

# Product oversight and governance – Personal 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 Personal Protection policy.

Product information	Detail
Who is the target market?	<p><b>Designed for your clients who:</b></p> <ul style="list-style-type: none"><li>• want to protect themselves or their families against the financial consequences of:<ul style="list-style-type: none"><li>– death or terminal illness;</li><li>– diagnosis of a critical illness covered by the policy, or</li><li>– loss of income due to accident or sickness;</li></ul></li><li>• want to be able to pay off a mortgage/meet mortgage payments if any of the above happen;</li><li>• are looking for cover over a specific length of time;</li><li>• want to be able to adjust their cover as their needs change, or</li><li>• want to mitigate an expected inheritance tax (IHT) liability.</li></ul>
Who isn't the product suitable for?	<p><b>Not designed for your clients who:</b></p> <ul style="list-style-type: none"><li>• want an investment-linked element within the policy;</li><li>• want protection with no end date;</li><li>• want to be able to cash in the policy at any time, or</li><li>• want to protect their business.</li></ul>
What's the suggested distribution strategy?	Distributed through intermediaries, on an advised or non-advised basis.

Product information	Detail
<p>What are the main features and characteristics?</p>	<ul style="list-style-type: none"> <li>• 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"> <li>– life protection;</li> <li>– critical illness (CI) protection;</li> <li>– life with critical illness (LICI) protection;</li> <li>– family income benefit (FIB),</li> <li>– CI FIB;</li> <li>– LICI FIB;</li> <li>– income protection, and</li> <li>– gift inter vivos.</li> </ul> </li> <li>• You can also choose from a range of additional benefits, including waiver of premium, which complements the main benefits listed above.</li> <li>• You and your clients can choose cover that: <ul style="list-style-type: none"> <li>– stays level throughout the term of the policy;</li> <li>– increases in line with the retail price index, or</li> <li>– reduces<sup>1</sup> in the same way that a repayment mortgage would reduce if it was repayable over the benefit term at a yearly interest rate of 10%.</li> </ul> </li> <li>• It's flexible so that it can meet your clients' changing needs. We offer a range of options that may be available to your clients to extend their cover, without the need to provide further medical information. We also offer a joint-life separation option to split a joint-life first death policy into two separate single-life policies.</li> <li>• Free cover is available for cover that's linked to a mortgage, to provide cover while your clients wait for their property purchase to complete.</li> <li>• Accidental death benefit is automatically included<sup>2</sup> with all life insurance benefits, providing up to £250,000 life insurance for up to 60 days.</li> <li>• Many benefits are available with a choice of guaranteed or reviewable premiums.</li> <li>• 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 and a funeral payment pledge. These services aren't part of our terms and conditions and can be withdrawn at any time.</li> </ul> <p><sup>1</sup> Available for life protection, CI protection and LICI protection only.</p> <p><sup>2</sup> Terms and conditions apply.</p>

Product information	Detail
What are the risks?	<ul style="list-style-type: none"> <li>• If your clients stop paying their premiums, their protection cover will stop immediately and they'll no longer be protected.</li> <li>• If your clients choose reducing benefits and the interest rate on their repayment mortgage 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 repayment mortgage.</li> <li>• 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.</li> <li>• If your clients choose income protection and their taxable earned income goes down or doesn't go up as quickly as their benefit amount, if they make a claim we may not pay the full benefit amount. We won't refund any premiums if this happens.</li> <li>• If your clients choose income protection, the amount we pay out if they make a claim may affect: <ul style="list-style-type: none"> <li>– their entitlement to some means-tested state benefits, and</li> <li>– any claim to benefits under other income protection policies they may have.</li> </ul> </li> <li>• The tax treatment of income protection benefits may change.</li> <li>• Some exclusions apply, as detailed in our <b>Personal Protection policy conditions</b>.</li> </ul>
What are the associated costs?	Your clients' personal illustration will detail the cost of each benefit chosen and the overall cost over the life of the policy.
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.