

Business Life Insurance Options Target Market Statement & Value for Money Assessment

Aviva Life & Pensions UK Limited is the manufacturer of this product. Full details are contained within the policy documentation.

Aviva's product oversight and governance

Under the FCA's rules, we are required to inform you we have governance processes in place to oversee the design, approval and review of our products that adhere to regulatory requirements set by the General Insurance and Pure Protection Pricing Practices Market Study (PS21-05) and Consumer Duty (PS22-09).

We regularly review our products to ensure that they remain suitable for the target market and that they continue to operate in line with customer expectations. This includes an assessment of the value received by customers through our products; which is referred to as the 'Value for Money Assessment'.

What controls does Aviva have in place?

We have well established governance processes which:

- formalise approval of new product developments and changes to existing products
- identify target markets for each product
- test customer understanding
- consider needs of vulnerable customers
- monitor post-sales performance.

Why are you telling me about this?

The rules require us to consider several points when designing our product range, including:

- specifying an identified target market for a typical group of potential customers
- identifying relevant risks to the target market
- making sure that the intended distribution strategy is appropriate for the identified target market
- requiring us to take reasonable steps to make sure we distribute the insurance product in line with the target market for specified distribution channels.

What does this mean for me?

We've developed target market statements to give you, our distributor, clarity on who the product is intended for (and who it is not) and how customers can buy the product.

Using these target market statements should help you in your consideration of:

- how the distribution strategy aligns with the target market statement
- the demands and needs of the customer
- whether any of the customers may be outside of the target market due to eligibility or exclusions
- what limitations, exclusions or alternative insurance cover in place might inhibit a customer from getting full value from the product
- that fees and charges are appropriate to the service being delivered for customers
- vulnerable customers and the target market focusing on whether they may require additional support in their decision-making.

Value for Money Assessment

- The Value for Money assessment considers a range of indicators and measures which contribute to the overall value delivered to our customers which includes the policyholder, insured members and policy stakeholders.

These measures include:

- Target Market and Distribution Strategy – Ensuring that the target market is defined at a sufficiently granular level and distribution approaches are appropriate. This is done by assessing customer demographics, product persistency and oversight of distributors selling the product.
- Customer claims – assessing the claims experience of the product, including a review of whether the customer benefit ratio – value of claims paid out compared to the value of premiums received – is within tolerance, an assessment of whether claims accepted vs. claims declined is within a set tolerance and analysis of declined claims.
- Commission and margin levels – to ensure these are appropriate for the service received by the customer. This includes reviews of the commission ratio – the proportion of a customer premium that goes towards paying commission, profit ratio – the proportion of a customer’s premium that goes towards profit, and a breakdown of a customer’s total premium to indicate how much goes towards customer, distributor, and manufacturer costs.

- Complaints – analysis of customer complaints to identify and resolve root causes in particular where the product fails to deliver as expected. The percentage of customer complaints received will be assessed against the total number of active customers and will be judged against a set tolerance.
- Service delivery – to ensure service levels are in line with those we have led customers to expect. Several metrics will be assessed across operations (customer feedback surveys, percentage of calls answered, quality assurance), claims (claims customer feedback surveys, percentage of claims settled within 30 days, percentage of calls answered), and underwriting (straight through processing rates).
- Communications – to ensure customers receive communications which are clear, accurate, timely and appropriate. Customer communications will be assessed against the Aviva standard which was brought in following Consumer Duty.

We base our level of oversight on the type and complexity of each insurance product, our identified target markets and the level of financial understanding.

Business Life Insurance Options Value for Money Assessment outcome

The below table outlines when the last assessment took place, when the next assessment is due to take place and the outcome of that assessment.

Product Name	BUSINESS LIFE INSURANCE OPTIONS
Date Value for Money Assessment was completed	February 2026
Expected date of next Assessment	February 2027
Outcome	Continues to provide fair value for the target market

Business Life Insurance Options Target Market Statement

What customer needs does the product meet?

The product is designed for customers with a business protection need. The product is designed to be versatile to accommodate the different protection needs of businesses whatever their size.

This product provides a lump sum payment for life and terminal illness cover on a level or decreasing cover basis. There are several additional optional benefits available including critical illness, total permanent disability, waiver of premium, increasing cover and renewal.

