

FREQUENTLY ASKED QUESTIONS

Digital Application Reward

What is changing?

MLC Life Insurance is introducing a Digital Application Reward (DAR) for new MLC Life Insurance customers. The reward applies to applications that are submitted via the digital underwriting platform and excludes paper-based applications. The DAR is available on MLC Insurance, MLC Insurance (Super) or MLC Insurance (Wrap or SMSF) policies, across all types of cover and sums insured.

The DAR applies a discount to eligible policies for two years – a policy discount of 10% for the first policy year and 5% discount in the second year, when the application is submitted during the reward period and results in a policy being issued within the reward period or the transition period.

When does the change take effect?

The reward period is from 5 November, 2018 to 11.59pm, 5 May, 2019.

What is the transition period?

The transition period is from 6 May, 2019 to 11.59pm, 31 May, 2019 inclusive.

What is an eligible policy?

Eligible policies for the DAR are MLC Insurance, MLC Insurance (Super) or MLC Insurance (Wrap or SMSF) policies issued within the reward period or transition period following an application submission. The DAR does not apply to MLC Life Group policies.

Why is MLC Life Insurance introducing this reward?

In recognition of the growing cost of advice and the time it takes to get your customers' policies in place, MLC Life Insurance launched a digital underwriting platform in April 2018.

The new platform provides a simplified application process, greater underwriting transparency and helps customers get the cover they need in a more timely fashion.

Since the launch we have seen a significant increase in the straight-through acceptance rates and have been able to make improvements to our personal statement and underwriting rules.

To illustrate the efficiency of our platform, we are encouraging advisers to use the digital underwriting platform and utilise the DAR.

What is the digital underwriting platform?

The digital underwriting platform consists of three key tools:

1. Underwriting rules engine
2. Pre-assessment tool, and
3. Management information tool

The platform works by using a comprehensive database of industry-standard questions that assess a person's health and lifestyle status. Based on the responses, it provides an instant quote on premiums for life insurance, almost tripling the number of customers who receive a straight-through acceptance.

Is the change reducing base premium rates?

No, all base rates will remain unchanged for MLC Insurance, MLC Insurance (Super) or MLC Insurance (Wrap or SMSF) policies, across all types of cover and sums insured.

How will the DAR work?

The DAR will be available for new MLC Life Insurance customers only. New customers are defined as:

- New customers to MLC Life Insurance who have never been insured under a policy, or
- Previous customers whose policies in which they were the life insured have been terminated for longer than 180 days, or
- Members who are or were insured under an MLC Life Group Insurance policy, and who apply for an eligible policy, and are required to be fully underwritten, or
- Customers who are or were insured under an MLC Life Insurance Consumer Credit Insurance (e.g. NAB Mortgage Protect) or the Essentials insurance range, and who apply for an eligible policy, and are required to be fully underwritten.

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The DAR will only be applied if a Riskfirst application is completed and the adviser selects to use the digital underwriting platform through one of the following Riskfirst application submission methods:

- face-to-face data collection (online)
- email the personal statement to your customer using MyLink
- tele-underwriting, or
- alternative data collection (online).

The DAR will **not be applicable** if the adviser selects 'Applying from a paper application'.

The DAR applies only to applications submitted during the reward period and that result in a policy being issued during the reward period or the transition period.

For clarity, applications submitted during the transition period will not be eligible for the DAR.

Will the DAR be passed back?

No, the DAR only applies to new customers to MLC Life Insurance whose application is submitted during the reward period utilising the digital underwriting platform and results in a policy being issued within the reward period or the transition period.

To avoid doubt, **existing retail customers** of the following products are **not eligible**, even if they commence a new policy.

Existing product	DAR eligibility on new MLCI/S policy
Personal Protection Portfolio / Life Cover Super	X
Protectionfirst	X
National Australia Financial Management	X
Norwich	X

Members insured under MLC Life **Group Insurance policies** are **eligible** if the member is fully underwritten, e.g. not utilising a continuation option.

Existing product	DAR eligibility on new MLCI/S policy with continuation option	DAR eligibility on new MLCI/S policy with full underwriting
MasterKey Business Super insurance	X	✓
MasterKey Personal Super insurance	X	✓
MasterKey Fundamentals insurance	X	✓
Group Life and Group Salary Continuance	X	✓

Existing MLC Life Insurance Consumer Credit Insurance customers (e.g. NAB Mortgage Protect) or the **Essentials insurance range customers** are **eligible** if they are fully underwritten.

Does this apply to a new Child Critical Illness cover added to an existing policy?

No, new child cover on an existing policy is **not eligible** as the adult policyholder is an existing MLC Life Insurance customer.

Is a Group continuation option eligible for DAR?

No, Group Insurance **continuation options taken up** within the 60 days are **not eligible** for the DAR.

Group Insurance members who do not take up a continuation option within the 60-day period are **eligible** for the DAR during the reward period. This is due to members commencing a new retail policy that is fully underwritten using the digital underwriting platform.



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Will this affect other discounts, e.g. multi-cover discount or MLC On Track?

The DAR is in addition to all other discounts applicable (e.g. multi-cover discounts and MLC On Track discounts) and is applied to the base premium.

What happens to applications submitted prior to the reward period that are still pending?

Applications that are submitted to MLC Life Insurance outside the reward period and issued during the reward period or the transition period are **not eligible** for the DAR.

My customer has a DAR policy and is looking to add a new linked policy after the reward period. Would my customer be able to get the DAR on the second policy?

No, a customer will not receive the DAR on a linked policy after the reward period.

Can I quote this on Illustrator?

Yes, you are able to select or deselect 'Digital Application Reward (DAR)' when commencing a quick or detailed quote.

The online Illustrator tool and the applicable quote will display when a DAR has been applied.

Will current pending Riskfirst applications have the DAR automatically applied?

Yes, all current *Riskfirst* applications that have not been submitted as of 5 November, 2018 will have the DAR automatically applied. Therefore, advisers can view the DAR discount amount reflected on the application. DAR eligibility rules will still apply.

Will the DAR be reflected by the research houses?

Yes, the research houses will display the DAR for the Year 1 premiums. The DAR also will be reflected in the projections for Year 1, Year 2 and the cessation of the discount for the remainder years.

Will the DAR be reflected in the remuneration schedule?

Yes, the remuneration schedule will display the DAR for Year 1 and Year 2 premiums, and the cessation of the discount for Years 3-5.