



For intermediaries only

Product oversight and governance – Business Protection

The Insurance Distribution Directive (IDD) sets out standards for product approval and product review processes, requiring a robust policy is in place to make sure products have an identified target consumer market and the risks to the identified target market are assessed.

The distribution strategy must also be appropriate to ensure the product is distributed to the identified target market.

Product information

Here you can find the information you need about our Business Protection policy.

Product information	Detail
Who is the target market?	<p>Designed for your clients who:</p> <ul style="list-style-type: none"> • want to make sure their business can continue, by replacing loss of income, profits or resource, if a key person is unable to work due to illness, accident or death; • want to make sure the business owners can maintain control by having the funds available to buyout a shareholder or their estate if they become critically ill or die; • want to make sure their dependants receive a fair value for their share of the business if they become critically ill or die; • want to protect a business loan, or • want to be able to adjust the level of cover as the needs of their business change.
Who isn't the product suitable for?	<p>Not designed for your clients who:</p> <ul style="list-style-type: none"> • want an investment-linked element within their policy; • want protection with no end date, or • want to be able to cash in their policy at any time.
What's the suggested distribution strategy?	Distributed through intermediaries, on an advised or non-advised basis.
What are the main features and characteristics?	<ul style="list-style-type: none"> • It's a menu-based product, which allows you to tailor cover to meet your individual clients' needs from a choice of: <ul style="list-style-type: none"> – life protection; – critical illness protection; – life with critical illness protection; – key person income protection, and – executive income protection.

Product information	Detail
<p>What are the main features and characteristics? – continued</p>	<ul style="list-style-type: none"> • You can also choose from a range of additional benefits, including waiver of premium, which complements the main benefits listed on the previous page. • 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, or – reduces¹ in the same way that a capital and interest loan would reduce if it was repayable over the benefit term at a yearly interest rate of 10%. • Our immediate cover facility is available², providing cover for the first 60 days while we request any necessary medical information. • It's flexible so that it can meet the changing needs of your clients' business. This includes a range of options that may be available to your clients to extend their cover, without the need to provide further medical information. • Many benefits are available with a choice of guaranteed or reviewable premiums. • Your clients have access to a range of support and guidance services that are available throughout the life of their policy, at no extra cost. They include a health and wellbeing service, second medical opinion service, funeral payment pledge and a key person replacement service. These services aren't part of our terms and conditions and can be withdrawn at any time. <p>¹ Available for life protection and life with critical illness protection only.</p> <p>² Terms and conditions apply.</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 reducing benefits and the interest rate on their loan is consistently above 10%, the amount we'll be able to pay if they make a claim may not be enough to pay off their outstanding loan. • If your clients choose benefits with reviewable premiums, their regular premium could go up or down at each review, but any increase will be fair and reasonable. • If your clients choose executive income protection and the insured person's taxable earned income goes down or doesn't go up as quickly as the benefit amount, if they make a claim we may not pay the full benefit amount. We won't refund any premiums if this happens. • If your clients choose executive income protection, the amount we pay out if they make a claim may affect: <ul style="list-style-type: none"> – the insured person's entitlement to some means-tested state benefits, and – any claim to benefits under other income protection policies the insured person may have. • The tax treatment of key person income protection or executive income protection may change. • Some exclusions apply, as detailed in our Business Protection policy conditions.
<p>What are the associated costs?</p>	<p>Your clients' personal illustration will detail the cost of each benefit chosen and the overall cost over the life of the policy.</p>

Product information	Detail
Are there any circumstances which may cause a conflict of interest to the detriment of your clients?	There are no expected conflicts of interest.

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 that our products meet the identified needs and objectives of the target market over the lifetime of the product and that the distribution strategy remains appropriate.

Our regular reviews will test the proposition design so it remains fit for purpose and delivers fair customer outcomes, taking into account the complexity of the product and the identified target market.

For more information about the IDD and our approach to facilitating the changes, visit our [Business change](#) page or speak to your usual Aegon representative.