of the policy.

First 12 months of the policy – benefit will not be payable for suicide occurring within 12 months of the policy start date.

1. 14 day survival period – policyholder must survive for at least 14 days after the date of diagnosis of the critical illness.

Last 12 months of the policy - we will not pay the policy benefit in respect of a terminal illness if diagnosis occurs within the last 12 months of the term of the policy, expiring at the policy end date.

Permanent limitations

1. Acceptable countries: Claim in the event of terminal illness, diagnosis of a critical illness or in the event of total permanent disablement must be supported by a diagnosis confirmed by a registered medical practitioner in an acceptable country.
2. Change of occupation: policyholder must notify us immediately if they become a member of the armed forces during the term of the policy. Policy terminates from the effective date immediately upon the new occupation becoming effective.

Residence: Policy benefits are only available whilst the policyholder remains a resident in a country that is not a sanctioned country (as defined in the terms and conditions). If the policyholder becomes a resident in a sanctioned country the policy terminates immediately without any value.

Life exclusions:

- Infection by any human immunodeficiency virus (HIV) or antibodies to such a virus;
- Active participation in an actual or attempted illegal act;
- War, invasion, act of foreign enemy, hostility (whether war has been declared or not), civil war, rebellion, revolution, insurrection, or coup.

Critical illness exclusions:

- Infection by any human immunodeficiency virus (HIV) or antibodies to such a virus;
- Failure to seek or follow medical advice;
- Attempted suicide or other intentional self-inflicted injury;
- Active participation in an actual or attempted illegal act;

- War, invasion, act of foreign enemy, hostility (whether war has been declared or not), civil war, rebellion, revolution, insurrection, or coup; or
- Alcohol or solvent abuse, or drug taking (unless taken as prescribed by a registered medical practitioner and not for the treatment of drug addiction).

Income Protection

What benefits are provided

Income Protection is a contract between MetLife and the policyholder. The policy pays a regular tax-free income if they are unable to work due to accident or illness, depending on the cover selected and the policyholder's gross monthly earnings.

Cover was sold in number of units with each unit providing £100 of cover per month. The maximum number of units that can be selected is 50 units i.e. £5,000 per month, or 50% of the policyholder's gross monthly earnings, whichever is less. The maximum benefit level of £5,000 and the 50% of gross monthly earnings applies to all income benefit policies the policyholder may hold with MetLife.

Cover can be paid for up to a maximum of 1 or 2 years if they can't work, depending on what they selected when they took out the cover.

They could also select a deferred period, which is the length of time the policyholder must be unable to work for benefit to be payable.

When the product was launched (2011), the policyholder could select Day One cover or an 8-week deferred period.

From 2013, the deferred period options were changed for new policies, and they could then select a deferred period of:

- 2 or 4 weeks of continuous absence; or
- 8, 13, or 26 weeks of either a single continuous absence or multiple (linked) periods of absence.

If the policyholder is receiving policy benefit, and they return to work in their own occupation on a part-time basis or in a different occupation with lower earnings, we pay a reduced benefit if their new earnings are lower than 75% of their previous earnings.

If the policyholder is unable to work and claiming policy benefit, the premiums paid during this time are refunded with the benefit payment until policy benefit payment ceases.

What the customer pays

Premiums are payable monthly by Direct Debit with no retail premium finance payable for premium payments.

We monitor the premium needed to provide the policy benefits. We may increase or decrease the premium no more than every 30 days with 30 days notice. Any increase or decrease of the premium is assessed fairly, to reflect unexpected changes in our actual and expected experience of claims, expenses, policy lapses and new policies agreed, investment income we receive, or the law affecting the policy or us. We will not increase or decrease the premium for any other reason.

Temporary and permanent limitations

Temporary limitations

Pandemic - If the policyholder is unable to work as a result of sickness caused by a pandemic, they must have been admitted to hospital as an inpatient for at least 24 hours in order to make a claim.

Permanent limitations

Change of occupation – policyholder must notify us immediately if they change their occupation to a declined occupation during the term of the policy. Policy terminates from effective date of the new occupation.

