

## Children's Critical Illness Cover Product Profile

This document provides a summary of the relevant product information for Children's Critical Illness Cover. It sets out key information for distributors as required by the FCA's Product Governance rules. Under the FCA's rules, we are required to inform you that we have a governance process in place to oversee the design, approval and on-going reviews of our products. We outline the oversight and product governance we follow at British Friendly [here](#).

### Children's Critical Illness Cover target market statement

Children's Critical Illness Cover is an optional additional benefit that can be added for an additional cost when taking out one of our eligible income protection policies. It can also be added at a later date in the event of pregnancy or becoming a parent. Please refer to the relevant income protection product profile for more information on eligibility.

It is designed to pay a lump sum amount (between £1,000 and £25,000) selected by the customer if the customer's child is diagnosed with one of the listed critical illnesses, to provide some financial relief from any additional costs arising from caring for a child with a serious illness. It is aimed at customers who have children aged under 18 (or 23 if they're in full time education), or who are starting or planning a family.

We will pay a maximum of one full payment condition (100% of the cover amount selected) per child. Once a full payment has been claimed, cover for that child will end. The benefit also allows for the payment of one additional payment condition per child, where we would pay 50% of the cover amount selected. If a claim is made for an additional payment condition first, cover for that child continues until either a full payment for that child is claimed, they are no longer eligible or the policy ends.

Please see the terms and conditions for full details.

### Eligibility

#### To apply customers must be:

- Taking out Children's Critical Illness Cover alongside one of our income protection policies
- A resident in the UK on a permanent basis for at least 2 years prior to application (Children's Critical Illness Cover is not available to people who live in the Channel Islands or Isle of Man)
- Registered with a UK GP for the 2-year period prior to application
- Aged between 18 and 59
- Employed or self-employed
- Hold a UK bank account and be a UK taxpayer
- Have, be planning to have or be expecting at least one eligible child. This means:
  - a biological, step or legally adopted child or a child that they're the legal guardian for, or have been granted parental responsibility for; and
  - who is aged under 18 years, or aged under 23 and in full time education

For information on conditions attached to adding Children's Critical Illness Cover after an income protection policy has been taken out, refer to Children's Critical Illness Cover section of the policy terms and conditions.



### Children's Critical Illness Cover will be most suitable for customers:

- Who have taken out one of our income protection policies
- Who have, are planning to have or are expecting at least one eligible child, as defined above, and want to protect themselves against any potential financial impact that might occur from caring for a seriously ill child, in the event the child is diagnosed with one of the critical illnesses listed in the policy terms and conditions
- Who need cover in the form of a lump sum of up to £25,000 (cover amount selected at outset), in the event their child is diagnosed with one of the listed critical illnesses
- Who are happy that their child will be covered only by the conditions listed within the policy terms and conditions
- Who are happy that their child will not be covered for any critical illnesses or related conditions before Children's Critical Illness Cover was added to the policy
- That can afford the premiums



### Children's Critical Illness Cover will not be suitable for customers:

- Who do not meet the eligibility criteria for the main income protection policy and/or who do not have, are not expecting or who do not plan to have at least one child who would be eligible under Children's Critical Illness Cover
- Who do not need Income Protection, and are wanting a standalone Children's Critical Illness policy
- Who want cover that will increase in line with the cost of living, or who want to increase the cover they have in the future
- Who want their children covered for other critical illnesses not listed within the policy terms and conditions, or to provide cover in the event of their death
- Who want to protect their children for more than £25,000
- Who are aware, or other parents were aware that their child had a critical illness or related condition or an increased risk or symptoms of a critical illness or related condition before Children's Critical Illness Cover was added to the policy. This includes:
  - If the policyholder's child is awaiting investigations related to a listed condition,
  - If the policyholder's child has been investigated for a listed condition,
  - If the policyholder's child has been diagnosed with a listed condition,
  - If either parent has sought counselling or medical advice relating to their child being affected by a listed condition

### Limits and basis

- The minimum term is 5 years
- Children's Critical Illness Cover will finish in line with the main income protection policy, unless it is cancelled earlier
- Children's Critical Illness Cover is not available as a standalone policy
- Children's Critical Illness Cover does not cover the death of a child
- If Children's Critical Illness Cover is added after an eligible income protection policy is taken out, then it must be added during pregnancy, or within 6 months of one of the eligible life changes. See our terms and conditions for more information
- Claims will not be paid in relation to critical illnesses or related conditions, or an increased risk or symptoms of a critical illness or related condition either parent was aware of before Children's Critical Illness Cover was added to their policy. Claims will also not be paid for diagnosis's or operations caused by alcohol or solvent abuse, a failure to follow reasonable medical advice or as a direct result of the policyholder harming their child

- If a full payment condition claim has been paid, cover for that child will come to an end
- If a claim for an additional payment condition is made first, cover for that child will continue until the earlier of a claim for a full payment condition being paid, that child ceasing to be eligible under the cover or the main income protection policy or Children's Critical Illness Cover coming to an end. Only one additional payment condition claim payment will be made per child.
- If a claim is made for a full payment condition and an additional payment condition at the same time, we will only pay out for the full payment condition.

### Distribution Strategy

To ensure customers receive a level of protection that meets their needs and to fulfil regulatory requirements, Children's Critical Illness Cover is only available to customers of authorised intermediaries on an advised basis, and where approved by the society on a non-advised basis. This is applicable at outset and if adding Children's Critical Illness Cover at a later date.

