

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

**Holloway Plan** - Income Protection to include the following live products as at the date of assessment:

- Income Replacement Plans for Individuals v1.5

## 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 is limited, though remains appropriate;
- 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?

- Working individuals.
- Aged between 18 and 55 when taking out the plan.
- Earning regular income from employment and/or self-employment, with insufficient income protection already in place.
- Wanting income protection provision from day 1.
- UK resident.

### Who is the plan not designed for?

- Those already having adequate insurance elsewhere.
- Those looking solely for protection only benefit i.e. no bonus participation.

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

- Cover (benefit) level, within defined range, based on income and budget.
- Choice of how soon the benefit payment will start, including from day 1 if required.
- Level, reducing or escalating benefit options.
- Depending on the Society's performance, potentially providing a Cash Sum payable at Plan Retirement Age, even if claims have been made.
- Choice of retirement ages.
- Option to suspend cover for up to 2 years if personal circumstances change.

### Distribution

The plan is suitable only for advised sales by suitably qualified advisers.

### 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> <li>• Bonus payment</li> </ul>	<p>The plan delivers plan benefits as expected.</p> <p>High claims admittance rate shows true value of plan, plus bonus declared for 2022.</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. 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 service and claims payment are fundamentals in justifying the product. Complaints 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 now to distribute solely through intermediaries. Commission terms are standard as previously set by Society.</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>