*Declined Occupation means those **Occupations** for which **we** do not provide cover and which are excluded from this Policy. These **Occupations** are namely agricultural worker; farm labourer or fruit picker; member of the armed forces; asbestos worker; coal miner; motorcycle courier; professional diver; demolition worker; any user of explosives; labourer; oil or gas driller, worker and rigger; quarry worker; pneumatic driller; professional sportsperson; tunneller.*

Exclusions: Benefits will not be payable in respect of claims arising directly or indirectly from any of the following:

- Intentional self-inflicted injury;
- War, invasion, act of foreign enemy, hostility (whether war has been declared or not), civil war, rebellion, revolution, insurrection, or coup;
- If it is the result of an excluded cause following medical underwriting; and / or
- A failure to seek or follow medical advice during the deferred cover period or during a claim which, in the opinion of a registered medical practitioner, causes or prolongs the claim.

Future165 Personal Accident

What benefits are provided

Future165 PA is a single premium personal accident policy. It provides personal accident benefits on a single or joint basis. Future165 PA is a contract between MetLife and the policyholder on a single or joint basis.

A lump sum payment of between £2,500 and £50,000 is payable depending on term taken.

Full benefit	Half benefit
Loss of Life	Loss of One Hand
Loss of Both Hands	Loss of One Foot
Loss of Both Feet	Loss of Sight in One Eye
Loss of Sight in Both Eyes	
Loss One Hand and One Foot	
Loss of One Hand and One Eye	
Loss of One Foot and One Eye	

What the customer pays

Future 165 PA is a single premium policy and the premium the customer paid was based on their age and coverage, which expires on a customer's 65th birthday or upon payment of a claim. It is non-cancellable by MetLife.

Temporary and permanent limitations

Temporary limitations

There are no temporary limitations under the policy.

Permanent limitations

Exclusions: the policy does not cover any claims caused directly or resulting directly in whole or in part by from the following:

- Suicide or self inflicted injury
- Infection (except pus-forming infection occurring through an accidental wound)

- Civil commotion, riot, insurrection, war or similar
- While operating, learning to operate, or performing duties as a member of crew on, any aircraft
- Unprescribed drugs or sedatives
- Bodily or mental illness or disease

RSA Life Insurance

What benefits are provided

The product was a linked home contents and life cover policy; the home contents cover was cancelled 2021 / 2022 and alternative cover offered. The life cover remained in-force.

Life cover of £5,000 is provided on a single life basis to the account holder and runs until age 75 or the earlier cessation of premium payments.

What the customer pays

The monthly premium for the life insurance is £1.30.

Temporary and permanent limitations

Temporary limitations

Pre-existing condition exclusion – benefit will not be paid during the first 12 months of the contract for a condition or related condition for which they have received medical treatment or advice during the 12 month period immediately prior to the policy start date.

Suicide – benefit will not be paid if the policyholder takes their own life during the first 12 months of the contract.

Death as a result of natural causes – benefit will not be payable if the policyholder dies as a result of natural causes during the first 90 days of the contract.

Permanent limitations

There are no permanent limitations.

Group Personal Accident

What benefits are provided

The policy pays a defined lump sum benefit following the accidental death of a member. The benefit is also payable in the event of an accident leading to permanent disablement or hospitalisation. Different levels and / or types of benefit can be provided for different categories of employees. For loss of life, the benefit is paid to the employer who pays the benefit to the member's estate. For all other losses, the benefit is paid to the employer who usually pays the benefit to the member.

The policy pays a defined lump sum benefit following the accidental death of a member. The benefit is also payable in the event of an accident leading to permanent disablement or hospitalisation.

The following extensions of cover are available under the policy:

- Extended temporary absence – extended temporary absence cover to termination age if absence is due to accident or sickness, and up to 36 months for any other reason.

- Late retirement – in the event of a member deferring retirement beyond the termination age, cover can be provided up to the age of 65.

The maximum benefit is the lower of 5 times salary or £1m.

What the customer pays

The premium calculated depends on factors such as nature of occupation, location of work force, size of group and the level of benefits to be provided. There are additional loadings depending on the frequency and method of premium payment.

The unit rate is guaranteed for 1 year. On expiry of the rate guarantee period, we reserve the right to re-rate and / or re-underwrite the policy. We may determine a new unit rate of premium for the policy, amend the levels of policy benefit and any of the other policy terms and conditions, and amend any of the definitions.

