

# Adviser Guide - Policy Administration

Helping you navigate policy management

14 October 2022





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# About this document

This document is part of the **MetLife Adviser Guide**, which is made up of the following documents:

- Adviser Administration
- Claims
- Commissions
- Product, MetLife Protect and MetLife Protect Super
- Policy Administration
- Underwriting

Together, these documents provide the information you need to help you understand and manage your clients' MetLife insurance policies.

# Important terms

In this Guide, we have used specific terms to refer to the Product, Policy Owners and Customers. The following table outlines how and when they will be used.

Product	Potential policy owners	The term 'Customer' refers to
MetLife Protect Super*	Equity Trustees Superannuation Limited (ETSL)	Life Insured
MetLife Protect	SMSF, individual(s), a corporate entity, trustee	Policy Owner

\* To have cover in MetLife Protect Super, the Life Insured must be a member of the MetLife Australia Superannuation Fund.

# Our forms library

Use the right form for the right activity.

Our Resource Centre houses all the forms you can use to help your clients manage their insurance. Use the table below to work out which form you need for common activities.

Note, we can accept a number of policy change requests over the phone. Please refer to page 8 of this guide for more information.

Activity	Form
Nominate an authorised third party to obtain information regarding a MetLife policy	Third Party Authority Form
Transfer policy ownership in or out of superannuation via Cancel and Replace	Cancel and Replace Request Form
Change policy ownership (other)	Memorandum of Transfer Form
Cancel an in-force policy or cover	Cancellation Request Form
Set up a direct debit from a bank account or credit card for premium payments	Direct Debit Request Form
Alter or increase cover	Increases and Alterations Form
Change or remove the adviser on an in-force Policy	Change Listed Adviser Form
Nominate beneficiaries for a MetLife Protect Policy.	Beneficiary Nomination Form - Non-Superannuation
Nominate beneficiaries for a MetLife Protect Super Policy	MetLife Australia Superannuation Fund Beneficiary Nomination Form
Set up a new enduring rollover authority for a MetLife Protect Super Policy	MetLife Australia Superannuation Fund Enduring Rollover Authority
Confirm that the MetLife Australia Superannuation Fund is a complying resident and regulated super fund (confirmation letter)	MetLife Australia Superannuation Fund Letter of Compliance
Complete the Superannuation Work Test if premiums are paid via personal contributions through the MetLife Australia Superannuation Fund and the life insured is over 67	MetLife Australia Superannuation Fund Work Test Form
Request membership to the MetLife Australia Superannuation Fund, for the purposes of policy ownership	MetLife Australia Superannuation Fund Member Application Form

# Outstanding premiums and dishonours

We write to the customer if there are premium dishonours or outstanding premiums.

Here's how the process works:

## Step 1. First dishonour/overdue premium

We issue a letter to the customer the following day after the first premium dishonour.

The letter includes instructions for paying the overdue premium. These instructions are tailored to the dishonour reason. It also advises the customer that their Policy is at risk of lapsing if premiums are not paid.

For Standard Cover where a linked Extras Cover policy and/or Extra Cost Options Policy is in force, the letter advises of the outstanding premium on the Extras Cover and/or Extra Cost Options. If the linked Policy is issued under a different Policy, a separate letter will be issued notifying of the outstanding premium.

If the customer is experiencing difficulty meeting their premiums due to financial hardship, you or your client can contact us to discuss the options that are available to them. We recommend that you contact us as early as possible in these circumstances.

## Step 2. Second dishonour/overdue premium

For policies paid fortnightly or monthly by direct debit, we'll try to debit two premiums at the next billing date. For policies paid annually via direct debit, we'll try to debit the annual premium again two weeks after our first attempt.

If this second attempt is unsuccessful, we issue another letter to the customer after the second premium dishonour. This letter advises the customer of the overdue premium amount and what they need to do to pay their premiums.

It also warns the customer that the policy will be cancelled if the overdue premiums aren't paid by the due date – and notifies the customer of the cancellation date.

