

FPP Waiver of Premium

Product Profile

In this document we outline the relevant information about LV= FPP Waiver of Premium, required for distributors. We set out the product's target market, distribution strategy, main features, limits, suitability, risks, options and costs, and the outcome of our fair value assessment.

For full details of the terms and conditions of the policy, please refer to the Waiver of Premium policy conditions.

Target market

Waiver of Premium forms part of the Flexible Protection Plan and is designed to pay the premiums for all policies (with the exception of Relevant Life Cover) under the client's plan, if the person insured is unable to work due to accident or sickness for longer than the waiting period.

The waiting period for this product is set at six months, unless it is being used alongside Income Protection or Personal Sick Pay, where the waiting period will match the one chosen for that product, if the waiting period for that product is less than 6 months.

The Flexible Protection Plan is suitable for a client who suffers a financial loss in the event of ill health, accident or sickness or has financial dependents who would suffer financially in the event of their death. The target market varies for each of the products within the Flexible Protection Plan, so it is recommended to refer to the specific products for further information.

Waiver of Premium cannot be set up as a standalone policy.

Distribution

To ensure your client receives the right level of protection, we believe this product should be sold on an advised basis, face to face or over the phone.

It's important to regularly review your client's circumstances and protection needs to make sure their cover is appropriate.

Main features

- Pays FPP plan premiums on policyholder's behalf if they're unable to work due to sickness or accident
- Based on own 'occupation cover', or 'homemaker cover' definition
- Once the person insured reaches 70, regardless of how they were being measured, the basis changes to work tasks measures. This means they have to be totally unable to carry out 3 or more tasks from a list of everyday activities
- Standard waiting period of 6 months. Except where Waiver of Premium is attached to an LV= FPP Income Protection or Personal Sick Pay policy. In which case, the Waiver of Premium policy will adopt the waiting period the client has chosen for IP/PSP if the waiting period is shorter.

What is not covered

- The product does not pay out an actual cash amount, instead the client's FPP premiums are waived.

Risks

- There is no cash in value at any time.
- If your client stops paying their premiums, their cover may cease.

Limits and basis

- The minimum term is 5 years. It will end once all of the policies included in the Flexible Protection Plan have ended, or if earlier once the person insured reaches age 85.
- Clients can choose to take out a policy on a single or joint life basis.
- On a joint life basis, the policy will only waive the premiums for the FPP plan once, if either of the people insured are unable to work.
- If your client is insuring someone else an insurable interest must exist at the start of the policy. A spouse or civil partner is automatically assumed to have an insurable interest.
- The cover will be the total premium your client pays for all of the policies included in the Flexible Protection Plan.
- The cover will automatically go up if any of the policies with inflation-linked cover are included in the plan.
- If any new policies are taken out or existing policies are altered, unless the insured person is over 59 or the policy ends after age 85, then we'll usually extend Waiver of Premium to cover the new plan premium.

Eligibility

To apply clients must be:

- Permanently living in the UK.
- Aged between 17 and 59.
- If they are insuring someone else, they must meet these requirements. If they are insuring two people both must meet these requirements.



Fair value assessment

We have assessed our Waiver of Premium cover and its options, and when considered alongside the products that it is available with, as providing fair value for customers within the target market, for whom the product is suitable.

We will regularly assess the product to ensure that it continues to provide fair value and meets with the requirements of the intended target market.

What we take account of when assessing fair value

When assessing fair value, we look at:

- the target market, its needs and objectives
- the expected proportion of vulnerable customers in the target market
- the product's benefits and limitations, and what services we provide
- the distributors/channels we use
- the expected overall premium
- how much it costs to provide the product and distribute it over a reasonably foreseeable period.
- the relationship between the overall price to our customers and the quality of the product and service provided.

LV= FPP Waiver of Premium

This table shows you who the product is designed to meet the demands and needs of, and provides fair value for. It also shows who it is not designed for, and doesn't provide fair value for.

This product is suitable for:	This product is not suitable for
<ul style="list-style-type: none">✓ Those who are looking to cover their premiums in the event they are unable to work due to an accident or sickness✓ Those who already have a Flexible Protection Plan, or are looking to take out policies within the Flexible Protection Plan✓ Those who meet the eligibility requirements for Waiver of Premium.	<ul style="list-style-type: none">✗ Those who do not have any LV= Flexible Protection Plan policies in place✗ Those who want to cover their premiums on Relevant Life Cover in the event of an accident or sickness✗ Those who are unemployed✗ Those looking to replace their monthly income in the event of accident or sickness.

Options and additional benefits

There are no options or additional benefits.

What information do we use to assess fair value?

- The proportion of premiums that go towards providing the amount of cover.
- How long our claims process takes from start to finish.
- What percentage of claims we pay out and if not, why not. Information of claims stats can be found here LVadviser.com/supporting-you/claims
- How many complaints there are and the proportion we uphold.

Other considerations

We consider the levels of commission we pay and, where we are able to access the details, how much distributors charge their customers for the services they provide.

Distributors will need to consider the impact of any other costs they charge when undertaking their own fair value assessments

Costs

The policy premium also includes a fee, which is a fixed monthly amount, to cover administration and support costs.

To find out more, please contact
your LV= Account Manager on

 **0800 678 1890**

 **Or visit LVadviser.com**

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

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