



CIGNA HEALTHCARE GLOBAL INDIVIDUAL HEALTH - PORTFOLIO OVERVIEW GUIDE

Annual product reviews and fair value assessment information for regulated intermediaries

1 SEPTEMBER 2024



Under the Financial Conduct Authority (FCA) rules to strengthen product governance (PS21/5 and PS21/II), and the EU Insurance Distribution Directive (IDD, Commission Delegated Regulation (EU) 2017/2358), we recognise the aim of ensuring that customers receive fair value from their general insurance and pure protection products. In addition, we have taken into account the FCA product governance requirements under the new Consumer Duty set out in Policy Statement PS22/9.

This document is intended to help the distributors of Cigna Healthcare Global Individual Health (GIH) products to understand the outcome of the value assessment for each of the GIH products distributed under its United Kingdom and European licenses.

In order to ensure you are receiving the level of information required to identify the intended value of the product, we have included the following sections in this document:

1. GIH Product portfolio listing
2. Target Market Segment for each product/product family
3. Types of customer/employee for whom the product may be unsuitable
4. Annual Product Review Requirement
5. Fair value Assessment
6. NPD and Approval Process
7. Pricing Methodology and Commission Strategy
8. Additional Product Materials

We recommend intermediaries to read this document in full, alongside the product materials referenced in section 8, available through the Cigna Healthcare broker hub or on request from your Cigna Healthcare business development manager.

If you have any questions about any of the content of this document or need any further information, then please contact your Cigna Healthcare GIH business development manager or the Cigna Global Intermediary team via cgi.sales@cigna.com.

1. GIH Product portfolio listing

The table below lists the current Cigna Healthcare GIH product available to individuals seeking global individual private medical insurance and written under the Cigna Life insurance Company of Europe S.A.-N.V. and Cigna Europe Insurance Company S.A.-N.V. licenses, including the United Kingdom branch.

There is no upper age limit on any of these products and these individual policies are a 12 months annual contract, renewable year on year, with a 14 day notice period in case of early termination or non-renewal without any administration or cancellation fees.

PRODUCT NAME	PRODUCT TYPE	AREA OF COVER	DISTRIBUTION CHANNEL	AREA OF DISTRIBUTION	UNDERWRITING TERMS
Cigna Global Health Options	Individual Policy 3 plan levels (Silver\ Gold\ Platinum)	<ul style="list-style-type: none"> Worldwide Worldwide excluding the USA 	<ul style="list-style-type: none"> Intermediaries Direct 	<ul style="list-style-type: none"> Globally Not in the UAE Not in sanctioned countries 	Full Medical Underwriting (FMU)
Cigna Close Care	Individual Policy 1 plan level	Country of residence & country of nationality only	<ul style="list-style-type: none"> Intermediaries Direct 	<ul style="list-style-type: none"> Globally Not in the UAE Not in sanctioned countries 	Full Medical Underwriting (FMU)
Cigna Horizon	Individual Policy 3 plan levels (Core\ Plus\ Select)	<ul style="list-style-type: none"> Worldwide Worldwide excluding the USA 	<ul style="list-style-type: none"> Intermediaries Direct 	<ul style="list-style-type: none"> Globally Not in the UAE Not in sanctioned countries 	Medical History Disregarded (MHD)
Cigna ExpatPlus	Individual Policy 3 plan levels (Globe \ Orbit \ Universe)	<ul style="list-style-type: none"> Worldwide Worldwide excluding USA and Canada 	<ul style="list-style-type: none"> Intermediaries Direct 	<ul style="list-style-type: none"> Closed to new business 	Full Medical Underwriting (FMU) Moratorium

2. Target Market Segment for each product/product family

Cigna Healthcare Global Individual Health's mission is to improve the health and vitality of our customers and we have a range of products available to suit the needs, interests, characteristics and objectives of each individual that we serve.

CIGNA GLOBAL HEALTH OPTIONS (CGHO)

Cigna Global Health Options product is designed to meet the needs of globally mobile individuals who require comprehensive health cover on an international basis alongside, or in addition to, the local public health system.

