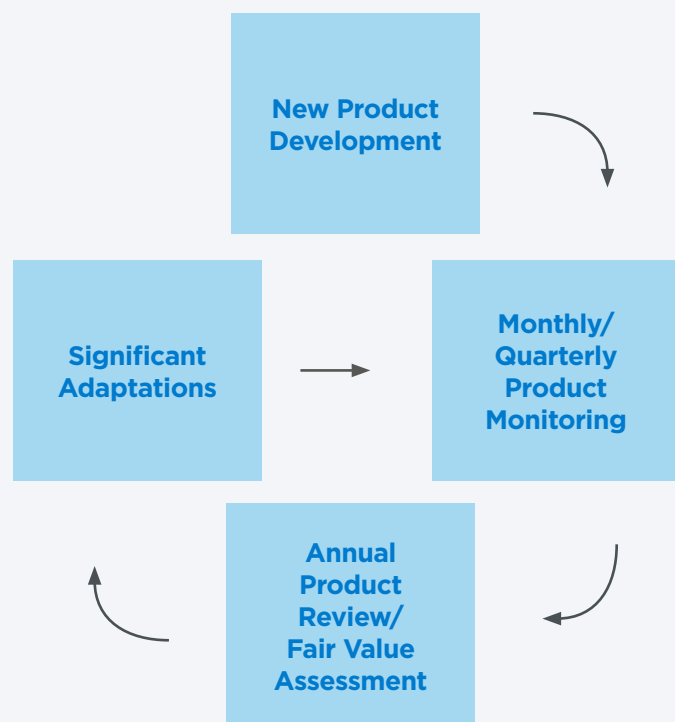




Product Approval Process

Bupa's Process for New Product Development and Significant Adaptations

Before products are marketed or distributed to customers, Bupa Insurance Limited ('BINS') must operate a product approval process for each new insurance product and significant adaptations of existing insurance products. Product lifecycle management is a core capability for BINS, as a product manufacturer, in order to effectively develop, market, distribute and manage products, which are designed to meet the needs of customers in the target market. The processes ensure BINS' products are of high quality and meet all regulatory requirements. The diagram below shows the high-level process:



The 'New Product Development' and 'Significant Adaptation' processes are controlled through a governed, gated sign off approach which ensures products are designed to meet the needs of customers in the target market and provide fair value. All key business functions are part of this governance process including Legal, Compliance, Risk, and Medical Policy teams.

Bupa's process for Product Monitoring

Product monitoring is a core capability for BINS, which enables us to effectively manage our existing portfolio of products. This includes regular reviews of products to ensure that they continue to be marketed and distributed to customers in the target market and continue to meet their needs.

Annual Product Review and Fair Value Assessments

We carry out an annual product review and fair value assessment on all BINS Insurance products to ensure that:

- they continue to provide fair value for customers in the target market,
- the total benefits provided are proportionate to the costs and
- the distribution strategy remains appropriate.

We monitor and review product performance to ensure products continue to meet the needs of customers in the intended target market, deliver good customer outcomes and provide fair value, having specific consideration for the target market, including those with vulnerabilities.

The fair value assessments take into account commission paid to distributors. If distributors charge customers additional fees, they will need to consider the effect this may have on the value of the product.

Fair value assessments include a review of key metrics including loss ratios, claims frequency, claims acceptance rates, services levels and customer complaints. For Bupa's value measures products (Cash Plan and Dental) the fair value assessments incorporate values measures data.

Where poor customer outcomes have occurred, BINS will take action to resolve any detriment customers have experienced and will inform intermediaries and customers of this outcome and any actions they need to take.