Friendly Health - Fair Value Assessment 2025

Target Market	
Who is the target market?	The target market for our Friendly Health product is: ✓ Individuals looking to gain cover to provide money towards specified private treatments for diagnosis of a new condition and to a range of private treatments for a minimum period of 5 years and up to age 65; and to choose varied levels of cover categorised as Bronze, Silver and Gold. ✓ Individuals aged 18 – 60 at policy commencement ✓ Working in the UK and UK residents ✓ Registered with a UK doctor with access to at least the last 2 years of your medical records ✓ Individuals financially capable of paying premiums for the life of the policy from a UK bank account ✓ Individuals looking to utilise additional benefits, such as online GP services, online Dentist consultations, Emergency dentistry from external trauma, at-home health assessment testing kits, and access to a nurse to discuss and support an individual through a diagnosis. Friendly Health is NOT suitable for: ✓ Non-UK residents or those not registered with a UK doctor ✓ Individuals seeking cover for pre-existing conditions or who have any chronic condition which they had when they took out the policy and will likely have for the rest of their lives e.g. sickle cell disease, diabetes or MS. ✓ Individuals seeking cover for follow-up treatment after a diagnosis has been made ✓ Individuals seeking cover for consultations, scans or tests where these are not for diagnostic purposes, or to confirm a diagnosis ✓ Individuals looking for cover for pregnancy-related issues or fertility testing ✓ Individuals looking for cover for diagnosis of developmental issues e.g. ADHD, autism, aspergers, dyslexia or dyspraxia.

Does the product in its current form offer fair value to target customers, including those in vulnerable circumstances?	Based on the assessments undertaken at product launch and post-launch experience, and the expertise we possess in the market we anticipate that the product will provide fair value to the target market, but will continue to assess this using the following key metrics: • Complaints levels • Actual vs expected claims levels • Feedback from, and performance of, key distributors • Commentary from distributors, customers and the market on the product performance We aim to maintain high current levels of monitoring and reviewing of products on a continuing basis with the use of effective MI, an integral part of our future product governance. We maintain vulnerable customers training for all staff and update our training as required with changes to the regulatory expectations and market as a whole. We have also introduced a dedicated Vulnerable Customer Advisor within our Customer Services team who is positioned to triage outcomes of these customers and provide bespoke assistance where necessary. Our wider customer services and claims teams also receive bespoke training to ensure they have the required expertise and key interpersonal skills to identify vulnerabilities and provide individual support and assistance as required.
What are the intended benefits of the product to customers within the target market?	The product is designed to provide the following benefits to the policyholder: ✓ To cover the costs of diagnostic consultations, scans and tests or emergency dental treatments up to the sum assured of either £500 (Bronze), £1,000 (Silver) or £1,500 (Gold) subject to a policy excess per each diagnosis claim of £25, £50 and £75 respectively, paid directly to the medical providers. ✓ To cover the costs of physiotherapy up to 6 on-line sessions for Bronze and Silver and up to 12 sessions for Gold. ✓ To cover the costs of dietitian consultations and a personalised diet plan. ✓ To provide access to health assessment home testing kits provided at an extra cost (Bronze), provided free at year 2 (Silver), and provided free at year 2 and 5 (Gold). ✓ To provide access to Friendly GP+ from day one of the policy – a service that offers availability to online and telephone GP consultations 24/7, and other valuable benefits. ✓ Access to Friendly Dentist+ from day one (all customers) and to emergency appointments (Gold) - a service that offers availability to online and telephone dentists from 9am up to 8pm 7 days a week, plus other valuable benefits. ✓ Access to Friendly Care (Gold & Silver) from day one of the policy – a service that offers access to a nurse to discuss diagnosis and support guidance.

What ancillary benefits are offered with this product? How are these adding value to the product?	Become a member of the Society - ability to vote at the AGM
Does the product offer fair value to all customers within the target market?	The product does offer fair value to customers within the target market as it gives them access after the first 7 days of the policy term to privately funded diagnostic and consultancy health and dentistry benefits, as well as dietitian and support services, at a time and location convenient to the customer, with the potential to reduce waiting times for diagnosis and treatments available through the National Health Service. In addition, Gold level customers have access to dental trauma treatment after 1 year. The benefits offered are aligned with the needs and objectives of our target market as confirmed within our market research.
Does the product enable suitable use by the target market?	The target market was finalised at product launch following market and customer research and is considered throughout our product reviews and via market and customer feedback. Our distribution arrangements ensure the product is targeted to our specified target market. Details of the product's target market specifications can be found in its Target Market Information document.

Product	
What product limits or exclusions are in place which the customer should be aware of?	There are certain limitations and exclusions that policyholders must be made aware of prior to applying: That no claims arising in the first 7 days of the policy will be considered. That there are policy limits and an excess payable by the customer for consultation, scans, tests and emergency dental treatment: **Bronze:** Cover up to £500 annually for all claims with the first £25 payable by the customer directly to the health service provider; **Silver:** Cover up to £1,000 annually for all claims with the first £50 payable by the customer directly to the health service provider; **Gold:** Cover up to £1,500 with the first £75 payable by the customer directly to the health & dentistry service provider; That any amount above the sums assured outlined above are payable by the customer to the health & dentistry service provider.

