

# Target Market Assessment

This target market assessment has been prepared by The Exeter to provide an overview of our products. It is designed to help customers decide whether our products are suitable for meeting their demands and needs and for advisers to provide the most appropriate advice for their clients.

# Target market assessment – health insurance

## Health+

- Product overview and customer demographics

Target market	Description	Additional comments (if applicable)
Retail customers	Health+ is designed to give customers quick access to private healthcare in the UK, for acute conditions that are likely to respond to treatment.	Providing customers fall within the eligibility criteria, no customer groups have been identified for whom the product is unlikely to provide fair value.
<b>Health+ is not designed to cover:</b>		
Emergency treatment	Emergency treatment in an Accident & Emergency unit or other urgent care centre.	
Treatment of chronic conditions	This includes diseases, illnesses or injuries such as diabetes, asthma or multiple sclerosis, but this does not apply to cancer.	
Cosmetic and plastic surgery	Regardless of whether the treatment is needed for medical or psychological reasons.	
Pregnancy and fertility	We do not consider pregnancy or childbirth to be illnesses.	
<b>Customer type</b>		
Personal	Yes	
Business	No	Health+ is available on an individual-paid basis only.

<b>Demographic factors</b>		
Age	18 – 79 inclusive	Children under 21, or under 25 and still in full time education, may be included on the policy.
Sex	All	
Family	Health+ is suitable for individuals, couples and families.	
Residency	<p>All applicants must be a UK resident. A UK resident is a person who meets all of the following criteria:</p> <p>Has the legal right to reside in the United Kingdom for the entire duration of the policy.</p> <p>Physically resides in the UK for at least 183 days during each policy year, with the UK as the primary place of residence.</p> <p>Registered with a UK General Practitioner (GP) with access to full medical records in English and remain eligible for free treatment under the NHS.</p>	
<b>Product complexity</b>		
Medium	Health+ is considered as medium complexity, as it uses some unfamiliar medical terms and concepts.	
<b>Distribution strategy</b>		
Execution only	No	
Non-advised sale	Yes	Health+ is available for customers to buy directly.
Fully-advised sale	Yes	Health+ is available for sale through intermediaries.

Costs (where to quote)	Health+ is available to quote on The Exeter's website, <a href="http://www.the-exeter.com">www.the-exeter.com</a> , as well as a range of third-party quote portals.	
Conflicts of interest	None	

- Product features and suitability

Product feature	Benefit options	What is covered?	Who is the option suitable for?
Core cover	Included as standard	<ul style="list-style-type: none"> <li>• In-patient and day-patient benefits, including consultant and specialist fees, diagnostic tests and hospital charges</li> <li>• Some out-patient benefits, including CT, MRI and PET scans, out-patient surgery and up to three sessions of post-operative physiotherapy</li> <li>• Cover for all stages of cancer once diagnosed, including palliative and terminal treatment, with no time or financial limit.</li> </ul> <p>Plus:</p> <ul style="list-style-type: none"> <li>• Private ambulance</li> <li>• Home nursing</li> <li>• Parental accommodation</li> <li>• Hospice donation</li> <li>• NHS cash benefit</li> <li>• Access to membership benefits that offer additional care and support.</li> </ul>	Customers who choose core cover only will want fast access to the best possible in-patient or day-patient treatment but are prepared to fund out-patient treatment themselves. They would also be prepared to either fund the cost of their own therapies or mental health treatment or have such treatment on the NHS.

Product feature	Benefit options	What is covered?	Who is the option suitable for?
Out-patient benefit	<ul style="list-style-type: none"> <li>Unlimited</li> <li>Up to £1,000 per policy year</li> <li>Up to £500 per policy year</li> <li>No cover</li> </ul>	Specialist consultation fees. Diagnostic tests such as X-rays, ECGs and pathology tests.	Customers adding this option will want to ensure they have some cover for out-patient consultations and diagnostic tests.
Unlimited out-patient diagnostics	Unlimited	Out-patient diagnostic tests are covered in full, and only specialist consultation fees are deducted from the chosen out-patient limit.	Can be selected if customers choose an out-patient benefit amount of £500 or £1,000 per year.
Therapies	<ul style="list-style-type: none"> <li>Unlimited</li> <li>Up to £1,000 per policy year</li> <li>Up to £500 per policy year</li> <li>No cover</li> </ul>	<p>GP or specialist referred treatment by a:</p> <ul style="list-style-type: none"> <li>• Physiotherapist</li> <li>• Chiropractor</li> <li>• Osteopath</li> <li>• Acupuncturist</li> <li>• Podiatrist</li> <li>• Speech therapist</li> <li>• Pain clinic</li> <li>• Dietician (maximum of two consultations for each member per policy year).</li> </ul>	Customers adding this option will want the choice of seeing different types of therapist on an out-patient basis.

