

Product Target Market

Product Name	General Product Description	Additional Comments (if applicable)
Personal Menu Plan : Life Cover or Critical Illness Cover	<p>Insurance which pays out on the death, terminal illness or critical illness of the person covered. A fixed term insurance paid for monthly. The cover amount remains at the same level throughout the term of the plan. A claim for death, terminal illness or critical illness ends the cover with no further claim paid out.</p> <p>It is possible to have the cover on a level, increasing (by either Retail Price Index or a fixed rate between 2-5%), or decreasing basis (on a chosen interest rate from 0-15%).</p> <p>There is also an option to have the cover paid out as a regular monthly amount instead of a lump sum.</p>	<p>Customers can increase the sum assured amount at any time subject to underwriting or with no underwriting if one of the increase options applies.</p> <p>Increasing Cover is suitable for those who wish to protect against inflation.</p> <p>Decreasing cover is designed to reduce in line with an outstanding loan or mortgage balance.</p> <p>Regular monthly payments allow the beneficiaries to maintain payments on ongoing financial liabilities.</p>
Customer Type		
Personal	Yes	Our primary target market is customers with income with financial responsibilities including rent and mortgage payments.
Business	No	Negative target market. There is a dedicated business product available. However, self- employed customers may use.
Demographic Factors		
Age	18 – 84 (attained)	
Sex	All	
Income/Social Grade	<p>Money Makers – outstanding mortgages, financial commitments</p> <p>Growth phase – parents with young children, large financial commitments</p>	Dependent families – financial commitments and outstanding mortgages

	Single earners – lone parents, little or no savings	
Family Background	Suitable for individuals, couples and families who want to insure themselves against financial hardship in the event death, terminal illness or serious illness – a payment which allows them to maintain payments on financial liabilities and/or pay off a large debt such as a mortgage.	
Literacy capabilities	Literate	
Health Background	Clients in good health.	
Product aim		
Mortgage /Debt/ Loan repayment	This product can be used to pay off a mortgage/debt/loan but would also allow the remaining spouse or partner to continue payments following death or after diagnosis of a critical illness which meets our definition.	
Life Changing Event	This would allow families to maintain a standard of living following the death of a spouse or civil partner during the term of the plan depending on the sum assured chosen in relation to their debts. Payment under the terminal illness definition allows the plan owner to sort personal affairs prior to death. Similarly, the payment of a lump sum after a claim for critical illness gives financial support during illness	
Customers for whom this product is not considered appropriate		
No dependents	While life cover is not the immediate protection need incorporating critical illness cover gives financial support without having to add life cover at a later date and at a higher cost.	People are more likely to suffer from an illness or sickness which prevents them from working - they ought to consider income protection to ensure that they can continue to pay bills.

Unable to work for a prolonged period	This product is not designed to provide cover which allows customers to pay their bills and continue to make pension contributions if they are unable to work for a long period due to illness or an accident. But it does give a lump sum which can be used to repay a mortgage.	
Product Complexity		
Low		
Low-Medium		
Medium	This product has a medium complexity rating. Adding critical illness introduces more cover options and additional claim events.	
Medium to High		
High		
Any impact of charges?	N/A	
Any tax status implications?	<p>Inheritance Tax</p> <p>Where plans are not written under trust there is a potential IHT liability as the sum assured will be in the estate for tax calculation purposes. Joint life plans under a jointly owned trust will potentially lead to an IHT liability. A claim for terminal illness may result in an IHT liability and it cannot be gifted away using a Royal London trust. Using a split trust ensures the sum assured is paid for the benefit of the plan owner to manage affairs. Advice from an adviser is recommended when considering trusts.</p>	Putting a plan in trust speeds up the payment to the trustees for the benefit of beneficiaries, as probate is avoided.
Client Objectives and Needs		
Death/TI	Yes	
Life Changing Event	Yes – Terminal Illness and Critical Illness	



Unable to work for extended period	No	
Time Horizon	Selected Term (1- 50 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	Model adopted by majority of Remote, Risk Specialists and Mortgage Brokers
Fully Advised Sale	Yes	Model adopted by General Practitioners

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