

# Transferring cover across Resolution Life insurance products

*Resolution Life offers flexible products and services to make it easy for you to do business with us.*

Adviser and internal staff use

**Resolution Life**

Insurance may be transferred to:

- Elevate Insurance (Elevate)

This flyer is split into sections, which allows you to navigate and understand the eligibility to transfer insurance. Take a moment to review this checklist before moving forward. Following this checklist helps ensure your request meets all necessary criteria and prevents delays in processing.

## Eligibility, Requirements & Commissions

### How to apply

-  – Elevate Online Quote (EOL)
- Complete online application or;
- Submit Paper application

## Conversion option

-  Review whether the current insurance product qualifies for conversion to an Elevate policy – refer to page 6.

## Out of scope

-  Identify any insurance products or scenarios that are not eligible under the Insurance Transfer Offer.
-  Ensure you are not proceeding with an ineligible product or transfer request.
-  The Trauma products listed below are excluded from the transfer rules and will require full underwriting to be transferred to Elevate.
  - FLP Trauma Standard (with no partials package)
  - FLP Trauma Advanced
  - Crisis Care Standard
  - Crisis Care Advanced
  - Term Life Insurance (Crisis Benefit)
  - NMLA Term Life Insurance, Annual Renewable Term Plan – Major Trauma Benefit

## Guidelines

-  Determining like-for-like cover. – refer to page 4
-  Occupation mapping between products – refer to page 5.

## Change of ownership

-  Determine if a transfer of ownership to an individual/ordinary plan is required and complete any necessary ownership change forms if applicable – refer to page 7.

## Underwriting and commission

Type of transfer	Undewriting	Initial commission
<b>Change of ownership</b> <b>Subject to Eligibility rules (refer below).</b>	Nil	Nil <sup>(i)</sup> – Renewal commission will be paid at inception of the new policy and is subject to clawback rules as per initial commission. – For level/flat commission, we will pay 100% from inception.
<b>Contractual convertibility</b> Some products contain policy wording which allows convertibility to a new product. This includes some ex-NMLA policies when the client is no longer eligible to contribute to super. If eligible for contractual convertibility, this must be exercised before any other rules in this document apply. <b>Refer to page 6 for a list of products with contractual convertibility.</b>		
<b>Corporate / group insurance policies<sup>(i)</sup></b> Cover which is attached to an employer plan and is transferred to a retail policy. Continuation Options.	Full or continuation option (if eligible)	100%, subject to age-based commission rules (see page 3)
For conversions into the Income Insurance Senior Plan the current Elevate PDS rules must be met, along with the following conditions: <ul style="list-style-type: none"> <li>– For Elevate (from 21 March 2011), refer to the PDS or policy document</li> <li>– For ex-NMLA plans (prior to 21 March 2011), the policy document must stipulate the right to convert, along with any other requirements. The application for conversion must be received within 60 days of the existing plan ending.</li> </ul>	Nil	Nil <sup>(i)</sup> – Renewal commission will be paid at inception of the new policy and is subject to clawback rules as per initial commission.

(i) The new policy must have the same commission structure (and dial down arrangements) as the originating policy, whereas renewal commission may be dialled down even if not previously dialled down. If the previous policy was on upfront, refer to 'Commission' on page 3.

### Standard eligibility rules

#### If the following eligibility rules are not met, then full underwriting will apply and commission will be based on commission rules on page 3.

- Clients must not currently be on claim, eligible to claim, terminally ill or previously been paid a claim on any TPD or Trauma cover with Resolution Life.
- Any loadings and/or exclusions that applied to the existing insurance (outside the standard terms and conditions of the policy) will apply to the new insurance as accepted by the customer on the Declarations and Consent form. If the equivalent loading percentage is not available, the loading will be rounded up to the next level available. If the exclusion wording for the new insurance has been updated and is different to the exclusion wording in the existing insurance, in the event of a claim, the customer will be assessed under the exclusion wording that benefits them most.

#### For Change of ownership, the following concession rules also apply:

- Where Life and/or TPD cover is being transferred due to a Change of ownership (eg non-super to super), any linked trauma cover<sup>(i)</sup> can also be transferred to a FlexiLink Trauma Plan. Where Life cover and Own occupation TPD cover is being transferred to super ownership, PremierLink TPD can be used.

(i) This excludes Trauma products listed under the out of scope list.

