

Product Governance and Fair Value Statement

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AIG Fair Value Statement Personal Insurance

In compliance with FCA rules, the purpose of this document is to explain AIG's approach to Product Oversight and Governance and to share information with our distributors (and co-manufacturers, where applicable) so that we may work together to deliver insurance products which are fair value and provide good Customer Outcomes in respect of AIG manufactured and co-manufactured insurance products.

It also outlines and provides information on how we design, monitor, and review our products to ensure they continue to provide fair value, whilst meeting the needs, characteristics and objectives of the target market including vulnerable customers.

Where we have suggested potential changes or identified any actions or next steps with respect to this insurance product and/or its distribution or administration, a summary of these is set out below.

Product Oversight and Governance

AIG's Product Governance Oversight sets out the standards that AIG is required to implement to ensure fair value and good Customer Outcomes, by having robust product oversight and a governance framework of systems, policies, and procedures in place. Our product governance process covers the following:

- Identification of the target market.
- The value the product provides to customers in the target market now and over the lifetime of the product (including specifically in relation to any customers that may have 'vulnerable' or 'protected' characteristics).
- Whether any features of the product (and, additionally, the distribution arrangements) may give rise to concerns about fair value.
- Appropriate research including consideration of customer needs which is used within the Product Development Process.
- Consideration of the pricing structure, appropriateness and transparency of fees and charges.
- Consideration of various metrics and management information, including loss ratios, claims frequencies, claims acceptance rates, complaints data, combined ratios, and other available measures.

Key Output

AIG is confident that its policies and procedures are appropriate and satisfy relevant regulatory requirements enabling us to identify effectively whether our products offer fair value to our customers, both at product design stage and on an ongoing basis.

In summary, the template below provides information about AIG insurance products and their distribution including:

- Product assessment completion dates
- A Fair Value assessment
- Target Market (who our products are designed for and who our products are not suitable for)
- Any notable exclusions or circumstances where the product will not respond (where applicable)
- The main features and optional covers associated with our products (where applicable)
- Whether the product is sold as part of a bundle/package
- Fees and remuneration (where applicable)

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Consumer Duty and Customer Outcomes

Note that our template and approach to Product Oversight and Governance takes account of and reflects our approach to Consumer Duty in respect of this insurance product.

When communicating with you in relation to our Fair Value Assessments we may also share information with you in respect of other Consumer Duty outcomes e.g., where there are changes in relation to a product the target market or we otherwise become aware of changes that affect the delivery of good Customer Outcomes.

Also note that AIG carries out its assessments of Customer Outcomes based on its role and influence over Customer Outcomes and using a wide variety of information it holds in respect of this product (which may include information obtained from previous assessments of this product, product benchmarking, research feedback, management information and any information provided to AIG in response to any data requests). In its ongoing monitoring and seeking to improve Customer Outcomes, AIG is exploring further opportunities and avenues to obtain information and data on the performance of our products and our customer's engagement with such products.

To the extent that a distributor holds additional information to which AIG is not privy (for example certain confidential or proprietary information such as relating to fee arrangements between the distributor and its customers) then it is the responsibility of the distributor to ensure that this additional information does not impact fair value for the customer. In addition, where a distributor is responsible for and/or have a material influence over Customer Outcomes, then the distributor will have responsibilities under Consumer Duty depending on its role and the extent of its influence over those Customer Outcomes.



Overview of product and distribution/administration chain	<p>This is a personal lines general insurance cover.</p> <p>AIG is the manufacturer of the insurance product and distributes the insurance product through an insurance intermediary who administers the insurance and engages with AIG.</p> <p>Certain third parties are also involved in administering the insurance including in respect of claims and complaints.</p> <p>AIG considers that it has a material influence over the Customer Outcomes of Customer Understanding and Customer Support in respect of the insurance product.</p>
Fair Value Assessment Date:	2024
Fair Value Outcome:	<p>We have carried out a Fair Value assessment as described below, including consideration of key metrics such as;</p> <ul style="list-style-type: none">· Loss ratio· Claims rates· Claims acceptance rates· Complaints rates· Distributor remuneration levels <p>AIG considers that this product provides fair value to policyholders.</p>
Product Information: (To include key features of the product which support and enhance its benefit to customers, please also refer to full policy wording)	<p>Just Travel currently sell 4 products:</p> <ul style="list-style-type: none">· Unity Travel· Ready2Go· Holiday Angel· Escape <p>The Escape product is a specific “staycation” product sold to customers wanting to travel within the UK and/or Channel Islands.</p> <p>The other products are sold to UK residents as Single Trip (ST) and Annual Multi-Trip (AMT) policies for travel worldwide. The wording is the same for all products, however, the benefit limits vary by product and by level chosen by the customer, i.e.</p> <ul style="list-style-type: none">· Gold· Silver· Bronze <p>For ST policies, a customer can choose their destination and the policies are rated accordingly. This includes trips within the UK only, Europe or Worldwide with/without winter sports.</p> <p>Customers with a medical score of up to 15 can be offered one of the above products. Customers who exceed this score are signposted to BIBA for alternative cover that meets their needs.</p>

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Target Market:	<p>The Target Market for this product is:</p> <p>Mass Market</p> <p>The product is suitable for families and individuals under the age of 75 and who fits within the medical scoring and requires cover in the UK and/or Worldwide.</p>
Types of customer for whom the product would be unsuitable:	<ul style="list-style-type: none"> Customers over the age of 75 Customers with pre-existing medical conditions that result in a score of 15 or above
Any notable exclusions or circumstances where the product will not respond:	<p>The travel insurance will not respond where customers have:</p> <ul style="list-style-type: none"> Travelled to/through/from a sanctioned country Have travelled against FCDO advice Claims where the FCDO have changed their advice if the advice relates to an epidemic or pandemic.
Is the product sold as part of a bundle/package?	No
If yes, please include information about the outcome of the assessment of whether the bundle or package provides fair value overall?	N/A
Impact of distribution remuneration upon fair value	Commission/remuneration is as agreed between AIG and party/ies. If you are aware of fees or charges or other distributor remuneration being paid within the distribution chain for this product, which may impact the overall value of the product to the customer, you must factor this into your own review. AIG considers the impact of the commission/remuneration it pays to its distribution partners as part of its own FV assessment.
Changes to the product (possible or potential changes) and next steps	We have not identified any material changes to this product at this time.