	That there are limits to the physiotherapy and mental health services as follows: **Bronze:** Up to 6 online support sessions for both **Silver:** Up to 6 online support sessions for both **Gold:** Physiotherapy – Unlimited support for policy holder and immediate family; Mental health – up to 12 online support sessions That there is no access to dentistry emergency appointments with Bronze level cover. That the availability of health assessment kits is subject to the following limitations: **Bronze:** Home testing kits can be purchased at an additional cost. **Silver:** Home testing kits are available in Year 2 of the policy and every 5 years thereafter **Gold:** Home testing kits are available in Year 2 of the policy and every 3 years thereafter. The following exclusions apply: • Diagnosis of medical conditions you knew about when you joined (pre-existing conditions). • Claims for consultations, scans or tests where these are not for diagnostic purposes, or to confirm the diagnosis • Follow-up treatment once a diagnosis has been discussed with a consultant. • Medical services not pre-authorised by ourselves • Claims for pregnancy-related issues • Developmental diagnosis - ADHD, Autism, Aspergers, dyslexia or dyspraxia are examples. We may be able to help you find self-pay options for these. • Fertility testing • For any chronic (long-term) conditions as defined in the Policy Conditions
Does the product allow for easy switching to another provider or product?	There are no fees or exit penalties for customers moving to another provider. Customers can decrease cover levels at a policy anniversary. Those who cancel the policy will not be able to take another one for at least 2 years.

Pricing & Distribution	
What value does the product offer the customer?	The Friendly Health product is designed to meet the fair value requirements of our target market through the provision of product benefits with three specified levels of cover at premium rates with annual reviews. The premium payable depends on a number of factors, including: • The customers age • The level of cover selected • Our actual and expected claims experience • The cost of benefits and services provided by third parties • Prevailing tax rates • The impact of the annual review The product offers access to private diagnostic services at a time and location convenient to the customer with the potential to provide a diagnosis and identify a treatment path for referral to the NHS, that would result in the customer being treated or given peace of mind in the event of "clear" results, that is quicker to an equivalent service available through the NHS
What is the impact of distribution arrangements on the value of the product?	A commission payment is made by National Deposit Friendly Society Limited to the intermediary. This can be paid on an indemnity or non-indemnity basis. Commission payments are taken into account when deriving premiums and are paid at a market-competitive rate. The distribution channels and arrangements for Friendly Shield were considered suitable for the target market and were not deemed to damage intended product value. Please note this only includes distribution costs payable by National Deposit Friendly Society Limited to the distributor directly; the distributor must do their own evaluation to include any other relevant commission they receive.

How is the impact on value of the distribution arrangements assessed and monitored?	Distribution costs are taken into account when deriving the premiums payable. The distribution channels used were identified as suitable on, and after, product launch based on the target market, our distribution strategy, and the distribution strategy of the identified distributor. All distributors are monitored on an ongoing basis via annual due diligence checks, complaints root cause analysis, regular interactions and meetings, and general market commentary. We also monitor the commission rates of our distributors to ensure they remain within our allowed target range and within market expectations. No charges other than commission will be payable to the distributor.

Product Reviews	
What were the outcomes from the most recent product review?	N/A
What remedial actions were taken (or are being taken) following the outcomes from the most recent product review?	N/A
Key commentary from most recent product review and remedial work taken since.	N/A

Conclusion

What conclusions can be reached?	Based on the analysis above and the supplementary work undertaken, we believe this product offers fair value to the customer. This conclusion is based on the following factors: **Products and Services Outcome:** we have tailored the features of the product to coincide with the needs and expectations of our target market. The offering of 3 cover levels enables the customer to have entry level cover which still provides a range of benefits of utility to the customer who can access for everyday health and dentistry consultations as well as access to the claims pot. Enhanced cover levels provide further benefits, including a higher claim pot of monies with the potential to choose the highest level of cover and add emergency dental treatment, enabling access to a valuable additional service. **Price & Value Outcome:** we have costed it competitively in line with market standards and at an appropriate price for the benefits and product differentiators on offer. The price points of the product ensure that everyone within our target market can afford a level of cover for their needs, and the pricing structure aligns with the risk factors associated with the product benefits. The product offers a basket of benefits in addition to the sum assured value of the diagnostic claims pot of monies meaning the value of the product is determined by the package of benefits. **Consumer Understanding Outcome**: we produced all of our customer literature and communications in line with our other product literature to ensure they are easy to understand, jargon-free and presented in a user-friendly manner. The structure of the product with 3 distinct levels each having clearly defined benefits ensure the product is simple to understand and use and we have used tables to help accessibility of the product features and to aid customer comprehension. **Consumer Support Outcome:** we have introduced a dedicated Vulnerable Customers Advisor to assist any customers who require additional support due to any defined vulnerability. All of our frontline staff received product training prior to the product being launched to ensure they have the necessary knowledge to assist policyholders or prospective customers.