To comply with the notification requirements of section 59A of the Insurance Contracts Act 1984 (ICA) and section 210 of the Life Insurance Act 1995 (LIA), the policy cancellation date is 40 calendar days after the date of the second letter.

## Step 3. Confirmation of Cancellation

If the outstanding premiums are not paid by the cancellation date as notified on the second letter, the policy will be cancelled and we will send a cancellation confirmation letter.

This letter advises the customer that the policy has been cancelled due to non-payment of premiums. It states that no benefit will be paid for claim events that occur after the cancellation date.

The letter also outlines the reinstatement process and guidelines.

See also **Policy reinstatement** on page 7.

# Over-the-phone processing

We can make a range of changes to a policy over the phone.

We can make certain changes to a policy over the phone without the need for a signed request, as long as the customer or an authorised third party:

- can be clearly identified
- is authorised and eligible to make the requested change
- agrees to the verbal declaration (where required).

## Changes that can be made over the phone

You can make these changes over the phone:

- Reduce sum insured
- Decline CPI
- Change premium structure from stepped premiums to level premiums (and vice versa)
- Cancel policy or cover
- Update payment details
- Update address
- Update contact details
- Update premium frequency
- Update billing date
- Approve or revoke third party access
- Remove or change the listed adviser

## Changes that can't be made over the phone

We require a written request for some changes, usually those that require full underwriting, or to meet legislative requirements. We have listed some examples of those changes below. These changes will require a form to be completed.

- Apply for a new cover type
- Nominate binding beneficiaries
- Set up a new enduring rollover authority
- Change policy ownership

# Signature requirements

## Who can sign?

The ownership of the policy dictates who can sign.

Type of policy	Who is authorised to sign for changes?
MetLife Protect	Individual owner - the Policy Owner Multiple owners - all Policy Owners Corporate entity - one of the directors* of the entity
MetLife Protect Super	The Life Insured
MetLife Protect owned by an SMSF trustee	The trustee of the SMSF (as Policy Owner)

\* Must be legally authorised to act on behalf of the corporate entity.

Life Insured is required to complete a Personal Statement or answer questions for any changes that require cover to be increased or updated to reflect non-smoking status or a new occupation class.





## Signature options

Depending on the process or nature of your customer's request, different signature options apply:

Activity	Written signature	Voice signature	Electronic signature*
Increase/adding covers	✓	✗	✓
Medical evidence authority	✓	✗	✓
Declaration of Continued Insurability	✓	✓	✓
Superannuation membership	✓	✓	✓
Binding beneficiary nomination	✓	✗	✗
Direct debit service agreement	✓	✓	✓
Superannuation rollover request	✓	✓	✗
Transfer of ownership (via cancel and replace)	✓	✗	✓
Memorandum of transfer	✓	✗	✓
Cancellation request	✓	✓	✓
Cancellation retraction	✓	✓	✓
Reinstatement request	✓	✗	✓
Change or remove listed adviser	✓	✓	✓
Third party authorisation	✓	✓	✓

\*Electronic signatures are currently not available for alteration requests.

# Beneficiary nominations

Beneficiary nominations enable the payment of death proceeds to the beneficiaries nominated by the customer on the policy (subject to rules).

Beneficiary nominations vary depending on the type of policy the customer has taken out.

At a broad level, there are three types of policies we issue:

1. MetLife Protect Super – this is an insurance in super policy and has Equity Trustees as the Policy Owner.
2. MetLife Protect – issued with an SMSF trustee as the Policy Owner.
3. MetLife Protect – issued with any other entity as the Policy Owner e.g. an individual or individuals or a corporate entity (such as a company or trust).

## Beneficiary nominations – MetLife Protect Super

Under superannuation law, a beneficiary on a superannuation policy must be one of the following:

- a spouse (including de facto) of the Life Insured;
- a child of any age (including an adopted child) of the Life Insured;
- a dependent of the Life Insured; and
- the personal legal representative (executor of the will or administrator of the estate) of the Life Insured.

There are three types of beneficiary nominations available under MetLife Protect Super.

