



Product Governance and Fair Value Statement

May 2024





Product Fair Value and Target Market Statements

The purpose of this document is to explain the identified target market and the expected distribution strategy for each Insurance product co-manufactured by P J Hayman & Co Ltd. It also outlines our approach to Product Oversight and Governance to demonstrate how we design, monitor and review our products to ensure they continue to provide fair value and meet the needs, characteristics and objectives of the target market including vulnerable customers.

P J Hayman's Product Governance Policy sets out the standards that we are required to implement to ensure the achievement of fair value and good customer outcomes by having robust product oversight and governance arrangements, systems, policies and procedures in place, which encourage a business culture with customers' interests at its core.

- We identify, define and assess our target markets at an appropriate level, based on the nature and complexity of our products.
- We undertake appropriate testing of our new products before launch, to make sure they meet our customers' needs and provide fair value.
- The design and performance of all our new, existing and legacy products are subject to regular assessment and review to ensure products provide fair value and that there is a continuing customer-centric focus, achieving good customer outcomes.
- The features, nature and complexity of our products are carefully matched to our intended distribution channels to ensure they reach our identified target market.

Each product is reviewed with insurers and depending on the type of product this can be quarterly, half yearly or yearly.

The insurer continues to provide P J Hayman the cover and pricing, commensurate with its own internal values; product positioning, product effectiveness (meeting a consumer Demands & Needs), FCA Compliance and fairness (all TCF aspects). This includes the monitoring of customer complaints on a regular and proven basis to trend any possible consumer detriment within the product offer or supply.

P J Hayman know then that the products meet the 'fair value' test, especially when we factor in the loss ratio (monies returned to the product consumer in a 'normal' trading year) and continue to provide that include a broad range of (market standard) cover. In fact, some cover is provided to support travel without the need to declare pre-existing medical conditions. We are also aware of the average Medical Screening cost (additional premium when levied) for the majority of Travel Insurance customers declaring and insuring pre-existing medical conditions when necessary to do so. This additionally provides evidence of 'fair value' in the pricing of the products concerned, when considering medical screening premiums against the core cost of a policy. Where cover cannot be granted or the Medical Screening cost is over £100 (excluding IPT) the client is automatically referred to Moneyhelpers.

The MoneyHelper directory is for customers with serious medical conditions and includes a list of firms who may be able to provide them with additional quotes. Customers may be able to get help by accessing the MoneyHelper travel directory at www.moneyhelper.org.uk or by calling 0800 138 7777 (Open Monday to Friday, 8am to 6pm).

As such, the above is sufficient for P J Hayman's assessment of the 'fair value' process, as the distributor and regulated insurance broker of these the products.

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. Therefore, when communicating with you by email or using our online portal announcements, 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 or we otherwise become aware of changes that affect the delivery of good Customer Outcomes

Also note that PJ Hayman 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 us in response to any data requests). In our ongoing monitoring and seeking to improve Customer Outcomes, we are exploring further opportunities and avenues to obtain information and data on the performance of our products and our customer's engagement with such products.

Where the distributor holds additional information to which we are 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.

Risks and considerations of Vulnerability in the Target Market

General exclusions and limits might apply, mitigated by clear terms and conditions information provided throughout sales journey. The policy general exclusions were specifically designed to only exclude situations that are within the insured's control, have inherently high- risk levels, or present unacceptable high potential for accumulation of risk.

These exclusions follow industry standards and have been reviewed and approved by insurers. Use of these exclusions in the policy allows P J Hayman to offer valuable comprehensive coverage to consumers at optimal prices by controlling the exposure to low-frequency, but high-severity risks.

As Vulnerability can change depending on several factors; e.g. health (mental or physical). P J Hayman have policies in place to:

1. Educate and train staff to enable them to support potential vulnerable customers.
2. Options for customers with vulnerability to access information in other formats (e.g. large print or Braille for visually impaired).
3. Ensure our policy documents do not discriminate against vulnerable customers.
4. Support customers who experience vulnerability when making a claim or complaint (e.g. due to a medical emergency or unfortunate occurrence while on a trip). Our specialist medical team ensure appropriate prioritisation of those in most vulnerable situations.
5. Monitor customer outcomes specifically relating to vulnerable customers to ensure they are not discriminated against.

As part of Consumer Duty, we are continuously reviewing how we can assist and support customers who may have or may experience characteristics of vulnerability.



Target Market Statements provide information about P J Hayman Insurance products distributed. This includes:

- The main features and optional covers associated with our products.
- Age limits and trip limits.
- Who our products are designed for.
- How our products are distributed.

Product name	Free Spirit Flex
Reference [Class of Business]	Leisure Travel Insurance
<u>Insurers</u>	
Main:	Bspoke Accident and Health on behalf of Accelerant Insurance Europe SNNV UK Branch
Scheme Ref:	20578A

What do we cover?

The product provides leisure travel insurance and is designed to cover policyholders whilst travelling domestically and internationally against unexpected costs for specified events only under the following coverage sections:

- Trip cancellation
- Emergency medical expenses
- Emergency repatriation
- Trip curtailment
- Travel delay
- Loss of Baggage
- Personal accident
- Personal liability
- Legal expenses

Subject to the Terms, Conditions, Exclusions & Limitations as stated within the Insurance Documents.

Distributors

Travel operators, Brokers, agreed Sub-agents, Appointed Representatives or Introducers. Distributors, where regulation allows, will ensure cover is issued in accordance with the demands & needs, collect and pass on premiums to the relevant insurers and ensure proportionate commission & fees in relation to the benefits of the product.

