



We're ready for Consumer Duty

We want to share with you what we've done to get ready for Consumer Duty and why you should feel confident using us.

We'll break things down into the four main areas the regulator's asked us to focus on, plus take a look at what distributors can do to help.

Contents:

Page:

Products and service	4
- What options are available to customers when buying our products?	5
- How do we make sure the right people are buying our products?	5
- What flexibility is there after someone's insured?	5
- How do we deliver good customer outcomes through our underwriting?	6
- How do we develop products to deliver good outcomes for retail customers?	7
- How do we manage our products to make sure they're delivering the right outcomes?	7
Price and value	8
Consumer understanding	10
Consumer support	12
- Vulnerable customers	14
- Improvements through monitoring and complaints	14
What can distributors do to help?	15

Quick Reminder - What is Consumer Duty?

Consumer Duty comes into effect on 31st July 2023. It impacts the whole 'supply chain' – from providers who manufacture the products (like us), through to anyone who sells them.

Our regulator, the FCA, has introduced new rules to make sure that firms deliver good outcomes for retail customers.

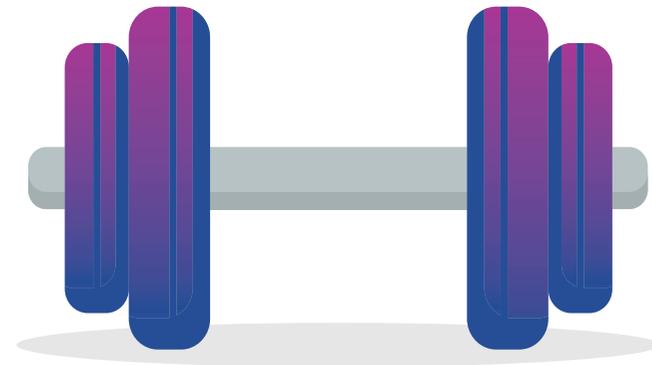
They've said firms need to behave in a certain way, which in summary means:

- Being open, honest and transparent with customers
- Looking after them and making sure that where we can see they might come to any harm in the future, we do what we can to help them avoid that harm
- Helping customers meet their financial goals

And they've asked firms to behave in these ways when it comes to:

- Their products and services
- The price they charge and the value they offer
- Understanding (so how they communicate)
- And ongoing support for customers.

One way to think about it, is it's a bit like our regulator is a personal trainer at a gym. They're pushing the industry to get into fittest shape possible, to be able to deliver the best outcomes for customers. And just like starting a fitness journey we might feel a bit sore at first as we adjust to the new rules, but, once we're putting it into practice every day, we'll all end up fitter and stronger.



PRODUCTS AND SERVICES



Products and services

We only sell IP so we're a specialist in our area. It's our aim to provide you with a flexible and high-quality product that helps you provide valuable protection to more of your clients.

What options are available to customers when buying our products?

We consider the needs of our target market when designing our products and what can happen to them once they've bought from us. We know one size doesn't fit all, so there's a range of options available to help you set up their insurance in a way that's right for them.



How do we make sure the right people are buying our products?

We explain to you who our products are and aren't suitable for in our Intermediary Product Guidance, available [here](#).

These tell you who our products are suitable/not suitable for. Our application process is designed to make sure only eligible people can buy our products.

We only sell our products through people who provide help and advice to make sure their customers set up their insurance in the right way. Our Business Development Managers are happy to help with training on our products.

What flexibility is there after someone's insured?

When designing our products, we think about the different things that can happen to our members during their life. We stress test our products against these things. We include flexible options like:

- Our life events guarantee
- Our drop in earnings guarantee
- The ability to pause payments
- Maternity / paternity / adoption cover and more.

We also stress-test our products to see how they'd perform against things like difficult economic conditions, pandemics and so on.

How do we deliver good customer outcomes through our underwriting?

