

Product Oversight and Governance Report – Fair Value Assessment



Product Name: Westfield Flex Health Cash Plan
 Product Type: Health Cash Plan
 Date of review: July 2023


- This guide is for distributor reference only
- It does not contain the full terms and conditions of the contract of insurance
- The information provided within this document should be sufficient for distributors in the chain to understand the value of the product, the intended target market and those to whom the product should not be marketed

Assessment

Most recent review	July 2022
Status	Open and actively marketed.
Manufacturer / Co-manufacturer	Manufacturer – Westfield Health
Target Market Who is this product designed for?	<p>Westfield Flex Health Cash Plan is used as an option in a company’s flexible benefit scheme. The plan covers all types of flexible benefit scheme – corporate funded (providing a pot of money to spend on flex benefits), salary sacrifice and partial salary sacrifice.</p> <p>Partners can also join if they are allowed to participate as part of the company’s flex scheme.</p> <p>As long as it is a flexible benefit scheme –</p> <ul style="list-style-type: none"> • Select from at least two benefits; • Once a year selection;

	<ul style="list-style-type: none"> • Only change level of cover mid-term if there is a qualifying lifestyle event; • Membership list comes through electronically each month, no application forms. <p>The plan can be offered with voluntary PHI Surgery Choices 1 or Surgery Choices 2 on Moratorium terms.</p> <ul style="list-style-type: none"> • No age limit for employees. • Age limit of not yet 66 for partner cover. • Dependent children cover up to 22nd birthday. • Cover UK, Channel Islands and Isle of Man. • Company cannot be registered on Guernsey, Alderney or Sark. • So as long as the company is registered in UK, Jersey or Isle of Man we can accept policyholders (employees and partners) living on Guernsey, Alderney or Sark. <p>Distributors: Please inform us where you identify that you have consistently distributed our products to customers outside of the intended target market.</p>
<p>Negative Target Market Who is this product NOT designed for?</p>	<p>The product is not designed / suitable for:</p> <ul style="list-style-type: none"> • Professional / Semi Professional sports people* • Dependent children over the age of 22 <p><i>*A professional or semi-professional sports person is:- “any person who engages in any competitive sports activity for which they receive a remuneration, fee or material levels of sponsorship or could obtain a prize of material value”. Using this as a guide we would NOT for example exclude fitness advisors, coaches, teachers etc.</i></p> <p>General exclusions include:</p> <ul style="list-style-type: none"> • Any claim that is not submitted in accordance or in breach of the General Terms and Conditions. • Any charges that a hospital/treatment centre, practitioner or any other organisation makes for filling in a claim form or providing any information we ask for relating to the claim. • We don’t cover claims arising directly or indirectly from, or as a consequence of: <ul style="list-style-type: none"> ○ any criminal proceedings brought against the policyholder ○ ionising radiation or contamination by any nuclear fuel, or the radioactive, toxic explosive or other dangerous properties of any explosive nuclear machinery or part of it ○ war, invasion, terrorism, rebellion or revolution.

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Westfield Health will consider	Detail
The type of customers to whom the product is targeted	Customers that meet the above criteria.
Identifying and dealing with vulnerable customers	<p>Westfield Health have introduced a Vulnerable Customer Policy to support identifying and interacting with vulnerable customers, to ensure that ‘fair customer outcomes’ are delivered.</p> <p>A ‘fair customer outcome’ does not just relate to the avoidance of financial detriment, it could also include instances which cause, or could cause, distress and inconvenience.</p> <p>The over-riding principle that must be adhered to in dealings with vulnerable customers is that fair outcomes are achieved throughout the customer journey, and any barriers are removed to access and utilise our products and services. It is therefore essential that we take a flexible approach as our failures can lead customers to suffer financial and non-financial impacts.</p> <p>Vulnerable Customer training has been provided to all staff within the IDD Group, and specific vulnerable customer insight training has been provided by an external provider (Age UK) to some members of the Connect Team.</p>
Knowledge and experience of and within the target market	<p>Westfield Health is an FCA/PRA regulated company that has been established for over 100 years.</p> <p>Westfield Health have dedicated teams including Propositions and Sales working predominantly in the health insurance market.</p> <p>The product has been designed to take account of those who:</p> <ul style="list-style-type: none"> • have no insurance purchasing experience, interest, or knowledge • have some insurance purchasing experience, interest, or knowledge • have insurance purchasing experience, interest, and knowledge.

