Fair Value Assessment

Protection

Product name: Personal Menu Plan including Life Cover, Life or Critical Illness, Critical Illness and Income Protection
Assessment Date: April 2026

Summary of Fair Value Assessment

Royal London's updated Fair Value Assessments across its Protection product portfolio for 2026 have been completed and shared.

This demonstrates that the products and services provided by Royal London continue to represent fair value for customers and are designed to deliver good outcomes across the full customer journey. At Royal London, we actively oversee both the products we offer and the wider proposition that sits around them to make sure they continue to meet the needs of clearly defined target markets.

This year, we've further strengthened our Fair Value Assessment approach by enhancing the depth and consistency of monitoring across all four Consumer Duty outcomes. This monitoring shows that customers are consistently achieving good outcomes, including those who may be in vulnerable circumstances. There are many positive aspects to highlight.

- **Our comprehensive cover** provides a broad range of protection solutions with flexible features and options, enabling customers and their families to rely on us when it matters most. In 2025 we paid out a total of £821m in Protection claims, representing over 62,000 claims overall.
- **Our additional support services**, including the Helping Hand wellbeing and recovery services, form a key part of the overall value delivered, supporting customers through significant life events and helping to build resilience.
- **Our communications and engagement** continue to evolve, with increased use of the My Royal London portal alongside targeted prompts and reminders that encourage customers to actively understand and review their cover.

We'll continue to strengthen our approach in a small number of targeted areas, particularly in simplifying how we explain more complex features and further enhancing how we identify, support and measure outcomes for customers in vulnerable circumstances.

As always, we'll robustly monitor outcomes and respond to feedback, ensuring customers and advisers can remain confident in the value delivered.

Carrie Johnson
Customer Life Stage Director

Personal Menu Plan

This document summarises the Fair Value Assessment carried out for the Personal Menu Plan as a whole and individually at cover level for each of the component products of the Personal Menu Plan. This includes Life cover on a single, joint life first event & joint life second event basis, Life or Critical illness, Critical illness and Income Protection.

Product description

The Royal London Personal Menu Plan has been designed to be suitable for customers who wish to protect against the financial implications of death, critical illness or if they can't work because of an illness or injury and who primarily require cover for a fixed term.

The product has been designed to suit customers who are resident in the UK, Jersey, Guernsey or Isle of Man.

The flexible menu-based format allows covers to be mixed and matched cost-effectively offering the opportunity to have either level, decreasing, or increasing cover and may allow pay-outs to be made as a regular income rather than as a lump sum.

A menu-based product can also help to cater for lifestyle changes such as marriage or civil partnership, divorce or dissolution, having or adopting a child, promotion at work or moving home either by adding or removing covers or, subject to specified limits, increasing or reducing cover amounts without having to provide any further medical evidence.

Distribution strategy

This product should be sold face-to-face, over the telephone or via digital channels, and distributed on a fully advised or non-advised basis. It should not be sold on an execution-only basis.

Target Market Statement: Life Cover (Single Life & Joint Life First Event)

Product description

- This cover pays out a lump sum or regular income in the event of the death of the person covered or the diagnosis of a terminal illness that meets our definition during the chosen term of cover.
- The cover can be taken out on a single or joint life first event basis for a chosen fixed or renewable term. It can be paid for monthly or annually.
- It's possible to choose the cover on a level, increasing (by either Retail Prices Index or a fixed rate between 2-5%), or decreasing basis (on a chosen interest rate from 0-15%).
- Optional Waiver of Premium cover is available. This pays the monthly or annual plan premiums if the person covered meets our definition of incapacitated or terminal illness during the chosen term of cover.

Who the product is designed for

- Individuals, couples, and families with financial commitments who are thinking about the future and want to plan ahead to protect their family and help to pay off outstanding debt or settle their mortgage.
- Individuals with vulnerabilities most frequently attributed to physical and/or mental health issues, lower levels of financial understanding and reduced financial resilience. Individuals from these groups will be present in the target market and supported by this product.
- Customers between age 18 and 89 years old but we would typically expect most customers to be between the ages of 25 and 69.

Who the product is not designed for

- Customers who require cover for the whole of their life.
- Customers seeking investment return or cash value.
- Customers looking for insurance to cover being diagnosed with a critical illness or to cover income if they can't work because of an illness or injury or become unemployed/made redundant.
- Customers who are looking for Business Protection.
- Customers younger than age 18 or aged over 89.