### 1) Binding nominations

A binding nomination enables the Trustee of MetLife Protect Super to pay the customer's death proceeds to whoever they nominate as the beneficiary on the Policy. The Trustee of MetLife Protect Super offers binding nominations on a non-lapsing basis.

In order for a nomination to be recognised as a valid binding nomination under superannuation law, the customer must complete a Binding Beneficiary Nomination form and have this:

- Witnessed by 2 adults (over age 18), who are not one of the nominated beneficiaries; or
- A customer must also sign the form.

**IMPORTANT NOTE** - The Binding Beneficiary Nomination form must be completed correctly and accepted by the Trustee in order for the nomination to be valid. Until we have received a correctly completed form, any nomination you make will be treated as non-binding.

The Binding Beneficiary Nomination form can be found in the Resource Centre of the Adviser Portal.

### 2) Non-binding nominations

A non-binding nomination enables the Trustee to consider the circumstances at time of death (e.g. if the Life Insured has any other dependents) before a payment will be made to the nominated beneficiary.

### 3) No nomination

If there is no beneficiary recorded on the Policy, the Trustee will pay any death proceeds to the Life Insured's personal legal representative.

## Beneficiary nominations – MetLife Protect (owned by an SMSF)

We do not accept beneficiary nominations on policies issued to SMSF trustees. In the event of the Life Insured's death, the death proceeds will be made to the SMSF trustee(s) as the Policy Owner(s).

## Beneficiary nominations – MetLife Protect (owned by other entities)

We accept beneficiary nominations on MetLife Protect (unless the policy is owned by an SMSF trustee). If there is no nomination, the death proceeds will:

- Be paid to the Policy Owner (if the Policy Owner is not the Life Insured)
- To the Life Insured's estate (if the Policy Owner and Life Insured are the same).



# Third party access

A customer can ask us to provide a specified third party with access to their policy information.

Customers can give a third-party access to their policy. There are three levels of access:

- 1.** Access to policy information only.
- 2.** Access to policy information and to make changes, but not to cancel or reinstate the policy.
- 3.** Access to policy information and to make changes, including authority to cancel and reinstate the policy.

## Granting third-party access

A customer can request third-party access to their policy either:

- over the phone, or
- by completing a **Third Party Authority** form.

We'll need certain details about the third party:

- For individuals – we need their name, date of birth and residential address.
- For financial advisers or brokers – we need their name, practice name, and AFSL.

We'll use these details to identify the third party before providing any information about the policy, or enabling them to make any changes.

# Policy and cover cancellations

We'll cancel a policy or cover when a customer requests it. But we may also cancel a policy or covers for other reasons.

## Cancellation by the customer

A customer can ask us to cancel their policy at any time, by letter, email or over the phone.

Wherever possible, we maintain a record of the reason for cancellation, provided that the customer is comfortable providing this information.

If the policy or cover is paid:

- Monthly or fortnightly – the policy will be cancelled from the nearest charging date
- Annually – the policy will be cancelled from the date of the cancellation request unless otherwise agreed at the time of cancellation.

Where the cancelled policy is the Standard Cover and a linked Extras Cover policy and/or Extra Cost Options policy is in force, the cancellation will also apply to the Extras Cover and/or Extra Cost Options policy.

## Cancellation by us

We may cancel an in-force policy or cover when:

- the policy or cover is replaced by another MetLife policy or cover as a result of:
  - a request to transfer cover to or from a superannuation fund (by a cancel and replace).
  - alteration requests that require cancellation and replacement in order to complete processing
- the policy or cover expires
- a claim is paid, resulting in policy cancellation
- non-payment of premium when due (refer to **Outstanding premiums and dishonours** on page 6 for details on our lapse process)
- we cancel from inception – see below.

## Cancellation from inception (CFI)

During the life of a policy, there may be occasions when we cancel cover from inception.

