

Product Target Market

Product Name	General Product Description	Additional Comments (if applicable)
Key Person Income Protection	<p>Short term income protection plan designed to provide a business with a regular income to replace the profits attributable to a key person in the event they are unable to work through illness or injury.</p> <p>It is possible to have the cover on a level basis or increasing (by either Retail Price Index or a fixed rate between 2-5%).</p>	<p>The target market is small to medium size businesses of whom a significant portion of their profit can be attributed to a key employee</p> <p>Increasing Cover is suitable for those who wish to protect against inflation.</p>
Customer Type		
Personal Protection	No	Negative Target Market: This is not designed for personal protection.
Business Protection	Yes	This is part of the business protection menu.
Demographic Factors		
Age	18 - 70	
Sex	All	
Income/Social Grade	Established Investors Money Makers Growth Phase	
Family Background	Suitable for businesses who want to insure their business against financial hardship in the event of a key employee being unable to work through illness or injury.	
Literacy capabilities	Literate	
Health Background	We are happy to underwrite lives in good health and with pre-existing non-life threatening conditions.	Normal medical underwriting standards will apply
Product aim		
Mortgage /Debt/ Loan repayment	This is not designed to pay off a mortgage/debt/loan but would allow the plan owner to continue payments on these.	Negative Target Market: product should not be sold to customers seeking to pay off debt completely
Life Changing Event	This would allow a business to maintain a solid profit level in	

	the event a key person is unable to work.	
Unable to work for a prolonged period	This product is specifically for businesses that need to ensure they can continue running if a key person is unable to work for a long period due to illness or an accident.	
Customers for whom this product is not considered appropriate		
Companies where large portions of the profit cannot be attributed to a singular employee	The company would be able to survive relatively unaffected without the benefits of such a policy	
Companies where the Key Person is easily replaceable	The company would not need a lump sum pay out to hire a replacement	
Companies where the key person is responsible for too much of the business profits	In this scenario the company is unlikely to be able to continue even with the payout and therefore the protection will not help	
Product Complexity		
Low		
Low-Medium		
Medium	The product itself is a relatively simple income protection product, where the sum assured is paid to the plan owner in the event the insured meets the relevant definition of disability.	
Medium to High		
High		
Any impact of charges?	N/A	
Any tax status implications?	Premiums could be deductible against corporation tax if the life assured does not have a significant shareholding. Benefits would be taxable as a trading receipt. If the life assured is a shareholder then there would be no corporation tax relief and benefits are still likely to be taxed as a trading receipt unless paid out again as sick pay.	Benefits would be paid directly to the business
Client Objectives and Needs		
Death/TI	No	



Life Changing Event	No	
Unable to work for extended period	Yes	
Time Horizon	Selected Term (5 – 20 years)	
Maturity Date	End date selected	
Distribution Strategy		
Execution Only	No	No – Negative Target Market: product should not be sold on an Execution only basis
Non-Advised Sale	Yes	Although occasionally sold by remote advisers, the complex nature of business protection means that it is best sold on an advised basis.
Fully Advised Sale	Yes	Most commonly sold by general practitioners, wealth managers and risk specialists.

The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 117672. It provides life assurance and pensions. Registered in England and Wales number 99064. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Marketing Limited is authorised and regulated by the Financial Conduct Authority and introduces Royal London's customers to other insurance companies. The firm is on the Financial Services Register, registration number 302391. Registered in England and Wales number 4414137. Registered office: 55 Gracechurch Street, London, EC3V 0RL.