Target Market Statement: Life Cover (Joint Life Second Event)

Product description

- This cover pays out a lump sum where both people have died or have met our definition of terminal illness.
- The product is taken out on a joint life second event basis for a chosen fixed term. It can be paid for monthly or annually.
- A gifting option can be used to carve out a proportion of the lump sum onto a separate gifting plan to cover the reducing IHT liability on a gift if standard terms were given.
- It's possible to choose the cover on a level or increasing basis (increasing by either Retail Prices Index or a fixed rate between 2-5%).
- Optional Waiver of Premium cover is available. This pays the monthly or annual plan premiums if the person covered meets our definition of incapacitated or terminal illness during the chosen term of cover.

Who the product is designed for

- Couples, including spouses or civil partners, who want to make sure funding is available to meet an inheritance tax liability upon their death during the term of the cover.
- People who want:
  - Level cover for a fixed amount where their protection needs are unlikely to change.
  - Increasing cover to protect against the impact of inflation.
- Individuals with vulnerabilities most frequently attributed to physical and/or mental health issues, lower levels of financial understanding and reduced financial resilience. Individuals from these groups will be present in the target market and supported by this product.
- Customers between age 18 and 89 years old but we would typically expect most customers to be between the ages of 45-69.

Who the product is not designed for

- Customers who want single or joint life cover which pays out on the first event of either death or terminal illness.
- Customers who require cover for the whole of their life.
- Individuals, couples, and families who want to help pay off outstanding debt or settle their mortgage.
- Customers seeking an investment return or cash value.
- Customers looking for a lump sum or regular income if diagnosed with a critical illness.
- Customers who are looking for a monthly income if they can't work because of an illness or injury or become unemployed/made redundant.
- Customers younger than age 18 or aged over 89.

Target Market Statement: Life or Critical Illness Cover

Product description

- This cover pays out a lump sum or regular income if the person covered dies, is diagnosed with a critical illness, or a terminal illness that meets our definition during the chosen term of cover.
- The cover can be taken out on a single or joint life basis for a chosen fixed or renewable term. It can be paid for monthly or annually.
- It's possible to choose the cover on a level, increasing (by either Retail Prices Index or a fixed rate between 2-5%), or decreasing basis (on a chosen interest rate from 0-15%).
- The cover has optional:

  1. Total and Permanent Disability (TPD) cover. This would pay a claim if the person covered meets the requirement of the TPD definition noted on their cover summary.

  2. Children's cover is available on a Standard or Enhanced basis. This pays a lump sum if a child of the person covered dies or is diagnosed with a critical illness or terminal illness and meets our definition. Children's cover can be added when the plan starts or at any point during the cover term. It can also be removed at any time.

  3. Waiver of Premium cover. This pays the monthly or annual plan premiums if the person covered meets our definition of incapacitated or terminal illness during the chosen term of cover.

Who the product is designed for

- Individuals, couples, and families with financial commitments who want to insure themselves against financial hardship in the event of death, terminal illness, or a critical illness. Life or Critical Illness Cover would provide protection for their family and help to pay off outstanding debt, aiding recovery, or help to settle their mortgage.
- Individuals with vulnerabilities most frequently attributed to physical and/or mental health issues, lower levels of financial understanding and reduced financial resilience. Individuals from these groups will be present in the target market and supported by this product.
- Customers between age 18 and 84 years old but we would typically expect most customers to be between the ages of 25 and 60.

Who the product is not designed for

- Customers who require cover for the whole of their life.
- Customers seeking an investment return or cash value.
- Customers who are looking for a monthly income if they can't work because of an illness or injury or become unemployed/made redundant.
- Customers looking for Business Protection.
- Customers younger than age 18 or aged over 84.

Product description

- This cover pays out a lump sum or regular income if the person covered is diagnosed with a critical illness that meets our definition during the chosen term of cover.
- The cover can be taken out on a single or joint life basis for a chosen fixed or renewable term. It can be paid for monthly or annually.
- It's possible to choose the cover on a level, increasing (by either Retail Prices Index or a fixed rate between 2-5%), or decreasing basis (on a chosen interest rate from 0-15%).
- The cover has optional:

  1. Total and Permanent Disability (TPD) cover. This would pay a claim if the person covered meets the requirement of the TPD definition noted on their cover summary.

  2. Children's cover is available on a Standard or Enhanced basis. This pays a lump sum if the child of the person covered dies or is diagnosed with a critical illness or terminal illness and meets our definition. Children's cover can be added when the plan starts or at any point during the cover term. It can also be removed at any time.

  3. Waiver of Premium cover. This pays the monthly or annual plan premiums if the person covered meets our definition of incapacitated or terminal illness during the chosen term of cover.

