



MetLife Legacy Group Life insuring small, self-administered scheme (SSAS) pensions.

Fair Value Assessment

This document sets out the outcomes of MetLife's Fair Value Assessments of MetLife's Legacy Group Life products for SSAS schemes, 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 and to fulfil our Principles for Business responsibilities (PRIN 2A.4.15 R) under Consumer Duty.

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

Characteristics of the target market

The product was designed for employers who were 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.

Customers for whom the products would not provide the intended value.

The scheme was designed for employers that had a small, self-administered pension scheme, typically with a small number of scheme members. The product was not suitable (or available) for employers with a larger number of employees.

We expect the financial intermediary to be in the best position to identify the employer's needs and requirements, and whether the product is appropriate for the employer's individual circumstances.

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.

What benefits are provided.

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.

The products currently provide access to the following value-added services¹:

Employee Assistance Programme 'EAP'

MetLife Group Life employers with up to 1,000 employees, have access to our Employee Assistance Programme (EAP) at no additional cost. It provides an impartial person to talk to and offers support and information 24/7, 365 days a year. This provides employees with the support they need, when they need it most. Plus, members of their family* receive complimentary access to the service too.

** Members of an employee's family means the spouse or partner and any brother, sister, parent, legal dependants (except children under the age of 16) who are living in the same household as the employee; and any children or legal dependants of the employee who do not live in their household and are aged 16 to 21, living in the UK and are in full-time education.*

Bereavement & Probate support

A helpline which provides valuable support in coping with a terminal illness diagnosis, coping with a loss, and practical support on the probate process. This includes up to 6 structured bereavement counselling sessions per year. This also includes access for an employee's immediate family.

¹ The value-added services are not part of MetLife Group Life terms and conditions, and they may change in the future.

What benefits are provided

Annual premiums are 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 normally 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

The Group Life SSAS policies were sold by financial intermediaries who were authorised and regulated by the Financial Conduct Authority (FCA) at the time of sale. Commissions continue to be paid to any intermediary that service the policies, within the limits prescribed by MetLife. One scheme has been identified where there is no intermediated support (direct scheme).

Outcome of fair value assessment

Our fair value assessment identified the following factors for all products.

- The cohort of policies within this portfolio is too small for claim ratios alone to be meaningful. However, we have identified that the product pricing rules differ from our open Group Life Risk pricing.
- No claims have been made for this portfolio, but any claims made will be managed in the same way as our open Group Life Risk portfolio where claim outcomes show that most claims are settled within a few days, with claim payments made within expected targets. There is a continued focus to settle claims fairly and quickly. We acknowledge that not all customers will experience those unfortunate events that give rise to a claim.
- Additional value-added services provide customers with our Employee Assistance Programme and Bereavement & Probate support.

- Customers receive the same service levels as our open Group Life Risk business, where our customer operational standards are within the expected targets. Resources are actively managed to ensure targets are maintained.
- We have no complaints on this portfolio and low numbers of complaints for our open Group Life Risk business, which we believe reflects the levels of service provided and claim decisions made.
- We have processes in place to support vulnerable customers.
- Customers can leave the portfolio at any time without penalty.
- Commission continues to be paid to any intermediary serving this portfolio, with the commission limits agreed by MetLife.
- Customer Outcomes are formally reviewed every three months at an Executive level.

In conclusion, we believe that the SSAS portfolio has provided fair value to customers. To ensure that this continues in the future we are:

- Transitioning the small number of remaining policies to our open Group Life Risk pricing basis to enhance customer outcomes; and
- Adjusting the commission loading so that it reflects the level of commission being paid to the intermediary or for direct customers.

Product Oversight & Governance

This section is intended to provide distributors with information on our Product Oversight and Governance (POG) framework. It also outlines how we are meeting the FCA's new product governance rules under policy statement PS21/5, which came into effect 1 October 2021, following their General Insurance Pricing Practices Market Study. One of the key requirements under the new rules is the assessment of fair value, both during the product development process and in ongoing product monitoring. These are in line with Consumer Duty Outcomes 1 and 2.

Product development process

We have a well-established POG framework in place, which:

- ensures products are developed and kept which meet an identified customer need
- ensures the target market and non-target market for each product is clearly defined
- considers the needs of vulnerable customers
- ensures products are adequately tested before they're made available
- assesses whether products will deliver fair value to customers, and
- identifies risks and issues which are evaluated, prioritised and acted upon.

New products and significant product changes are subject to our oversight framework and will receive approval from our Europe Product Management Committee before they are made available. Minor product enhancements or changes will follow a simplified internal process but will continue to ensure that the steps shown above are explicitly considered.

Ongoing monitoring and annual product reviews

We regularly review all our products, both open and closed. This ensures they continue to meet the needs of the identified target market, our customers' expectations and deliver fair value. Actual Customer Outcomes form part of a quarterly review at an Executive level.

Whilst delivering fair value has always been at the core of our oversight framework, we have updated our process to include a specific annual assessment of the value customers receive through our products. The core measures that contribute to our value assessment include:

- product suitability and target market assessment
- fair pricing, including commission and total remuneration received by distributors
- claim ratios
- complaints
- service assessment

We may ask for information from our distribution partners to help support our fair value assessments.

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

MetLife Europe d.a.c. is a private company limited by shares, registered in Ireland under company number 415123. Registered office at 20 on Hatch, Lower Hatch Street, Dublin 2, Ireland. UK branch office at Invicta House, Trafalgar Place, Brighton BN1 4FR. Branch establishment number: BR008866. MetLife Europe d.a.c. (trading as MetLife) is authorised and regulated by Central Bank of Ireland. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.