Existing cover	Can replace with:
Income Insurance Plans	Elevate Income Insurance Essentials Plan Elevate Income Insurance Essentials Superannuation or SMSF Plan

**Note:** If the existing waiting or benefit period is not available, refer to Transferring into Elevate Income Insurance Essentials found on page 6

### Applicable to all Transfers

The new policy must meet the eligibility requirements/plan rules of the new product; such as minimum and maximum entry age, and sum insured, etc.

## Commission

For the following types of transfers, the commission style on the new policy should remain the same as the commission style on the cover being transferred. A new 'Post-LIF Upfront' commission style has been created specifically for transfers to cater for cover that was previously on Upfront.

Commission style transferring from			
Type of transfer	Upfront (new commission will be 'Post LIF Upfront')	Hybrid	Flat/Level
Change of ownership Contractual convertibility	Renewal commission paid from inception of the new policy and is subject to the clawback rules as per initial commission Renewal rate is 22% for Elevate	Renewal hybrid commission is payable from inception of the new policy and is subject to clawback rules as per initial commission	Level commission is payable at inception of the new policy and is subject to clawback rules as per initial commission
	Transferring to Elevate – If there is an increase in premium on 'like for like' cover, the hybrid commission rate will apply to the increase, and the renewal rate is 22% (incl. GST) for Elevate		
Increase in risk			
All transfers	If there is any increase to the risk (eg adding an option, increasing the sum insured, etc) then the hybrid new business and renewal commission rate will be used		Flat/level commission is payable

### When cover is not like-for-like

Where the transfer is not considered like-for-like, it will need to be fully underwritten. Full initial commission is payable on the increase in premium or any new cover added for Elevate.

### Age based commission rules

If the client's age is 55 or more, only level commission is available. Commission can be dialed down.

### Other important information

#### Qualifying periods

The Trauma insurance 90-day qualifying period will be waived for the equivalent trauma events and sum insured on the new policy. The 90 day qualifying period will not be waived if there has been an increase or alteration on the Trauma component within 3 months from date of policy transfer.

If the original policy has been in place for at least 13 months, the 13-month suicide clause will be waived for the equivalent benefits on the new policy.

- Renewal commissions can now be dialed down

## Guideline

### Determining like-for-like cover

In order to constitute like-for-like cover, the existing cover and the new cover must have the:

- same sum insured
- same cover type and options, for example:
  - for TPD cover, the same TPD occupation type ie ‘own’ or ‘any’
  - for IP cover, the same waiting period, benefit period, etc. If the existing waiting or benefit period is not available on Elevate the next longest waiting period or next shortest benefit period will apply. For further information refer to Transferring into Elevate Income Insurance Essentials on page 6
- same or less risk to Resolution Life, for example:
  - existing life with TPD or trauma option, wishes to remove the life cover and make the TPD or trauma standalone.

If like-for-like cover is not available on the replacement cover (due to the product’s existing rules), your client can choose features and benefits as long as there is no increase in the level of risk that Resolution Life is asked to cover. Some examples we will allow include:

- a longer waiting period
- a shorter benefit period
- changing from TPD ‘own occupation’ to ‘any occupation’.

When transferring like-for-like cover, the replacement cover should have the same smoking status and occupation rating that were applied when the client was last underwritten. If the client’s situation has changed since they were last underwritten and they want to update their occupation or change to a non-smoker/smoker status, underwriting will be required.

- (i) FlexiLink Plan must be linked to a Life Insurance SMSF Plan or Life Insurance Superannuation Plan and is equivalent to a Linked cover with Resolution Life.
- (ii) PremierLink TPD must be linked to a TPD Any Occupation Option.
- (iii) Maximum benefit amounts, expiry ages and terms may differ under the new plan and will apply to the new cover.

### Transferring into Elevate Income Insurance Essentials

Care will need to be taken on transfers to Income Insurance Essentials to ensure the life insured is not over insured given the replacement ratio is 70% and we will rely on the adviser entering the correct income (without Super) in the quote tool. Income will need to be confirmed when assessing the transfer of cover to prevent over-insuring. This section will help navigate some common scenarios you may encounter.

