



# Product Oversight and Governance Report – Fair Value Assessment

Product Name: Foresight Health Cash Plan

Product Type: Health Cash Plan

Date of review: October 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

Date of the last review	October 2022
Status	Open and actively marketed.
Manufacturer / Co-manufacturer	Manufacturer – Westfield Health
<b>Customer</b>	
Target Market Who is this product designed for?	<p>Foresight Health Cash Plan is a corporate paid product with voluntary employee upgrade(s) and Additional Adult cover available.</p> <p>Payment for this voluntary cover can be made through employee payroll deduction, through individual direct debit or through a flexible benefit platform if there is core funded cover.</p>

	<p>The employer decides which of these methods will be used for all their employees.</p> <p>There are add on modules available including ‘Level 1 scanning’ and ‘PHI Surgery Choices 1 and 2’. These options are only available as corporate paid modules and cannot be bought voluntarily by employees or additional adults.</p> <p>Available to any company who provides corporate paid cover for more than five people.</p> <ul style="list-style-type: none"> <li>• No age limit for corporate paid cover.</li> <li>• Age limits of at least 16 years old and not yet 66 for upgrade cover.</li> <li>• Age limits of at least 18 years old and not yet 66 for additional adult cover.</li> <li>• Dependent Children – not yet 22, so cover finishes on the 22nd birthday. Third party benefits may have different limits which are outlined in the plan guide.</li> <li>• The company must be registered at a UK, Jersey, or Isle of Man address.</li> <li>• Resident for 6 months or more each year in the UK (England, Scotland, Wales, and Northern Ireland), Channel Islands and Isle of Man.</li> </ul> <p>Distributors: Please inform us where you identify that you have 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>Including general exclusions.</p>	<p>Not designed / cover not provided for:</p> <ul style="list-style-type: none"> <li>• Professional sports people</li> <li>• Dependent children over the age of 22</li> <li>• A company with &lt;5 employees</li> </ul> <p>General Exclusions include:</p> <ul style="list-style-type: none"> <li>• We don’t cover claims arising directly or indirectly from, or as a consequence of: <ul style="list-style-type: none"> <li>○ participating in a criminal act</li> <li>○ an accident while under the influence of alcohol or drugs</li> <li>○ drug, alcohol, or solvent abuse, or taking drugs (unless told to do by a registered medical practitioner)</li> <li>○ suicide or deliberate self-inflicted injury</li> <li>○ participation of dangerous activities and sports</li> <li>○ flying as a pilot or crew member (that is, aircraft, gliders, hang-gliders, microlights, parachuting, paragliding, and ballooning)</li> <li>○ a pandemic illness</li> </ul> </li> <li>• Any treatment or service that is received from a: <ul style="list-style-type: none"> <li>○ member of immediate family – a parent, child, brother or sister, or partner</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ business that policyholder owns</li> <li>○ treatments carried out in the workplace or arranged through employer</li> <li>● This policy does not cover fees or charges for: <ul style="list-style-type: none"> <li>○ missing an appointment</li> <li>○ completing a claim form or providing a medical report</li> <li>○ providing further information in support of a claim</li> <li>○ administration or referral costs, joining fees or registration fees</li> <li>○ postage and packing costs</li> </ul> </li> </ul> <p>Distributors: Please inform us where you identify that you have distributed our products to customers outside of the intended target market.</p>
<p>Knowledge and experience of and within the target market</p>	<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"> <li>● have no insurance purchasing experience, interest, or knowledge</li> <li>● have some insurance purchasing experience, interest, or knowledge</li> <li>● have insurance purchasing experience, interest, and knowledge.</li> </ul> <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>Identifying and dealing with vulnerable customers</p>	<p>Westfield Health have a Vulnerable Customer Policy and provide colleagues with annual training to support identifying and interacting with customers who show characteristics of vulnerability and ensure that good customer outcomes are delivered.</p> <p>Training is provided to our IDD group on an annual basis, and ad-hoc where there is a need, and those colleagues who interact with our customers also have access to a toolkit which provides them with additional information on how to identify and deal with a vulnerable customer.</p>

