

Statement of facts – Secured Lifetime Care:

It's been designed for clients who:

- Are suffering from a physical or mental disability and as such are currently receiving, or are about to receive care.
- Want to have the peace of mind that all or part of their care costs are covered for the rest of their life.
- Are able to pay some of their care costs themselves and as such wish to defer payments at the start of the plan.
- Want to have their benefits paid tax free directly to a registered care provider.
- Would like the option to add inflation-proofing benefit options to the plan at an additional cost, to ensure annual increases to monthly benefits.

It's unlikely to be suitable for clients who:

- Are not yet ready to enter long term care.
- Require a guaranteed payment to be left to their estate upon death.

- Do not have another means of paying their care costs during the deferred period.
- Are unable to make up any shortfall in care costs over and above the monthly benefit.

What you need to think about:

- Will the Lifetime Care Plan cover your client's monthly care costs?
- Does your client have the means to make up any shortfall in care costs?
- Will the payments from the Lifetime Care Plan affect your client's entitlement to any state benefits?
- Does your client understand that the total benefits paid may be less than the amount used to buy the plan?
- Does your client have any tax liabilities to address?
- Does your client understand that the Lifetime Care Plan has no cash in value?
- Does your client understand that if a Care Cap is introduced the amount they contribute towards their care may reduce and they may no longer require the income paid from this policy?

Product Classification:

Product name	Product Classification	Risk and considerations
Secured Lifetime Care	Non-Complex (advice required, but no investment associated)	With Lifetime Care Plan, you can choose different options to tailor it to meet your needs. This includes escalation options. Once purchased, you will have a 30-day cancellation period. Following this 30 days, you cannot change your mind.

Other important information:

Aviva's product oversight & governance

Introduction and context

The Insurance Distribution Directive (IDD) is an EU directive which introduced a minimum harmonisation standard for regulation of insurance from 1 October 2018. The effects of IDD are wide-ranging, affecting sales journey, conduct and product oversight and governance through to conflicts of interest, complaints, training and remuneration disclosure.

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

Why are you telling me about this?

Under the FCA's rules, we are required to inform you we have a governance process 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

After we introduce our products to the market, we regularly review them to check whether we need to make changes to them.

We base our level of oversight on the type and complexity of each insurance product, our identified target markets and their 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 customer 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?

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 use the intended distribution strategy is appropriate for the identified target market
- taking reasonable steps to make sure we distribute the insurance product in accordance with the target market for specified distribution channels

What does this mean for me?

We've therefore 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.

When using these target market statements, you ought to consider being able to provide evidence that you've thought about:

- how your distribution strategy aligns with the Target Market statement
- the demands and needs of the customer
- whether any of the customers are on the margins and 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
- 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 general customer group. You shouldn't assume a product is appropriate simply because the customer is in scope. Equally, a customer may benefit from buying the product even if they are out of scope. 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 distributions 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 get in touch with us, so we can consider your proposal.

Anything else?

If we've allowed you to use sub-agents, please remember this target market statement also applies to them. Please do not share these statements with customers.

Feedback

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

Distributor Responsibility

You must adhere to our target market statement and act in accordance with our Terms of Business.

We shall identify the group of customers for whom the business is compatible ("target market") and provide all appropriate information on the business and the product approval process. Aviva follows a rigorous product oversight and governance process which is summarised below.

You will assess whether a product is compatible for the target market taking into account criteria such as the demands and needs, and where relevant, with regard to the complexity and nature of the product, the knowledge and experience in the investment field, financial situation, the investment objectives and the financial literacy of the customer of the target market.

You will always act in the customer's best interests and comply with the rules on suitability and ensure all communications with customers are clear, fair and not misleading in compliance with the FCA Rules (particularly Principle 6 in the FCA Rules).

Statement on costs and charges

All charges are included in the total premium you pay for your Immediate Lifetime Care Plan. Our administration costs are covered within the premium and the payments made by your plan reflect this.