Children's Critical Illness Cover is not available as a standalone product. It is available as an optional additional benefit for customers who take out one of our eligible income protection policies. Please refer to the relevant income protection product profile for more information on the target market and suitability.

### Risks

- There is no cash value for this benefit at any time
- If the customer stops paying their premiums, their policy will go into arrears and lapse and claims will not be paid
- If the main income protection policy is cancelled or it ends, Children's Critical Illness Cover will also be cancelled or end
- Children's Critical Illness Cover will only provide cover until the customer's children reach their 18th birthday, or 23rd birthday if in full time education, and only for so long as the customer remains their legal guardian or has parental responsibility for them (where applicable). So it's important that your customer reviews their policy and let us know to remove Children's Critical Illness Cover from the policy once their children are no longer eligible. Otherwise they could be paying for cover that they can't use and we may not refund premiums that have been paid
- If Children's Critical Illness Cover is removed, it can't be added to the same policy
- The cover amount selected can't be increased, and won't keep up with inflation which means it could buy less in the future

### Key Features

- Optional additional benefit available to add to eligible new income protection policies, or add at a later stage in the event of expecting a child or becoming a parent
- Can select up to £25,000 worth of cover which could be claimed in respect of each eligible child
- Covers children from birth until their 18th birthday, or 23rd birthday if in full time education.
- Covers all current and future children under one guaranteed monthly premium
- Cover starts as soon as it is added to a policy
- Premiums and cover under Children's Critical Illness Cover stay the same for the lifetime of the policy, unless cover is reduced or removed
- Provides comprehensive cover with a total of 78 critical illness conditions; 58 full payment conditions which include child specific conditions and 20 additional payment conditions
- A full payment condition means we'll pay 100% of cover amount selected and an additional payment condition means we'll pay 50% of cover amount selected
- A benefit that can be adapted to meet the changing needs of your customer's family, such as providing the flexibility to add or remove if no longer required
- No underwriting
- If a claim is made on Children's Critical Illness Cover the income protection policy remains in place.
- Also, if a claim is made on the income protection policy, a claim can still be made on the Children's Critical Illness Cover

## Charges

Premium payments are shown on the Personal Illustration and the Policy Schedule and include all the costs of administration, underwriting, claims, selling expenses, commission and fees for any medical information that we may request.

## Value-Added Services

Give members additional support, at no extra cost. Learn more at <https://www.britishfriendly.com/advisers/valueadded-services/>.

These are discretionary benefits provided to our members.

## Fair Value Assessment

We have completed the fair value assessment for Children's Critical Illness Cover and have assessed that it continues to provide fair value for customers within its defined target market.

Our assessment considers the overall price paid by customers, the distribution arrangements, product performance, complaints data, claims experience, communications and the quality of support delivered.

We carry out regular monitoring and reviews to assess whether:

- Our products are aligned with the needs, characteristics and objectives of the target market, are being used as intended, continue to support good outcomes and whether distributors are distributing the product as intended.
- The price paid by customers are reasonable relative to benefits.
- Communications are accurate, relevant and likely to be understood by those in the target market and are delivered at an appropriate time.
- Customers receive appropriate support which delivers good outcomes.

Below is a summary of how this product meets the four Consumer Duty outcomes.

## Products and Services

Products must be designed to meet the needs of the target market, be fit for purpose and be distributed appropriately. We have assessed that:

- The target market is appropriately defined and that groups who the product is and isn't suitable for have been identified.
- Our products and services have been designed to align with the needs, characteristics and objectives of the target market and are fit for purpose, with features, flexibility and support aimed to support the target market.
- Distribution is carried out by authorised intermediaries on an advised basis, and on a non-advised basis where approved by the Society.
- Product governance and oversight and intermediary risk frameworks are in place and are aligned with regulatory requirements.

## Consumer Understanding

Customers should receive clear, timely and meaningful information that supports confident decision-making about their financial products and services. We have assessed that:

- Communications are clear, timely and easy for customers to understand.
- Customers receive the information they need to understand the product and make informed decisions, and customer feedback supports that communications are simple and easy to follow.
- We regularly engage with customers through their annual statement and other ongoing communications to remind them of the cover they hold and encourage them to review it to ensure it continues to meet their needs.

## Price and Value

The total price customers pay should represent fair value relative to the benefits they receive. We have assessed that:

- The total price reflects all costs and charges over the product's lifetime and that the product provides fair value and will continue to do so.
- Claims ratios, complaints, support provision, customer feedback and product performance data is taken into account in assessing fair value and support the value assessment.
- Benefits are reasonable relative to premiums paid.

## Consumer Support

Customers should be able to use the product as intended and receive the support they need throughout their journey. We have assessed that:

- Our service performance meets expected standards, ensuring customers receive prompt and accurate support without unreasonable barriers in place, including to cancel, complain or claim.
- Multiple support channels are available, including options tailored to the needs of vulnerable customers
- We have established a vulnerable customer policy, accessible [here](#), which outlines our approach to identifying and supporting customers with additional needs.

## Distributor Fees and Charges

When performing our assessment of value, we have had regard to price amongst other factors. We have not considered any other fees, charges or commission distributors may apply outside of the arrangements we have agreed with them in relation to the distribution of our product.

Distributors may therefore wish to consider the impact on such fees, charges, or commission they apply wherever applicable in assessing their impact on the value which our mutual customers receive from this product.

**Should you require any further information please contact [products@britishfriendly.com](mailto:products@britishfriendly.com)**

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