

Fracture Cover 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's 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.

Fracture Cover 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	FRACTURE COVER
Date Value for Money Assessment was completed	August 2025
Expected date of next Assessment	August 2026
Outcome	Continues to provide fair value for the target market

Fracture Cover Target Market Statement

What customer needs does the product meet?

This benefit is designed to provide customers with a lump sum payment of between £2,000 and £6,000 if they suffer with one of 18 specified fractures over the 12 month benefit time period. This could provide additional financial support for them whilst they recover or if they're unable to work.

Who is Fracture Cover designed for?

This benefit is designed for customers aged 18-70 who'd like to receive a lump sum payment should they suffer a fractured bone.

This benefit doesn't cover fractures classed as fatigue, stress, hairline, avulsions/chips or microfractures, in addition to this some sporting activities aren't covered under this benefit. Your customer won't receive a lump sum payment if the fracture happens within the first 7 days after the policy start date. Full details of the 18 fractures covered, sports exclusions and benefit limits can be found in the policy conditions.

This benefit's available to customers who are in the UK, the Channel Islands, the Isle of Man or Gibraltar, with a legal right to live in that jurisdiction, and consider their main home as being in the UK, the Channel Islands, the Isle of Man or Gibraltar and have no current intention of moving anywhere else permanently.

The benefit's only available as an added benefit, for an additional premium, for customers who are purchasing either Aviva's Life Insurance, Critical Illness, Income Protection or Living Costs Protection policies. It's not available as a stand-alone product.

Fracture Cover is suitable for customer who	Fracture Cover isn't suitable for customers who
<ul style="list-style-type: none"> ✓ are aged between 18 and 59 at point of application ✓ don't want cover to last beyond their 70th birthday ✓ would like cover in place to financially protect them if they were unable to work for a short amount of time whilst they recover ✓ would like access to cover beyond their protection policy ✓ understand that a fracture as a result of mountain biking or BMX; boxing, cage fighting or martial arts; rugby or Gaelic football; horse riding; or any form of motorcycle sport or event including practice, competing or track days, or motor cycling off road, trail riding or green lane riding aren't covered ✓ understand that the benefit pay out ranges from £2,000 to £6,000 depending on the type of fracture ✓ will pay the premiums from a UK based bank or building society account and understand that any benefits they receive from us will also be paid into UK based accounts ✓ would like access to a benefit that won't affect the sum assured of their protection policy. 	<ul style="list-style-type: none"> X require a continuous monthly payment if they're unable to work due to injury X would like cover for fractures classed as fatigue, stress, hairline, avulsions/chips or microfractures X require cover within the first 7 days of their policy start date X don't wish to arrange an Aviva Life Insurance+, Critical Illness+, Income Protection+ or Living Costs Protection policy, as this benefit is only available through one of these products X requires cover for fractures sustained whilst taking part in one of the exclusionary activities X require cover beyond the age of 70, as this is the maximum age covered.

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 aren't 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's support available to help customers in some of these situations.

How can I sell Fracture Cover?

Fracture Cover can't be purchased as a standalone product. This benefit is available for an additional premium if the customer is purchasing Aviva's Life Insurance+, Critical Illness+, Income Protection+ or Livings Costs Protection policies. You should refer to the 'Target Market Statement and Value for Money Assessment outcome' document for the relevant protection product for guidance on selling without advice.

You can sell Fracture Cover 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 (**PT151266**) in large print, a different colour, braille or as audio.