Benefit / feature	Income Insurance Essentials	Transfer guide
Waiting Period	30, 90, 180 days	If the waiting period that applied under the existing policy is not available, the next longest waiting period available under the Income Insurance Essentials will apply. Otherwise full underwriting will be required. For example, a 60-day waiting period will be adjusted to a 90-day waiting period. Where there is a reduction in the waiting period full underwriting will apply for the whole policy. For example, going from a 104 days to 30 days waiting period. Where underwriting is required, we may offer revised terms on the new contract including loadings, exclusions and other restrictions.
Benefit Period	2 or 5 years	If the specified benefit period for the policy being transferred is unavailable under Income Insurance Essentials, the next shortest benefit period available will apply. Otherwise full underwriting will apply. This would mean that an age 60 or 65 benefit period will be adjusted to a 5 year benefit period. For policies with an age 60 benefit period and wish to transfer full underwriting will be required noting the expiry period of the new Essentials plan (to age 65) Where underwriting is required, we may offer revised terms on the new contract including loadings, exclusions and other restrictions.
Sum insured	70% of income, to a max of \$30,000 per month	Full underwriting will apply for the increased portion if there will be an increase in the sum insured amount. A quote with current income is necessary to ensure we avoid overinsuring, considering the 70% replacement ratio. Income details that are entered into the quote should not include super. This needs to be added separately under the super contribution option if applicable for the transfer.
Conversion to Senior Plan	Entry age 60	Applications for conversion to a Senior Plan must be submitted either before the plan expires or from the life insured’s 60th birthday. All conversions to Senior Plans are subject to eligibility requirements, including occupation ratings, claims history, and other relevant factors. Please refer to the policy terms to confirm that all eligibility criteria are met.
Non-transferrable occupation category	Occupation F (Farmers)	If the life insured moves to an insurable occupation, for example from farming to a desk job, we can assess and consider allowing the transfer. Full underwriting would be required. Note if an upgrade of occupation is completed prior to transfer, then the transfer could be allowed without full Underwriting.
Cancellable plans	Occupations BY, CY, DY	Effective 16th December 2024, following the Elevate Upgrade, these plans will now be considered guaranteed renewable and will be eligible for the two-year benefit period only.

For the quote to be valid, the occupation rating that was applied when the client was originally underwritten will need to be mapped to the equivalent rating under the new cover.

The following tables are provided as a guide to assist in obtaining the relevant occupation rating. If you don’t know the client’s existing occupation rating, please contact us. The occupation rating applied will determine the benefit period, waiting period and options available.

## Income protection cover

Occupations	Firstcare (FLP) rating	Elevate
Selected professionals (eg solicitors, accountants – CPA or CA qualified)	4A	AA
Medical practitioners and dentists	3A	AA , MP
White collar clerical	2A	A
Selected occupations not entirely desk bound, travelling may be required, eg sales representatives.	A	A
Selected occupations including supervisors with up to 10% manual work	4B	B
Qualified tradespeople (non-hazardous) eg carpenter	3B	C (except 'C' rated Mining occupations)
Selected occupations including small business owners, or light manual occupations, eg greengrocer	2B	C (except 'C' rated Mining occupations)
Selected occupations including heavy manual occupations, eg local truck drivers	1B	D

## TPD / Permanent incapacity cover

Firstcare (FLP) rating	Elevate
A	A
B	B <sup>(i)</sup> (white collar but not primarily sedentary)
B	C <sup>(i)</sup> (involve some manual duties and/or use of light machinery)
C	D

(i) Please refer to the Underwriting Guide to ascertain the equivalent rating for the client based on their occupation at the time they took out their cover (or were last occupationally underwritten).

(ii) Transfer Applications Only:

- Mining Manual Work – C for TPD and IP
- Mining Heavy Manual Work with C for TPD and DY for IP

## Contractual convertibility

Contractual convertibility exists where the transferring policy includes terms that explicitly allow the policy owner to transfer that policy to the current on sale series, or to transfer to an on-sale product, without underwriting.

Where contractual convertibility exists under the transferring policy but the transfer also includes an increase in risk to Resolution Life (eg increase in sum insured, change to structure ie any occupation to own occupation TPD), the increased risk will require underwriting. In this instance, full underwriting and full commission will apply to the increase in premium. Where contractual convertibility is available, this must be exercised before any other rules.