When someone applies for insurance with us, we consider things like their health, job and hobbies when offering them cover. Underwriting is a complex thing, and it's important to us to make sure we do it as fairly as possible, and here are some of the ways we achieve this:

- We offer our insurance to a wide range of people and are always looking for ways to improve our approach and offer insurance to even more people. We listen to you, to make sure that we understand the needs of your clients.
- We gather the health and lifestyle information we need through our online application. If you don't want to complete this, we also offer telephone interviews with a trained nurse.
- We don't always ask for medical evidence from doctors when your clients apply, even if they want a higher amount of insurance. This helps us reduce our costs and any delays.
- Our experienced team of underwriters work closely together to make sure our approach is fair and reasonable.
- We've invested in a new, streamlined online application that provides more underwriting decisions straight away, helping you insure more of your clients, quicker, and reducing the hassle.

- We know you might want to speak with one of our underwriters about your client. If you do have any questions before you apply, our friendly team are always happy to pick up the phone and talk with you!



How do we develop products to deliver good outcomes for retail customers?

We've redesigned and enhanced our product development process. There are regulatory expectations about the steps we need to take when designing products or changing them.

These are captured under PROD4 rules and guidance issued by the FCA and have been enhanced under the new Consumer Duty regulation. For completeness, we've carried out a gap analysis against both sets of rules to make sure we've covered everything.

This means you can have confidence that new products meet a high standard and are designed to deliver great outcomes for your clients.

How do we manage our products to make sure they're delivering the right outcomes?

We've redesigned and enhanced our product review process to meet Consumer Duty requirements, and we've used this process to review our existing products.

We'll review the insurance products our existing members have every year, to make sure they're delivering against Consumer Duty outcomes, and that they're performing as expected.



PRICE AND VALUE



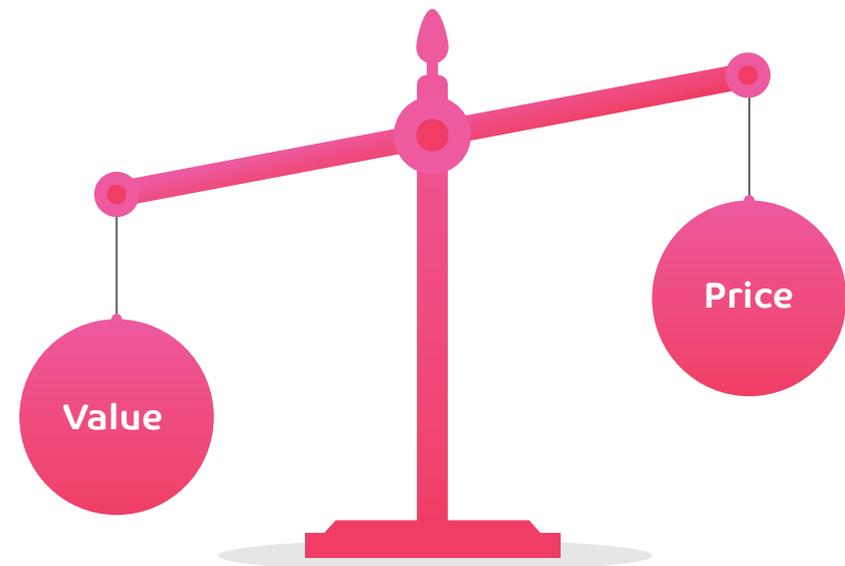
Price and value

As an insurer we need to make sure what the customer pays for is reasonable in comparison to what they get.

To do this we've carried out a fair value assessment which explains how we work out the price we charge for the benefits we provide. You can download this here >

https://www.holloway.co.uk/storage/How-we-make-sure-we-offer-fair-value_V3.pdf

After this assessment we're happy that we deliver value for money to new customers and existing members.



