

YourLife Plan Income Protection (IP)

This document gives distributors the outcome of a fair value assessment including the products in scope.

Product group	YourLife Plan Income Protection (IP)
Assessment trigger	Significant product change

Aviva Protection UK Limited's Product Development Framework

We have a well-established Product Development Framework (PDF) in place which:

- ensures new products and significant product changes receive formal approval from our Proposition Development Committee (PDC) before they're made available
- 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 allow products to reach the identified target market
- considers the needs of vulnerable customers
- ensures products are adequately tested before they're made available
- ensures products continue to meet the needs of customers and provide fair value through regular reviews, and
- identifies risks and issues which are evaluated, prioritised and acted upon

Fair value assessment approach

This significant product change was subject to our PDF process and has been reviewed and signed off by our PDC representing fair value to customers.

This is in light of a review of the following assessments:

- product suitability and target market assessment
- fair pricing, including commission
- service assessment

Significant product change summary

The purpose of this section is to provide distributors with a summary of the material changes made to the YourLife Plan Income Protection product:

- Removed 'suited occupation' definition of incapacity in favour of 'own occupation' definition of incapacity
- Extended additional occupations (primarily agricultural) to additional distribution channels
- Extended maximum age at entry to age 59

- Modified salary limits coverage to encompass 60% of the first £60,000 in pre-tax annual income and 50% of any pre-tax annual income thereafter
- Removed Terminal Illness, Death, Family Carer and Trauma benefits
- Added sick-pay matching guarantees for NHS doctors, dentists, surgeons and for state teachers
- Addition of £3,000 benefit guarantee for NHS doctors, dentists and surgeons
- Addition of Sabbatical Cover for NHS doctors, dentists and surgeons
- Addition of unemployment waiver of premium support for up to 6 months over the policy term
- Extension of linked claims period to 12 months
- Increased the maximum age to exercise GIOs to age 59
- Addition of two GIOs – one aimed at those in rental properties and for those who experience a significant salary increase of 20% or more

Please refer to the Key Facts or Cover Details for additional information.

Fair value assessment outcome

The purpose of this section is to provide distributors with a high level overview of the findings from the fair value assessment conducted ahead of this product change.

What was the conclusion of the fair value assessment?

Our assessment showed that this product will provide fair value to customers.

Who is this product option targeted at?

This significant product development does not change the target market for Income Protection: people wanting to protect a portion of their income if they're unable to work because of sickness or injury. However, some of the product developments are specifically targeted at those employed as NHS doctors, dentists and surgeons, as well as state teachers. Additionally, we have extended additional occupations (primarily agricultural) to additional distribution channels. Please refer to our target market statements for information on the wider target market for this product.

Will customers pay a fair price for their cover?

This product enhancement was subject to, and passed, its assessment against our fair pricing benchmarks.

Were there any changes required to the distribution strategy to support this development?

No changes were required.

As a distributor, how could you impact the value customers receive?

You could impact customer value by distributing outside of the intended target market, our defined distribution strategy or by charging additional costs or fees to a customer.

Assessment date

Date of assessment	January 2024
Date of next scheduled assessment	August 2024 - under the next annual review of our Income Protection product group

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