



# CARE FUNDING

## Product Information including Fair Value Assessment and Target Market Statement

### SUMMARY

This document covers the Just care funding products currently available for new customers.

It's designed to provide you with the appropriate information to enable you to understand the product's key features, identified target market (including characteristics of vulnerability) and expected distribution strategy.

It also provides the outcome of our product fair value assessment, which we formally review at least annually and monitor for changes throughout the year.

**Our overall assessment is that the products continue to deliver fair value for customers in the target market for the product.**

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### PRODUCT PURPOSE AND BENEFITS

The Just Immediate Care Plan and Deferred Care Plan are care funding plans designed to pay a regular, tax-free income to your client's registered care provider to help meet the costs of their care for as long as they live, in exchange for a single lump sum payment. Under current legislation, income payments made directly to a registered care provider are not subject to tax and can be paid tax free.

By providing financial certainty, and coupled with the right advice, our care funding plans can play a key role in reducing the worries that older people and their families may face.

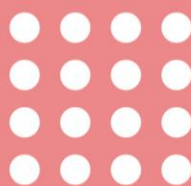
The product is regulated by the Financial Conduct Authority (FCA) and covered under the Financial Services Compensation Scheme (FSCS).

The product is designed to:

- Provide a guaranteed income for life at a selected level to meet care costs.
- Provide funding for care at home, residential or nursing care.
- Provide tax free payments if made to a registered care provider.
- Provide a six-month money back guarantee (to the customers estate) if the customer dies within six months of the start date of the policy, or within 12 months if it's as a result of Covid-19.
- Provide, as an option, to defer income payments for up to five years.
- Provide, as an option, capital protection, allowing the customer to protect a percentage of their premium (1-75%) beyond the six months initial Money Back Guarantee (MBG) in the event of their death.
- Provide, as an option, escalation of benefits by either a set percentage or by linking to a measure of inflation, such as the Retail Price Index (RPI), to help keep pace with rising care costs.
- Provide portable income payments – can be transferred from one care provider to another.
- Provide 100% protection under the Financial Services Compensation Scheme (FSCS).

Our service proposition is designed to provide a good customer experience and outcomes.

For a fuller description and list of options, please refer to our specific product literature which can be found on our website [justadviser.com](https://www.justadviser.com)



## LIMITATIONS

Limitations of the products are:

- Customers cannot cancel or amend the policy after the 30-day cancellation period.
- There is no cash in or surrender value at any time.
- Options must be selected at outset and can only be amended in the 30-day cancellation period.
- Benefits provide an agreed level of income and are not guaranteed to cover the whole cost of care.
- If a customer dies early in the policy but after the money back guarantee or optional capital protection period – or they've selected no additional protection – their income received from the plan may be significantly less than the premium paid.

For further detail, please refer to our specific product literature which can be found on our website [justadviser.com](http://justadviser.com)

**We don't believe that any consumer groups within the target market are inappropriately excluded by the limitations of the product.**

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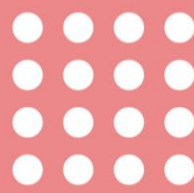
## TARGET MARKET

The product is designed for clients who:

- ✓ are classed as 'self-funders' under current care funding legislation
- ✓ have a permanent care need and are currently in receipt of care, or will be within the next 12 months
- ✓ want to pay for their care costs without any exposure to investment risk
- ✓ want to mitigate the risk of outliving their savings whilst in care
- ✓ are looking to safeguard against the risk of running out of money and having to rely solely on the state, or
- ✓ want to protect their capital and preserve their financial legacy.

This product is unlikely to be suitable for clients who:

- ✗ do not have a long-term care need
- ✗ have a terminal illness with a life expectancy diagnosis of less than 12 months
- ✗ can meet their income needs – including the cost of care in retirement – from other sources
- ✗ only need care for a brief period
- ✗ wish to receive a flexible income from the plan
- ✗ wish to retain investment control of funds, or
- ✗ qualify for – or are in receipt of – local authority funding or means tested state benefits (or are likely to in the near future).



## ELIGIBILITY CRITERIA

To be eligible for one of our care funding plans your client must:

- be at least 60 years old
- be either receiving care or expecting to receive care in the next 12 months because of a physical or a mental disability which is expected to be permanent
- want a care funding plan on a single life basis only
- be a UK resident, and
- have a fund value of at least £5,000.

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## HOW IS THIS PRODUCT DESIGNED TO BE SOLD?

The Just Immediate Care Plan and Deferred Care Plan are distributed through professionally qualified financial advisers holding the additional long term care qualification (CF8/Cert LTCP). All our care funding plans require a fully advised process. The product can facilitate an adviser charge.

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## CUSTOMERS WITH CHARACTERISTICS OF VULNERABILITY

We've taken vulnerable consumers into account at all stages of the product and service design process, including idea generation, development, testing and launch. As part of the continuous development of products and services we review our approach to ensure we continue to deliver good customer outcomes.

