

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

- **Core** Group Income Replacement Plans for Employers v1.2
- **Comprehensive** Group Income Replacement Plans for Employers v1.2

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, the Wiltshire Management Team (to include Finance, Operations and Compliance functions) and distributors. 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;
- 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 wanting to provide an income protection employee benefit for their employees.
- Employers wanting to insure their contractual sick pay liability.
- Minimum of 5 employees under an employee contract.
- Employees aged over 18 when taking out the plan.
- Employees earning regular income from employment.
- Employer trading in the UK.

Who is the plan not designed for?

- Individuals.

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, with additional options for reducing and escalating benefit included in the Comprehensive plan.
- Choice of when the benefit payment will start, from as soon as 4 weeks.
- Choice of benefit payment duration, limited periods or to retirement.
- Own occupation basis, with alternative occupation option to reduce cost.
- Option to insure employer pension contribution and NIC liability.
- Choice of plan retirement age.
- Pricing reviewed every 2 years, or sooner if specifically defined in plan terms.

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 Technical Guides, 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"> • Target market identification and review • Claims experience • Plan take up and cancellations • Complaints analysis 	<p>The plan delivers plan benefits as expected.</p> <p>Short deferred and short term benefit term are market differentiators.</p> <p>Plan terms can be adapted to meet employer requirements.</p> <p>High claims admittance rate shows true value of plan.</p>
Price, cost and income	<ul style="list-style-type: none"> • Reinsurer pricing model. • Actuarial pricing model - projected income/ loss/ risk • Expected/ actual claims experience • Commission • Plan duration 	<p>Reinsurer sets pricing terms.</p> <p>Society can self-insure, on revised pricing terms, when reinsurer declines to insure.</p> <p>Price has been set in respect of plan terms particular to this product.</p> <p>Data confirms current pricing options are suitable.</p>
Service performance in meeting member expectation	<ul style="list-style-type: none"> • Claims experience • Complaints analysis • Member response to communications • Operational service review 	<p>Personal administration, servicing and claims payment are fundamentals in justifying the product.</p> <p>No complaints in last 5 years.</p>
Distribution	<ul style="list-style-type: none"> • Distribution Strategy review • Commission terms and payment • Distributor feedback 	<p>Strategy is to distribute through intermediaries who are active in this market.</p> <p>Employers can take out the plan directly through the Society on a non-advised basis.</p> <p>Intermediary commission terms are standard as previously set by Society.</p>
Assurance	<ul style="list-style-type: none"> • Product Oversight & Governance Policy • Product Steering Committee controls • Board reporting 	<p>Controls and reporting are effective and are continually enhanced through regular review.</p>