



Target market statement

Direct Line Group

As a company that provides insurance products (product manufacturer), there are rules we need to follow – including being open about who we want to buy the products we offer. These target market statements help clear some of that up and make sure we’re meeting [FCA PROD 4 regulations](#).

Doing the right thing is important to us. So each statement says who a product is and isn’t designed for and what type of adviser should sell it. Rest easy knowing our products regularly go under the spotlight to ensure good customer outcomes and fair value.

This document provides information on Direct Line Group’s (DLG) Life Insurance with Optional Critical 3 and Over 50s target market. More information about the policy features and benefits can be found in the Key Facts and Cover Details documents available on their [website](#).

This document is intended for use by advisers only.

Life Insurance with Optional Critical 3

What is it?

DLG’s Life Insurance pays a lump sum if the person covered dies or is diagnosed with a terminal illness over the policy term. Customers can select extra cover called Critical 3, which covers cancer, heart attack or a stroke for an additional premium. The Critical 3 cover is separate to the main life insurance cover and must be chosen at application.

Who can apply for cover?

The person applying for cover must reside in the UK, and be between ages 17 – 75.

You can check the Cover Details or the [Direct Line website](#) for more information on who can apply for cover.

Who is it designed for?

DLG Life Insurance is designed for those who need to protect against the financial impact of their death or a terminal illness diagnosis during the term of cover. Optional Critical 3 cover is offered as a rider to the DLG customer for those wanting to protect against the financial impact of the diagnosis of cancer, heart attack or stroke over the term of the cover.

Should the customer make a valid claim on the Critical 3 rider, this coverage will come to an end with the death and terminal illness cover remaining in place.

Should the customer make a valid claim on the death or terminal illness aspect, the policy, inclusive of any Critical 3 rider, will cease.

We'd expect this to suit those responding to life events such as, but not limited to, purchasing a home or starting a family so they can minimise the impact of death or terminal illness diagnoses on their loved ones. Customers who purchase this product would also be comfortable with a cover which wouldn't include options to increase the sum assured or term of cover once it's started. The benefit paid for the Critical 3 cover can help the person covered maintain their financial resilience upon diagnosis of an illness that's likely to affect both their lifestyle and ability to work. This plan can be set up on an own life or joint life first event basis.

At time of application, customers must choose whether they need level or decreasing cover:

- Level cover – if they need a fixed sum that is unlikely to change
- Decreasing cover – if they need to protect decreasing debts like a repayment mortgage.

AI G specialise in providing insurance that helps people experiencing tough times in life. DLG Life Insurance with optional Critical 3 provides features and services that can help, these are:

- Mortgage guarantee for decreasing cover – pays the difference between the insurance amount and the outstanding mortgage, if the difference is only due to the annual interest rate on the mortgage being higher than 8%, thereby helping the policyholder to realise the dream of home ownership
- Terminal illness – pays the full sum assured if the person insured has been diagnosed with a terminal illness where the life expectancy is 12 months or less, thereby providing support to the policyholder's loved ones or their financial responsibilities, such as a mortgage
- Claims support fund – pays for services that support the person insured or their family, e.g. bereavement counselling.

Who this cover isn't suitable for

The DLG Life Insurance with optional Critical 3 product isn't designed for those customers:

- who don't intend to reside in the UK
- needing a monthly income if they can't work due to illness or injury
- needing cover for critical illnesses beyond cancer, heart attack or stroke (if optional Critical 3 is chosen)
- with sufficient Life cover either through a Group employer arrangement or through another insurer
- without dependents or who wouldn't leave financial obligations to any dependents upon their death (e.g. without a mortgage) as they may not have a life trigger to consider this product
- needing cover on a whole of life basis
- outside of the age eligibility range
- needing a policy with a cash in value.

Distribution strategy

White label product for non-advised direct to consumer distribution, either online or over the phone. The distribution chain includes DLG, which is a specified insurance partner who operates in an introducer capacity and, in turn, receives commission.

DLG Over 50s Life Insurance

What is it?

DLG Over 50s helps protect individuals over 50 years of age with a lump sum of money when the person covered dies. All eligible customers are guaranteed to be accepted. There are no optional benefits available under this cover. It's available on a level sum assured basis only.

Who can apply for the cover?

The person applying for cover must be between ages 50 – 85, with a maximum age of 81 for those who smoke. The person applying for cover must be a UK resident.

You can check the Cover Details or the [DLG website](#) for more information on who can apply for cover.

Who is it designed for?

DLG Over 50s is designed for individuals who wish to leave a modest amount of money to their loved ones when they die. The pay out can be used in various ways, such as covering or contributing towards funeral expenses, help with everyday bills, or as a gift for grandchildren.

We'd expect this to suit those who are empty nesters (and singles); they may be working or early retirees with mid-level incomes (from all sources), with mortgage paid off and lower major outgoings. They may have a broadly positive outlook on insurance but are conscious of health issues and would therefore prefer a guaranteed product. This product is available on a single life basis only. Once the policy has been active for at least two years, the full policy benefit is payable if the person dies. If the person dies during the first two years of cover, they'll receive one and a half times the premiums paid to date rather than the full policy benefit; unless the person dies as a result of an accident, in which case three times the full policy benefit will be paid. These limitations allow AIG to guarantee acceptance for all applicants without having to undergo the underwriting process, so they can leave a modest amount to loved ones.

The owner of the plan must pay premiums until their 90th birthday and at this point premiums will cease, however the insurance will remain in place until death.

AIG specialise in providing insurance that helps people experiencing tough times in life. DLG's Over 50s Life Insurance provides features and services that can help, these are:

- A protected amount (payable on death) will be made if the customer has paid at least half of the monthly premiums due between policy commencement and age 90, therefore suiting customers who may not have the financial means to continue paying the premiums in later life. The protected amount will depend on when the customer stops making monthly payments and will be at least half of the original insurance
- Accidental death benefit - pays three times the benefit amount if they die due to an accident within the first two years of the policy.

Who this cover isn't suitable for

DLG Over 50s Life Insurance product isn't designed for those customers:

- who intend to live in a country other than the UK
- needing a monthly income if they can't work due to illness or injury
- needing a lump sum of money if they receive a critical illness or terminal illness diagnosis
- with sufficient Life cover either through a Group employer arrangement or through another insurer
- without dependents or who wouldn't leave financial obligations to any dependents upon their death
- outside of the age eligibility range
- who need cover on an increasing sum basis
- needing a term outside of the restrictions set under the cover
- needing a policy with a cash in value.

Distribution strategy

This product is suited for non-advised direct to consumer distribution, either online or over the phone. The distribution chain includes DLG, which is a specified insurance partner, who operates in an introducer capacity and, in turn, receives commission.



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