	<p>A good customer outcome does not just relate to the avoidance of financial detriment, it could also include instances which cause, or could cause, distress, inconvenience, or harm.</p> <p>Our over-riding principle when dealing with vulnerable customers is that good outcomes are achieved throughout the customer journey, and any barriers are removed to allow access and utilisation of our products and services. We take a flexible approach which allows us to provide additional support where needed and interact with our customers in a way which meets their needs.</p>
Any circumstances which may cause a conflict of interest to the detriment of the customer	<p>Limited conflicts of interest have been identified.</p> <p>Except;</p> <ul style="list-style-type: none"> <li>• If receiving treatment; the practitioner cannot be a family member (as stated in the T&amp;Cs).</li> <li>• As outlined by the product T&amp;Cs pre-existing conditions are NOT covered for Dental Accident cover.</li> </ul>
<b>Product</b>	
The main features and characteristics of the product	<p>Foresight Health Cash Plan has four levels of cover and claim values to select.</p> <p>Foresight Health Cash Plan provides the customer with twelve different cash benefits and value- added services; ranging from money towards the cost of glasses, dental appointments, or therapy treatments, plus access to key wellbeing services; including 24/7 telephone access to a prescribing UK GP, from anywhere in the world and MRI, CT, and PET scanning services.</p> <p>There are also add-on modules that can be selected in addition to the main Foresight product - PHI Surgery Choices 1 and 2.</p> <p>Please refer to the benefit table attached below for additional information.</p>
How the product meets the needs of the customer and provides benefits	<p>The Foresight Health Cash Plan provides a wide range of benefits and services to the policyholder (and eligible children), with four levels of cover to select from depending on budget and affordability, plus upgrade levels, and voluntary payment options available.</p> <p>The policyholder has access to twelve different benefits and services (as documented in the benefit table), 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>Foresight benefit table - Employees.p</p>
<p>Is the product considered complex?</p>	<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>
<p>The risk of harm/customer detriment associated with the product?</p>	<p>There is minimal risk or harm/customer detriment associated with the Foresight Health Cash Plan.</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>Our DoctorLine service is provided by clinically approved advisors and have affiliation with NHS services. The EAP and scanning services operate to their industry standards and both work closely with the NHS.</p> <p>The product Terms and Conditions (T&amp;Cs) also state that any treatment received via a practitioner must be provided by an accredited / professional organisation as standard.</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>

<p>How much information about the product is publicly available?</p>	<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>
<p><b>Service</b></p>	
<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 98% 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 65 seconds for us to answer their call and we answer approximately 95% of all calls.</p> <p>Emails –98% in 1 day</p> <p>Policies (This relates to all membership applications, company queries and all payments that companies make.) 98% – 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 Year-to-Date scores are below.  NPS – 73.4  CSAT - YTD – 4.8</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><i>CSAT – Is made up of, ease of the process and if an advisor is knowledgeable, friendly &amp; helpful. This score is out of 5.</i></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 Q1 2023 (April-June) we received 17 complaints relating to this product.</p> <p>In Q2 2023 (July – September) we received 23 complaints relating to this product.</p> <p>11 of these complaints have been product related and 0 were upheld. 14 have been service related complaints and 4 were upheld. 15 complaints were 3<sup>rd</sup> party complaints and 10 were upheld.</p> <table border="1" data-bbox="518 869 1142 1010"> <thead> <tr> <th colspan="3">Year to Date</th> </tr> <tr> <th>Total Complaints</th> <th>Total Upheld</th> <th>Total Not Upheld</th> </tr> </thead> <tbody> <tr> <td>40</td> <td>14</td> <td>26</td> </tr> </tbody> </table> <p>The total number of complaints equates to 0.04% of the policyholders.</p>	Year to Date			Total Complaints	Total Upheld	Total Not Upheld	40	14	26
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<p><b>Distribution</b></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>The product is sold direct and through intermediaries.</p> <p>The new business price is fixed, transparent and reviewed at product levels and therefore demonstrates fair value for all customers. Under 50 lives business is priced higher than over 50 life business.</p> <p>After the first year all business will have the price determined by the plan usage. This change was introduced in April 2023.</p> <p>The premium is inclusive of any commission paid to intermediaries for selling the product. Any adjustments to premium for commission paid is considered at renewal if the policy is assessed.</p> <p>Distributors are remunerated by commission payable by Westfield Health for the sale of Health Cash Plans and PHI contracts.</p> <p>Our fair value assessment has factored in the cost of commission, and the clarity of end price paid by the consumer.</p>									