We also have the right to terminate the policy or amend its terms in any of the following circumstances:

- Any act of war;
- Change in the identify of the members;
- If the policyholder proposes amendments which would adversely affect the policy;
- If the policyholder is in material breach of the policy;
- At the guarantee expiry date of the policy; or
- If any new regulation comes into force which affects the policy.

Premiums are subject to 12% insurance premium tax (IPT) which is collected on behalf of the employer and reverted to HMRC.

Temporary and permanent limitations

Temporary limitations

There are no temporary limitations.

Permanent limitations

Bodily injury must cause the member to be admitted as an inpatient to a hospital for a minimum of 24 hours, for hospitalisation benefit to be payable for a maximum of 365 days per accident.

Bodily injury must cause the accidental death or disability within 12 months of the date of the accident.

The policy does not cover any disablement caused directly or indirectly in whole or in part by, or resulting in whole or in part from, the following:

- Suicide, attempted suicide or other intentional self-inflicted injury whilst sane or insane;
- Active participation in an actual or attempted illegal act;
- The Insured Member being under the influence of drugs or intoxicants (unless taken as prescribed by a registered medical practitioner and not for the treatment of drug addiction);
- Sickness, disease or infections not resulting from Bodily Injury;
- Active duty in the armed forces or organised reserve corps of any country or international authority;
- Any form of aerial flight, other than as a fare-paying passenger;
- Participation in contests of speed, mountaineering or rock climbing needing ropes or guides, pot holing, professional sports, or commercial diving;
- Repetitive strain injury (RSI) or any gradually operating cause or degenerative process.

Group Life sold via a banking partnership

What benefits are provided

The policy provides a lump sum benefit if an insured member dies. The level of cover is usually based on a multiple of salary (e.g. 4 x salary) or a fixed amount (e.g. £100,000). This is paid to the trust providing the life benefits, and is paid for the benefit of the deceased member's beneficiaries. Trustees have discretionary powers to pay the benefits to the appropriate beneficiaries. For policies sold up to 2010, the policy benefit includes an additional accidental death benefit of £100,000.

Customers have access to MetLife's Registered Master Trust if they do not wish to use their own discretionary trust for the life cover they insure with MetLife. Irwin Mitchell acts as trustee for the master trust, which can accommodate multiple employers. As trustee they have discretionary powers to pay the benefits to the appropriate beneficiaries. There is no charge to the employer for use of the Master Trusts or payment of benefit from them.

The following extensions of cover were available under the Group Life policy:

Extended temporary absence cover – standard temporary absence cover is automatically included in the policy. Where extended temporary absence cover was granted, cover can continue until the member reaches the policy's termination if the absence is as a result of accident or sickness.

Early retirement cover - In the event of a member taking early retirement, cover can be provided up to the termination age of the policy which is set by the employer and agreed with MetLife. Cover is based on the cover calculated immediately prior to the date of early retirement. The additional £100,000 accidental death benefit is not payable for early retirees.

Redundancy cover - In the event of the redundancy of a member, cover can continue temporarily for up to 3 consecutive calendar months commencing on the date of termination of the member's employment with the employer. Longer periods can be agreed with MetLife if requested. In the event a member's employment was terminated by way of a compromise or settlement agreement, for the purpose of redundancy cover, they would be treated as having been made redundant and be covered. The benefit payable is usually based on the member's earnings or benefit amount immediately prior to their date of redundancy.

What the customer pays

The premium a customer pays is based on several factors, including but not limited to location, occupation, age and gender mix of the membership, type of cover selected, and level of benefits. Each group life scheme is underwritten on its own merits to determine a unit rate per mille (£1,000) of sum assured. This is then used to calculate the total premium payable.

Medical loadings can also be applied to the premium in respect of individual members whose benefits need to be medically underwritten in part or in full.

There are also additional loadings depending on the frequency and method of premium payment.

The unit rate is guaranteed for the rate guarantee period, usually 2 years, but can be 1 year or up to 3 years. On expiry of the rate guarantee period, we reserve the right to re-rate and / or re-underwrite the policy. We may determine a new unit rate of premium for the policy, amend the levels of policy benefit and any of the other policy terms and conditions, and amend any of the definitions.

