



For financial advisers only

Product governance and fair value – Whole of Life

At Aegon we have a policy governing product approval, lifecycle review and fair value assessment. Here we provide the information you need about our Whole of Life policy.

Product governance

We have a detailed proposition development policy for creating and designing new products. We also have a rolling programme of product lifecycle management where we regularly review our products. These product governance arrangements make sure our products meet the identified needs and objectives of the target market over the lifetime of the product and the distribution strategy remains appropriate.

We have enhanced our policies and product oversight to capture the rules and outcome areas under Consumer Duty. Our regular product reviews and value assessments test the proposition design to deliver fair customer outcomes, and to check for potential foreseeable harm, taking into account the complexity of the product and the identified target market.

Fair value assessment

Fair value assessment	Detail
When was the last fair value assessment?	We carried out our last fair value assessment in September 2023.
What did the fair value assessment consider?	<ul style="list-style-type: none"> • Customer insight – target market, Net Promoter Score (customer and adviser), complaints, gone aways, vulnerable customers. • Proposition design and features – design, any barriers to exit, current and future events impacting, current risks and issues. • Customer communications – review of key communications material. • Proposition performance, customer outcomes and value for money – pricing and charging levels. • Processes and platforms – service level agreement performance, assessment of operational processes, audits, incidents, complaints, fraud prevention. • Distribution – our distribution strategy, the role of intermediaries and the total cost paid by the customer across the distribution chain.
What was the outcome of the fair value assessment?	<ul style="list-style-type: none"> • The fair value assessment concluded that the product and associated service at this time offers fair value and that the price paid is reasonable compared to the benefits. • No specific actions were raised as an outcome of the fair value assessment.

Product information

Product information	Detail
Who is the target market?	<p>Designed for your clients who want to:</p> <ul style="list-style-type: none"> • Protect their family against the financial impact of their death. • Make funds available to cover an anticipated inheritance tax (IHT) liability on their estate. • Leave behind an inheritance.
Who isn't the product suitable for?	<p>Not designed for your clients who want:</p> <ul style="list-style-type: none"> • Life cover for a specific length of time. • To take out cover for another person. • An investment-linked arrangement. • A cash-in value. • To be protected if they're unable to work due to accident or serious illness.
What's the suggested distribution strategy?	<p>This product was distributed on an FCA regulated advised or non-advised basis. It was closed to new business on 4 April 2023 and is no longer distributed.</p>
What are the main features and characteristics?	<ul style="list-style-type: none"> • Life insurance that pays out a lump sum when your clients die or are diagnosed with a terminal illness. • It can be taken on a single-life, joint-life first death, or joint-life second death basis. • You and your clients can choose cover that: <ul style="list-style-type: none"> – Stays level throughout the term of the policy. – Increases in line with the retail price index. • We'll provide up to £1 million of free cover for up to 90 days, while we request any necessary medical information. If you place the policy in either our Discretionary or Flexible Trust with online applications or our Whole of Life Trust with paper applications, any free cover will also be in trust. • You can place your clients' policies in trust so that the benefits don't form part of their estate, which can help mitigate any IHT liability. You can use either our Discretionary or Flexible Trust with online applications or our Whole of Life trust with paper applications. • Our gift inter vivos conversion option can help protect against any IHT liability in the seven years after making a gift.

Product information	Detail
<p>How can your clients manage their policy?</p>	<p>We've designed our Whole of Life policy to be flexible, so it can meet your clients' changing needs.</p> <ul style="list-style-type: none"> • We offer a range of guaranteed insurability options that may be available to your clients to extend their cover, without needing to provide further medical information. • Our joint-life separation option lets your clients split a joint-life first death policy into two separate single-life policies. • Our gift inter vivos conversion option can help protect against any IHT liability in the seven years after making a gift. <p>If your clients have chosen an inflation-linked policy, we'll write to them every year before their anniversary to let them know what their new benefit amount and premium will be.</p> <p>Your clients can get in touch with us by phone, email or using our secure online form. Full contact details are available at aegon.co.uk/support by selecting Protection (Insurance).</p>
<p>What additional services are available to your clients?</p>	<p>We provide more than just financial support. At no additional cost, your clients have access to Policy Plus - our range of support and guidance services. These are available for your clients to use throughout the life of their policy - they don't need to claim to start using them.</p> <ul style="list-style-type: none"> • A 24/7 health and wellbeing service • A second medical opinion service • A funeral payment pledge <p>The FCA doesn't regulate the third party organisations that provide our Policy Plus services. They aren't part of our terms and conditions and can be withdrawn at any time.</p>
<p>What are the risks?</p>	<ul style="list-style-type: none"> • If your clients stop paying their premiums, their protection cover will stop immediately and they'll no longer be protected. • If your clients choose our inflation-linking option, their policy payments could increase by more than they expect if inflation is high. • If your clients take out cover for IHT planning, there's no guarantee that the money paid out will meet the full amount of any future liability. • Tax legislation could change in the future, which could impact the IHT liability, so it's important to regularly review policies being used for IHT planning purposes. • If you don't place the policy in a valid trust, the policy proceeds could be included in your clients' estate and be subject to an IHT liability. • Some exclusions apply, as detailed in our Whole of Life policy conditions.

Product information	Detail
<p>What are the associated costs?</p>	<p>Your client's personal illustration will detail the cost of each benefit chosen and the overall cost over the life of the policy.</p> <p>We take the following into account when deciding how much your clients' policy premiums will be for their chosen benefits:</p> <ul style="list-style-type: none"> • The number of claims we expect to pay • The number of benefits we expect to stop before the end of their benefit term • The level of inflation • The amount of tax we expect to pay and how HM Revenue & Customs would ask us to calculate this • The level of interest rates • The amount of investment income we expect to receive on premiums we receive • The amount of money we have to set aside to meet claims as they fall due • The cost of setting up and servicing their chosen benefits <p>Your clients' policy premiums will also include the cost of commission we pay.</p>
<p>Are there any circumstances which may cause a conflict of interest to the detriment of your clients?</p>	<p>There are no expected conflicts of interest.</p>

This information is based on our understanding of current taxation law and HMRC practice, which may change. Trusts establish legal rights and entitlements and might have material financial and tax implications for the settlor, trustees and beneficiaries. Aegon UK isn't authorised to provide legal advice, so you should take your own legal advice before setting up a trust, to make sure that it meets your clients' requirements. Our trusts have been drafted for use by UK-domiciled individuals.

The policy doesn't have any cash-in value at any time. Your clients' protection will stop if they stop paying their premiums.

[For more information, speak to your usual Aegon representative.](#)