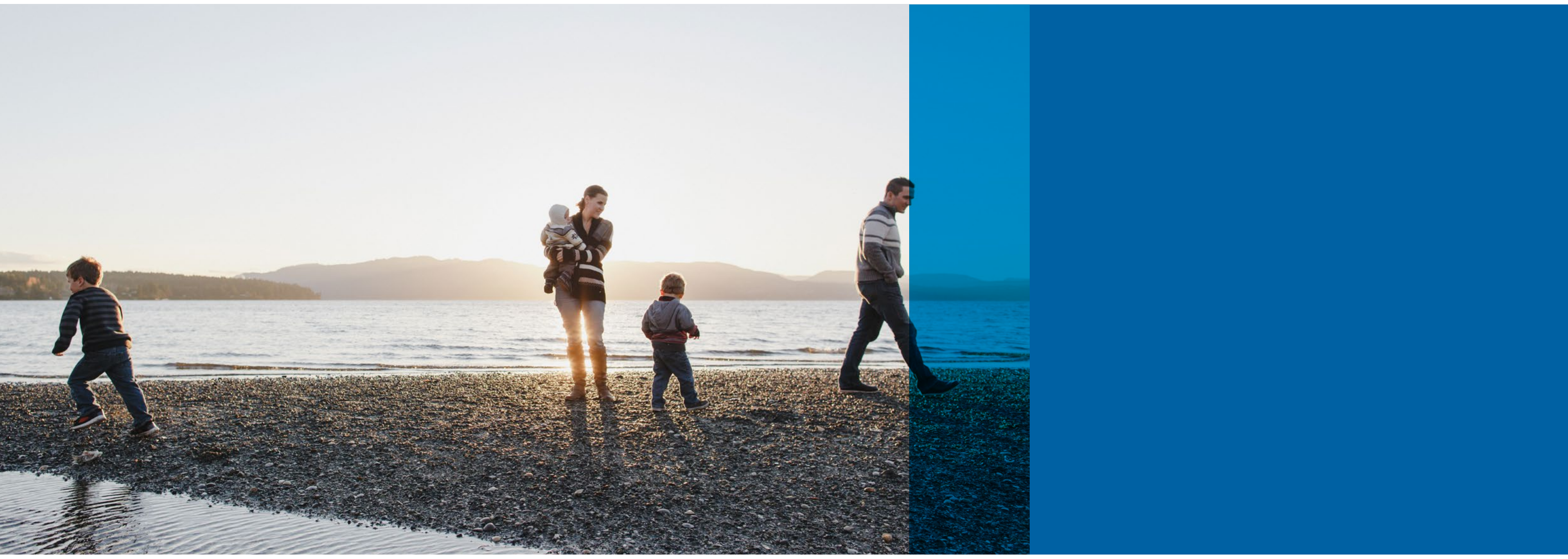

EverydayProtect

Sales Process Guide

For Advisers Only

We have produced this simple guide to help you:

- Identify clients that could benefit from EverydayProtect
- Understand how EverydayProtect 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 EverydayProtect proposition. Information about EverydayProtect and its features and benefits can be found at www.metlife.co.uk.

MetLife

Navigating life together

Contents

Target market

Who is EverydayProtect suitable for?

EverydayProtect is for individuals who are looking to protect themselves or their dependants in the case of accidental injury or hospitalisation. The lump sum benefits 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).

EverydayProtect can be taken out by any individual who is:

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

However, from experience we know that the proposition particularly appeals to the following key target segments:

- Individuals who are highly dependent on a monthly income – typically people aged 18 to 59-year olds with less than £2,000 in savings.
- 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.
- (For optional Child Cover) 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.
- (For optional Active Lifestyle Cover) Those with active lifestyles, including rugby, football, running and most sports including martial arts.
- (For optional Specialist Healthcare Cover) Healthcare workers that are at particular risk of contracting certain illnesses.

Who is EverydayProtect not suitable for?

As well as understanding who EverydayProtect 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. The following segments are not our usual target market, and we do not expect sales to be made to these demographics:

- Those with enough other 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. EverydayProtect is not a life cover replacement.

However, if a clear need and affordability is demonstrated the product may 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 EverydayProtect (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 EverydayProtect and full life cover and see the need for protection

Please note, we would expect sales outside of our usual target market to make up a significant minority of sales and affordability should always be assessed as stated.

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 here to ensure that any products recommended are suitable for the client.

First you need to demonstrate that you ‘know your customer’ and ensure that you gather information on their circumstances and objectives to understand the needs that they have. A good way to do this is through a Fact Find.