This three-tier product has been developed to satisfy the requirements of a wide variety of customers and primarily to the key target market segments listed below:

- **Global Professionals**: Individuals and families looking to relocate abroad or already residing overseas for a professional commitment. These expatriates seek cover for their medical expenses inside and outside of their country of residence and may require to show evidence of their health insurance to meet visa or other immigration law requirement.
- **Seniors and well established expatriates overseas**: Retired or semi-retired individuals aged 60 years old and over, living overseas for a number of years and seeking peace of mind in case of medical needs.
- **High Net Worth individuals**: Affluent professional looking for more convenient ways to access care, notably for acute conditions, possibly to complement local state or employer provided coverage.

CIGNA CLOSE CARE

Cigna Close Care product is designed to meet the needs of shorter term expatriates or expatriates who do not require global coverage and only require coverage in their country of residence and country of nationality when they return home for visits.

This one-tier product has been developed to satisfy the requirements of a wide variety of customers and primarily to the key target market segments listed below:

- **Students**: Younger individuals looking for temporary coverage whilst studying abroad. This market segment might be more price conscious and would require easy to access cover primarily for accidents and emergency events.
- **Retirees**: Retirees splitting their time between two countries and seeking reassurance and predictability to access expected level of care. Looking for preventative treatment and comprehensive treatment in familiar surroundings in case of a catastrophic event.
- **Digital nomad**: Professionals who are flexible in terms of work location and length of stay abroad seeking a health cover that matches their lifestyle. Interested in securing peace of mind and financial stability.

Cigna Horizon product is designed to meet the needs of former Cigna Healthcare group members previously covered by their employer. They are looking for an easy transition of care when moving out of their employment and still being covered for their pre-existing conditions or ongoing treatment on an international basis.

This three-tier product has been developed to satisfy the requirements of a wide variety of customers and primarily to the key target market segments listed below:

- **Retiring executives:** Long standing employees retiring and expecting same level of health care and services post retirement. Looking for extensive level of cover in their expatriate country as well as anywhere else (for family visit and leisure travel) and to include family members on the policy.
- **Self-employed individuals and contractors:** Business owners who cannot afford to be out of work due to health concerns. Require comprehensive level of cover to include pre-existing conditions treatment and management and may not be familiar or have access to the local health system.
- **Dependent children previously covered under their parent policy:** Dependent not meeting the eligibility criteria anymore under their parent policy provided by their employer. Might be studying or living abroad and seeking simple and straightforward conversion of care to ensure no disruption for their medical or visa requirement.

3. Types of customer/employee not intended to be the target market segments and for whom these products may not provide fair value

- **Expatriates returning to their country of nationality:** Assignees, digital nomads and any other global professionals returning to their country of nationality following their next professional commitment. Similarly expatriates becoming permanent resident in their host country may not require to be covered under a global individual private medical insurance if the local health system they have access to meets their needs.
- **Expatriates being covered by their employer under a group scheme:** Employers looking to provide international private medical insurance to their expatriate workforce through a consolidated group scheme. An Individual policy might be suitable if the health plan offered doesn't provide the level of cover expected by some employees or if the company is reduced to a certain number of employees making it easier and more affordable to consider an individual policy.
- **Individuals seeking cover for trips abroad only:** Individuals interested to be covered whilst travelling abroad for work and leisure for less than 90 days. These short trips would be better covered under a travel insurance, providing the necessary health needs alongside specific travel requirements.
- **Individuals seeking specific cover in case of critical illness or temporary incapacity:** Individuals looking for financial security in the case of critical illness or temporary incapacity in the form of non-indemnity product (a payment based on an annuity or lump sum amount insured by the policy).

4. Annual Product Review Requirements

An important component of product strategy is the lifecycle management of our existing product portfolio, ensuring adherence to the Insurance Distribution Directive (IDD) and the Financial Conduct Authority's Product Governance Sourcebook (PROD). All existing products manufactured and distributed by Cigna Healthcare Global Individual Health, and its respective Legal Entities and Business Lines within, are subject to a comprehensive product review at least every 12 months.

