



# Target market and product governance

This document sets out the target market and expected distribution strategy for each of our private health insurance products manufactured by AXA Health. Distributors should not distribute these products outside of the defined target market without agreement with AXA Health as to why the product would be suitable.

This document also outlines our approach to Product Governance to demonstrate how we design, monitor, and review our products to ensure they continue to meet the needs, characteristics and objectives of the target market including any vulnerable or potentially vulnerable customers.

## The private health insurance products and services for corporate entities:

- PHC Healthcover4life – Plan 1
- PHC Healthcover4life – Plan 2
- PHC Healthcover4life – Plan 3
- PHC Healthcover4life – Plan 4

**Product Names**    **PHC Healthcover4life - Plans 1, 2 & 3**

<b>Product Type</b>	Private health insurance for corporate entities
<b>Product Status</b>	These products are open to new business.
<b>Who is the product designed for?</b>	<p>These products are designed to provide group private health insurance cover for employees, directors or any other nominated people associated with an active trading company based in the UK.</p> <p>They would therefore appeal to a target corporate purchaser of a group policy which has:</p> <ul style="list-style-type: none"><li>• A legal status that allows them to contract with AXA Health on a group insurance basis;</li><li>• The financial resources to pay for alternative private healthcare for its eligible members to complement provision from the NHS;</li><li>• An interest in proactively investing in the health and wellbeing of eligible members;</li><li>• A desire to enable eligible members to return to health and work quickly to minimise the impact of their illness or injury for the individual and the organisation;</li><li>• A need to provide private health insurance as part of a competitive rewards package to attract new recruits and retain existing employees.</li></ul> <p>The products are designed to provide group cover to UK based employees and other eligible members who are registered with an NHS GP and eligible for NHS treatment. There's no lower or upper age limit for eligible members or other eligible members to be included in the group insurance contract.</p> <p>They would also appeal to eligible members to be covered under the group policy who have:</p> <ul style="list-style-type: none"><li>• An interest in proactively investing in their health and wellbeing;</li><li>• A desire to hold private cover for treatment of illnesses, diseases or injuries that arise after they join; and</li><li>• The financial resources to pay for alternative private healthcare to complement provision from the NHS in circumstances when the eligible member makes a contribution towards the group premium.</li></ul> <p>PHC Healthcover4life Plans 1, 2 &amp; 3 are designed to:</p> <ul style="list-style-type: none"><li>• Meet the needs of a broad spectrum of potential requirements by offering 3 levels of plan, varying in benefits and therefore affordability;</li><li>• Extend to include a partner of the lead member, dependent children of the lead member or their partner's children and adopted children; Provide cover options to the group for employees, directors, and</li></ul>

	<p>other associated individuals, at the discretion of the group secretary and as agreed with AXA Health; and</p> <ul style="list-style-type: none"> <li>• Allow customers under the age of 75 to choose the option to declare their medical history as an alternative to moratorium underwriting.</li> </ul>
<p><b>Who is the product not designed for?</b></p>	<p>These products are not designed for corporate entities with:</p> <ul style="list-style-type: none"> <li>• Organisations that do not have a legal status based in the UK that allows them to contract with AXA Health for a group insurance contract;</li> <li>• The desire to include children of the lead member or their partner's children or adopted children after the renewal following the children's 25<sup>th</sup> birthday;</li> <li>• A desire to provide PMI for children without an eligible lead member;</li> <li>• Organisations who require cover for treatment as a result of training for or taking part in any sport for which they are paid, receiving a grant or bursary, or competing for prize money.</li> <li>• Affinity group arrangements where the group holding the group insurance policy is not covering employees by virtue of common employment with the organisation holding the contract of insurance.</li> <li>• Less than 3 eligible members at the time of taking out the insurance; or</li> <li>• Where individuals covered under the product fund their own costs of cover outside of a salary deduction arrangement with their employer.</li> </ul> <p>These products are designed to cover the cost of private medical treatment for acute conditions that start after the policy begins. They are generally not suitable for new eligible members requiring cover for (a) pre-existing; or (b) chronic conditions.</p> <p>The products offer several flexible benefit options, depending on what the corporate entity can afford e.g. Customers can choose to reduce the number of hospital locations they have access to, so they can reduce the price. When making their selection, customers will need to ensure that their eligible members have easy access to the specialists and / or hospital locations selected.</p> <p>Aside from this, there are generally no corporate entity customers who would not benefit from these products.</p>
<p><b>What are the main product features that will be compatible with the health and wellbeing needs, characteristics,</b></p>	<p>These comprehensive private health insurance products provide customers with access to a range of services for eligible conditions, diagnostics and treatments including:</p> <ul style="list-style-type: none"> <li>• In-patient and day-patient treatment including psychiatric services;</li> <li>• Out-patient consultations;</li> <li>• Surgical out-patient treatment including psychiatric services and active treatment of cancer;</li> <li>• Out-patient therapies e.g. physiotherapist, chiropractor;</li> </ul>