Product Duration

The product offers annual multi-trip & single trip for the duration as shown on any schedule and is issued in line with local regulation.

Single trip: 115 days (or 45 days if an insured person is aged 76 years or over on the date you purchase your policy).

Annual Multi-trip cover: more than 32 days if you have purchased Silver cover or for more than 45 days if you have purchased Gold cover.

Winter sports cover: more than a total of 17 days in the period of insurance, where Annual Multi trip cover is purchased.

Methods of purchase

Dedicated websites, call centre telephone lines or face to face.

How are Claims Handled?

Claims are handled by third party administrators and by third party medical assistance companies. Where claims are handled, specific Service Level Agreements (SLAs) are in place to ensure that the best service is provided to our mutual customers.

How are complaints handled?

Complaints are handled in-house, by the Distributor, Insurers and/or by third party administrators as indicated within the Policy Documents. Where complaints are handled, specific Service Level Agreements (SLA's) are in place to ensure that the best service is provided to our mutual customers.

Target market

- Customers of any age, and who may have medical conditions, who are looking to go on a leisure travel trip and want to purchase protection against irrecoverable and unforeseen costs for specified events only.
- For residents of the United Kingdom, the Channel Islands, the Isle of Man, or for members of the British Armed Forces only.
- Customers travelling with the intention to return to the United Kingdom in the short term.
- Customers not travelling for the specific purpose of obtaining treatment.
- Customers not travelling against the advice of a doctor had they sought advice before the trip commenced.

Vulnerable customers within the Target market

We have assessed the needs of vulnerable customers within the target market and we note that customers could experience a wide range of vulnerable characteristics throughout the customer journey in which we have vulnerable customer processes, training and policies in place to assist with and would endeavour to support their needs as and when these are notified to us.

Customers for whom the product would be unsuitable.

- Customers who are looking to travel to a destination where the Foreign, Commonwealth & Development Office (FCDO) advised against all travel at the time you purchased your policy or booked your trip (whichever is later);
- Customers who are travelling against the advice of a doctor.
- Customers who are travelling with the intention of receiving medical treatment.
- Customers who are residing outside the United Kingdom on a long-term basis.
- Customers who are looking for medical expenses cover for routine and non-emergency treatment whilst abroad.
- Customers looking for full cover for pre-existing medical conditions that have not been declared and specifically agreed by the Distributor or medical screening team in writing, where applicable.

Any notable exclusions or circumstances where the product would not respond.

- Your participation in an activity not listed under 'Sports & Activities, unless you have paid the appropriate premium to include Activity Pack 2, 3 or 4, or your participation in a winter sports activity, unless you have paid the appropriate additional premium to include winter sports cover, or your participation in or practice of any professional sporting activities. We consider professional sporting activities to be activities or sports from which any income is obtained, or sponsorship is received.
- Any travel outside the Area of Cover you have chosen as shown on your Policy Schedule, unless you are en route to your chosen Area of Cover.
- An existing medical condition, unless you have contacted our Medical Screening Service and we have agreed in writing to provide cover and you have paid (if required by us) any additional premium.
- Your carrier's refusal to allow you to board or travel for any reason, including due to pregnancy.
- Alcohol abuse, the use of drugs (other than drugs taken in accordance with treatment prescribed and directed by a registered doctor, but not for the treatment of drug addiction), or solvent abuse.
- Your suicide or an attempt at suicide, self-injury or you deliberately putting yourself at risk (unless you were trying to save another person's life).
- You breaking the law, or not following the laws of any country or local authority.
- You piloting or travelling in an aircraft where you or the pilot are not licensed to carry passengers.

- You operating or being in control of a motorised vehicle for which you do not hold the appropriate licence(s) to operate such vehicle in the United Kingdom, the Channel Islands or the Isle of Man.
- You travelling on a motorcycle or moped without wearing a crash helmet, whether legally required locally or not.
- You riding a motorcycle or moped off-road or using a quad bike.
- Travel to a specific country or to an area where the Foreign, Commonwealth & Development Office (FCDO) advised against all travel at the time you purchased your policy or booked your trip (whichever is later).
- Any other loss, damage or additional expense following on from an event for which you are claiming, unless we specifically provide cover under this insurance. For example, we will not pay for loss of earnings following bodily injury or illness.
- War, act of terrorism, nuclear risks, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, civil commotion, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government, public or local authority.
- Infectious or contagious diseases
 - a) Other than as stated in e) below, this insurance does not cover claims in any way caused by or resulting from an infectious or contagious disease, an outbreak of which has been declared a Public Health Emergency of International Concern (PHEIC) by the World Health Organization (WHO).
 - b) This exclusion shall apply to claims made after the date of any such declaration(s), other than where a relevant diagnosis has been made by a qualified doctor before the date of any such declaration(s).
 - c) This exclusion will continue to apply until the WHO cancels or withdraws any relevant PHEIC.
 - d) Infectious or contagious disease means any disease capable of being transmitted from an infected person, animal or species to another person, animal or species by any means.
 - e) This exclusion does not apply to claims under Section B1 - Emergency Medical & Associated Expenses or Section D - Curtailment/Loss of Holiday. We will also provide cover under Section A - Cancellation if you are forced to cancel your trip before the start date because you became ill with an infectious or contagious disease, including contracting Coronavirus. Please read the information contained under "Coronavirus cover" towards the end of Section A - Cancellation and Section D - Curtailment/Loss of Holiday for full details of the cover provided under these sections of cover and the evidence you will need to provide if you wish to make a claim.

If you require any further information on what this product covers, you can download the IPID, Policy wording and/or Coronavirus factsheet, where applicable.