	<p>In dealing with the target audience and the evolving marketplace, Westfield Health seek to provide access to relevant insurance products, and will provide appropriate information concerning the policy type, details of the relevant product features, and the likely outcomes from the product, so that prospective customers can select the products they require based on an informed judgement. Westfield Health will not provide advice nor recommend a product.</p>
<p>How the product meets the needs of the customer and provides benefits</p>	<p>The Westfield Flex Health Cash Plan provides a wide range of benefits and services to the policyholder (and eligible children), with five levels of cover to select from depending on budget and affordability.</p> <p>The policyholder has access to twenty different benefits and services, consisting of cash reimbursement and third-party wellbeing services. Each benefit or service has been purposely selected to meet the needs of our diverse customer base.</p> <p>Benefit table:</p>  <p>Westfield flex health plan benefit</p>
<p>How the product provides fair value to the customer and whether it will continue to do so for a reasonably foreseeable period (including following renewal)</p> <p>We must not market the product or permit the product to be distributed (whether directly or through another person), unless appropriate changes are made so that fair value will be provided</p>	<p>The level of cover required can be selected based on the needs of the customer and their budget, offering a range of suitable benefits.</p> <p>The price is fixed and reviewed at product level using underwriting data and competitor analysis to ensure the product is suitable, price appropriate in the market and meets the customer’s needs.</p> <p>The level of cover required can be selected based on the needs of the customer and their budget, offering a range of suitable benefits.</p> <p>The product remains community priced at renewal and policyholders can choose to accept the price, transfer to an alternative provider, or cancel the policy. Our renewal rate is above 90% and pricing is benchmarked against the competition ensuring fair value for customers.</p> <p>The product has a 92% claim acceptance rate which exceeds the set business threshold for customers.</p> <p>The summary of fair value included a review of the following MI:</p> <ul style="list-style-type: none"> • Loss ratio • Policy cancellations

	<ul style="list-style-type: none"> • Claims acceptance rate • Net Promoter Score (NPS) • Customer Satisfaction Score (CSAT) • Number of complaints • Complaints as a percentage of policyholders • Redress inc. Gestures of goodwill payments made
<p>What are the end user product Service Level Agreements (SLAs) and are these being met?</p>	<p>Our current SLAs are outlined below, these are reviewed regularly with a monthly meeting to discuss in greater detail. We meet the set SLA target 99% of the time.</p> <p>Claims: Postal – 4 days Online – 2 days</p> <p>Voice – 60% of calls answered within 40 seconds. This SLA typically results in customers waiting on average around 50 seconds for us to answer their call and we answer approximately 95% of all calls.</p> <p>Emails – 1 day</p> <p>Policies (This relates to all membership applications, company queries and all payments that companies make.) – 4 days</p> <p>In addition to the SLA’s, we send surveys out to all our customers who contact us through voice, where we’ve paid a claim and where we’ve cancelled a claim to get a Net Promoter Score (NPS)* and Customer Satisfaction score (CSAT) to gather feedback from customers on their interaction with us.</p> <p>The NPS has a target score of 70 and the CSAT has a target score of 4.7 out of 5. The scores are reported monthly and form part of the board pack.</p> <p>Colleagues handling calls do discuss their survey feedback / results each month with their line manager. Should any theme’s become apparent that’s impacting any of their scores adversely this would be passed on to the quality coach who would arrange for coaching sessions to address any concerns. If required increased call monitoring may take place for a period until any issues have been addressed.</p> <p>The Rolling 12 month scores (June 2022 – June 2023) are below. NPS - 74.10 CSAT - YTD – 4.74</p> <p><i>*NPS – This is our net promoter score and how likely our customers are to recommend us to others. They have the option to select a score between 0-10. 0-6 are classed as detractors and these deduct points from your NPS score. 7-8 are passives, this doesn’t impact your score at all. 9-10 are promoters who add to your NPS score.</i></p>

