

Fair Value Assessment 2025 (2024 period)

Name of product / service	Protection Insurance Intermediation
Assessment Reason	Annual Review
Reviewer Name	Annika Farquhar
Review Date	07/03/2025

Service Description

- An initial meeting / discussion
- Fact-finding information gathering
- Research - using sourcing system when conducting fair analysis research.
- A recommendation:
 - For term assurance, income protection, critical illness, family income benefit, accident & hospital, relevant life, business protection, and shareholder protection: a personal recommendation, based on fair analysis (whole of market) research of insurers.
 - For private medical insurance: a personal recommendation but not on a fair analysis of the market (limited Providers considered).
 - For general insurance Accident, Sickness & Unemployment (ASU), Sports Accident, Payment Protection, and Home & Contents: a personal recommendation but not on a fair analysis of the market (limited Providers considered).
- Application/documentation support
- Assistance with underwriting process

Target Market

- New Private clients requiring protection insurance, e.g: income protection, Term Assurance, Critical Illness Cover, Family Income Benefit, ASU (Accident, Sickness & Unemployment), Sports Accident, Payment Protection, Private Medical Insurance, Home & Contents.
- New Business clients requiring protection insurance, e.g: income protection, Term Assurance, Critical Illness Cover, Corporate Private Medical Insurance, Key Person insurance, Relevant Life.
- Existing clients who have had a life event/change of circumstances.
- Clients who have an interest insuring against unforeseeable events.
- Clients engaged in, what are usually considered, 'high risk' occupations and/or pursuits, e.g: motorsport, working at heights/depths.

Limitations

- Pre-existing medical conditions that may exclude certain Providers.
- Client occupations and/or pursuits that may exclude certain Providers.
- Insufficient disposable income for insurance products.
- Identified risk 'gaps' requiring other protection product(s), are not a client's priority.
- Clients that do not fulfil criteria for products, including eligibility, e.g: age / income for income protection etc.
- Clients looking to obtain cover where there's no insurable interest.

Remuneration

We have no control or influence in relation to the setting of commission rates by the policy Provider/Insurer.

As a standard, we do not 'cap' the commission payable to us from the Provider/Insurer, nor do we set a level of commission payable, at which the Firm would look to reduce the client premium or rebate the client. We do however consider cases on their own merit, taking into account the indemnity commission payable to us by the Provider/Insurer and the clients' circumstances.

We do not charge a fee for our advice, arrangement or going client support services, as we will receive commission from the policy Provider/Insurer. We do not charge an administrative fee for amendments.

However, if a client stops paying the regular premiums on a policy (or policies) we advised upon and arranged on their behalf, may be obliged to refund the commission payment(s) made to us, back to the policy provider (the Insurer).

Therefore, in such cases, in respect of the services and the work we have undertaken on the clients' behalf only, we reserve the right to request full payment of any outstanding balance of charges from the client.

- Chargeable Amount: £250.00
- Chargeable Term: Up to the 1st Anniversary of the policy start date (1 calendar year).
- Payment Terms: Within 30 days of the invoice date.

Our Advisers receive commissions payments from us, and these will be on a 'fixed rate' basis only, irrespective of the Provider/Insurer, product type, benefit amount or premium.

In addition to the above, we seek to further remove the potential risk of provider/insurer bias via a Training & Competency scheme, along with the setting and monitoring of KPI's (Key Performance Indicators).

Market Research when Designing Service

We do not charge a fee for advice, arrangement, ongoing client support or administration services.

Our service is focused on, and designed to, deliver and maintain high levels of client satisfaction.

Value/Benefits

- Access to sourcing systems, allowing cost comparison based on certain criteria i.e. sum assured/term/deferred period.
- Knowledge and experience of protection market and Provider limitations
- Knowledge of Provider's niche criteria
- Ability to assess and apply Provider target market considerations,
- Assistance for clients with the underwriting questionnaire/process
- Advisers are skilled at establishing the protection need and matching the client's need to the correct protection solution.
- Ability to review existing protection solutions.
- Adviser expertise kept up to date through ongoing CPD requirements.
- Adviser will be skilled at prioritising the protection needs of the client.
- Experienced Administration team that assists with client support.
- High quality customer service e.g:
 - multiple methods of contact (phone, email, social media, online booking tool),
 - if a matter is urgent, the ability to contact an Adviser outside of usual working hours,
 - flexibility of client appointment times (day and evening),
 - 'jargon busting' of Provider terms offers, and simplification of how a product meets the clients identified need(s),
 - client guidance and regular offers of support when in claim,
 - client contact made when the Firm becomes aware of a late payment or cancellation request – to ensure client is firstly aware and, where appropriate, to offer a review, so the client has the ability to retain meaningful cover.

Behavioural Biases Present

- Lack of consumer awareness of availability and/or function of majority of protection products – Life insurance is well known, however the likes of; Family Income Benefit, Income Protection, Accident/Hospital plans etc are not.
- Clients undervalue the importance of protection insurance.
- Adviser may have preference towards Provider, based on past underwriting experience and/or Provider service provision.
- Client may also have a preference due to brand recognition, whether this be via peer recommendation, Provider advertising or because they have insured other products with them.
- Client may have bias having had a claim rejected (either personally or that of a peer) for other protection/GI product.

- The Firm currently operates a 'Refer a Friend' scheme – where if an existing client recommends our services to another person, and that person goes on to take up a qualifying protection product, in accordance with the Advisers recommendation, both the referring party and the referred party will each receive an Amazon gift voucher to the value of £25.00.
- The Firm operates an 'Introducers' scheme - where an existing client is involved in an activity and/or business that represents a 'legitimate interest' in the Firms service provision, a formal Introducers Agreement is established with the party, to allow them to introduce their own clients/peers to us, who have an interest in our services. The Introducing party may receive a fee for qualifying introductions, up to a maximum of £100.00.
- The Firm has various sponsorship agreements with sporting clubs and institutions – these come about due to the sponsored party identification that its clients/members would have a 'legitimate interest' in our services. Sponsoring allows the Firm access to the sponsored parties clients/members through various agreed medium, e.g. our attending the sponsored parties organised events.

Characteristics of Vulnerability

We will adapt our service according to the needs of our customers.

Situations where a vulnerability may compromise the value of the service we offer may be:

- language barriers,
- customers with less financial experience,
- personal resilience or mental capacity issues,
- change to personal circumstances (e.g. change in income or separation/divorce),
- inability to work due to an accident or illness,
- bereavement.

These could lead to challenges with the demands and needs assessment.

We will give additional advice and support to ensure the consumer/client understands the information being presented to them, and the implications of the arrangement they are entering into, to reduce the risk of harm occurring.

Total Cost a Client Might Pay

We will assess the cost associated with recommending the protection product for our target client, this being the monthly premium for the plan/product (including, wherever possible, any anticipated premium loading), before presenting a solution.

Our Firm will consider the Insurers Value Assessment, to understand how the products we recommend deliver value.

Additional Evidence
<p>We had 0 complaints in the period January 2024 to December 2024.</p> <p>>70% of existing clients have been with the Firm for more than two years.</p> <p>We had 62 referrals who went on to take up our services in the period January 2024 to December 2024.</p>

Conclusion	Our intermediary service does provide 'fair value'
Actions required	None
Next review date	March 2026