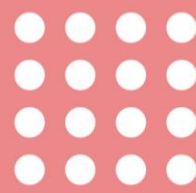
There are four identified key drivers which may increase the risk of vulnerability. These are:

- **Health** – health conditions or illnesses that affect the ability to carry out day-to-day tasks
- **Life events** – major life events such as bereavement, job loss or relationship breakdown
- **Resilience** – low ability to withstand financial or emotional shocks
- **Capability** – low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other relevant areas such as literacy or digital skills

Some customer groups are more likely to display characteristics of vulnerability than others and may display more than one characteristic. Due to the age profile and nature of our products, customers within our target markets are more likely to experience characteristics of vulnerability. To ensure we provide good outcomes to all our customers, we're committed to:

- Educating and training for colleagues, ensuring they have the appropriate skills and experience to recognise and respond to the needs of vulnerable customers.
- Providing suitable customer service and communications.
- Adapting our policies and procedures, where appropriate, to support specific customer needs.
- Monitoring and evaluating relevant management information to support the identification of practical action and/or innovation that supports the delivery of good outcomes for our customers.

We don't believe that vulnerable customers within the target market will be excluded from enjoying the full benefits of this product.



## FAIR VALUE ASSESSMENT

The aim of this section is to provide distributors with an overview of the findings from the fair value assessment.

We have developed a comprehensive and robust assessment process, which evaluates several aspects to determine the value of our care funding products. This analysis is used to ascertain whether the products deliver fair value for customers.

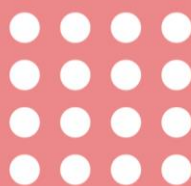
We review the fair value of our products at least annually and the outcomes of our assessment process go through appropriate internal governance, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

While our assessments cover a broad range of measures, the core fair value indicators assessed include:

Feature	Pricing and Costs	Service Assessment (Including Complaints)	Distribution
<p><b>Assessment will review:</b></p> <ul style="list-style-type: none"> <li>• The range of benefits the product provides</li> <li>• Usage of features</li> <li>• The quality of the product</li> <li>• Target Market Assessment</li> <li>• Competitor comparison</li> <li>• Any limitations on the scope and service we provide or the features of the product</li> </ul>	<p><b>Assessment will review:</b></p> <ul style="list-style-type: none"> <li>• Pricing value for money criteria</li> <li>• Profitability data, including revenue and profit margins</li> <li>• The fees and charges customers pay for the product</li> <li>• Comparable market rates and charges</li> <li>• Advice fees paid to intermediaries</li> <li>• Costs of providing the product</li> <li>• Non-financial costs associated with operating the product</li> </ul>	<p><b>Assessment will review:</b></p> <ul style="list-style-type: none"> <li>• Quality of service delivered and the action taken if there is any negative impact on customer experience</li> <li>• Complaints data</li> <li>• Intermediary feedback</li> <li>• Customer experience and satisfaction</li> <li>• Customers with characteristics of vulnerability and ensuring they do not receive poor outcomes</li> </ul>	<p><b>Assessment will review:</b></p> <ul style="list-style-type: none"> <li>• Whether the distribution strategy remains appropriate and whether there are any areas which negatively impact on customer outcomes</li> <li>• Decency limits to adviser fee levels</li> <li>• Terms of Business with advisers</li> </ul>

Our overall assessment is that the product continues to deliver fair value for customers in the target market for the product.

- The products remain consistent with the needs of the identified target market.
- The intended distribution strategy remains appropriate.
- The product provides fair value to customers within that target market and should provide good outcomes to consumers.



## **APPENDIX: WHAT HAPPENS IF?**

### **What happens if my client passes away early into the policy?**

We offer a money back guarantee as standard on all our care funding plans. If your client dies in the first six months of taking out their care funding plan, we'll repay a percentage of the premium to their estate/beneficiaries, less any income already paid.

The capital protection option allows your client to protect up to 75% of their initial investment to provide peace of mind that funds won't be completely exhausted in the event of their early death.

### **What happens if my client dies through contracting Covid-19?**

If your client dies within the first 12 months with Covid-19 being a contributory factor, we'll repay a percentage of the premium to your client's estate.

### **What happens if the care fees increase?**

Care fees can increase over time due to inflation. There are also other outside influences which can affect care fees, including treatment, equipment and staff costs. To safeguard against care fees increasing, your client can select an escalation option which will increase the income payments by up to 8% or in line with the Retail Price Index (RPI).

### **What happens if my client changes their mind?**

Our care funding plans can be cancelled within 30 days of receiving the policy documents. If cancelled within the 30-day period, we'll return 100% of the premium minus any benefit payments made to the registered care provider. Their care funding plan cannot be cancelled once this 30-day period has ended.

### **What happens if my client receives state support or qualifies for NHS continuing care after the care funding plan has started?**

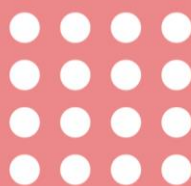
If your client receives full local authority or NHS funding after their care funding plan has started, their care funding plan will be treated as a purchase life annuity. We'll pay the care funding plan benefit payments into your client's personal bank account and these will be net of tax.

### **What happens if my client goes into hospital?**

If your client goes into hospital but wants to keep their care home place, we'll continue to make the income payments. If it's not possible to keep their care home place, we can temporarily suspend the income payments.

### **What happens if my client needs to move to a new care provider?**

If your client moves from their original care provider, their care funding plan payments will transfer to the new provider.



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## FOR MORE INFORMATION

Call: **0345 302 2287**

Lines are open Monday to Friday, 8.30am to 5.30pm

Email: [support@wearejust.co.uk](mailto:support@wearejust.co.uk)

Or visit our website for further information: [justadviser.com](http://justadviser.com)

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**FT** ADVISER



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