What is the maximum discount that can be lost in a single year?

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The absolute maximum discount that could be lost in a worst-case scenario, is 10 percentage points in a single year. This considers a scenario where a client loses 5 percentage points due to not completing a reassessment or having poorer results than before, and an additional 5 percentage points for missing a regular debit order payment.

The LifeReturns® Reassessment Protector will protect a reduction in discount in all instances other than missing a regular debit order (unless the discount reduces below the minimum protected discount, then it also protects against the loss of the regular debit order discount). Here are some examples:

Example: Screening results deteriorated

A client enjoys a 20% discount but on completing a reassessment their screening results only earns them a 10% discount for the next year. The LifeReturns® Reassessment Protector ensures their discount cannot reduce by more than 5 percentage points per year, so their discount only reduces to 15% until the next compulsory reassessment.

Example: Debit order discount not protected by LifeReturns® Reassessment Protector

A client enjoys a 30% discount but neglects to complete a reassessment by the due date. The LifeReturns® Reassessment Protector ensures that the discount only reduces by five percentage points. However, at the same time this client also misses a debit order payment. Their discount reduces by an additional 5 percentage points to 20% as the LifeReturns® Reassessment Protector does not provide protection against missed debit orders. (Unless it would have reduced their discount below the 10% minimum protected discount level.)

Example: Minimum protected discount applicable

A client enjoys a 10% screening discount and misses a debit order payment, and their reassessment results are worse than their previous screening. The client will not experience a reduction in their discount as the protection provided by the LifeReturns® Reassessment Protector ensures that their discount will not reduce below the 10% minimum protected discount and will not reduce below 10% for the next three years, as they have completed a reassessment during the reassessment period.

Example: Minimum protected discount not applicable

A client enjoys a 15% initial discount, but misses a debit order payment, and does not complete a reassessment by the due date. The client will lose 10 percentage points of their discount and be left with only a 5% discount. Five percentage points are lost because they missed their regular debit order and another 5 percentage points are lost because they did not complete a reassessment. In this instance the 10% minimum protected discount does not apply as the reassessment was not completed.