

## Product Target Market

Product Name	General Product Description	Additional Comments (if applicable)
Personal Menu Plan : Life Cover	<p>Insurance which pays out on the death or terminal 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.</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 cover amount at any time subject to underwriting or with no underwriting if they are eligible for one of the increase options.</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>
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.
<b>Demographic Factors</b>		
Age	18 - 89 (attained)	
Sex	All	
Income/Social Grade	<p><b>Money Makers</b> – outstanding mortgages, financial commitments</p> <p><b>Growth phase</b> – parents with young children, large financial commitments</p>	Dependent families – financial commitments and outstanding mortgages
Family Background	Suitable for individuals, couples and families who want to insure themselves against financial hardship in the event death – 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	
<b>Product aim</b>		
Mortgage /Debt/ Loan repayment	<p>This product can be used to pay off a mortgage/debt/loan but would also allow the surviving spouse or civil partner to continue making payments following death.</p> <p>Decreasing cover is designed to cover a loan or mortgage.</p> <p>Negative Target Market: An increasing benefit would not be relevant in covering a loan or mortgage as the liability will only decrease (or remain level in the case of interest only borrowings)</p>	
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 cover amount chosen in relation to their debts. Payment under the terminal illness definition allows the life assure to sort personal affairs prior to death.	
<b>Customers for whom this product is not considered appropriate</b>		
No dependents	Life cover is not the immediate protection need.	
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.	
<b>Product Complexity</b>		
Low		
Low-Medium	This product is low-medium complexity. It has only 2 possible claim events – death or terminal illness. But the options available to write the plan add some complexity which would be supported through the advice process.	



Medium		
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. Advice from an adviser is recommended when considering trusts.</p>	<p>Putting a plan in trust speeds up the payment to the trustees for the benefit of beneficiaries, as probate is avoided.</p>
<b>Client Objectives and Needs</b>		
Death/TI	Yes	
Life Changing Event	Yes – Terminal Illness	
Unable to work for extended period	No	
Time Horizon	Selected Term (1 – 72 years)	
Maturity Date	End date selected	
<b>Distribution Strategy</b>		
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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