Initial questions to enable the client to 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 you had an accident and couldn’t work?
- Have you thought about how you would cope financially if you broke a bone or had to go to hospital due to an accident?
- What about if your child had an accident and you needed to take time off work to look after them?
  [If the client has children]
- What sources of income/savings would you have to meet your living costs in the immediate future/ longer term if you couldn’t work?
- Does your employer provide more than statutory sick pay and for how long?
  [If employed]
- Does your employer provide income protection?
- Do you have any personal protection policies including income protection, critical illness, life cover etc? Do you understand in what circumstances these would pay out?
- Do you understand whether you would be entitled to state benefits should you be unable to work?
- What is your occupation?
  (for example are you a healthcare worker and could benefit from Specialist Healthcare Cover?)

It is important also consider other aspects such as the following areas:

- The age of the client (and any partner or dependants)
- The health of the client and spouse/partner (if applicable) and any concerns they have
- Existing cover
- Other resources available to the client
  (i.e. are there any savings which could tide the client over in the short-term/long-term?)

If the client does have one or more existing protection arrangements it is 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 outgoings following an accident/illness (taking account of any sick pay/benefits etc.)

An existing product may also include some features related to the length of time the product has been held, which would be lost if a new product was bought as a replacement. This should be considered in any recommendation.

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 EverydayProtect 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 have 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 other durable medium.

Fair treatment of vulnerable customers

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 4 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 are clearly explaining the insurance policies you are selling, and that they are understood by your clients.

State benefits

Universal Credit was introduced from October 2013, with the aim of encouraging people to work, simplify the system to be easier to understand and cheaper to run, reduce the number of people in work and still living in poverty, and reduce fraud and error.

It replaced child tax credit, housing benefit, income support, income-based Job Seekers allowance, income-related Employment Support Allowance and working tax credit.

The Government also introduced Personal Independence Payment 'PIP' to replace Disability Living Allowance, and applied a cap on benefits to ensure households cannot receive more in benefits than the average wage for working families.

In November 2018, clarification was provided to the British Resilience Housing Group 'BHRG' for a joint press release with the Chartered Insurance Institute 'CII'*. Money received from protection policies such as EverydayProtect that is used to pay off debts will not be used to determine entitlement for Universal Credit. Any remaining money in excess of £6,000 will be used to calculate any benefit.

As a financial intermediary, it's important you consider state benefits when discussing the protection needs of your client, as benefits from insurance policies, including income protection, critical illness cover and policies like EverydayProtect, can impact a household's eligibility for state support.

You should also consider there are other factors that can impact a household's eligibility for state support, including an individual's ability to work, and receipt of income from other sources, such as from a spouse or partner.

*Source: Chartered Insurance Institute (April 2019).
Accessed online www.cii.co.uk/news-index/articles/impact-of-insurance-payments-on-universal-credit/68004.
December 2019.

Example telephone script

The following is an example script that could be used to recommend EverydayProtect on the telephone, 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.

This example script assumes that the required regulatory information concerning you and your link with the firm and a description of the financial service being provided is covered with your client. The statement of demands and needs, Personalised explanation, and Policy Summary and Additional Important Policy Information document must be provided to the client in writing immediately after conclusion of the contract (on the basis that Exceptions in ICOBS 3.1 apply).

Example script	
Establish client need	*Refer to example questions under 'know your customer' section above.*
EverydayProtect What EverydayProtect is and why it is important.	My aim is to make sure you understand what EverydayProtect is and what it provides cover for. I will also talk to you about what it doesn't cover you for. EverydayProtect can help you, your partner or family cope financially by providing a lump sum if you suffer an injury, die or must spend time in a UK hospital as a result of an accident. An accident is a sudden event which happens by chance and couldn't be expected. Once you have held the policy for at least 12 months you 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 you die from non-accidental causes. Any lump sum paid out could be used by you to help with your living costs if your income is restricted or additional expenses incurred, for example travelling to medical appointments or making changes to your home. There are other types of policies that are designed to pay a regular income if you are unable to work due to accident or illness and there are other policies that pay out a lump sum if you a diagnosed with a specified illness. We can discuss whether these may be more appropriate for you depending on your circumstances and needs.
Basics Summary of EverydayProtect.	EverydayProtect can be tailored to your needs, with 5 levels of benefits and 3 optional covers, so additionally you can choose to protect your children, your active lifestyle, or yourself from specified infectious illnesses. There are no medical questions when you take out the policy and the cost will not increase as you get older, or if you claim. The policy will continue if you pay the premiums and remain a UK resident, up until your 75th birthday, unless you claim for accidental total permanent disablement - *unable to look after yourself ever again*.