Who the product is designed for

- Individuals, couples, and families with financial commitments who want to insure themselves against financial hardship in the event of a critical illness. Critical Illness Cover would provide protection for their family and paying off outstanding debt or settling their mortgage.
- Individuals with vulnerabilities most frequently attributed to physical and/or mental health issues, lower levels of financial understanding and reduced financial resilience. Individuals from these groups will be present in the target market and supported by this product.
- Customers between age 18 and 84 years old but we would typically expect most customers to be between the ages of 25-60.

Who the product is not designed for

- Customers who require whole of life cover.
- Customers seeking investment return or cash value.
- Customers who are looking for payment upon their death or terminal illness.
- Customers who are looking for a monthly income if they can't work because of an illness or injury or become unemployed/made redundant.
- Customers looking for Business Protection.
- Customers younger than age 18 or aged over 84.

Target Market Statement: Income Protection

Product description

- This cover pays out a monthly income if the person covered can't work because of an illness or injury, or is diagnosed with a terminal illness, that meets our definition of incapacitated during the chosen term of cover.
- The product can be taken out on a single life basis and it's possible to choose how long the cover will pay out for. This can be either 1 year, 2 years, 5 years or until the term ends. It can be paid for monthly or annually.
- It's possible to choose the cover on a level or an increasing basis (by either Retail Prices Index or a fixed rate between 2-5%).
- Waiver of Premium cover is automatically provided. This pays the monthly or annual plan premiums if the person covered can't work because of an illness or injury that meets our definition of incapacitated or terminal illness during the chosen term of cover.
- Other benefits automatically included:
    - Fracture cover
    - Hospitalisation payment
    - Additional payment on death
    - Return to work payment - for deferred periods of 13 weeks or above.

Who the product is designed for

- This product is suitable for working-age individuals who are employed or self-employed. This includes those with no employer sick pay, or with limited sick pay who need additional financial support.
- Individuals, couples, and families with regular earnings who want to insure themselves against loss of income because of sickness or injury. Income protection will protect their regular financial commitments, such as mortgage or rent payments and bills and ensure they will be able to maintain their standard of living if incapacitated.
- Individuals with vulnerabilities most frequently attributed to physical and/or mental health issues, lower levels of financial understanding and reduced financial resilience. Individuals from these groups will be present in the target market and supported by this product.
- Customers between age 18 and 70 years old but we would typically expect most customers to be between the ages of 25-55.

Who the product is not designed for

- Customers who do not carry out paid work.
- Customers who are looking for a monthly income if they become unemployed/made redundant.
- Customers seeking an investment return or cash value.
- Customers looking for a lump sum or regular income in the event of death or if diagnosed with a critical illness within a defined term or for the whole of their life.
- Customers looking for Business Protection.
- Customers younger than age 18 or aged over 70.

How to use this Fair Value Assessment

The Consumer Duty ('Duty') sets the standard of care that firms should give to customers. Royal London is the manufacturer of this product. We've designed this Fair Value Assessment so Distributors can easily assess the product's fair value against the four Duty outcomes. This information also helps Distributors demonstrate that they're meeting their own Duty obligations.

Products and services outcome

- We've assessed our products and services as fit for purpose, providing features, flexibility, and support to meet customers' protection needs.
- Clear target markets have been defined, and we can evidence that our product is being distributed to the right customers; 99% of customers fall into the appropriate target markets with products and features being used in line with expected behaviours.
- We've continued to make enhancements to our digital trust processes to encourage access and take up. This together with our beneficiary nomination feature continues to result in more customers planning ahead and ensuring their chosen beneficiaries receive the benefits. We'll continue to focus on this area to make sure we're delivering quicker claims payments and better outcomes at "moments of truth".
- We continue to simplify how we explain more complex features to support confident customer decision-making.
- Vulnerability continues to be a key focus within the products and services we provide. We're committed to incorporating inclusive design principles during our product and service design. This, combined with insight and feedback to guide future changes and enhancements, ensures we can best meet the needs of customers in vulnerable circumstances. We're also working hard to provide more data to evidence the outcomes for vulnerable customers. This data helps us continuously improve our services and make sure that all customers receive consistently good outcomes.

Price and value outcome

- We're satisfied customers are receiving fair pricing for the benefits they receive, with robust governance and oversight in place to make sure our pricing remains at a fair level and delivers customer value.
- We've improved our governance around new distribution requests for higher levels of commission, ensuring a robust, consistent approach is taken. Such requests will only be accepted where we're confident customers will continue to receive fair value.
- A suite of Helping Hand services is available to all customers. We continue to promote this through the My Royal London portal which will further increase awareness and usage.