CONSUMER UNDERSTANDING



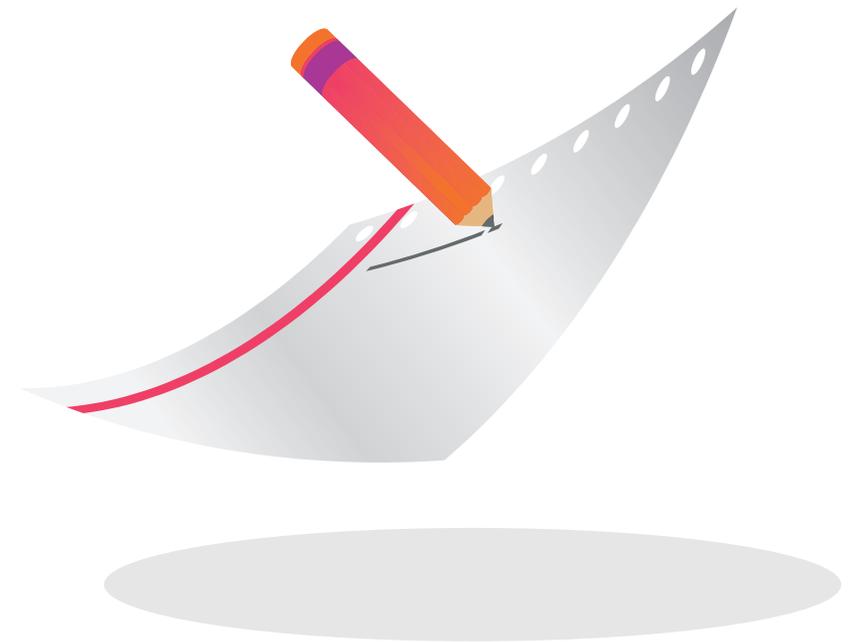
Consumer understanding

We've rewritten our literature in everyday language, so it's easy to understand the information we give to consumers. This will help them to make the right choices and we can be confident they are getting the right outcomes for their needs.

Some of the things we've done include removing jargon and defined terms and replacing them with everyday language. Making our language active not passive and using conversational language and short sentences. This means it's a lot easier and more engaging to read.

We've had great feedback from industry experts and from advisers that we've surveyed. All our staff have been trained on how to speak and write in everyday language too! You can read an example of one of our key features documents here >

<https://www.holloway.co.uk/docs/download/MSP-Reviewable-KFD.pdf>



CONSUMER SUPPORT



Consumer support

As a mutual, our key aim is to put our members needs first. We've reviewed all our processes, services and touch points with consumers to make sure we're delivering good outcomes. We also provide support for consumers when their circumstances change, to make sure that their product continues to meet their needs.

We understand the importance of our consumers' experience when they need to claim, so we've made it as easy and straightforward as possible for our members. It's a time when people find themselves financially and emotionally vulnerable, so, we also offer a range of additional support services to help in difficult times, like Red Arc, Form Health, Best Hopes and Care First.



We want to pay claims, so we do! **In 2022 we paid 93.4% of claims.**



We worked hard on our claims journey and last year we introduced electronic medical records, reducing the average time it takes to get medical information at the time of claim by 75%. We also challenged ourselves with even shorter service levels so we can pay claims quicker.

On top of this, we introduced a new online application with clearer more interactive questions which should help us improve medical disclosure. We always have a dedicated person looking after your client's claim so they get a consistent point of contact who understands their needs.

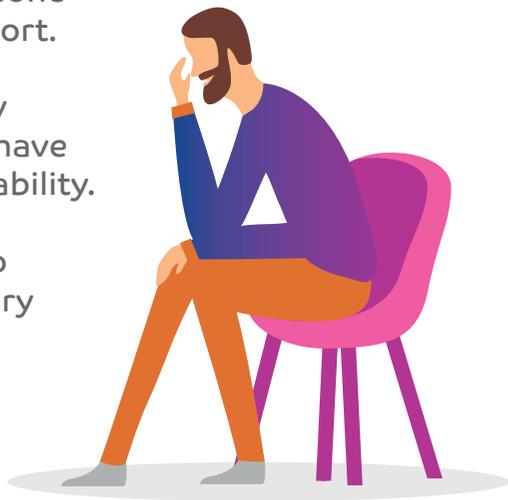
Vulnerable customers

We all have vulnerable customers, and every customer has the potential to be vulnerable.

