



## Product Governance Reviews & Fair Value Assessments - Update

In light of the regulatory rule changes from the FCA under Policy Statements PS21/5 & PS21/11 General Insurance Pricing Practices, we wanted to take the opportunity to update you on our progress.

Like many other manufacturers/co-manufacturers of insurance products in the market we have been working hard making the necessary changes to our product governance processes to meet the new requirements – in particular focusing on the requirement for a Fair Value Assessment to be carried out on both consumer and commercial products. Providing value to our customers has always been at the forefront of our minds when delivering products to market and our existing product governance processes are already robust and well embedded as part of our wider governance framework – providing a solid foundation to work from.

From the 1st October 2021 we will start to complete Fair Value Assessments on all of our consumer and commercial products against the backdrop of an agreed schedule that will see them all complete by the 30th September 2022 (as required under the new rules). Fair Value Assessments will then be carried out annually thereafter. We are currently finalising how we will communicate the outcomes of each Fair Value Assessment to distributors as they are completed (this will be on a standardised template) and more will follow on that shortly.

**For products where we are a distributor, we will obtain the Fair Value information from the insurer.**