<b>Testing</b>	
What product testing has taken place?	<p>The product is regularly reviewed by a dedicated team internally assessing the performance of the plan.</p> <p>A review was recently undertaken with changes (outlined below) being implemented from January 2023 and pricing changes being implemented from April 2023.</p>
What product monitoring occurs?	<p>The product oversight and governance are reviewed on an annual basis.</p> <p>In addition, Propositions and Underwriting &amp; 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>The summary of fair value included a review of the following MI:</p> <ul style="list-style-type: none"> <li>• Loss ratio (Including third party usage)</li> <li>• Policy cancellations</li> <li>• Claims acceptance rate</li> <li>• Net Promoter Score (NPS)</li> <li>• Customer Satisfaction Score (CSAT)</li> <li>• Number of complaints</li> <li>• Complaints as a percentage of policyholders</li> <li>• Redress inc. Gestures of goodwill payments made.</li> </ul> <p>The product has a 92% claim acceptance rate which exceeds the set business threshold.</p> <p>We have seen an increase in cancellations from the previous year, but this has not been accredited to a specific reason or raised concerns about the fair value of the product. We will continue to monitor all aspects of the product to ensure it is fit for purpose.</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> <p>The below changes have been implemented from January 2023.</p> <ul style="list-style-type: none"> <li>• Literature and marketing collateral updated to give greater clarity for the policyholder.</li> </ul>



	<ul style="list-style-type: none"> <li>• No joining concessions – immediate benefit always covered (except Maternity) and pre-existing medical conditions covered (except for Dental Accident).</li> <li>• The opportunity to upgrade cover, or for an additional adult to apply, is only in the month after the plan anniversary date. The plan anniversary date is the date the benefit period starts each year, as detailed in the Policy Schedule.</li> <li>• Semi-professional sports people can have cover. But there is a new General Exclusion for professional sports injuries – this is any injury sustained whilst training for, or participating in, sport for which you receive payment or non-charitable sponsorship.</li> </ul>
<b>Fair Value Findings</b>	
<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 product launched in 1999 and has some long-established customers.</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 new business price is fixed and reviewed at product level using underwriting data and competitor analysis to ensure the product is suitable and meets the customer’s needs.</p> <p>At renewal businesses are assessed considering claims, usage data and any commission paid and a new price is calculated which the customer can choose to agree, transfer to an alternative provider, or cancel the policy.</p> <p>Our renewal rate is above 90% and pricing is benchmarked against the competition ensuring fair value for customers.</p>
<p>Statement</p>	<p>As part of the review, we have assessed the cost of the product to the customer against the benefits available for use including additional wellbeing benefits available to them and the distribution of the product.</p> <p>The fair value measures assessed are all within business appetite and the product is deemed suitable for the intended target market, with no material issues raised in relation to distribution or service.</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>

**Product Governance report completed by:**

Name:	Gareth Owen
Position:	Channel & Proposition Development Manager
Date:	16 October 2023
Date of next review:	September 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:	24 October 2023
Date of next review:	September 2024