Fair Value Assessment

Value for money assessment approach

A value for money assessment is carried out each calendar year following a pre-defined schedule. Ad-hoc reviews will be conducted in response to any regulatory change and market conditions. Assessments are made against criteria in several specific areas and an overall outcome is calculated. Opportunities for improving outcomes that are identified during the assessments are captured and actioned. The fair value assessment is carried out for all life and critical illness policies underwritten and administered by Family Assurance Friendly Society Limited.

Governance

The resultant reports and actions are reviewed by the committee that oversees regulatory conduct. Committee meetings are scheduled throughout the year and are reported into the Executive team and Board, and where relevant, reports and actions are submitted to our back book insurer The Scottish Friendly Assurance Society Limited.

Fair Value Assessment

Current review status - pass

Date of last review: November 2025

Outcome of last review:

The products continue to meet the needs of the target audience that they were designed for, including vulnerable customers, and continue to be managed in line with customer expectations and our expectations in relation to price and value. Where improvement opportunities were identified, we have prioritised change delivery, and we will continue working to review and improve our products on an ongoing basis.

The review has identified that Family Assurance Friendly Society Limited as the underwriter and administrator are acting in good faith, enabling, and supporting customers to pursue their financial objectives, and providing fair value for money.

Intended distribution:

Family Assurance Friendly Society Limited's current term protection and critical illness products provide a lump sum payment in the event of death, critical illness, terminal illness, or child critical illness (if selected by the customer at application) and are aimed at:

- Customers aged 18-77 at the time of applying, seeking up to £1m of life cover or, 18-64 at the time of applying seeking up to £500,000 of critical illness cover for lifestyle, family, or mortgage protection purposes
- Customers in good or reasonable health (up to a rating of +200% for life and +100% for critical illness)

Family Assurance Friendly Society Limited distribute their term protection and critical illness products online, over the telephone, via price comparison websites and using intermediaries via various platforms. The channels are mainly self-directed with Family Assurance Friendly Society Limited and their distribution partners providing information to customers to enable them to make an informed choice.

Additional customer features such as funeral pledge, estate planning kit, RedArc health support service, and an active search of the death register at the claims stage are offered, all of which are non-contractual benefits. Accidental Death Benefit is available, if further information is required from the customer during the underwriting process, subject to terms and conditions.

Fair Value Assessment

Products are unlikely to be suitable for customers:

- Under age 18 or above 77 at the time of applying for life cover
- Under age 18 or above 64 at the time of applying for critical illness
- With pre-existing health conditions, where for underwriting purposes medical evidence would be required, or a significant rating would apply (above +200% for life or above +100% for critical illness)
- Seeking sums assured greater than £1m for life or £500,000 for critical illness
- Seeking standalone critical illness cover only, as critical illness is only available in conjunction with life cover

Value statement:

A good outcome for the customer is:

- They can protect their loved ones by leaving a lump sum on death, which could include paying off an outstanding mortgage. Or to pay for, or as a contribution towards, the cost of their funeral, or any other expenses their next of kin may need to cover
- If a covered critical illness event or terminal illness occurs, a lump sum payment can help the customer with any additional costs that may arise, like medical expenses, changes to lifestyle or lost income
- Peace of mind available through the funeral pledge or estate planning kit
- Commission is expected to be the only source of revenue generated by the agent when arranging this contract. Any additional charges levied by the agent as a charge for arranging this contract have not been accounted for in the fair outcome assessments conducted

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