Ex-NMLA products	Benefit	Year (of policy document)
Term Insurance Benefit (USNS, USNN, IIIDTS & IIIDTN) – Conversion is only available for policies issued between 1987 and 1993 where the supplementary Conversion Option exists and from 1993 onwards, the conversion option was a built in benefit.	Life (with Conversion Option benefit attached)	1987 – 1993
Term Life Insurance – Decreasing Sum Insured (TIDL)	Life (& linked TPD, Trauma)	1994
Level Life Insurance Plan – Level Premium (TILL)	Life (& linked TPD, Trauma)	1994 – 1995
Level Life Insurance Plan – Stepped Premium (TISL)	Life (& linked TPD, Trauma)	1994 – 1995
Lifestyle Protection Plan (LPP)	Life	1993 – 1995
National Mutual Life Insurance Benefit (TI)	Life	1994
NMLA Annual Renewable Term Plan (ART), including the Superannuation version (ARTS)	Life (& supplementary TPD, Trauma)	1980 – 1995
Life and Disablement Protection Policy (DSL) Can only convert to a similar plan at certain periods: – Stepped premium – before the first renewal date after the person insured turns 70 – Level premium – before the expiry date.	Life, TPD	1995
Renewable Convertible Step Term Insurance	Life	1974
Risk Protection Package Can only convert to a similar plan at certain periods: – Stepped premium – before the first renewal date after the person insured turns 70 – Level premium – before the expiry date.	Life, TPD & Trauma	1995 – 2004
Level Life Insurance Superannuation Plan (TIPOL)	Life (& linked TPD, Trauma)	1995
Retirement & Savings Long Term Plans	Life (& linked TPD, Trauma)	1996 – 1998

**Note:** The 'Year' column states when the policy document was published. Policies which were sold beyond these dates are also considered to have contractual convertibility, although you should review the policy document.

Resolution Life products	Benefit	Year (of policy document)
Term Life Insurance (TLI)	Life	1993 – 1997
Term Life and Crisis Care – Can only exercise death benefit up until age 60*	Life	1995 – 1997
Yearly Renewable Term (YRT) – Can only exercise death benefit up until age 60	Life	1983 – 1991
Certain conventional (Whole of Life/Endowment) policies: – Allows sum insured conversion of CP/R units or G1, G2, G4 benefits to be converted to other forms of insurance without evidence of insurability. – Must be exercised before the insured person's 50th birthday.	Life	N/A

\* Term Life and Crisis Care covers were sold as a package between 15/5/95 – 14/5/96. Convertibility does not apply to Crisis Care cover.

## Policy 'replacement option' terms for Resolution Life products

The following Resolution Life policies issued through superannuation are allowed to convert to a non-super version without underwriting when the client reaches a certain age, or they are no longer eligible to contribute to super. Replacement terms are provided below and will not be eligible for initial commission.

### Firstcare Lifetime Protection

You can continue your Death cover and/or TPD cover when you no longer can make contributions, by applying for a current Elevate Life and/or TPD Insurance Plan without providing any evidence of health, occupation and pastimes. The new plan will be dependent on the terms and conditions applicable at the time.

## Section 3 – Changing plan ownership

Current plan owner	New plan owner		
	Individual/ Company <sup>(i)</sup>	SMSF <sup>(ii)</sup>	Equity Trustees Superannuation Limited (ETSL)
Individual/ Company <sup>(i)</sup>	MOT	Cancel/Replace	Cancel/Replace
SMSF (Ordinary Plan) <sup>(ii)</sup>	MOT	Cancel/Replace	Cancel/Replace
SMSF (Super Plan)	Cancel/Replace	Cancel/Replace	Cancel/Replace
SMSF (SMSF Plan)	Cancel/Replace	MOT	Cancel/Replace
Equity Trustees Superannuation Limited (ETSL)	Cancel/Replace	Cancel/Replace	N/A
Superannuation Proprietary (NM Super) <sup>(iii)</sup>	Cancel/Replace	Cancel/Replace	Cancel/Replace

There are various ownership structures for insurance. Each ownership structure has restrictions (legislative or otherwise) on how any change in plan ownership can be processed.

### 1. Individual/Company

- The plan documents are written to allow an individual or a company to own the policy.
- Transfers to other individuals or companies can be effected with a Memorandum of Transfer (MOT).
- Transfers to an SMSF or ETSL must be a Cancel/Replace as *Superannuation (Industry) Supervision Act 1993* (SIS) legislation prevents a superannuation fund from acquiring a life insurance plan from members.

### 2. SMSF (ordinary plan) – on Portal, the Class of Business is ‘Ordinary’ and the policy series is before 18 May 2014.

- The plan documents are written to allow an individual or a company (including trustees of an SMSF) to own the policy.
- Transfers to other individuals or companies, or to other SMSFs can be effected with an MOT.
- Transfers to ETSL must be a Cancel/Replace because the policy documents do not allow the policy to be owned by ETSL.

### 3. SMSF (super plan) – on Portal the Class of Business is ‘Super’.

- The plan documents are written to allow ETSL or the trustees of superannuation funds (including SMSFs) to own the policy. Some versions of the Living Security Program.
- Life Superannuation Plan is an example of this type of plan.
- Transfers to an individual or company must be a Cancel/Replace.
- Transfers to other SMSFs or to ETSL can be effected with an MOT.