Consumer understanding outcome

- We're satisfied there's sufficient evidence to establish that customers are receiving timely, accurate and accessible communications at onboarding and at key times to support their financial decisions. Our communications have been tested providing evidence that customers understand the information they are given, and they can make timely and informed decisions.
- Our communications are available in a range of alternative formats to support the information needs of customers, including vulnerable customers. Testing has confirmed that content is generally well understood and jargon free.
- We continue to enhance how we communicate with customers throughout the lifecycle of their products. Currently our communications encourage customers to engage using tools such as the My Royal London portal. We've developed an annual email to invite customers to register and log into the portal to review their cover. Reminders and nudges are helping to encourage further engagement, prompting customers to take advantage of the features and options of their products.
- We'll continue to seek customer feedback to make sure they understand the cover they have and reflect this in reviews of our communications.

Consumer support outcome

- Customers and advisers can engage with Royal London in line with their preferences, with a mix of digital, email and telephony being used. We're confident that our service continues to deliver positive outcomes.
- Although we've met the service levels for claims, we've not met ambitious service levels we set ourselves for all customer support, particularly for servicing and new business through the underwriting journey. We have an agreed plan to bring these in line with our targets.
- We support our customers in vulnerable circumstances through multiple channels and are continuously enhancing our digital support offerings. Additionally, we're building greater capability to test and measure vulnerable customer outcomes, ensuring they consistently receive good outcomes.

The delivery against agreed outcome measures has been delivered within agreed tolerances and meet our expectations of quality and value.	The delivery against agreed outcome measures hasn't met tolerances in some key areas. Actions and timelines to achieve a green rating have been agreed.	The delivery against agreed outcome measures hasn't met tolerances in some key areas. Actions and timelines to achieve a green rating have not been agreed.

Our approach to Fair Value Assessment

We regularly monitor and review our products using our customer outcomes frameworks to make sure they continue to meet the needs of their target market and deliver good customer outcomes. This is an overview of how we've assessed this product against the four Duty outcomes.

Products and services outcome

Products and services are fit for purpose, designed to meet the needs of customers in the target market and are distributed appropriately.

We've checked that:

- The distribution channel and customer base are in line with the product's target market
- Customers use the product in the way it's intended, receive the necessary support and avoid foreseeable harm throughout the lifetime of the product
- Vulnerable customers are identified and protected from key risks.

Price and value outcome

The amount customers pay for a product or service represent fair value for the benefits they receive from it.

We've checked that:

- The total amount paid by customers includes all agreed costs and charges over the lifetime of the product
- Customers receive benefits they can reasonably expect for the total amount paid over the lifetime of the product
- Services included within the product are appropriate for customers in the target market.

Consumer understanding outcome

Customers receive the information they need, at the right time and presented in a way they can understand.

We've checked that:

- Communications have a clear purpose, provide customers with the information they need to achieve their financial objectives, and are easily understood and timely
- Communications are available in alternative formats, including those which support vulnerable customers.

Consumer support outcome

Customers should be able to realise the benefits of the products and services they buy and are supported in pursuing their financial objectives.

We've checked that:

- Customer requests are carried out promptly and accurately
- Powers of Attorney receive the same level of service as customers
- There are different channels of support available, including those which support vulnerable customers.

We also regularly analyse customer complaints to identify the root cause of any issues and act to address each in a timely manner.

Distributors have a responsibility to make sure that fees or charges paid directly to them by customers don't adversely impact the overall value to that customer. Our assessment is only based on commission paid or charges we've been asked to pay to our distribution partners as part of the sale or servicing of our products. We periodically review Distributor remuneration and charging structures to understand the overall cost to customers. This helps assess whether our products continue to offer fair value to customers.

Product Development Process

We aim to develop products that deliver good outcomes for customers in the identified target market. Our product development process is designed to make sure we act in good faith, avoid causing foreseeable harm to customers, and enable and support customers to pursue their financial objectives. This process includes, but isn't limited to:

- Identifying the target market - who the product is suitable for and who it's not
- Designing the product to meet the identified needs of the target market over the lifetime of the product, including the needs of customers who may be vulnerable
- Identifying a distribution strategy that aligns with the needs of the target market, including for customers who may be vulnerable
- Establishing costs and charges that are appropriate and represent fair value for customers in terms of the amount paid and the benefits that they can reasonably expect to receive
- Developing customer communications that are clear, easy to understand and timely
- Ensuring customers don't face unreasonable barriers when using the product or progressing their financial objectives.

For further information visit
adviser.royallondon.com

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We're happy to provide your documents in a different format, such as braille, large print or audio, just ask us when you get in touch.