

# Product Oversight & Governance

This document is intended to provide distributors with information on Aviva Protection UK Limited (Aviva) Product Development Framework (PDF). It also outlines how Aviva is meeting the FCA's new product governance rules under policy statement PS21/5, which came into effect 1 October 2021, following their General Insurance Pricing Practices Market Study and Aviva's adherence with the FCA's Consumer Duty regulation FG22/5. One of the key requirements under the new rules is the assessment of fair value, both during the product development process and in ongoing product monitoring.

## Product development process

Aviva has a well-established PDF process in place, which:

- ensures adherence with Consumer Duty, the outcomes and cross-cutting rules
- ensures products are developed and kept which meet an identified customer need
- ensures the target market and non-target market for each product is clearly defined
- identifies appropriate distribution channels that enable products to reach the identified target market
- considers the needs of vulnerable customers
- ensures products are adequately tested before they're made available
- assesses whether products will deliver fair value to customers, and
- identifies risks and issues which are evaluated, prioritised and acted upon.

All new products and significant product changes are subject to our PDF process and will always receive approval from our Proposition Development Committee (PDC) before they're made available.

## Ongoing monitoring and annual product reviews

We regularly review all our products, both open and closed. This ensures they continue to meet the needs of the identified target market and our customers' expectations, and deliver fair value. Whilst delivering fair value has always been at the core of our PDF process, we've updated our process to include a specific annual assessment of the value customers receive through our products. The core measures that contribute to our value assessment include:

- product suitability and target market assessment
- fair pricing, including commission
- actual claims vs. expected claims
- complaints
- service assessment.

This assessment further enhances our existing PDF process and our ability to measure and demonstrate that customers receive fair value.

Following the completion of each assessment, we'll produce a document, in a standardised template, confirming the overall outcome of our assessment including the products captured.

## Distributor requests

We may ask for information from our distribution partners to help support our fair value assessments. We'll give appropriate notice ahead of any requests.