### 4. SMSF (SMSF plan) – on Portal the Class of Business is ‘Ordinary’ and the policy series is on or after 19 May 2014.

- The plan documents are written to allow the trustees of an SMSF to own the policy.
- Transfers to Individual/Company must be a Cancel/Replace because the policy documents do not allow the policy to be owned by an individual/a company.
- Transfers to another SMSF can be effected with MOT.
- Transfers to ETSL must be a Cancel/Replace because the policy documents do not allow the policy to be owned by ETSL.

### 5. Equity Trustees Superannuation Limited (ETSL)

- The plan documents are written to allow only ETSL to own the policy. An example of this type of plan is the current Elevate Life Insurance Superannuation Plan.
- Any change of ownership for these plans must be a Cancel/Replace.

### Memorandum of Transfer (MOT)

This involves submitting a signed standard MOT form. This form can be obtained from Resolution Life’s administration team. Resolution Life will change the policy owner and the new policy owner will have all the rights and obligations that the previous owner had under the plan. The plan terms and conditions and premium rates remain unchanged.

### Cancel/Replace

This involves cancelling the existing plan and replacing it with an equivalent Elevate plan, which may have different terms and conditions and premium rates. Reasons for cancellation and replacement include:

- There are fundamental differences between the relationships that exist where insurance is purchased by an individual and where insurance is purchased by an individual through a superannuation trustee.
- The plan document received by the original policy owner contains specific wording depending on who owns the plan:
  - Where the plan owner is an individual, the plan document may have included a Funeral benefit, Accommodation benefit and/or Financial plan benefit. These are not allowed under a superannuation arrangement.
  - Where the plan owner is an individual, the plan document would have usually included an age greater than age 75 for when the plan ends. This is not currently allowed under a superannuation arrangement.
  - Where the plan owner is an individual, the plan document would have specified that any benefit paid will be in accordance with the plan owner’s request. This is not allowed under a superannuation arrangement. Any benefit payment would be paid to the Trustee and then paid at their discretion (provided release conditions have been met).
- Superannuation legislation prevents a superannuation fund acquiring a life insurance plan from members.

## Cancel/Replace – administration requirements

### Application form

		Which parts of the application form need to be completed?								
Current plan owner	Proposed plan owner	Application summary	Products and options	Payment authorities	Nomination of beneficiaries (non-super)	Non-super/SMSF insurance application and signatures	Nomination of dependants (super)	Tax file number	Super insurance application and signatures	Financial adviser and commission details
Individual/ Company	ETSL	✓	✓	✓			✓	✓	✓	✓
SMSF	ETSL									
Individual/ Company	SMSF	✓	✓	✓		✓				✓
ETSL or NM Super	SMSF									
SMSF	Individual/ Company	✓	✓	✓	✓	✓				✓
ETSL or NM Super	Individual/ Company									



## Like to find out more?

If you'd like to know more, please contact us on **133 371** or email [askus@resolutionlife.com.au](mailto:askus@resolutionlife.com.au)

### What you need to know

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Resolution Life Australasia Limited ABN 84 079 300 379, AFSL No. 233671 (Resolution Life) can be contacted via [resolutionlife.com.au/contact-us](http://resolutionlife.com.au/contact-us) or by calling **133 731**.

The information contained in this document is only for professional financial advisers acting in that capacity and does not contain any financial product advice.

Any life insurance cover for these products is issued by Resolution Life Australasia Limited ABN 84 079 300 379, AFSL No. 233671 (Resolution Life). These products are issued by either Resolution Life, Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL No. 229757, RSE Licence No. L0001458 (a Trustee) as trustee of either the National Mutual Retirement Fund ABN 76 746 741 299, RSE R1056310 or the Super Retirement Fund ABN 40 328 908 469, RSE R1067361 (each a 'Fund') or N.M. Superannuation Proprietary Limited ABN 31 008 428 322, AFSL No. 234654, RSE Licence No. L0002523 (a Trustee) as trustee of either the AMP Super Fund ABN 78 421 957 449, RSE R1056433 or the Wealth Personal Superannuation and Pension Fund ABN 92 381 911 598, RSE R1071481 (each a 'Fund'). Where Resolution Life is the issuer of life insurance policies to a Trustee for any of these products, the Trustee will receive any proceeds from the insurance policies from Resolution Life and provide the proceeds to eligible Fund members.