

This document provides a summary of the relevant product information for Protect. It sets out key information for distributors as required by the FCA's Product Governance rules.

Under the FCA's rules, we are required to inform you that we have a governance process in place to oversee the design, approval and on-going reviews of our products. We outline the oversight and product governance we follow at British Friendly [here](#).

### **Protect target market statement**

This product is available for employed or self-employed customers who need a weekly or monthly benefit to help replace some of their lost earnings if they were unable to work due to illness or injury. It can be used to help support their or their family's current lifestyle and financial commitments.

Examples of who the product could be suitable for are:

- **Employed earners** – who have little or no sick pay arrangements / Income Protection from their employer
- **Self-employed earners** – who have little or no sick pay arrangements / Income Protection
- **Family protection** – protecting the earnings of those supporting the family household and financial commitments
- **Individual protection** – protecting the earnings of a single person that supports their household and is needed to cover financial commitments

Our two different premium options (level guaranteed and age-costed guaranteed) make this product suitable for people working in a wide range of occupations and with differing budgetary requirements.

Our level guaranteed premium option is aimed at customers who want certainty that the cost of their cover won't change. This premium option may be more suitable for people in lower risk occupations such as office workers or professional occupations, but it may also be suitable for people in riskier or more manual occupations such as tradespeople, teachers, nurses or company directors.

Our age-costed guaranteed premium option is aimed at customers who prefer more cost efficient premiums in the early years, which then increase as they get older, but who also need certainty of how much their premiums will increase by each year. This premium option may be more suitable for customers in riskier or more manual occupations who may be more expensive to insure such as tradespeople, teachers or nurses.

The product also offers a choice of waiting periods to reflect the financial needs of those that may not have employer benefits or any personal financial provision.

### **Eligibility**

**To apply customers must be:**

- Resident in the UK on a permanent basis for at least 2 years prior to application (Protect is not available to people who live in the Channel Islands or Isle of Man)
- Registered with a UK GP for the 2 year period prior to application
- Aged between 18 and 59
- Employed or self-employed
- A UK bank account holder and UK tax payer (UK to Ireland cross-border working is acceptable)

### **Distribution Strategy**

To ensure customers receive a level of protection that meets their needs and to fulfil regulatory requirements, Protect is only available to customers of authorised intermediaries on an advised basis, and where approved by the society on a non-advised basis.

## Limits and basis

- The minimum term is 5 years
- The policy must finish between the ages of 50 and 70
- Customers will need to wait for their deferred period to end before their claim will be paid
- Any claim will last until one of the following happens: policy end date is reached, the death of the policyholder, the policyholder recovers and returns to work, any back to work support payments end, the policyholder retires, the policy is cancelled, or their benefit period ends
- Customers who move overseas may be unable to take their policy with them or if they claim while overseas may have their claim payment restricted

## Fair value

The fair value assessment considers if the product offers fair value to our customers. It takes into account the price paid by the customer, the distribution channel, a review of the product performance, complaints, claims ratio, communications and service delivery.



**The fair value assessment for Protect has been completed and we have deemed that the product offers fair value and is suitable for customers:**

- Who meet our eligibility criteria
- Who work in an occupation covered by our policy
- Who need to protect their income and that want to insure themselves up to 65% of the first £60,000 of their yearly income before tax and if applicable then 45% up to a maximum of £100,000 (maximum benefit up to £4,750 per month or £57,000 per year)
- That require cover for at least 5 years, as this is the minimum term for this policy
- That can afford the premiums



**Protect will not offer fair value or be suitable for customers:**

- Who do not meet our eligibility criteria
- Who wouldn't suffer any financial consequences if they stopped earning as a result of illness, injury or accident
- Who cannot afford the premiums
- That work in an occupation not covered by our policy
- With group income protection arrangements through their employer
- Who may already have sufficient cover in place with another provider
- That are likely to be eligible for material state benefits if they were unable to work – however state benefits are not guaranteed
- Who want to insure another person other than themselves (life of another)
- Who want to cover themselves for Business Protection purposes
- Who want to cover themselves for unemployment or redundancy
- Who are seeking to protect against death, terminal illness or critical illness with a lump sum pay-out
- Who require a term of 5 years or less
- Who are retired
- Who are unemployed
- Who are already absent from work due to illness or injury

When performing our assessment of value, we have had regard to price amongst other factors. We have not considered any other fees, charges or commission distributors may apply outside of the arrangements we have agreed with them in relation to the distribution of our product. Distributors may therefore wish to consider the impact of any such fees, charges, or commission they apply wherever applicable in assessing their impact on the value which our mutual customers receive from this product.

Should you require any further information on our assessment of value, please contact [products@britishfriendly.com](mailto:products@britishfriendly.com).

## Risks

- There is no cash value for this policy at any time
- If the customer stops paying their premiums, their policy will go into arrears and lapse
- If the customer does not accurately answer the application questions when they apply, they may be unable to claim
- Benefits paid at claim may reduce any means tested state benefits the customer might be entitled to
- If the customers' circumstances change the policy and amount of benefit may no longer be appropriate (for example, if their salary changes)
- If your customer chooses level cover, it won't keep up with inflation and could buy less in the future
- RPI increasing (for level guaranteed premiums only) – amount of cover will rise by the increase in the Retail Prices Index (RPI) and premiums by RPI x 1.5%

## Charges

Premium payments are shown on the Personal Illustration and the Policy Schedule and include all the costs of administration, underwriting, claims, selling expenses, commission and fees for any medical information that we may request.

## Key Features

- Pays a regular Income Protection benefit when the customer is unable to work due to illness or injury
- Pays out weekly or monthly into their chosen bank account
- Own occupation covers customers specifically for the job they do
- Pays up to 65% of the first £60,000 of your customers yearly income before tax and then 45% up to a maximum of £100,000
- The maximum benefit amount they can choose is £4,750 per month (£57,000 per year)
- Benefits are paid until the customers' chosen policy end date or benefit period
- Level or Retail Price Index (RPI) increasing cover
- Level guaranteed premiums (fixed price throughout term of policy) or, age-costed guaranteed premiums (increase as the customer gets older)
- Waiver of Premium automatically included once claim is in payment
- We will waive the waiting period if the customer is diagnosed with a terminal illness and life expectancy is less than 12 months
- Guaranteed Insurability Options (GIO)
- Mortgage Payment Option
- Back to work support
- Occupation Promise
- Premium Holiday
- Sick pay protection for teachers and NHS doctors, surgeons, nurses, midwives and dentists if 52 week deferred period is chosen
- Benefit guarantee of up to £1,500 per month

## Value-Added Services

### Mutual Benefits

Our discretionary Mutual Benefits programme gives customers access to everyday health, wellbeing and rewards through Clinic in a Pocket and Cash in your Pocket. Learn more at [advisers.britishfriendly.com/value-added-services/](https://advisers.britishfriendly.com/value-added-services/).

### BF Care

Our discretionary BF Care programme gives customers access to additional financial support during life-changing events. Benefits include Death Benefit, Bereavement Benefit, Terminal Illness Benefit, Care Assistance Benefit and Recovery Support Benefit. Learn more at [advisers.britishfriendly.com/value-added-services/](https://advisers.britishfriendly.com/value-added-services/).

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It feels good to be covered

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