For distributor use only. Not for use with customers.

Secured Lifetime Care Plan
Target Market Statement

The FCA's Product Intervention and Product Governance Sourcebook (PROD) rules, introduced in 2018, aim to make sure that the investment and insurance solutions and products offered to clients deliver good customer outcomes.

PROD also requires firms to have a clear target market and, using a combination of provider material and client information, that they can clearly define their distribution strategy. Importantly, PROD also requires firms to identify any groups of clients a product or service isn't suitable for.

Consumer Duty is a standard introduced by the Financial Conduct Authority, in the UK, intended to improve Consumer protection for financial-services firms. The changes came into force on 31 July 2023. The Duty requires firms to act to deliver good outcomes for retail customers. Firms must act in good faith towards customers, avoid causing them foreseeable harm, and enable and support them to pursue their financial objectives. Firms should consider the diverse needs of their customers – including those with characteristics of vulnerability.

For the product oversight and governance part of these regulations, we would like to share with you an outline of the product approval process we use in Aviva and our product target market statement, which clarifies who the product is intended for (and who it is not).

Aviva's product oversight & governance

Why are you telling me about this?

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.

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

Fair Value

After we introduce our products to the market, we regularly review them to check whether we need to make changes to them. This includes an annual 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.
The measures include:

- **Target Market and Distribution Strategy** – Ensuring that the target market is defined at a sufficiently granular level and that the distribution approaches are appropriate.
- **Costs and Charges** – Review of the costs incurred by retail customers to ensure that these are fair and appropriate taking into account the features and benefits offered through the product.
- **Claims Acceptance and Pay-Out Ratios** – Review of the value of claims paid out compared to the value of premiums received.
- **Investment Proposition** – Review of the costs and performance of the investment options offered to ensure that these are appropriate for the target market and that they provide fair value.
- **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.

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.

What does this mean for me?

As product manufacturer, we'll monitor the performance of our products to make sure they meet the needs of customers in the identified target markets. Should you feel a product doesn't meet these customers' needs or is potentially unclear, you can help us by providing feedback through your usual communication channels.

Target Market Statements

Why are you telling me about this?

We identify, define, and assess our target markets at an appropriate level, based on the nature and complexity of our products.

If the target market is not adequately defined, the product could be sold to customers who are unlikely to get fair value or achieve good outcomes from the product. Distributors must also understand the target market and distribution strategy and ensure that the product is distributed accordingly.
The rules require us to consider several points when designing our product range, including:
• specifying an identified target market for the product at a sufficiently granular and detailed level, considering the characteristics, risk profile, complexity, and nature of the product
• identify groups of customers for whom the product would not provide the intended value
• take account of any particular additional or different needs, characteristics and objectives that might be relevant for customers in the Target Market with characteristics of vulnerability
• identifying relevant risks to the target market, including risks to customers with characteristics of vulnerability
• ensure the product continues to provide fair value for a reasonably foreseeable period (including following renewal)
• 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
• the risk appetite of the customer, for example, (but not limited to)
    o attitude towards excess where these are larger than customers may expect for the type of product.
    o consideration to financial sophistication.
    o affluence.
    o attitude to risk.
• what limitations, exclusions or alternative cover in place might inhibit a customer from getting full value from the product, for example (but not limited to)
    o an income product sold to a customer nearing retirement with sufficient savings.
    o a product where the customer would not be entitled to, or has no need, for the full benefits of the product.
    o where the customer may have suitable cover already in place, e.g., as part of their employment package.

• whether any of the customers may be outside of the target market due to eligibility or exclusions for example (but not limited to)

  o pre-existing conditions in health / protection products.
  o minimum / maximum limits of cover or investment amount.
  o geographical, age and/or occupational restrictions.
  o incoming or outgoing payment restrictions.

• 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.

Can I sell outside of the target market?

The target market is aimed at a specific customer type (detailed below). You shouldn't assume a product is appropriate simply because the customer is in scope. The product must not be sold to customers outside of the target market, other than in exceptional circumstances. During the sale, you will be closest to the customer in identifying their demands and needs and your judgement will decide what is right.
We set the distribution channels for how you can sell the product (for example, online or face to face) and we expect you to follow these. If you believe you could use an alternative distribution channel, please contact us, so we can consider your proposal.

Feedback

If you have any feedback on these statements, please contact your usual Aviva representative.

Last Updated: February 2025

Secured Lifetime Care Plan – Target Market Statement

What customer need does this product meet?

The Secured Lifetime Care product meets the needs of individuals who require long-term support with daily living for the rest of their life, either in a private residence or a care home setting. It provides funding for either all or part of the cost of their care, starting after a chosen deferred period of up to five years.

This product supports those who require consistent care and prefer the financial certainty of a plan that contributes towards their care costs over the long term. By allowing for a deferred start to benefit payments, it can offer a more cost-effective solution for individuals who do not require immediate care funding but wish to plan ahead.

With the option for benefits that increase annually, the plan offers flexibility to suit individual circumstances and evolving care needs.

Who is the Secured Lifetime Care Plan designed for?

The Secured Lifetime Care plan is designed for individuals who want to secure a guaranteed income to support all or part of their long-term care costs after the chosen deferred period, and who meet the eligibility criteria below.

Eligibility criteria:

• Aged 60 or older at outset
• A UK taxpayer and residing in the UK
• In receipt of care when the policy starts
• The plan must be purchased by the person that requires care or their legal representative, using their own funds
• The minimum benefit payable is £200 per month
• Medical information needs to be supported by the care provider and/or the GP

It is suitable for customers:

• Who are in receipt of care
• Who are looking for peace of mind that all or part their care will be funded for life
• Who have the financial means to cover the costs of their care during the deferred period
• Who want benefits that increase annually to help keep pace with inflation or changing care needs

Who is the Secured Lifetime Care Plan not designed to support?

This product is not designed for customers:

- Who are not ready to enter long term care
- Who are non-UK taxpayers or reside outside of the UK
- That do not have the means to pay for their care costs during the deferred period
- Who are unable to make up any shortfall in care costs over and above the monthly benefit
- Who want to retain access to their capital
- Who have a short life expectancy of 12 months or less

Can I sell the Secured Lifetime Care Plan without advice?

This product must be sold with advice.

How can I sell the Secured Lifetime Care Plan?

This product can only be sold via an adviser who specialises in Lifetime Care and has a CF8 qualification or equivalent.

Need more information on Consumer Duty?

You can access the latest updates, helpful resources and key documents on our Consumer Duty Hub, which can be found 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 (**AR011352**) in large print, a different colour, braille, or as audio.

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