Example script	
What is covered Core cover. Optional cover.	EverydayProtect primarily pays a lump sum benefit if you have an accident that results in injuries including: • broken bones • permanent injuries such as loss of limbs or major organs, loss of sight or hearing or severe burns • total permanent disablement - *unable to look after yourself ever again* • death It also covers you if you must spend time in a UK hospital due to an accident and once you have held the policy for at least 12 months it will also cover you if you must stay in a UK hospital due to sickness. It also provides a benefit if you should die from non-accidental causes so there will be some money to help your family with funeral costs, debts or other expenditure. EverydayProtect allows you to tailor your protection to your circumstances with optional cover. The options are: • Child Cover - covers your children in case of accidents because you may need to take time off work to look after them. • Active Lifestyle Cover – covers you for accidental dislocations, tendon ruptures and ligament tears. • Specialist Healthcare Cover – covers you if you contract 1 of 7 specified illnesses (Human Immunodeficiency Virus (HIV), Septicaemia caused by methicillin-resistant Staphylacoccus aureus (MRSA), Hepatitis C, Bacterial Meningitis, Tuberculosis - *excluding latent tuberculosis*, Hepatitis B and Clostridium difficile infection).
What is not covered Explain that the policy primarily covers injuries and hospital stays that are the result of an accident.	As I mentioned, EverydayProtect primarily covers you for accidental injuries and hospital stays that are the result of an accident. Hospital stays for illnesses are not covered until you have had the policy for at least 12 months. Hospital stays must be in a UK hospital.

Example script	
Significant exclusions Explain the most significant or relevant exclusions.	As with any insurance there are several exclusions, where MetLife would not pay a claim. Full details of these can be found in the Policy Terms and Conditions, policy summary and additional information documents that I will send you/have provided you with. • Psychiatric illness, depression, mental or anxiety disorders or stress-related conditions • Actual or attempted suicide or self-inflicted injury • Active participation in an actual or attempted illegal act, including road traffic accidents • Participation in some sporting activities, including playing professional sport and contests of speed • War or act of foreign enemy • Aerial flight (other than as a fare-paying passenger of a licenced airline or charter service) • Where alcohol was a significant factor • Certain tasks undertaken during employment or self-employment • Any form of military, army, naval or air force service • Hospital stays in non-UK hospitals • Hospital stays for optional surgery • Broken bones are not covered if caused by osteoporosis, brittle bone disease, or other degenerative bone disorder. • Stress fractures and bruised bones • A broken nose

- Soft tissue injuries
- Dislocation of bones of the fingers, thumbs and toes

There are also some restrictions that you should be aware of:

- For Core Cover and Active Lifestyle Cover - benefits are reduced by 50% from your 70th birthday until your 75th birthday, when the policy will terminate. We will write to you before your 70th birthday to remind you that your benefits will soon be reducing.
- For Core Cover and Child Cover - the maximum payable for hospital stays is 90 days per condition. Hospital stays must be for at least 24 hours for benefit to be payable (hospital stays due to pregnancy-related complications must be at least 4 complete days).
- For Child Cover – no cancer benefit is payable if the child has been previously diagnosed, or had tests or investigations, that lead to the diagnosis of cancer prior to the policy start date and / or within 90 days of the policy start date. Children are not eligible for Active Lifestyle Cover or Specialist Healthcare Cover.
- For Active Lifestyle Cover – covers one dislocation and/or one tendon rupture or ligament tear in a policy year.
- For Active Lifestyle Cover – dislocations and tendon ruptures are covered only where surgical intervention takes place.
- For Active Lifestyle Cover - can only be added at the start of the policy.
- For Specialist Healthcare Cover - can be added at any time after the start of the policy, but only once, and providing you are a healthcare worker when you select the cover.
- For Specialist Healthcare Cover - no benefits are payable if you have contracted an infectious illness covered under the policy or has been referred for tests or investigations relating to the infectious illness, before the policy start date.

Premiums

The amount and basis of the premium.

Premiums are payable monthly by Direct Debit and are dependent on the level of cover you select (it is not based on your medical information).

- The cost is £9 per month for each unit of cover and you can select from 1 unit up to 5 units.
- You can also add optional cover (Child Cover, Active Lifestyle Cover and / or Specialist Healthcare Cover) for £1 per month for each unit of cover you have selected.
- Once your policy has started, the premium is payable until your 75th birthday unless you become ineligible or you decide to cancel the policy and give up the benefits.
- We monitor the premium needed to provide the policy benefits, and can increase or decrease the premium for existing policies no more than every 5 years under specific circumstances set out in the Policy Terms and Conditions. Any change in premium is not based on a policyholder's individual circumstances.
- Over the term of the policy the total premium payable would be £xxx.
  This is based on <1/2/3/4/5> units of core cover and optional covers as follows:

[delete as appropriate]

Child Cover

Active Lifestyle Cover

Specialist Healthcare Cover

Example script

Distance marketing agreement Request the client's explicit consent to use the abbreviated distance marketing information. The script assumes this is given. If consent is not given, then full distance marketing information must be provided to the client (ICOBS 3.1.3)	As we are speaking on the telephone rather than face to face, I need to ask you whether you are happy to proceed based on a short summary of the policy or whether you would like me to read everything out to you in full. Client agrees. 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.
Disclosure and 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. As I mentioned earlier MetLife does not ask any questions about your medical history, but there are some other questions on the application. When we are completing this it is important that you answer all the questions, I ask you carefully, to the best of your knowledge and belief as insurance companies can refuse to pay a claim if the information you provided was deliberately incorrect.

Example script

Policy Summary Explain the importance of reading and keeping the Policy Summary document.	All the information we've discussed is contained in the Policy Summary and Additional Important Policy Information document I will send/ have sent 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.

Statement of demands and needs Sample for non-advised sales

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 EverydayProtect.

As stated earlier in this document, 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 based on their specific circumstances. On that basis, any wording used should tailored to each client, but the 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 to cover you should you have an accident that results in a temporary or permanent injury, hospitalisation, total permanent disablement - *unable to look after yourself ever again*, or death.

[Include or delete as appropriate depending on which additional covers are being recommended.]

You have additional needs, based on your circumstances, to cover

<your <child/children> should they have an accident and you need to take time off work to look after them.

dislocations and accidental injuries to tendons/ligaments as you lead a relatively active lifestyle.

the contracting of specified illnesses as you feel that you are more at risk given your employment/self-employment as a healthcare worker.>

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 EverydayProtect policy

The MetLife EverydayProtect policy will help meet your accident protection needs by providing a cash lump sum in the event of you suffering a range of specified accidental injuries – from the less serious like breaking an arm, to being blinded or accidental death.

It also covers you if you must spend time in hospital due to an accident and once you have held the policy for at least 12 months it will also cover you if you must stay in hospital due to sickness. It also provides a benefit if you should die from non-accidental causes so there will be some money to help your family with funeral costs and other costs associated with the death.

MetLife does not require you to answer any medical questions when you take the policy out, but you should understand that your policy primarily covers you if you suffer bodily injury solely as a result of an accident.

The cost is known up front and you can select between 1 and 5 different benefit levels (referred to as 'units' of cover). The more units you opt for, the more benefit you could receive from EverydayProtect. You have selected <1/2/3/4/5> units based on the balance of cost and benefits that is suitable for you. I have informed you of the total cost of the policy and you confirmed that you can afford the monthly premium of (£XX per month).

Exclusions

As with any insurance there are several exclusions, where MetLife would not pay a claim. We have discussed these, but you should also refer to the policy summary and the Policy Terms and Conditions for further detail. [Include details of any particularly relevant exclusions here – for instance check whether the client does any excluded activities and activities they undertake in their employment/self-employment.]

Child cover

You told me that you would like to cover your children in case of accidents because you may need to take time of work to look after them. To meet this need you can add Optional Child Cover. For X number of units [enter same number of units as selected for core cover] this will cost an additional £X per month. This covers all your <children/step-children>.

Active Lifestyle Cover

You told me that you <have an active lifestyle/play a lot of sport> and would like to cover yourself in case of accidental dislocations, tendon ruptures and ligament tears. To meet this need you can add optional Active Lifestyle Cover. For X number of units [enter same number of units as selected for core cover] this will cost an additional £X per month. We discussed the limitations on claims for this benefit and I also told you that MetLife will only pay claims for dislocations and ligament tears where they are fixed surgically.

Specialist Healthcare Cover

You told me that you are at a higher risk of catching certain infectious diseases as a result of your occupation as a healthcare worker, so to meet this need you can add optional Specialist Healthcare Cover which provides a lump sum if you contract 1 of 7 specified illnesses. For X number of units [enter same number of units as selected for core cover] this will cost an additional £X per month.

About MetLife

MetLife, Inc. is a leading global provider of insurance and financial services with more than 145 years of experience. Through its subsidiaries and affiliates, MetLife, Inc. reaches approximately 100 million customers in over 50 countries. MetLife Europe d.a.c., trading as "MetLife", is an affiliate of MetLife Inc. and has been operating under the "MetLife" brand in the UK since 2007. 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.

Unmet needs

[If there are any unmet needs you should detail these in this statement.]

Questions on EverydayProtect?
Call: 0800 917 2221
Email: protection@metlife.com

metlife.co.uk

COMP 2857.02 JUN2022