<p><b>and goals of the target market?</b></p>	<ul style="list-style-type: none"> <li>• Access to healthcare experts; and</li> <li>• Online private GP services.</li> </ul> <p>A fully comprehensive private health insurance product may be out of reach for many corporate entities, so these products offer choice and affordability through several flexible benefit options. Customers can tailor a plan to fit their needs from a range of private health insurance health and wellbeing options. This means they'll only pay for the options they choose. Customers can choose from a range of benefits, including:</p> <ul style="list-style-type: none"> <li>• Removal of all in-patient and out-patient psychiatric benefits with options A or B; and</li> <li>• PHC Plus, including cover for specified chronic conditions and out of network private hospital or day patient unit costs (PHC Healthcover4life Plans 1, 1a, 2 &amp; 2a only).</li> </ul> <p>Customers can also tailor benefits to meet their needs and goals by making changes to how the plan responds in the event of a claim by choosing from a range of options including:</p> <ul style="list-style-type: none"> <li>• 6-week plans, where cover will depend on the NHS waiting list for treatment (available on Plan 3 only);</li> <li>• A range of hospital lists – Standard, Specified and London Upgrade; and</li> <li>• Increased excess levels.</li> </ul>
<p><b>How complex is the product – will the target market be able to understand what they are buying?</b></p>	<p>Whilst private health insurance cover options may be more extensive than General Insurance products, we do not consider the products to be too complex for the target market to understand what they are buying. The products are broadly comparable to our competitors, allowing existing and potential customers to shop around, compare benefits and select the most appropriate product to meet their health and wellbeing needs.</p> <p>These products are regularly assessed to ensure that customers understand what they have purchased, are able to claim when they need to and receive fair outcomes.</p> <p>Product literature is designed to help the target market to make informed decisions to meet their private health insurance needs and goals. Product literature is also available in alternative formats where required to meet customer needs.</p>
<p><b>Are there any additional subscription or servicing fees that may be borne by the customer?</b></p>	<p>The subscription quoted by PHC is the total price paid by the end customer.</p> <p>Our products are intended to provide fair value inclusive of the commission paid to intermediaries. It is assumed that the subscription quoted by PHC to intermediaries will be the total price paid by the customer and not include additional fees. If intermediaries charge additional fees, then they must take this into account when considering the value of the product to the customer.</p>

	There are no other additional subscription costs or servicing fees to be paid by the customer to PHC.
<b>What is the distribution strategy and is it appropriate for the target market?</b>	<p>The distribution strategy is considered appropriate for the target market with products available via PHC's selected network of specialist private health insurance intermediaries. These products are considered suitable for advised and non-advised sales by suitably skilled agents via telephone, face to face or an appropriately designed on-line journey.</p> <p>AXA Health's customer outcomes assessment procedures will help to identify if the product is reaching customers outside the intended target market. The risk is considered low but if it does happen, AXA Health will investigate to establish the root cause, establish if any customer detriment has been caused and take appropriate remedial action.</p>
<b>Additional Product Literature</b>	This document is to be read in conjunction with the appropriate product Insurance Product Information Document (IPID) & Handbook published by AXA Health and available on the PHC website.