The schedule of product reviews has a dedicated Product Manager allocated to each product (or product family) and clearly shows the time schedule of when each product (or product family) will be reviewed.

The Product Annual review report includes, but not limited to, the following:

PRODUCT ANNUAL REVIEW

Review strategic position of the product (refer to Lifecycle model). Review plan design (including level of cover, main benefits, eligibility and key exclusions) and assess sales and performance of the product.



Capture & evaluate feedback/insights from internal & external stakeholders. Refresh market & competitor position.



Re-evaluate key target market segments (needs, interests, objectives and characteristics) and customers not intended to be the target market segments.



Review NPS reports & complaints dashboard to capture any required updates.



Review pricing model and distribution channels.



Take into consideration Consumer Duty requirements, review framework for customers with characteristic of vulnerability and perform regular product testing, including vulnerability profile and support provided.



Assess value of the product to each intended target market segments (see section 5 below).



Review any legal or compliance requirements and consider any market specific trends.

These Product Annual reviews include extensive management information to understand product performance, market trends and customer satisfaction. The review also addresses whether the product continues to meet the needs, interests and objectives of the target market segments and assesses the intended value provided to the customers (and any remedial actions if required).

The outcome of the Product Annual review results in recommendations being provided and reviewed at the Cigna Healthcare GIH Product Strategy Steering Committee. If significant updates or enhancements are considered, the product governance and approval process described in section 6 will apply.

5. Fair value Assessment

In determining fair value, this has the meaning of the relationship between the overall price paid by the customer in relation to the quality of the product / service provided, and includes the following factors:

- The nature of the product including the benefits that will be provided, their quality and any limitations;
- The type and quality of services provided to customers;
- The expected total price to be paid by the customers on first purchase of the policy and renewal (including the fairness inherent in the underlying pricing model used to calculate the risk premium);
- How the intended distribution arrangements support, and not adversely affect, the intended value of the product.

When assessing fair value, a wide range of internal and external data are being used. Our findings are summarised in the following table:

FAIR VALUE ASSESSMENT AREA	KEY INDICATORS AND MEASURES	SUMMARY FINDINGS AND REMEDIALS ACTIONS
Product Performance	<ul style="list-style-type: none"> • Target Market Assessment • Claims frequency • Claims acceptance • Claims Performance (Loss Ratio) 	Our assessment of these measures confirmed that each of the listed product in section I meet the needs, interests, characteristics and objectives of the target market segments.
Premium Review	<ul style="list-style-type: none"> • Customers Persistency • Broker commission levels • Pricing strategy (new and existing customers) • Market research 	Our assessment of these measures confirmed the ongoing fair value of these products to the customers in the identified target markets.
Service Delivery	<ul style="list-style-type: none"> • Operational Service Metrics • Claims Service Metrics • Complaints analysis • Service Satisfaction (NPS score) 	Ongoing NPS surveys allow us to monitor closely our service delivery performance. Customer feedback received are reviewed during our monthly Customer Experience forum and integrated as part of our continuous Customer Journey enhancement plan.
Distribution Model	<ul style="list-style-type: none"> • Distribution channels analysis • Sales process review • Renewal process review • Add-on/Ancillary Products sold alongside this product 	Taking into account the assumptions outlined in section 7, our assessment of these measures confirmed that the distribution model for these products remain appropriate.
Consumer Duty	<ul style="list-style-type: none"> • Vulnerable customers characteristics review • Marketing materials and policy documents clarity (customer research) • Understanding of the policy and cover (product testing) • Brand affinity 	<p>Following customer research and product testing, our assessment of the activities confirmed the ongoing fair value of these products to the customers in the identified target markets.</p> <p>We have identified opportunities to enhance the level of clarity and understanding of the product materials provided and actions are ongoing as part of the Consumer Duty working group.</p>
Product Governance	<ul style="list-style-type: none"> • Previous annual product review • Product development and enhancements in scope • Review of risk profile and incidents monitoring • Maintenance of changes approval process and product oversight and governance policy 	Updates have been made to the structure and content of the annual product review template, with the inclusion of a traffic light system. This allows fair value to be assessed for each individual metric and then summarised for the reviewed product as a whole