This doesn't have to just relate to people with disabilities. It could be because of personal circumstances like financial pressures due to the cost-of-living crisis.

Your customers may not always appear vulnerable and at times when they are, it may not be obvious. It can be difficult to know if someone you're speaking to is vulnerable, and you won't always get the answer you're looking for if you ask them that question outright. Our staff are trained to look for signs that might suggest someone needs more help or support.

We recognise that, at any time, our members may have characteristics of vulnerability. For a while now, we've had processes in place to help provide the necessary support.



Examples would be:

- Our “Browse Aloud” website support for people who are visually impaired
- Our Care First service which offers free access to:
 - Telephone and Online Counselling
 - Online Cognitive Behavioural Therapy
 - Health Management Portal
 - Interpreter service in 150 languages
 - Available 24 hours a day, 365 days a year
- A three-way translation service we use to help us communicate with people who don't have English as their first language.

Improvements through monitoring and complaints

We have a range of data that we use to monitor whether our customers are getting good outcomes. We use this, and analysis of feedback and complaints to help us continue to improve. We also regularly ask advisers for feedback.

WHAT CAN DISTRIBUTORS DO TO HELP?



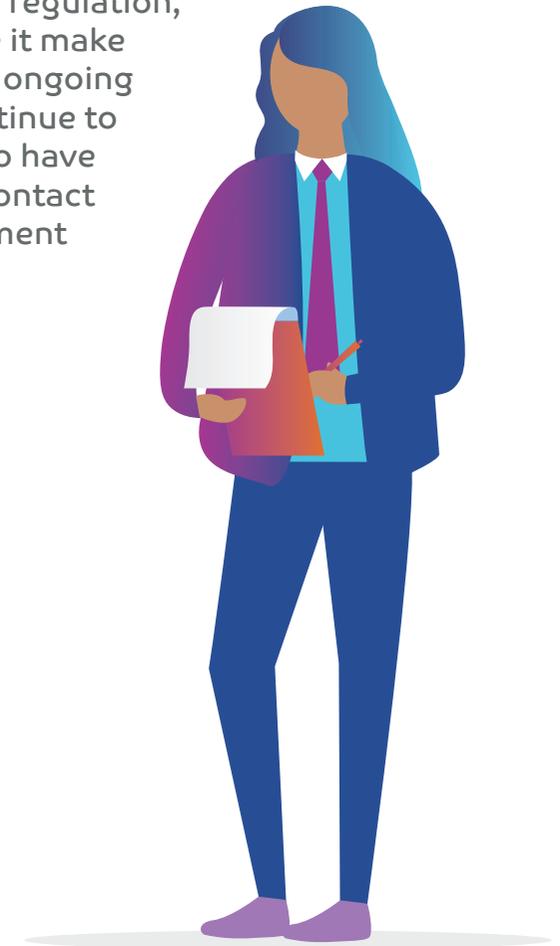
What can distributors do to help?

We're passionate about looking after our customers the way we'd want our own families to be treated. We only want to work with advisers who feel the same. We've included below some of the adviser behaviours we support and encourage:

- Prioritise the needs of your customer and act in their best interests when providing advice
- Consider the specific needs and financial situation of each client when making your recommendations and tailor your advice accordingly
- Provide clear and concise information to clients, avoiding jargon or technical language that may be difficult for your customer to understand
- Tell your clients about any conflicts of interest that can happen when you give them advice, including any commission or fees you may get
- Take time to make sure your clients understand the advice you've given them, and the risks and benefits of our insurance
- Keep accurate records of your advice, what you've discussed with your client and the advice you gave them

- Make sure your customer gets the best outcome and value for money

Consumer duty is a new regulation, and we're excited to see it make a difference. It's also an ongoing process and we will continue to make progress. If you do have any questions, please contact your Business Development Manager.





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