

Statement of facts – Group Personal Pension

Target Market Statement:

What customer need is met by this product?

The product is designed for employers to be able to provide a means for their eligible employees to save money and build up a pot for their retirement in a tax efficient way. The scheme is a collection of individual personal pension plans so that it is easier to administer. This is suitable to meet the auto enrolment regulations.

Who is the Group Personal Pension designed for?

An employer with employees:

- wanting to invest for retirement
- aged 16 or over
- under the age of 75
- permanently resident in the UK
- eligible for tax relief
- who can afford the contributions due
- prepared to keep the funds invested until they retire
- who have considered any other pension plans that the employer may offer
- who do not want or have the skills to self invest
- wanting a choice of investment options, including a default option determined by the employer
- with the ability to receive employer payments

Who is the Group Personal Pension not designed to support, or are there any features that you should be aware of when considering this product for your customer?

An employee who has limited income and is unable to save towards their retirement, if this is the case, the employee should consider seeking financial advice before starting a pension plan. The pension income a member could receive in retirement could affect any entitlement to means-tested state benefits.

Can the Group Personal Pension be sold without advice?

Yes, the product can be sold with or without financial advice. Therefore, Aviva regards this product as non-complex.

How can we sell the Group Personal Pension?

This can be sold face to face through an intermediary. Employers/advisers can quote and apply online.

Terms of Business and Product Governance.

Aviva conducts business in line with its Terms of Business which is available on request and follows a rigorous product oversight and governance process which is summarised below.

Aviva's Product Oversight & Governance

Introduction and Context

The Insurance Distribution Directive (IDD) is an EU directive which introduces a minimum harmonisation standard for regulation of insurance from 1st October 2018. The IDD impacts are wide-ranging, affecting sales journey, conduct and product oversight and governance through to conflicts of interest, complaints, training and remuneration disclosure.

With regard to the Product Oversight and Governance part of IDD we would like to share with you an outline of the Product Approval Process which we use in Aviva and our product Target Market Statements which provide clarity on who the product is intended for (and who it is not).

Why are we telling you about this?

Under the FCA's rules we are required to inform you that we have governance processes in place to oversee the design, approval and review of our products.

What controls does Aviva have in place?

Aviva has well established governance processes which:

- Formalises approval of new product developments and changes to existing products
- Identifies target markets for each product
- Tests customer understanding
- Considers needs of vulnerable customers
- Monitors post-sales performance

Following introduction of our products to the market they are regularly reviewed to identify whether any changes are required.

The level of oversight is determined by the type of insurance product and whether or not it is complex. Consideration is also given to the identified target markets and the level of financial understanding.

What does this mean for me?

As product manufacturer Aviva will continue to monitor the performance of our products to ensure that they meet the needs of customers in the identified target markets.

Should you ever consider that a product is failing to meet customer's needs or is potentially unclear then you can help us by providing feedback through your usual communication channels.

Target Market Statements

Why are we telling you about this?

The rules require the manufacturer (Aviva) to consider a number of points when designing their product range and these include:

- Specifying an identified target market for a typical group of potential customers
- Identifying relevant risks to the target market
- Ensuring that the intended distribution strategy is appropriate for the identified target market
- Requiring the manufacturer to take reasonable steps to ensure that the insurance product is distributed in accordance with the target market for specified distribution channels

What does this mean for me?

Aviva has therefore developed Target Market Statements to provide you, our distributor, with clarity on who the product is intended for (and who it is not) and how the product may be purchased by customers.

When using these Target Market Statements, you ought to consider being able to evidence the following:

- Refine your distribution strategy to align with the Target Market statement
- Consider the demands and needs of the customer
- Consider whether any of the customers are on the margins and therefore may be outside of the Target Market due to eligibility or exclusions
- Consider what limitations, exclusions or alternative insurance cover in place might inhibit a customer from getting full value from the product
- Consider vulnerable customers and the Target Market focusing on whether they may require additional support in their decision-making

Can I Sell Outside of the Target Market?

The Target Market is aimed at a general customer group and you should not assume that a product is appropriate simply because the customer is in scope. Equally a customer may benefit from purchasing the product even if they are out of scope. During the sale you will be closest to the customer in identifying their demands and needs and your judgement will decide what is right.

Distribution channels for where the product can be sold (e.g. online or face to face) are set by us and we expect you to follow these. Should you believe that an additional distribution channel can be used then we would like to hear from you so that we can consider your proposal.

Anything else?

Please remember that if we have allowed you to use sub-agents then these Target Markets Statements apply to them also.

It is not intended that these statements are shared with customers.

Feedback

These statements are new so we would welcome feedback on how you are using them. Should you identify any amendments which may be required then this should be brought to the attention of your usual Aviva representative.