

Product Development Process

Following the introduction of the Insurance Distribution Directive in 2018, the Financial Conduct Authority (FCA) introduced a Product Intervention and Product Governance Sourcebook ('PROD').

PROD requires a firm which manufactures any insurance product, to maintain, operate and review a process for the approval of new products or significant adaptations to an existing insurance product, before it is marketed or distributed to customers. This document outlines the product development process used by The Exeter.

Proposition Governance Committee

The Proposition Governance Committee is responsible for assessing and approving the development of any new product together with any enhancements or changes to an existing product. It is also responsible for making any recommendation to withdraw an existing product.

The committee, made up of a wide range of stakeholders from various roles within the organisation, is chaired by a member of our Executive Board.

The committee conduct a thorough review of proposals and risks at every step of the product development process – as detailed below.

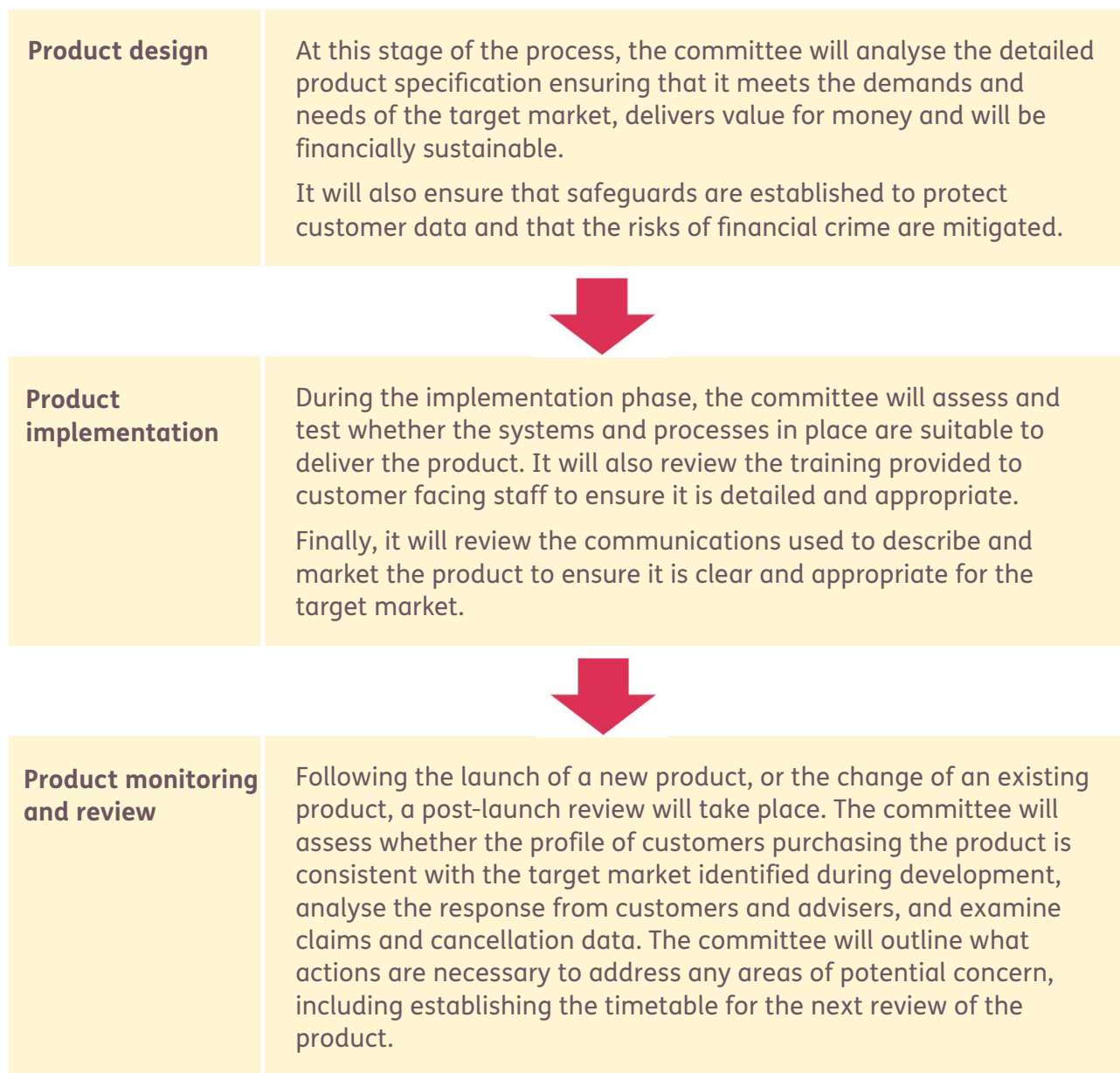


Product concept

At product concept stage, the committee will consider proposals from a number of perspectives. Including:

- Whether the proposals meet the needs of a particular target segment of customers and whether the correct target market has indeed been identified.
- The recommended distribution channel for the product in order to effectively reach the specified target market.
- Whether the research presented with the proposal is sufficient, or whether further research is required to allow full analysis.
- To assess any risks relating to the specified target market and how these risks can be effectively mitigated.
- Ensuring all required regulatory permissions are in place to allow distribution of the product.





311019/1335

www.the-exeter.com

Calls may be recorded and monitored

The Exeter is a trading name of Exeter Friendly Society Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Register number 205309) and is incorporated under the Friendly Societies Act 1992 Register No. 91F with its registered office at Lakeside House, Emperor Way, Exeter, England EX1 3FD.

