



## **STANDARD PROCEDURE FOR AUTO ENROLMENT**

### **How will RAM treat employees captured by 'Auto-Enrolment (AE)'?**

We will apply our Actively At Work (AAW) terms at the date of AE for all relevant employees who are entitled to a benefit or would be eligible for an increase in their existing level of benefit. We will accept a bulk email confirmation of AAW in this instance.

We will require this AAW confirmation within one month following the AE staging date or we will assume that no employees have been Auto Enrolled (AE'd) and that no cover or increase in cover is required.

### **How will RAM treat anyone who was not Actively At Work when they were Auto Enrolled?**

As part of the AAW confirmation to be supplied (as stated above) please provide full details of any employee that is not AAW as we *may* be able to include them within the life Scheme without the need for any additional requirements.

We will confirm to you any employee that we are not prepared to cover and is therefore not eligible to join the life Scheme *or* have an increase in their level of cover, individual underwriting considerations will apply when the employee is next back at work.

Please note that no cover will be in place until it has been confirmed as such by us.

### **What is RAM's timescale for commencing a rate review where a Scheme has increased in size (number of lives and or Sum Assured) due to 'Auto-Enrolment'?**

We reserve the right to carry out a rate re-test if the overall sum assured and/or number of lives changes by 30% or more, although we appreciate that any such rate review should be deferred to allow the Scheme membership to settle as there may be employees who chose to opt-out of the pension scheme. Consequently we will allow a three month settlement period after the initial date of AE before assessing whether a rate review is required.

### **What Membership data will we require?**

Full Scheme Membership data including all AE'd Members as at three months after the AE staging data (the end of the settlement period).

### **When will this data be required?**

Full Membership data must be supplied within one month after the end of the settlement period i.e. four months after the staging date or we will assume that no employees have been AE'd and no cover or increase in cover is required.



### Will we be able to provide an 'AE proof' rate at the next rate anniversary date?

Subject to full Membership data to include all potential upcoming AE employees we *may* be able to offer a rate that will be guaranteed against the effect that AE may have on the Scheme.

### How will we treat anyone with an existing underwriting decision?

Any previous underwriting decision/s specific to an employee or existing Member will remain unchanged due to the process of AE. If cover or an increase in cover is required for any such Member/s then individual underwriting considerations will apply.

### Will AE affect the Scheme Catastrophe limit?

The catastrophe limit in-force for the Scheme prior to AE will remain at the same level after AE has taken place, unless AE has introduced new Members located in the following areas; EC1, EC2, EC3, EC4, SE1 and E14 where a £50m catastrophe limit will be applied to these specific locations.

### How will AE Members be Costed?

We will produce split accounts if the sum assured and/or number of lives changes by 30% or more due to AE at which point we reserve the right to review the existing rate, in such instances we will always try to maintain the existing rate. In all other cases we will produce the normal end of term accounts with any leavers and joiners being costed by the normal simplified administration basis.

All split accounts will be effective from the AE date unless the normal Scheme anniversary falls between the AE date and the end of the settlement period. In such instances we will operate the split account from the normal anniversary date.

If a **new** rate is to apply it will be effective from the AE date unless the normal Scheme anniversary falls between the AE date and the end of the settlement period. In such instances we will operate the split account and the new rate from the normal anniversary date.

### How will RAM treat any employee being 're Auto-Enrolled' at each subsequent Auto-Enrolment date?

We would treat any employee that is re auto-enrolling (as they previously opted-out) as a full Late Entrant (as per our Technical Guide) i.e. Members with benefits not exceeding £400k would need to complete our Late Entrant Declaration and Members with benefits exceeding £400k would be subject to individual underwriting considerations. Such employees will not however receive any cover until underwriting has been completed and acceptance confirmed by us.

**The above points highlight the key areas where Auto Enrolment may have an impact on an existing Group Life arrangement. Please contact RAM if you have any specific questions or require clarification.**

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