

# Aviva Group Income Protection

## Value for Money Assessment

**This document is intended to be used by distributors and not provided to a customer. Aviva Life & Pensions UK Limited is the product manufacturer for these products. Full details are contained within the policy documentation.**

Product Name(s)	Group Income Protection
Date Value for Money Assessment Completed	May 2023
Expected Date of Next Assessment	May 2024

### Value for Money Assessment Requirements

As you will be aware, the FCA have introduced a strengthening of the rules over Product Governance, particularly with the measurement, and ongoing monitoring, of Fair Value for customers. The requirements were initially introduced for General Insurance and Pure Protection products in October 2021 following the results of the Pricing Practices Market Study (PS21-05). More recently, the introduction of the Consumer Duty in July 2022 (PS22-09) has broadened the scope of the Value for Money requirements to include all products and services offered to Retail customers (including SME's already protected by FCA sourcebook rules).

Prior to these regulations, Aviva had in place robust Product Governance processes which continually assessed our products, both open and closed to new business, to ensure that customers continue to receive Fair Value. Our processes have been updated to ensure that they continue to meet the needs of our customers and adhere to the new regulatory requirements.

After we introduce our products to the market, we regularly review them to check 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; this is referred to as the '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.

### Value for Money Assessment Outcomes

To assess the value that customers receive from this product(s), the following measures have been assessed:

- **Target Market and Distribution Strategy** – Ensuring that the target market is defined at a sufficiently granular level and that the distribution approaches are appropriate
- **Claims Acceptance and Pay-Out Ratios** – Review of the value of claims paid out compared to the value of premiums received
- **Commission and Margin Levels** – To ensure these are appropriate for the service received by the customer
- **Complaints** – Analysis of customer complaints to identify and resolve root causes, particularly where the product fails to deliver as expected
- **Service Delivery** – To ensure service levels are in line with those we have led customers to expect
- **Communications** – To ensure customers continue to receive communications which are clear, transparent and timely.

**The assessment has concluded that the Group Income Protection product continues to provide fair value to the target market.**

The outcome of the Value for Money Assessment should be read in conjunction with the product Target Market Statement which can be found within our **Document Library**. Simply type in 'GP target market statement' into the search tool. Within the Document Library you will also find our wider policy literature.

## Other information which may be relevant

Our assessment only includes any commission paid to distribution partners as part of the sale or servicing of a product we are aware of.

Should a client pay additional fees or charges directly to the distribution partner which Aviva are not aware of, or, where you choose to sacrifice your commission and your client pays fees or charges directly to you, we would expect you to ensure that your remuneration structure is clear and transparent. This must not adversely impact on the overall Value for Money received by the client in line with its own requirements under PROD 4.3.

We may periodically contact you for details in relation to the remuneration associated with the distribution arrangement so we can assess the ongoing value of the products we manufacture.


## Feedback

If you have any feedback on this document or would like to know anything further about our Value for Money Assessments, please contact your usual Aviva representative.

## Need this in a different format?

Please get in touch if you'd prefer this document **(GR02366 05/2023)** in large font, braille or as audio.

## How to contact us

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 [Aviva.co.uk](https://www.aviva.co.uk)

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