Product feature	Benefit options	What is covered?	Who is the option suitable for?
Mental health	<p>Unlimited out-patient (28 days in/day-patient cover)</p> <p>No cover</p>	<p><b>Unlimited out-patient</b> Specialist consultation fees and diagnostic tests for psychiatric treatment, provided by psychiatrists, psychologists and cognitive behavioural therapists.</p> <p><b>In-patient and day-patient</b> Treatment and associated hospital charges as an in-patient or day-patient, limited to 28 days for each member each policy year.</p>	<p>Customers adding this option will want to ensure they have some cover for treatment undertaken privately for mental illnesses such as depression or anxiety.</p> <p>This option may be excluded for customers with pre-existing mental health conditions.</p>
Excess	<p>Nil</p> <p>£100</p> <p>£250</p> <p>£500</p> <p>£1,000</p> <p>£3,000</p> <p>£5,000</p>	<p>Excesses apply individually to each member in each policy year. If there are multiple claims or conditions for one member within one policy year, then the excess is only deducted once.</p> <p>If an excess is paid towards eligible treatment costs that are subject to a benefit limit, we will not reduce the benefit available by the excess amount.</p>	<p>Customers choosing an excess will be looking to reduce their premium by paying for the first part of their treatment themselves.</p>
No Claims Discount (NCD)	All customers have a NCD premium structure.	A premium structure where future premiums reflect the claims made by individual members. The NCD scale has 15 levels and the maximum discount customers can receive is 75%.	<p>Customers with an NCD will want their future premiums to change based on their own claims. They will earn discounts on their premiums if they stay healthy and don't claim. Their premiums may increase if they claim. Any increase will be fair and relative to the size of the claim.</p>
Treatment Option	Guided specialist or three hospital list options, including: Essential, Standard and Extended	Treatment will only be covered based on the chosen treatment option. If guided specialist was selected, we will only pay for treatment with specialists that we have helped customers to find. If a hospital list was selected, we will only pay for treatment at a hospital on their chosen list.	<p>Guided specialist is a more affordable option than our hospital list options, however, there is no difference in the quality of the core cover, just the level of choice.</p> <p>Customers who choose a reduced hospital list will pay less but will have access to fewer hospitals and may have to travel further for treatment.</p> <p>Customers who choose the Extended list will want access to a greater number of London hospitals.</p>

# Target market assessment – income protection

## Income First

- Product overview and customer demographics

Target market	Description	Additional comments (if applicable)
Retail customers	Income First is designed to provide a regular benefit if customers are totally unable to work as a result of being ill or injured.	Providing customers fall within the eligibility criteria, no customer groups have been identified for whom the product is unlikely to provide fair value.
<b>Income First is not designed to provide:</b>		
Unemployment cover	Income First provides cover against illness or injury only.	
A lump sum pay out	Income First provides a regular monthly income.	
Full replacement of income	Income First provides a maximum of 65% of a customer's personal taxable income.	
<b>Customer type</b>		
Personal	Yes	
Business	No	Income First is available on an individual-paid basis only.

<b>Demographic factors</b>		
Age	18 – 59 inclusive	
Sex	All	
Family	Income First is suitable for individuals only.	
Residency	Applicants need to have been a UK resident for at least the last two years and have been registered with a UK based NHS GP for the same period.	
Occupation	Income First is suitable for all occupation classes, excluding a small list of occupations we cannot cover.	Customers must be working at least 15 hours per week, either employed or self-employed, to apply.
<b>Product complexity</b>		
Medium	Income First is considered as medium complexity, as it requires customers to review their level of cover regularly to ensure their chosen benefit does not exceed the maximum limits allowed.	
<b>Distribution strategy</b>		
Execution only	No	
Non-advised sale	No	
Fully-advised sale	Yes	Income First is available for sale through intermediaries only.
Costs (where to quote)	Income First is available to quote on The Exeter's website, <a href="http://www.the-exeter.com">www.the-exeter.com</a> , as well the major third-party quote portals.	
Conflicts of interest	None	