**Product Names      PHC Healthcover4life – Plan 4**

<b>Product Type</b>	Private health insurance for corporate entities
<b>Product Status</b>	This product is open to new business.
<b>Who is the product designed for?</b>	<p>These products are designed to provide group private health insurance cover for employees, directors or any other nominated people associated with an active trading company based in the UK.</p> <p>They would therefore appeal to a target corporate purchaser of a group policy which has:</p> <ul style="list-style-type: none"> <li>• A legal status that allows them to contract with AXA Health on a group insurance basis;</li> <li>• The financial resources to pay for alternative private healthcare for its eligible members to complement provision from the NHS;</li> <li>• An interest in proactively investing in the health and wellbeing of eligible members;</li> <li>• A desire to enable eligible members to return to health and work quickly to minimise the impact of their illness or injury for the individual and the organisation;</li> <li>• A need to provide private health insurance as part of a competitive rewards package to attract new recruits and retain existing employees.</li> </ul> <p>The products are designed to provide group cover to UK based employees and other eligible members who are registered with an NHS GP and eligible for NHS</p>

	<p>treatment. There's no lower or upper age limit for eligible members or other eligible members to be included in the group insurance contract.</p> <p>They would also appeal to eligible members to be covered under the group policy who have:</p> <ul style="list-style-type: none"> <li>• An interest in proactively investing in their health and wellbeing;</li> <li>• A desire to hold private cover for treatment of illnesses, diseases or injuries that arise after they join; and</li> <li>• The financial resources to pay for alternative private healthcare to complement provision from the NHS in circumstances when the eligible member makes a contribution towards the group premium.</li> </ul> <p>The PHC Healthcover<i>4life</i> Plan 4 is designed to:</p> <ul style="list-style-type: none"> <li>• Extend to include a partner of the lead member, dependent children of the lead member or their partner's children and adopted children; and</li> <li>• Allow customers under the age of 75 to choose the option to declare their medical history as an alternative to moratorium underwriting.</li> </ul>
<p><b>Who is the product not designed for?</b></p>	<p>These products are not designed for corporate entities with:</p> <ul style="list-style-type: none"> <li>• Organisations that do not have a legal status based in the UK that allows them to contract with AXA Health for a group insurance contract;</li> <li>• The desire to include children of the lead member or their partner's children or adopted children after the renewal following the children's 25<sup>th</sup> birthday;</li> <li>• A desire to provide PMI for children without an eligible lead member;</li> <li>• Organisations who require cover for treatment as a result of training for or taking part in any sport for which they are paid, receiving a grant or bursary, or competing for prize money.</li> <li>• Affinity group arrangements where the group holding the group insurance policy is not covering employees by virtue of common employment with the organisation holding the contract of insurance.</li> <li>• Less than 3 eligible members at the time of taking out the insurance; or</li> <li>• Where individuals covered under the product fund their own costs of cover outside of a salary deduction arrangement with their employer.</li> </ul> <p>These products are designed to cover the cost of private medical treatment for acute conditions that start after the policy begins. They are generally not suitable for new eligible members requiring cover for (a) pre-existing; or (b) chronic conditions.</p> <p>The products offer several flexible benefit options, depending on what the corporate entity can afford e.g. Customers can choose to reduce the number of hospital locations they have access to, so they can reduce the price. When</p>

	<p>making their selection, customers will need to ensure that their eligible members have easy access to the specialists and / or hospital locations selected.</p> <p>Aside from this, there are generally no corporate entity customers who would not benefit from these products.</p>
<p><b>What are the main product features that will be compatible with the health and wellbeing needs, characteristics, and goals of the target market?</b></p>	<p>This comprehensive private health insurance product provides customers with access to a range of services for eligible conditions, diagnostics and treatments including:</p> <ul style="list-style-type: none"> <li>• In-patient and day-patient treatment;</li> <li>• Limited out-patient consultations*;</li> <li>• Surgical out-patient treatment;</li> <li>• Limited out-patient therapies e.g. physiotherapist, chiropractor*;</li> <li>• Access to healthcare experts; and</li> <li>• Online private GP services.</li> </ul> <p>*Compared to PHC Healthcover<i>4life</i> Plans 1,2 &amp; 3</p> <p>Customers can tailor benefits to meet their needs and goals by making changes to how the plan responds in the event of a claim by choosing from a range of options including:</p> <ul style="list-style-type: none"> <li>• A range of hospital lists – Standard, Specified and London Upgrade; and</li> <li>• Increased excess levels.</li> </ul>
<p><b>How complex is the product – will the target market be able to understand what they are buying?</b></p>	<p>Whilst private health insurance cover options may be more extensive than General Insurance products, we do not consider this product to be too complex for the target market to understand what they are buying.</p> <p>The product is broadly comparable to our competitors, allowing existing and potential customers to shop around, compare benefits and select the most appropriate product to meet their health and wellbeing needs.</p> <p>This product is regularly assessed to ensure that customers understand what they have purchased, are able to claim when they need to and receive fair outcomes.</p> <p>Product literature is designed to help the target market to make informed decisions to meet their private health insurance needs and goals. Product literature is also available in alternative formats where required to meet customer needs.</p>
<p><b>Are there any additional subscription or servicing fees that may be</b></p>	<p>The subscription quoted by PHC is the total price paid by the end customer.</p> <p>Our products are intended to provide fair value inclusive of the commission paid to intermediaries. It is assumed that the subscription quoted by PHC to intermediaries will be the total price paid by the customer and not include</p>