We also have the right to re-rate and / or re-underwrite the policy at any time:

- if there is a change in the nature of the risk underwritten;
- if we agree to a change in the definition of eligible employee or eligible partner, or to the terms for policy benefits or other policy terms and conditions; and / or

- if there has been a 30% or more change in the total number of members and / or policy benefit, or the average policy benefit or age of the members, since the later of the policy commencement date and the last review date.

Temporary and permanent limitations

Temporary limitations

Temporary cover – temporary cover is provided for benefits that are being medically underwritten. Where temporary cover is provided, cover is restricted to accidental death only.

Permanent limitations

Free cover limit - MetLife sets a free cover limit, also called the 'automatic acceptance limit' for policies. This is the amount of cover each individual member can have without medical underwriting. Benefits greater than the free cover limit require medical underwriting before this cover can be provided. The underwriting of the cover above the free cover limit does not affect the cover provided up to the free cover limit.

Exclusions - MetLife will not pay the policy benefit if a claim has not been made after a period of 24 months commencing on the date the policyholder could reasonably have known of the member's death. For some policies, MetLife may exclude death because of specific causes.

Temporary absence cover – where a member is absent from work, they will continue to be covered for up to 36 months.

Catastrophic event limit - If a catastrophic event occurs, an overall limit may apply on the total claim amount paid. If MetLife has already paid benefits to the catastrophic event limit for one catastrophic event, then no further benefits will be paid out for that event.

Group Life insuring small self-administered scheme 'SSAS' pensions

The policy provides a lump sum benefit if an insured member dies. This is paid to the trust providing the life benefits and is paid for the benefit of the deceased member's beneficiaries. Trustees have discretionary powers to pay the benefits to the appropriate beneficiaries.

What the customer pays

Premiums are single premium costed based on the insured member's location, occupation, age and gender, type of cover selected, and level of benefits.

The premium rate is guaranteed for 1 year. On expiry of the rate guarantee period, we reserve the right to re-rate and / or re-underwrite the policy. We may determine a new premium for the policy.

We also have the right to issue a new policy and / or to amend the terms and provision of the policy at any time:

- the scheme ceasing to be recognised as a SSAS pension by HMRC; or
- any war or act of war.

Temporary and permanent limitations

Temporary limitations

There are no temporary limitations.

Permanent limitations

Free cover limit - MetLife sets a free cover limit, also called the 'automatic acceptance limit' for policies. This is the amount of cover each individual member can have without medical underwriting. Benefits greater than the free cover limit require medical underwriting before this cover can be provided. The underwriting of the cover above the free cover limit does not affect the cover provided up to the free cover limit.

Distribution arrangements

MetLife Individual Protection legacy products were sold by financial intermediaries that are authorised and regulated by the Financial Conduct Authority.

Individual Protection policies

The premium includes an amount attributable to the commission paid to distributors for the work they did in distributing the product, ongoing advice (if applicable) and client service. This gives our distribution partners further options to improve the overall protection offering for customers and reduces the risk of duplication of cover with other protection policies.

Any change in remuneration does not impact the premium a customer pays. Remuneration levels are not linked to sales performance i.e. higher sales are not incentivised by higher commission, thereby removing conflicts of interest.

Trail commission continues to be paid on all products to cover the ongoing management of customer relationships by advisers, dealing as escalation point in many circumstances and supporting during difficult times, for example at claim stage. The amount of ongoing commission paid is appropriate and represents fair value to the customer for the services they continue to receive.

Group policies

The commission payable is reflective of the cost of the advice process including compliance with regulatory obligations, terms and conditions reviews, and market pricing review.

This assessment of fair value takes into account the levels of commission MetLife pay distributors in respect of this product. There may be an impact on the value assessment if additional remuneration, paid directly to the distributor by the client, is substantially in excess of the value of MetLife commission the distributor chooses to sacrifice.

Outcome of fair value assessment

All products

In light of the overall proposition, benefits and services, as well as claims continuing to remain a fair proportion of premium charged, the products continue to offer fair value to the customer.

Distribution

With regard to distribution, we recognise that our financial intermediaries have costs that need to be covered to deliver the services they provide. We consider that the remuneration paid to these third parties is fair relative to the activities they are carrying out in respect of the products.

In conclusion, the individual elements and overall packages offer fair value.

Products and services are offered by MetLife Europe d.a.c. which is an affiliate of MetLife, Inc. and operates under the “MetLife” brand.

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