The product is suitable for customers wanting life only or life & critical illness cover on a key person, shareholder/partnership or business loan protection basis.

The product is suitable to cover the following business needs:

- Key person protection - to provide protection against the financial consequences of the death or critical illness of a key person - e.g someone that has specific expertise or is otherwise central to the running of the business.
- Shareholder/Partnership protection - to provide protection against the financial consequences of the death or critical illness of a shareholder or partner.
- Business loan protection - to provide protection against the repayment of a mortgage or loan in the event of the shareholder or partners death or critical illness.

Who is Business Life Insurance Options designed for?

This product is designed for customers who wish to provide protection for their business in the event of their death. In addition, the product is suitable for customers aged between 18 and 64 whose business would benefit from financial help if they were to suffer from a critical illness covered by the product or customers whose business would benefit from financial help if they were to suffer from a critical illness covered by the product.

This product is available to customers who at the time they complete the application must be:

- at least 18, and
- currently living in the UK, the Channel Islands, the Isle of Man or Gibraltar and meet our residency rules.

Companies must be incorporated and registered in the UK.

The life covered must be:

- aged between 18 and 77 for life cover only
- aged between 18 and 64 for life and critical illness cover. Restrictions in maximum age at application may apply depending on options chosen.

Business Life Insurance Options is suitable for customer who	Business Life Insurance Options isn't suitable for customers who
<ul style="list-style-type: none"> ✓ are aged between 18 and 77 at entry for life cover only. ✓ are aged between 18 and 64 for life and critical illness cover. ✓ require a lump sum payment following the death of a key person, shareholder or partner. ✓ require protection on a single, joint life or life of another basis. ✓ don't require cover past the age of 90, as this is the maximum age at which the policy can end. ✓ wants a cover amount that will increase each year, either increasing at a set amount or to keep in pace with inflation. ✓ wants a cover amount that will decrease at a chosen interest rate. ✓ require access to additional options such as critical illness, total permanent disability, waiver of premium and premium renewal. ✓ will pay the premium from a UK based bank or building society account and understands that any benefits they receive from us will also be paid into UK based accounts. ✓ understand that this policy is fully underwritten based on the health and lifestyle of the person insured, which can lead to increases in premiums, specific exclusions and even declined cover. ✓ wants a policy that would help cover the business needs stated above. 	<ul style="list-style-type: none"> X do not need to protect their business. X want a whole of life product. X would want to be able to review the decreasing cover interest rate, as this is fixed at point of application. X do not want to obtain financial advice from a suitably qualified person. X require life cover beyond age 90. X require critical illness cover beyond age 76. X want personal protection. X want cover to be paid on a monthly basis for the term of the contract. X do not meet our residency requirements.

Are there any features I should be aware of when considering this product for my customers?

Your customers pay premiums for the rest of their lives, so you need to consider the long-term affordability of premiums. If your customer would struggle to pay the premiums in retirement, the product may not be suitable.

Can I sell Business Life Insurance Options without advice?

No. The product is designed for advised sale only, with a number of features requiring explanation to the customer to ensure their protection needs are met.

Vulnerable Customers

This product may be purchased by customers who currently have characteristics of vulnerability, or may develop characteristics of vulnerability throughout the life of the policy. These vulnerable characteristics include but are not limited to: hearing and visual impairments, ill health or recovering from ill health, physical disability, poor mental health, severe or long term illness, bereavement, job loss, caring responsibility, domestic abuse, relationship breakdown. There is support available to help customers in some of these situations.

How can I sell Business Life Insurance Options?

You can sell Business Life Insurance Options face to face or by telephone.

Please remember Aviva accepts protection applications from you in line with our agreed terms.

Please get in touch with us if you'd like a copy of the agreement.

Need more information on Consumer Duty?

Visit our Consumer Duty Hub at connect.avivab2b.co.uk/adviser/consumer-duty

Feedback

If you have any feedback on these statements, please get in touch with your usual Aviva contact.

Need this in a different format?

Please get in touch with your usual Aviva contact if you'd prefer this document (**AL15015**) in large print, a different colour, braille or as audio.