<p>The distribution strategy for this product (does the distribution arrangement mean that customers may be at a greater risk of not receiving fair value from the insurance product?)</p>	<p>Predominantly direct sales to any company who runs a flexible benefits scheme for their employees.</p> <p>The price is fixed, transparent and reviewed at product level and therefore demonstrates fair value for all customers.</p> <p>Commission is paid to introducers at the standard 10% rate.</p>
<p>The main features and characteristics of the product</p>	<p>Westfield Flex Health Cash Plan covers all types of flexible benefit scheme – corporate funded (providing a pot of money to spend on flex benefits), salary sacrifice and partial salary sacrifice.</p> <p>The plan has five levels of cover and claim values to select from.</p> <p>Westfield Flex Health Cash Plan provides the customer with twenty different cash benefits and value-added services; ranging from money towards the cost of glasses, dental appointments, or prescription charges, plus access to key wellbeing services; including 24/7 telephone access to a prescribing UK GP and Best Doctors® - the expert second medical opinion service.</p> <p>Please refer to benefit table above for additional information.</p>
<p>The risk of harm/customer detriment associated with the product</p>	<p>There is minimal risk or harm/customer detriment associated with the product.</p> <p>As an organisation we only partner with ‘Best in Class’ Suppliers who have been selected via rigorous selection processes and full sign off from executive management level.</p> <p>Our contracts all include clear and concise SLAs and duty of care standards expected from our third-party suppliers. We have an internal Procurement team and full time employed third party supplier manager who consistently works and reviews all contracts and service standards from those we partner with.</p> <p>The product Terms and Conditions (T&Cs) also state that any treatment received via a practitioner must be provided by an accredited / professional organisation as standard.</p> <p>Our DoctorLine service is provided by clinically approved advisors and has affiliation with NHS services. The scanning services and EAP operate to their industry standards and also work closely with the NHS.</p>

	<p>Our expert medical opinion service is provided by Best Doctors UK Limited. Best Doctors has a unique worldwide database of around 53,000 doctors who've all been chosen because their colleagues think they are the top experts in their medical speciality and able to offer an expert second medical opinion on a multitude of medical conditions.</p> <p>To ensure that the customer receives fair value for this product, care must be taken to ensure that no duplicate cover exists or if it does, the implications to proceed on that basis was highlighted to the customer.</p>
Any circumstances which may cause a conflict of interest to the detriment of the policy holder	<p>Limited conflicts of interest have been identified.</p> <p>Except;</p> <ul style="list-style-type: none"> • If receiving treatment; the practitioner cannot be a family member (as stated in the T&Cs). • As outlined by the product T&Cs pre – existing conditions are NOT covered for Personal Accident cover – we will take into account any disability that they already had when they assess a claim.
Is the product considered to be complex?	<p>A health cash plan is an insurance product provided by an employer or selected by an individual which helps cover the cost of routine medical costs, such as eye tests and dental appointments.</p> <p>The pre- and post-sale documentation is designed to be clear and concise for customers ensuring we don't use jargon. Terms and Conditions are issued to all customers at the start of the plan or when any amendments that impact them are made, these explain the claims process and benefit periods for each benefit. How the services can be used are explained within the documentation.</p> <p>Given there is no underlying investment and no life cover elements, the individual or employer pays a premium and then the customer can claim against cash back elements or access wellbeing benefits we do not consider the product complex.</p>
How much information about the product is publicly available?	<p>General Health Cash Plan information is available on the Westfield Health website.</p> <p>Specific product information can be provided by our dedicated sales function at request.</p>
Testing	Detail