<p><b>borne by the customer?</b></p>	<p>additional fees. If intermediaries charge additional fees, then they must take this into account when considering the value of the product to the customer.</p> <p>There are no other additional subscription costs or servicing fees to be paid by the customer to PHC.</p>
<p><b>What is the distribution strategy and is it appropriate for the target market?</b></p>	<p>The distribution strategy is considered appropriate for the target market with the product available via PHC’s selected network of specialist private health insurance intermediaries. This product is considered suitable for advised and non-advised sales by suitably skilled agents via telephone, face to face or an appropriately designed on-line journey.</p> <p>AXA Health’s customer outcomes assessment procedures will help to identify if the product is reaching customers outside the intended target market. The risk is considered low but if it does happen, AXA Health will investigate to establish the root cause, establish if any customer detriment has been caused and take appropriate remedial action.</p>
<p><b>Additional Product Literature</b></p>	<p>This document is to be read in conjunction with the appropriate product Insurance Product Information Document (IPID) &amp; Handbook published by AXA Health and available on the PHC website.</p>



# Product governance

How we design, monitor, and review our products to ensure they continue to meet the needs, characteristics and objectives of the target market including any vulnerable and potentially vulnerable customers.

## **Understanding the needs of vulnerable and potentially vulnerable customers**

AXA Health ensures the needs of vulnerable and potentially vulnerable customers are met by considering the nature and scale of the drivers of vulnerability present in the target market. We consider the impact of these vulnerabilities on customers' needs and consider how this will affect the customer experience, taking appropriate steps to help deliver fair customer outcomes. Our frontline staff are trained to recognise and respond to indicators of vulnerability and to exercise additional care and support to customers when required. This support can include, but is not limited to referral to our 24/7 Health Support Team, signposting to relevant Charities, Payment Flexibility, giving extra time, large text, Braille, Translation Services etc. Where additional support has been given, we have tracking in place to ensure this continues for as long as it is required.

## **Product development process**

The product development process has been designed to ensure that we have a consistent approach to the development of new or significantly adapted products to avoid potential detriment to the customer. The process comprises 6 phases – initial concept; business case development; detailed design; build; launch; and post implementation review to ensure the product is performing as expected. As part of our product approval process each product will be reviewed by our Product Governance Committees to ensure a consistent and balanced approach to product design with a focus on meeting the needs, characteristics and objectives of the target market and delivering fair customer outcomes.

## **Customer outcomes assessment and customer value procedures**

The customer outcomes assessment process has been designed to regularly review our products for evidence of customer detriment, identify the root cause of any customer harm and consider if, when and how we need to take remedial action. These procedures include regular assessments to test that products provide fair value to the target market. Products are monitored on an ongoing basis throughout the product lifecycle and assessed against a set of Management Information (MI) metrics to analyse performance and ensure that they continue to meet the needs, characteristics and objectives of the target market and deliver fair outcomes.

## **Information from intermediaries and other distribution partners**

As we carry out these reviews, we may request information from intermediaries to be able to evidence that our products are being distributed correctly. Examples of this could be evidence that the product has been sold to the right target market or complaints received relating to the product. In most instances we will hold this data already on our systems, but there may be occasions when we need to request it from relevant distribution partners.

## **Product approval process**

We'll provide a copy of our product approval process to intermediaries at the launch of a new or significantly adapted product. This includes information regarding the target market, distribution channels and the monitoring of the product. This information will provide a clear overview of the product and the development activity that has taken place.

AXA Health is a trading name of AXA PPP healthcare Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. PHC is a trading name of The Permanent Health Company Limited which is authorised and regulated by the Financial Conduct Authority. Both companies are registered in England and Wales under numbers 3148119 and 2933772 respectively and their registered office is located at 20 Gracechurch Street, London EC3V 0BG.

We may record and/or monitor calls for quality assurance, training and as a record of our conversation.