

PRODUCT GOVERNANCE AND FAIR VALUE ASSESSMENT



Carrier name	Zurich Insurance Company Ltd
Product name	Livestock Insurance
Class of Business	Livestock Insurance
Date	01/03/2023
Our Status	Co-Manufacturer

Product information

Our livestock policy has been designed to supplement our Farm products ensuring that we are catering for all of the livestock farmers' insurance needs. Available covers include All Risks of Mortality, Loss of Use for specified animals and the following disease for Flocks and Herds: Bovine Tuberculosis, Foot & Mouth, Brucellosis, Anthrax. Infertility/Vendors Guarantee. Cover is also available for animals purchased from Breed sales

Target market

The Market segment that this product is aimed at is Agricultural based entities who require insurance protection for specified animals and/or Herds & Flocks in the event of the death of the animal (s) or its humane destruction caused by any accident, injury, illness or disease (including Government Slaughter (disease cover only)). The market consists of over 50,000 livestock holdings totalling over 50m animals. The customers for which this product is suitable includes individuals with a "hobby" herd, Sole traders, Partnerships & a wide range of larger Commercial farming entities & Estates. The customer base is relatively sophisticated and understands the protection the policy provides. The product is distributed 100% offline via panel of brokers

Are there any groups of customers for whom this product would be unsuitable or would not provide the intended level of value?

The Loss of use element of cover is only suitable for proven animals
The disease covers are only available for certain types of animals & diseases and location is part of the acceptability criteria.

Other information which may be relevant to distributors

Rural are a Managing General Agent (MGA) and a Lead Co-Manufacturer of the products that it distributes acting as an agent of Zurich. As per our regulatory responsibilities under PROD 4.2, this product has been subject to our Product Governance Process and approved as offering Fair Value.

The Fair Value Assessment undertaken included consideration of a wide range of factors which included, but were not limited to, the following;

- The complexity of the insurance product.
- The nature of the insurance product and the risk of customer detriment related to it.
- The characteristics of the target market.
- The benefits that will be provided.
- The type and quality of services provided to customers.
- The distribution channel including any remuneration information.
- Appropriate data including claims information and complaints data.

Date Fair Value Assessment completed	01/03/2023
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All intermediaries who distribute our products are reminded of their regulatory responsibilities to assess fair value to customers where separate fees are charged and/or premium finance is arranged. This also applies where an add-on product (not manufactured by us) is sold alongside the core product. Commission, fees or charges passed onto the customer must be proportionate to the service provided and provide fair value. We may from time to time request additional management information from our distributors to support the fair value assessment process.