- Product features and suitability

Product feature	Benefit options	What is covered?	Who is the option suitable for?
Amount of benefit	£500 – £10,000 per month.	The maximum benefit customers can receive from Income First when claiming is 65% of the first £60,000 of their personal taxable income and then 45% above £60,000.	In selecting a benefit, customers should ensure it isn't greater than the maximum they could receive. This should take into account their personal taxable income and any continuing sources of income they would receive when they are ill or injured and unable to work.
Finishing age	Any year between the ages of 50 and 70.	The age a customer selects when they apply for their policy, when the policy and all benefits will end.	Customers should choose a finishing age that reflects how long they intend to work and receive a regular income.
Waiting period	Day 1 1 weeks 4 weeks 8 weeks 13 weeks 26 weeks 52 weeks	The continuous period of time from when customers are first totally unable to work due to illness or injury until when they are first eligible for benefit to be paid.	Employed customers will choose a waiting period that fits with their sick pay arrangements with their employer. Self-employed customers will choose a waiting period that satisfies their needs and budget.
Flexible waiting periods for NHS medical professionals and Teachers	Included in policy as standard	Our flexible waiting periods help customers in these occupations receive a benefit that fits alongside their sick pay arrangements.  If customers are eligible and make a valid claim, we will start paying the benefit before their waiting period ends, once their sick pay reduces. Benefit payments will then increase once their sick pay stops.	Suitable for NHS medical professionals and Teachers.  This option is only available where a waiting period of 52 weeks has been selected and if customers meet the eligibility criteria.

Product feature	Benefit options	What is covered?	Who is the option suitable for?
Employer change promise	Included in policy as standard	<p>If customers change employment during the term of their policy, they may find that their sick pay is restricted in the early stages of their new employment, for example during probation periods. This could leave customers temporarily unprotected against the risk of illness or injury.</p> <p>Our employer change promise helps to cover the temporary gap in customers' sick pay if they need to claim in the first year of new employment, and means we may pay the benefit before their waiting period has finished.</p>	<p>Customers moving into new employment who have held their policy for at least three years.</p> <p>The promise does not apply if customers are moving into self-employment, are an employed director or part of a partnership, and customers must meet the eligibility criteria.</p>
Claim period	2 year 5 year Full term	<p>The full term option would pay out benefits if customers are unable to work due to illness or injury until their chosen finishing age. Reduced claim periods will pay out for a maximum of 2 years or 5 years for each individual claim, although they can have multiple claims for different illnesses or injuries.</p>	<p>Customers who choose a full term claim period will want the reassurance of knowing that they could be covered until their finishing age if their illness or injury meant they could never work in their own occupation again. Limited claim periods offer a lower cost method of obtaining income protection.</p>
Fixed benefit option	Optional add-on at no extra cost.	<p>Fixes up to 100% of the initial benefit customers select by providing financial evidence within 6 months of their policy start date.</p>	<p>Customers choosing the fixed benefit option will want reassurance that if their income fluctuates, they are guaranteed a full payment of the benefit on valid claims.</p>

Product feature	Benefit options	What is covered?	Who is the option suitable for?
Indexation option	Optional add-on for an additional charge.	Adjusts customers' benefit each year in line with inflation. Premiums will also increase, the rate of which will depend on the premium option that is selected, as explained in the policy summary	Customers choosing the indexation option will anticipate the need for gradual increases in benefit, which may reflect similar increases in salary.
Premium option	Level guaranteed Age-costed guaranteed Age-costed reviewable	Level guaranteed premiums remain level throughout customers' policy. Age costed guaranteed premiums increase with age, but at a rate guaranteed in advance. Age costed reviewable premiums increase with age and are based on rates which can change. They may be increased or decreased by us once a customer's policy is more than 3 years old.	Customers choosing level premiums will want the certainty of knowing that their premiums will remain the same for the life of the policy unless they select the indexation option, while those choosing age-costed premiums will prefer cheaper premiums in the early years. Customers choosing age costed guaranteed premiums will pay slightly more than those choosing age costed reviewable premiums, for the reassurance of knowing what they will be required to pay for their policy each year until it finishes.