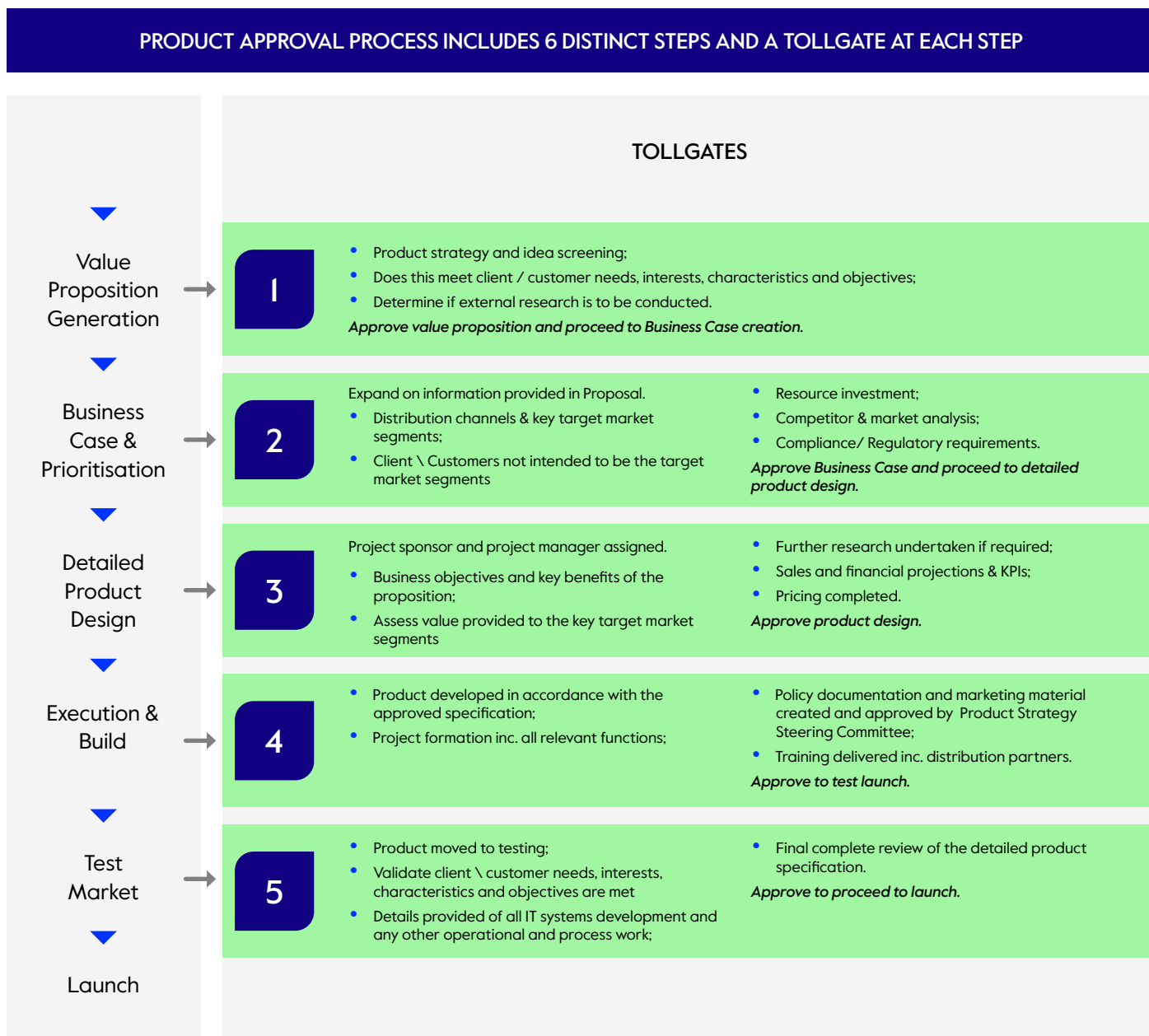
When considering fair value, Cigna Healthcare do not place reliance on its customers to assess whether they are making fair value purchases. As a result of the product governance activities undertaken across the Cigna Healthcare GIH products listed in section I, we can confirm that:

