



Product Governance & Fair Value Assessment Outcome - Disclosure to Distributors

Life
December 2024



Canopus Managing Agents Ltd (“Canopus”) – Life Product Governance & Fair Value Assessment Outcome

Manufacturer Obligations

In order for Canopus to comply with its obligations as a manufacturer of this insurance product under the FCA’s rules¹ (**PROD 4.2.27 – 4.2.32**), Canopus is required to provide to distributors of this product:

- Information on the insurance product and identified target market – **Appendix 1**
- Information on the product approval process – **Appendix 2**
- Fair Value Assessment Outcome – **Appendix 3**

¹ The requirement to ask for the outcome of a manufacturer’s fair value assessment is an obligation on the distributor (under PROD 4.3.2A & 4.3.3) and not the manufacturer. The FCA however, expects greater collaboration between manufacturers and distributors and for manufacturers to pro-actively provide this information.

Appendix 1

Target Market Statement

Product name: Life

As the Manufacturer of this product, we are required to provide our business partners and distributors with appropriate information about the target market. The information is intended to provide clarity around who the product is designed for, who it is not intended to support and how we expect the product to be offered to customers.

Please continue to refer to the relevant policy documentation for full details of the insurance cover as well for details of any limitations and/or exclusions.

What is this product?

The product itself is simple term life insurance. The only slight difference in the product is whether it is decreasing or level term. Clients can tailor the policy to their specific needs where necessary with their IFA.

Who is the product designed for and how is it suitable to their needs?

The product is suitable for needs as it pays out in the event of death of an insured person during the policy term and may provide cover for individuals who may struggle to find cover in the traditional market place.

Cover can be provided from between 1 to 10 years and across all the Coverholders cover ranges from 10,000 to 12,000,000.

Who is this product not designed or suitable for?

On some policies there are age constraints and also medical constraints where customer couldn't opt for cover for pre-existing conditions but could still get cover for anything else.

Is this product sold on an advised or non-advised basis?

This product is sold both on an advised or non-advised basis.

How can this product be sold?

Sales were made on an individual basis, either through a coverholder or broker.

Document Review

We will review this Target Market Statement on an annual basis to ensure it remains appropriate and in line with the objectives and needs of the Target Market.

Please note that this document is not intended to be provided to operational staff or to customers and should be read in conjunction with the appropriate policy documentation

Appendix 2

Product Approval Information

Our products and services are designed, marketed, priced and sold to meet the needs and provide value to their defined target market. Regular product reviews are undertaken to ensure that our products and services continue to provide good customer outcomes at each stage of the customer journey.

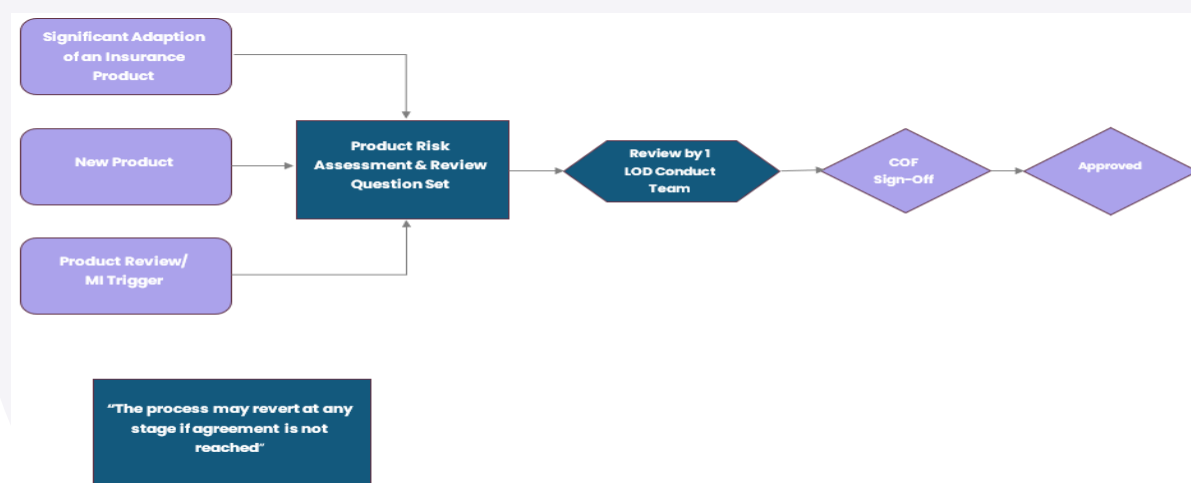
We have a low appetite for new and existing products being poorly designed and offering limited value to the defined target market.

As such, all products are subject to a robust risk assessment, approval, review, testing and oversight process. Conduct risk is also assessed if a product is terminated.

Product Risk Assessment & Approval, Testing and Ongoing Product Review

All our products go through an initial risk assessment to determine the inherent levels of conduct risk. The risk rating assigned will ensure that the product is subject to an appropriate level of due diligence as well as relevant product design, development and target market determination questions that are commensurate with its risk rating. The risk assessment will also ensure that the control framework and the appropriate level of MI is being produced for ongoing testing.

Regular MI is assessed against risk appetite thresholds which are set by the relevant business owners. If there are irregularities in the MI and/or the risk appetite thresholds are breached, it may prompt a review of the product to ascertain whether it continues to provide value for its defined target market. Please see below the process for a product rated "high".



1LOD Conduct Team; First-line of Defence, Conduct Team

COF; Conduct Oversight Forum

Appendix 3

Value Assessment Outcome

Following the completion of our product review process, we are comfortable that the Life product remains suitable for the target market and that it provides fair value.

In reaching this conclusion, we have considered:

Total price paid by the customer

Canopus has assessed the price paid by the customer and considers it is fair and reasonable for the coverage provided.

The premium is set by Canopus and cannot be deviated from, or changed by the distribution partner.

Product value over time

The value of the product does not diminish over time, however the sums insured may reduce over a period of time if they cover a particular liability.

An individual customer's needs and circumstances may change and/or develop over time, which may impact the overall value of the product to that customer, individually. For this reason, renewals are issued to customers each year to remind them to review their needs.

Loss ratio

The loss ratio for this product sits well within an acceptable range which ensures longevity for the product and provides consistency of in terms of the price and the cover for the customer.

Claims Acceptance Rate

1 claim was notified within the review period:

0 were declined and 0 were withdrawn.

1 has been paid and closed, with 0 still open at the end of the review period

The claims acceptance rate is 100%.

Claims frequency

The claims frequency for this product is within expectation at 0.33%.

Average claims pay-out

The average claim payout for this product is £468.91

Claims complaints as % of claims

No claim related complaints logged for this product during the review period.

Remuneration and justification of services provided

Based on the costs associated with the sales and distribution model for this product, as well as those associated with ongoing policy administration, we consider that the agreed levels of commission are justified.



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