<p>What product testing has taken place?</p>	<p>The product is regularly reviewed by a dedicated team internally assessing the performance of the plan.</p> <p>The product was reviewed in January 2023 and Terms and Conditions were updated where necessary. The branding was also updated in the plan guide with third party service rules being brought up to date.</p>									
<p>What product monitoring occurs?</p>	<p>The product oversight and governance are reviewed on an annual basis.</p> <p>In addition, Propositions and Underwriting & Insight teams review the products performance and shortfalls considering customer needs and manage the third-party suppliers to ensure the product remains competitive in the market.</p> <p>We have an in-house Connect team who record and review complaints and customer feedback direct from the customers who may have this product.</p> <p>As well as customer feedback and complaints data other important MI feeds are regularly monitored to ensure the product is working as expected for our customers, including claims frequency and cancellations.</p>									
<p>Complaints data relating to this product</p>	<p>We monitor our complaints data closely and it is presented quarterly to the board with any actions required closely monitored to ensure any issues are addressed in a timely manner.</p> <p>In Q2 2022/23 (July – September) we received 4 complaints relating to the plan. All complaints related to service and 2 were upheld.</p> <p>In Q3 2022/23 (October – December) we received 4 complaints relating to the plan. All the complaints were upheld and 3 related to service and 1 to the product.</p> <p>In Q4 2022/23 (January – March) we received 7 complaints relating to the plan and 3 were upheld. 5 related to the product and 2 to service.</p> <p>In Q1 2023/24 (April – June) we received 0 complaints relating to the plan.</p> <table border="1" data-bbox="518 1832 1142 1973"> <thead> <tr> <th colspan="3">July 2022 – June 2023</th> </tr> <tr> <th>Total Complaints</th> <th>Total Upheld</th> <th>Total Not Upheld</th> </tr> </thead> <tbody> <tr> <td>15</td> <td>9</td> <td>6</td> </tr> </tbody> </table>	July 2022 – June 2023			Total Complaints	Total Upheld	Total Not Upheld	15	9	6
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	<p>From July 2022 to June 2023 the number of complaints equated to 0.20% of the policyholders.</p> <p>The total redress paid for the product was £595 and an additional £443.76 was paid as a gesture of goodwill.</p>
Is remedial action taken if necessary?	<p>Yes. Where any changes in the product or service are required, we ensure these are investigated and prioritised as necessary.</p> <p>Propositions monitor our core competitors, market, customer, and sales insight. In response to this analysis, we review and make changes when required.</p>
Fair Value Findings Statement	
<p>We have reviewed this product to ensure that it offers fair value in accordance with the FCA PROD rules.</p> <p>We would like to remind distributors that any fees charged (whether this relates to new business, renewals, mid-term adjustments, or cancellations) should not reduce nor negatively impact the intended product value and should always reflect the work and services provided by you for which the fees charged.</p> <p>The product is deemed suitable for the target market, with no issues raised in relation to distribution or service levels.</p> <p>The measures assessed are all within business appetite to ensure fair value for customers.</p> <p>We are therefore satisfied that this product offers fair value to its target market.</p>	

Product Governance report completed by:

Name:	Gareth Owen
Position:	Channel & Proposition Development Manager
Date:	13/07/2023
Date of next review:	July 2024

Product Governance report reviewed by Compliance Function to ensure it meets the requirements of the FCA Product Intervention and Product Governance (PROD) Sourcebook, our regulatory requirements in relation to fair value assessments and the consumer duty good outcomes for customers:

Name:	Sarah Ratcliffe
Position:	Compliance Manager
Date:	17/07/2023
Date of next review:	July 2024