

Financial adviser use only
 Covid-19 underwriting guidelines
 Effective from 22 April 2020

Changes to underwriting philosophy

1. **Variable remuneration components:** variable remuneration such as commission payments or bonuses will not be taken into account for insurable income calculation purposes.

New applications for disability cover: applications for new disability cover, or increases to existing disability cover, for applicants who have been or are likely to be heavily impacted by the economic and financial impacts of Covid-19 will be deferred for 12 months.

These are likely to be industries such as travel and tourism, import / export, hospitality, retail and some service providers as well as some small business owners / self-employed individuals, and individuals who are reliant upon goods or parts provided or manufactured offshore. Our Underwriting team will work closely with you to understand the nature of your customer's business and whether a deferral period is necessary.

2. **Maximum cover levels:** We've temporarily reviewed our current maximum levels of cover based on age and any applicable loadings. Please talk to your underwriter for further details.
3. **New questions:** We've introduced a new set of questions to directly understand the Covid-19 risk for each applicant. Existing application forms and practices do not reflect the rapidly changing situation of individuals in the current circumstances, therefore there is a requirement for the addition of questions (a questionnaire, or tele-underwriting) to the onboarding process for all cases.

Covid-19 questions:

a. In the last 3 months have you:

- I. tested positive for COVID-19, or
- II. self-isolated with symptoms and/or on medical advice?

➤ If yes, when was this?

b. In the last 1 month have you:

- I. been advised to self-isolate due to COVID-19 (excluding mandatory government orders to remain at home), or
- II. had a persistent cough, fever, raised temperature or been in contact with an individual suspected or confirmed to have COVID-19?

➤ If yes to (a) or (b), have you made a full recovery and returned to normal activities? If so, when was this?

Income protection guidelines

All new income protection applications can be considered on merit, but in some cases where cover is deemed available we may need to use additional risk mitigating tools such as restricting contract benefit periods, allowing indemnity rather than agreed value definitions, or changing the definition of income for indemnity products.

- 1. Agreed value benefits:** There *may* be some ability to offer an agreed value policy in certain circumstances. This would be for applicants where there is no change to their duties, income or hours worked as a result of Covid-19 (including persons able to transition their role entirely online). This may also apply where there is no longer term potential impact on the industry as a latent effect of Covid-19 e.g. supply chain lag, or future travel.
- 2. Benefits periods to age 65:** We are happy to consider cover to age 65, and for some individuals this would still be an option. These would be individuals with a risk profile similar to that stated above i.e. applicants where there is no change to their duties, income or hours worked as a result of Covid-19 (including persons able to transition their role entirely online). This may also apply where there is no longer term potential impact on the industry as a latent effect of Covid -19.
- 3. Indemnity income cover:** Fidelity Life's indemnity policy wording calculates pre-disability income over the 3 years prior to claim. When offering indemnity cover as an option for an individual whose future income may be unpredictable, we may need to change this definition. Instead we would consider applying an endorsement to the policy which states that any benefit payable is 75% of 12 months' earnings immediately prior to claim.

Applications under assessment

These guidelines also apply to all new business currently under assessment.

If we have made a final assessment and offered terms, these terms remain valid until the date notified on our assessment.

Please get in touch with our new business team so we can issue these contracts for you.

Other cases under application may need to be tele-underwritten to complete the assessment and understand whether their occupational status has changed i.e. are they currently working, have they had a change in hours or a change in occupational responsibilities?

Questions?

As always, our underwriters will work with you to offer the best and most appropriate terms for your customers.

We're monitoring the situation closely in partnership with our reinsurers – things are likely to change and we'll keep you posted.

Make sure you check our Covid-19 page on Adviser Hub regularly. If you have any questions please contact your Business Manager, Business Account Manager, Key Account Manager or underwriter, or give us a call on 0800 88 22 88 – we're here to help.