# Target market assessment - life cover

## Real Life

- Product overview and customer demographics

Target market	Description	Additional comments (if applicable)
Retail customers	Real Life is a life insurance policy that pays a lump sum benefit when the life covered, or one of the lives covered in a joint life policy, dies or is diagnosed with a terminal illness - where life expectancy is less than 12 months.	Real Life is aimed at people who have dependants that would suffer financially if they died or were diagnosed with a terminal illness. This includes those who have a financial commitment such as a mortgage, or who have recently started a family. From a health perspective, Real Life is also suitable for people living with serious or multiple health conditions who can find it difficult to obtain insurance.
<b>Real Life is not designed to provide:</b>		
A regular income for those unable to work for a long period	Real Life provides a lump sum payment following a successful claim.	
<b>Customer type</b>		
Personal	Yes	
Business	No	Real Life is available on an individual-paid basis only.
<b>Demographic factors</b>		
Age	18 – 80 inclusive	
Sex	All	

Demographic factors		
Family	Real Life covers one person on a single life policy, or two people on a joint life policy.	
Residency	Real Life can be sold to UK residents only.	
Health	Real Life is suitable for a broad range of customers, from those with no pre-existing health conditions to those with serious or multiple health conditions.	
Product complexity		
Low-medium	Real Life is considered as low-medium complexity. It has only 2 possible claim events – death or terminal illness.	
Tax implications	Under current legislation and HMRC practice, benefit payable under this cover is normally free from personal liability to income and capital gains tax, for UK residents, unless they assign their policy to someone else. However, the benefit may be subject to inheritance tax unless they nominate beneficiaries or put their policy in a suitable trust.	We recommend that customers seek professional guidance because their individual circumstances can affect their tax position.
Distribution strategy		
Execution only	No	
Non-advised sale	No	
Fully-advised sale	Yes	Real Life is available for sale through intermediaries only.
Costs (where to quote)	Real Life is available to quote on The Exeter's website, <a href="http://www.the-exeter.com">www.the-exeter.com</a> .	
Conflicts of interest	None	

- Product features and suitability

Product feature	Benefit options	What is covered?	Who is the option suitable for?
Sum assured (benefit)	There is no minimum benefit. The maximum benefit is £3,000,000.	The amount we pay following a successful claim.	Customers will select an adequate sum assured to support their family following death. The benefit is subject to individual consideration
Policy term	5 – 50 years	Determines how long the policy lasts. The policy must end before customers reach their 90th birthday. In the case of a joint life policy, this applies to the eldest life covered.	Customers will select an adequate policy term to support their family following death or to reflect the length of their mortgage or loan.
Cover type	Level benefit Decreasing benefit Increasing benefit	<p>With a level benefit, customers' chosen benefit will remain the same through the term of their policy.</p> <p>With a decreasing benefit, their chosen benefit will reduce each month in the same way as the outstanding amount on a repayment mortgage with an interest rate of 8% per year.</p> <p>With an increasing benefit, their chosen benefit will increase in line with the Consumer Prices Index including owner occupiers' housing costs (CPIH), which tracks the prices of consumer goods. The increase in benefit will lead to an increase in premiums.</p>	<p>Customers choosing level cover will buy Real Life to pay off a loan or mortgage and/or will want certainty that their benefit is fixed for the duration of the policy.</p> <p>Customers choosing decreasing cover will buy Real Life to pay off a loan or mortgage and will want their benefit to decrease in line with the debt they owe.</p> <p>Customers choosing increasing cover will want their benefit to increase in line with CPIH to keep up with inflation.</p>
Accidental Death Benefit	Included as standard	A temporary benefit that pays a maximum of £250,000 if a customer dies before the policy starts.	This option protects customers while they are waiting for their policy to start.
Mortgage free cover benefit	Included as standard	A temporary benefit that pays a maximum of £500,000 if a customer dies before the policy starts.	This option protects customers who are taking out the policy to protect their mortgage, while they are waiting for their policy to start. Customers must have exchanged contracts (or completed missives in Scotland) to be eligible for this option.

#### **The legal blurb**

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