

Casualty

Date Fair Value Outcome Completed	Quarter 3 2024
Expected Date of Next Assessment	Quarter 3 2025

Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product we can confirm:

1. The outcome of the fair value assessment found that this product provides fair value, which is based on Pen Underwriting Limited trading as Manchester Underwriting Management's (MUM) review of information related to sales practices and services, claims, complaints and market intelligence.
2. There is no evidence that the product is not suitable for the customers it is intended to be distributed to.
3. The intended distribution strategy remains appropriate, subject to distributors not charging customers additional fees that bear no reasonable relationship to the service(s) provided, or the overall cost of the product.

Target Market Statement

Product Type	Casualty Insurance which includes Employers Liability, Products Liability, Public Liability.
What demands and needs are met by this product?	Casualty Insurance which includes Employers Liability, Products Liability, Public Liability.
Who is this product designed for?	The product is suitable for SMEs (not micro SMEs) such as construction companies; manufacturers and retailers.
Who is this product not suitable for?	This is a commercial product and is unsuitable for consumers; it is unlikely to be sold to vulnerable customers.

How do we expect this product to be distributed?

This product is only distributed by FCA regulated insurance brokers approved by Pen Underwriting Limited. It is suitable to be distributed via a variety of sales channels, such as face to face, via telephone, email, or by postal application by a Broker.

What are the distributor value considerations?

We expect all distributors in the chain to consider the following when selling MUM's products:

- The impact on product value of offering other products alongside this one, especially those with proportionally greater remuneration. For example, an ancillary product, elements of which may duplicate existing cover, or premium finance charged at an elevated rate of APR.
- Additional commission, fees or charges added as part of distribution processes must be proportionate to the service provided, in line with those charged elsewhere, and not affect the overall value offered by the product.
- Distributors must ensure there is no duplication of cover as a result of any add-on products sold, including premium finance cover, where appropriate cover is already provided by the policy.
- Distributors should consider the Consumer Duty requirements when dealing with policyholders.

Scope

This document is intended to provide an indicative summary of the target market for this product and is not a summary of coverage. Please refer to separate policy documentation for full details of the coverage provided by your product.

Fair Value Outcome Statement

Product Fair Value Outcome – Methodology

MUM has completed Fair Value Assessment work on products we manufacture. This is based on groupings of products which may be similar in features and are intended to be distributed to similar target markets. This Product Fair Value Outcome Statement is not intended to replicate our Fair Value Assessments, but sets out the approach taken and the outcome of the assessment.

Product Information

Key Coverage

Employers Liability: cover is compliant with the legal requirements under the Employer's Liability Act 1969. It covers the damages, compensation costs and legal fees that a current or ex-employee is entitled to as a result of illness or injury which may have been caused while working for a business.

Public Liability: cover provides financial protection to business owners facing legal action from third parties due to injuries, deaths, or property damage caused by their business activities. It also covers claims made against a business by clients, contractors, or members of the public for accidental injury or damage to their property. This will be subject to trade specific excesses/conditions and exclusions.

Products Liability: cover provides protection to businesses against claims arising from the sale or distribution of products that may cause bodily injury or property damage to a consumer or user.

Product Limitations

- Employers Liability Limit of Indemnity is £10m and the policy cover is as per the requirements of the Employer's Liability Act 1969 for the UK.
- Public Liability Indemnity Limit of £10,000,000 subject to trade.

Key Exclusions

Standard Excess of £2500 UK and £10,000 ROI

Burning of waste; Professional Indemnity; Height & Depth limits; Airside; Safety Critical parts; Safety Harness conditions; Personal Protective Equipment Conditions; Hazardous Locations; Waste Conditions

Full details are provided within the policy wording.

Optional Products

No products are sold alongside this core product by MUM.

Distributor Remuneration

MUM agrees commission rates with each distributor and as part of the Fair Value Assessment process has requested details of any additional fees that may be added in the distribution chain. The fee details received have been analysed and if MUM considers these could impact the value of the product this would be raised directly with distributors.

All distributors should be able to:

- Confirm annually that the commissions and fees they charge are reasonable relative to the service(s) they provide and the total cost of the product to the customer; and
- Justify that commissions and fees they charge are fair and support the intended value of the product.

How MUM Mitigates Risks to Product Fair Value

MUM's commission structure is intended to ensure that it reflects product features and benefits and the services we provide, which support product fair value. MUM does not benefit from distributors increasing or decreasing their own commissions/fees.

MUM has taken steps to validate that distributor commissions/fees charged are within a reasonable range and in line with usual market practice, in order to ensure the value of our products is not diluted.

How MUM Assesses Value

MUM's product governance and oversight process requires a full review of all product groups at least annually to determine if the product offers fair value to the customer.

These reviews consider the following areas:

Target market	<ul style="list-style-type: none"> • Target market reviewed to ensure the product meets the needs of the customer and will continue to do so for the life of the product • Identify the impact on vulnerable customers where applicable
Distribution strategy	<ul style="list-style-type: none"> • Appropriateness of the distribution channel, services offered and remuneration • Remuneration does not negatively impact the overall value offered by the product
Market assessment	<ul style="list-style-type: none"> • Market scrutiny to ensure the product aligns with current market trends
Product design/lifecycle	<ul style="list-style-type: none"> • Pricing • Regulatory requirements • Fees and charges • Product documentation • Performance of the product • Product changes
Customer journey	<ul style="list-style-type: none"> • Quality Assurance • Feedback from distribution
Claims	<ul style="list-style-type: none"> • Frequency and trends • Loss ratio trends
Complaints	<ul style="list-style-type: none"> • Feedback is reviewed to ensure the product continues to offer good benefit for customers • Reasons for complaints and volumes • Outcomes of complaints: whether they are upheld, not upheld • Identification of trends and root causes • Redress payments: volume and timescales • Financial Ombudsman Service: volume and outcomes