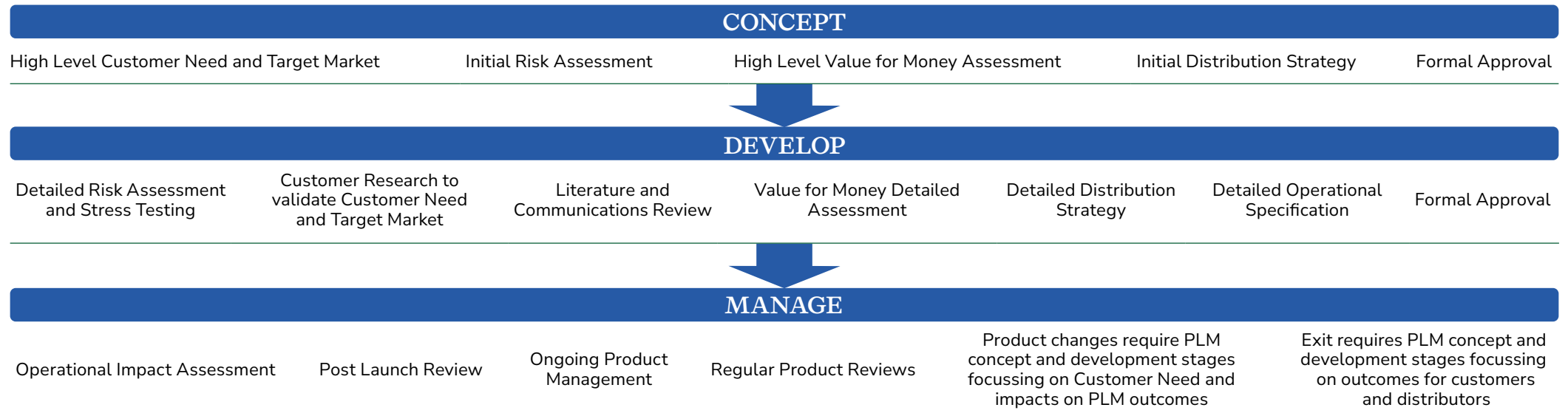


Product Lifecycle Management (PLM) (Product Oversight and Governance):

Our Product Oversight and Governance is encompassed within L&G's Product Lifecycle Management process. This framework enables us to make sure that our products and propositions are designed, developed and managed to deliver good outcomes for customers and is regularly reviewed at a Groupwide level to ensure that it remains appropriate.

The Financial Conduct Authority (FCA) introduced new rules in its Policy Statement PS 21/5 and Consumer Duty regulations in respect of product oversight and governance to ensure focus on the delivery of fair value to customers in the target market. Our PLM helps us to maintain regulatory compliance by considering the needs of our customers as we develop and manage our products and propositions throughout their lifecycle.

Our concepts and ideas come from a number of different sources all of which need validating. Therefore, we have a pipeline management process to ensure that each concept is scrupulously evaluated before being taken to full development. The diagram below shows the various stages of our PLM process.



At the heart of PLM are our customer-led principles. These set out the requirement for each of our business areas as follows:

Through their Lifecycle, all products will be subject to robust oversight, management and:

- have a clear PLM Owner and those with delegated authority will have an appropriate level of seniority, experience and skill
- designed around identified and genuine customer needs and customers' reasonable expectations on an on-going basis
- represent fair value to customers, at outset and on an on-going basis
- have a clearly defined target market, which is communicated to distributors
- distributed through appropriate channels taking account of the type and complexity of the offering, using clear, complete and accurate supporting information
- initial and on-going literature/communication materials will be appropriate, meet customers' expectations and be issued in a timely manner; to enable informed decisions, provide clarity on how fees and charges apply and their impact
- managed and serviced in line with customers' reasonable expectations with our standards set out in literature and in accordance with Group Policies and Procedures
- monitored to ensure risks are identified, understood, prioritised and acted upon.

We carry out regular policy wording reviews to ensure clarity of wordings and that the overall proposition continues to provide support that meets customer needs throughout their relationship with us. We respond to any potential ambiguities, exposures or emerging issues that may be identified for example internally; through business queries, claims processes and unfair contract term reviews. We also look externally at Ombudsman reports and conduct customer research as well as benchmarking our cover and policy terms against our competitors to ensure it remains competitive.

All product or proposition developments are overseen and approved by the Group Protection Commercial Committee and the Group Protection Executive Committee which also provides ongoing oversight of existing products and regular review of their key metrics; these include Value For Money (VFM) threshold metrics, Product Risk MI, claims, complaints and servicing MI.

The FCA's Policy Statement PS25/21 has simplified the insurance rules. The governance requirement to review products every 12 months has been removed in favour of a risk based approach permitting providers to determine an appropriate timeframe based on product risk exposure. We are considering the required frequency of the VFM assessments for our Group Risk products to adopt a more proportionate schedule for this exercise, reflective of their inherent low risk. The Group Protection Executive Committee provides oversight of the Product Risk Review/VFM assessment outcomes which are reported to the Group Customer Outcomes Forum with any material risks and actions from the review escalated to the Group Protection Risk & Compliance Committee and the L&G Retail Risk Committee.

All future product developments and improvements will follow our PLM Governance to help ensure consumer duty requirements are properly considered and we deliver good outcomes for all our customers.

Contact us



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