- 1. the products remains consistent with the needs of the intended target market segments identified in section 2;**
- 2. the products provide fair value and will continue to provide fair value to the customers in the target markets for a reasonably foreseeable period;**
- 3. the intended distribution strategy remains appropriate.**

6. New Product Development and Approval Process

The Cigna Healthcare Global Individual Health Product Oversight and Governance (POG) process is to be applied to all new insurance products and services and to significant adaptations of existing products before they are brought to market and distributed to Clients and Customers.

The process is based on approval at the first 5 tollgates along the relevant stages of the product development process. This process applies to products for commercial/professional Clients, as well as to products distributed or sold directly to consumers/retail customers. To the extent it is relevant and appropriate to do so, the consideration of the characteristics, needs and objectives of clients also takes into account the characteristics, needs and objectives of the members/employees they are seeking to cover.



In cases of minor product updates where no significant adaptations will impact the existing product, a reduced tollgate approach is applied with approval required at the first and final tollgates only.

Throughout all types and stages of the Product Development process, Commercial and Customer Experience representation are required to bring customer, clients and intermediaries feedback in order to ensure product development initiatives meet the characteristics, needs and objectives of our customers.

7. Pricing Methodology and Commission Strategy

The Cigna Healthcare GIH pricing strategy is reflective of current market trends, observed data and other strategic considerations. There are many factors that drive our pricing methodology, including age, location, citizenship, area of cover and medical inflation. Medical advances and innovation in terms of technology and pharmaceuticals can account for up to 50% of medical inflation increases.

It is important to note that new and existing GIH customers are treated equally in terms of pricing. Meaning a new customer enrolling today to a GIH health insurance product will be provided with the same price as an existing customer renewing today on the same GIH product, all pricing factors being equal.

Further information on Cigna Healthcare GIH pricing strategy can be found in this [guide](#).

The distribution partners and intermediaries of Cigna Healthcare GIH products are remunerated on a fixed commission basis, expressed as a percentage of the total sales value. Subsequent renewals of the policy are also remunerated on a fixed commission basis to the associated distribution partner and intermediary.

For the purpose of assessing the value provided by each of these products, we have assumed that intermediaries that distribute Cigna Healthcare products do not charge any fees for arranging the policy over and above any commission that is paid by Cigna Healthcare. Where this is not the case, you should notify us as this may impact on our assessment of the value provided by the policy.

We have also considered that no other sub-intermediaries (additional branches or representing agents) are involved in the distribution chain of these Cigna Healthcare GIH products and that the said intermediaries involved in the distribution chain of these Cigna Healthcare GIH products don't provide similar products to the same customers that may result in an overlap of cover and diminish the value of the Cigna Healthcare GIH product offered.

8. Additional Product Materials

The most up to date version of this document is located on the Cigna Healthcare Global Individual Health (GIH) broker hub (**Cigna Broker Hub** (cignaglobal.com)) or on request from your Cigna Healthcare business development manager. Through this website (<https://comms.cignaglobal.com/gih-broker-hub>), you will find all the necessary information in relation to Cigna Healthcare GIH products and services offerings, including:

Sales Brochure, Customer Guide, Application Forms, Marketing materials, FAQs, benefits comparison and product videos.

If you require further information, don't hesitate to contact your Cigna Healthcare GIH business development manager. Our dedicated Cigna Healthcare broker sales and support team will be more than happy to be of assistance.



This information is provided in accordance with the requirements of PROD 4.5, even though Cigna Healthcare does not manufacture any products that are subject to the value measures reporting requirements. For this reason, no value measures data is included in this document.

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