

## Product Oversight and Governance

Public

### OVERSIGHT AND GOVERNANCE

Under the FCA's rules, we are required to inform you of the governance processes we have in place to oversee the design, approach, and review of our products. This document sets out the product governance process which is applied at British Friendly (the 'Society').

The Society's product governance process is subject to oversight from the Society's Product Development and Governance Forum and, where applicable, the Society's Board via the Risk and Investment Committee.

### APPROACH

As a product manufacturer, we'll design and monitor the performance of our products to make sure they meet the needs of customers in the identified target markets.

### GOVERNANCE PROCESS



# Product Oversight and Governance

Public

## CONCEPT (ideation)

At the concept (ideation) stage a high level assessment will be considered by the Proposition Director who will consider whether the development should be taken further. In making this decision, the Proposition Director will have regard to the Society's appetite to develop new or existing products, whose needs would be met by doing so, the options available to deliver the proposal and the possible distribution strategy and channels.

## DISCOVERY AND SHAPING

At the discovery and shaping stage the proposal, the target market, the distribution strategy and the associated risks and opportunities will be researched and documented in more detail, which will be used to produce a product specification. A plan for delivering the proposal, which factors in regulatory considerations including the impact of the proposal on the Society's regulatory position, will also be produced. A customer risk identification assessment is completed, to identify risks and consider the needs of vulnerable customers, alongside assessing key product governance components.

## REQUIREMENTS AND DESIGN

At this stage, all requirements required to deliver the product / product change will be collated, reviewed and approved.

## EXECUTION

At this stage, the product / product change will be built and tested, a value for money assessment will be completed and our approach to pricing the product will be finalised and approved before delivery.

## DELIVERY AND POST-IMPLEMENTATION REVIEW STAGE

At the delivery and post-implementation review stage, subject to a few final checks, the product / product change will be communicated and launched to market. Within 6 months of launch a post-implementation review will be completed using data collected, in order to establish:

- The product / product change is meeting the needs of the chosen target market
- And check customer understanding
- The product / changed product is being distributed as intended
- The product's value is being maintained
- The underwriting criteria and journey align and are appropriate for the product being applied for

The outcome of this review will help provide insight into if the product is performing as expected and if not, help shape proposed actions to rectify this.

## MONITORING AND ANNUAL PRODUCT REVIEWS

Products brought to market will be regularly reviewed, and for non-investment insurance products – at least annually. Products will be monitored and reviewed, considering internal and external events and developments, in order to ensure that the product continues to perform as intended and meets the needs of target market. As part of the review process, we will complete an annual assessment of value received by the customer. The assessment considers if the product offers fair value to our customers. It takes into account the price paid by the customer, the distribution strategy and channel, a review of the product performance, complaints, claims ratio, communications and service delivery.