We may consider CFI to be an appropriate course of action:

- at the customer's request, during the cooling off period
- at the customer's request, where the policy was issued in error
- as a remedy for a breach of the duty to take reasonable care not to make a misrepresentation, or misrepresentation in accordance with the ICA
- where the policy was issued subject to cancellation of an existing non-MetLife policy, but this policy was not cancelled by the customer.
- where the policy was issued in response to a Cancel and Replace request and:
  - it is an eligibility requirement of the replacement policy that the Policy Owner/Life Insured complied with their duty to take reasonable care not to make a misrepresentation, and did not make any misrepresentations when applying for the original policy, and
  - the Policy Owner/Life Insured failed to comply with their duty to take reasonable care not to make a misrepresentation, or made a misrepresentation when applying for the original policy.

# Changes to ownership

Policy ownership may be changed to meet your customer’s needs.

For transfers of policy ownership, note that:

- the person/s signing as transferor must be the current owner/s of the policy
- the person/s signing as the transferee should be the new owner/s of the policy
- the Life Insurance Act (LIA) says that a transfer is not valid until it is registered by us
- a transfer may attract stamp duty.

## Transferring ownership to a company

If the policy is owned by, or to be transferred to, a company, at least two directors, or a director and company secretary, must sign as the current or new Policy Owner.

If the company has a sole director/company secretary, send the form along with a letter on company letter head and stamped with the company stamp.

## Changing policy ownership to or from non-superannuation policies

Here are the guidelines for changing policy ownership for non-superannuation policies.

Existing owner	New owner	Reason for change	Requirements
Individual	Same individual	Name change of individual Policy Owner	Statutory Declaration, and: <ul style="list-style-type: none"> <li>• Marriage or Change of Name certificate</li> <li>• Divorce documents (Decree Absolute) and Birth Certificate or Change of Name certificate</li> </ul>
Entity	Same entity	Name change of entity Policy Owner (excluding changes to ABN or ACN)	<ul style="list-style-type: none"> <li>• Copy of ASIC Certificate of Registration of Change of Name</li> </ul>
Individual or entity	New individual or entity	New Policy Owner, or new ABN/ACN	<ul style="list-style-type: none"> <li>• Memorandum of Transfer (MOT) Form</li> <li>• Original Policy Schedule and any other Important Documents</li> </ul>

For all cases listed above, the changes will be made on the existing policy number.

## Changing policy ownership to or from a superannuation fund

Transferring cover to or from a superannuation fund or SMSF can be complex. Our cancel and replace process aims to simplify this.

Here are the guidelines for changing policy ownership to or from a superannuation fund (including SMSFs):

Existing owner	New owner	Cancel and Replace Request form	MetLife Australia Superannuation Fund Membership form
Individual(s) or entity	Equity Trustees Superannuation Limited	✓	✓
Individual(s) or entity	SMSF	✓	
Equity Trustees Superannuation Limited	SMSF	✓	
Equity Trustees Superannuation Limited	Individual(s) or entity	✓	
SMSF	SMSF	✓	
SMSF	Equity Trustees Superannuation Limited	✓	✓
SMSF	Individual(s) or entity	✓	

For all cases listed above, the changes will be made by cancelling the existing policy number and re-issuing cover under a replacement policy number.





**For more information**

Call 1800 523 523 Monday to Friday 9:00am to 5:00pm AEST/AEDT

**metlife.com.au**

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This document is for adviser use only and is not for public distribution. It has been prepared as a guide only - for full terms and conditions in relation to MetLife Protect and MetLife Protect Super, please refer to the MetLife Protect and MetLife Protect Super Product Disclosure Statement and Policy document (PDS).

To the extent of any inconsistency between this document and the PDS, the PDS shall prevail.

For the class of consumers whom MetLife Protect and MetLife Protect Super is likely to be suitable for, and any conditions around how the product can be distributed, please refer to the Target Market Determinations for MetLife Protect (prepared by MetLife Insurance Limited) (ABN 75 004 274 882, AFSL 238096) and MetLife Protect Super (prepared by Equity Trustees Superannuation Limited) (ABN 50 055 641 757, AFSL 229757) at [www.metlife.com.au](http://www.metlife.com.au).

This document was prepared by MetLife Insurance Limited.



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