

This summary is created in response to:

- the Financial Conduct Authority (FCA) Policy Statement PS21-05 which strengthens regulation aimed at delivering fair value to customers.
- the Financial Conduct Authority (FCA) PROD 4 Rules and Consumer Duty product review assessment.

The Society will also supply, on request, specific product governance information as available within the public domain.

## Product

**Group Personal Income Replacement Plan** – Income Protection to include the following live products as at the date of assessment:

- Group Personal Income Replacement Plans for Employee Groups and Members of Sports and Leisure Clubs v1.1

## Outcome of Fair Value Assessment

**Date of Assessment:** April 2023

The Society, as a mutual, is committed to supporting its members with products that provide appropriate features to their needs and deliver fair value in the benefits they receive. The Product Governance Approach, outlined below, ensures that is achieved for both new and existing plans.

An annual assessment is carried out for each protection product. That assessment includes input from the Society's Actuary and the Wiltshire Management Team (to include Finance, Operations and Compliance functions). It is assessed by the (Board delegated) Product Steering Committee.

**The assessment concludes that:**

- our Product Governance Approach to this product ensures that our members receive fair value from their plan;
- there is no evidence of the plan delivering unfair value;
- the target market remains appropriate and is looking to be expanded through market testing;
- the plan features continue to meet the needs of members;
- the distribution strategy remains appropriate.

Details of the assessment measures and summary outputs can be found at the end of this document.

## Product Governance Approach

The Society Strategy drives the review and development of its product propositions for both its new and existing members.

In developing products we consider the product terms and risk implications from both the Society's and our members' perspectives.

The Product Oversight & Governance Policy (Policy) supports our Society Strategy by ensuring we bring to market, and maintain, products that:

- take into account our members' requirements and characteristics; and
- will bring positive benefits to our members.

The Policy applies to products that are newly designed, modified or reviewed. The Board of Management (Board) delegates the implementation and monitoring of the Policy to the Product Steering Committee.

This Product Governance approach, explained in more detail below, makes sure our products:

- are customer and member focussed;
- meet the identified needs and objectives of the target market over the lifetime of the product;
- deliver fair value in terms of product appropriateness and price;
- seek to avoid any risk of foreseeable harm to customers and members;
- result in our distribution strategy remaining appropriate.

## Product Development

Prior to the development or distribution of a new product, the following points are considered:

- Relationship to Society Strategy – approved by the Board, product development will fall within the overall risk appetite of that Strategy.
- Identification of Target Market – consider product terms and complexity, product risk profile and the level and relevance of information made available to that target market.
- Identification on Non-Target Market – identifying requirements and characteristics that are not compatible with product features.
- Product Modelling – to assess whether the product, over its lifetime, meets the identified requirements and characteristics of the target market and is financially viable for the Society and in the interests of its members.

## Product Review

New and existing (live and legacy) products are reviewed to ensure they are meeting target market and member requirements and remain financially viable for the Society.

Should this product review, or other circumstances noted, suggest there is a risk the product becomes no longer consistent with the requirements and characteristics of the target market and member requirements, or is not financially viable, the Product Steering Committee will ensure the risks are investigated and appropriately acted upon.

## Target Market

This identifies the group of customers sharing common characteristics, in order to enable the Society to adapt the features of the plan to the needs, characteristics and objectives of that group of customers.

### Who is the plan designed for?

- Employers and Sports Clubs wanting to make income protection benefit available to their employees and club members.
- No minimum employees/ club members to set up the plan.
- Employees/ club members personally choose to join the plan and select benefits appropriate to their needs,
- Employees/ club members aged over 18 and 59 when taking out the plan, not due to retire within 5 years.
- Employees/ club members earning regular income from employment and/or self-employment, with insufficient income protection already in place.
- UK resident.

### Who is the plan not designed for?

- Those already having adequate insurance elsewhere.
- Those who are not employees or club members of a designated Employer or Sports Club.

### Main features of the plan to meet the needs of the target market

- Cover (benefit) level, within defined range, based on income and budget.
- Level benefit.
- Choice of how soon the benefit payment will start.
- Fixed maximum benefit payment duration of 2 years for each valid claim.
- Own occupation basis.
- To state pension age.

### Distribution

The plan is suitable for sales by suitably qualified advisers and non-advised sales.

### Additional Product Literature

This target market summary should be read in conjunction with the full plan details in the Policy Summary, available from the Society.

Fair Value Assessment

Assessment area	Key Indicators	Summary outputs
Product Performance in meeting member expectation	<ul style="list-style-type: none"> <li>Target market identification and review</li> <li>Claims experience</li> <li>Plan take up and cancellations</li> <li>Complaints analysis</li> </ul>	<p>This plan offers group priced cover to individuals, as employees or club members, not readily available in the market place.</p> <p>The plan delivers plan benefits as expected.</p> <p>No claims experience to date.</p> <p>This is a challenging market for the Society to access, needs both employer and sports club agreement to initiate and then individual take up.</p> <p>Society has high claims admittance rate on other plans.</p>
Price, cost and income	<ul style="list-style-type: none"> <li>Actuarial pricing model - projected income/ loss/ risk</li> <li>Expected/ actual claims experience</li> <li>Commission</li> <li>Plan duration</li> </ul>	<p>Price has been set in respect of plan terms particular to this product – group pricing basis, due to plan origination, though personal memberships.</p> <p>Data confirms no need to review base price.</p>
Service performance in meeting member expectation	<ul style="list-style-type: none"> <li>Claims experience</li> <li>Complaints analysis</li> <li>Member response to communications</li> <li>Operational service review</li> </ul>	<p>Personal administration and servicing.</p> <p>No claims or complaints, current membership numbers limited.</p>
Distribution	<ul style="list-style-type: none"> <li>Distribution Strategy review</li> <li>Commission terms and payment</li> <li>Distributor feedback</li> </ul>	<p>Strategy is to distribute direct to market on non-advised basis and through intermediaries.</p> <p>Intermediary commission terms are standard as previously set by Society.</p> <p>Distributor involvement is helping test, and potentially expand, the market.</p>
Assurance	<ul style="list-style-type: none"> <li>Product Oversight &amp; Governance Policy</li> <li>Product Steering Committee controls</li> <li>Board reporting</li> </ul>	<p>Controls and reporting are effective and are continually enhanced through regular review.</p>