

Product Oversight and Governance Policy

Our Approach

Our aim is to maximise the long-term value of our business but not at the expense of the fair expectations of our customers. Our Senior Management Team is committed to enabling and supporting appropriate decision making so that the targets and aspirations the business sets at top arise from good outcomes achieved for our customers. We aim to minimise the danger that our actions may harm clients, threaten the sustainability of our business, cause reputational damage or risk undermining the integrity of the wider insurance market.

We assess ourselves as being a co-manufacturer and our involvement in individual products is specific on the product approval document.

Target Market

As part of our product approval process, we will identify the target market for which the insurance product is intended. We will characterise the requirements of the targeted group of customers so that the product can be developed to match these requirements. Our product approval process will clearly detail the objectives, interests and characteristics of the target market customers and demonstrate how the product offers fair value.

Fair Value Assessment

We will ensure that our product approval process identifies whether the product provides fair value to customers in the target market including whether it will do so for a reasonably foreseeable period.

The assessment will consider:

- The value of the core insurance product
- The value of any additional products
- The overall price of the package taking into account out distribution arrangements

Distribution Arrangements

We will ensure that our product distribution arrangements minimise any potential for a product not to provide fair value to customers. We will do this by:

- Monitoring remuneration of any party in the chain
- Not providing discretion to distributors to set the total price to be paid
- Establishing identity of all parties in the chain and providing them with details of the fair value assessment and confirming the arrangements for price setting
- Limiting the ability for any party to influence the total price to be paid for the product

There may be instances where the product would not be able to be distributed without a number of parties in the chain and, where this is the case, we will ensure that the total remuneration throughout the chain does not negatively impact the fair value of the product.

We will obtain all necessary information from any party in the distribution chain in order that we can identify remuneration including but not limited to:

- The type and amount of remuneration of each person in the chain where this is part of the premium or otherwise paid directly by the customer, including in relation to additional products (other than where this relates to another non-investment insurance product for which the firm is not a manufacturer)
- An explanation of the services provided by each person in the distribution arrangements
- Confirmation from any firm in the chain that any remuneration is consistent with their regulatory obligations

Product Testing

We will adopt a robust testing of insurance products. The frequency of testing will be determined by the complexity, but as a minimum we will consider product testing on an annual basis, or on an ad-hoc basis in the following circumstances:

- Before bringing the product to market
- If significantly adapting an existing product
- If the target market has significantly changed

Monitoring and Reviewing

We will formally review the performance of our products and monitor distribution on an annual basis as a minimum. More frequent reviews may be required depending on:

- The nature and complexity of the product
- The nature of the customer base, including whether there are significant numbers of customers of long tenure and/or vulnerable customers
- Any specific indication of customer harm potentially emerging from the performance of the product
- The nature and type of distribution arrangements being used

Breaches including remedial or mitigating actions to be taken following review

Where we identify any issues or customer detriment following a review of our products, we will immediately take appropriate action to mitigate the situation and prevent it from reoccurring, notifying distributors and customers of any remedial action taken. Where we identify any issues as a result of our monitoring our distributors, we will immediately take the appropriate action to mitigate the situation and remedy the issue. In cases of significant customer detriment, we may withdraw sales of the product until the issue is resolved.