

COMMERCIAL LOSS RECOVERY INSURANCE PRODUCT VALUE ASSESSMENT

Product Name	Commercial Loss Recovery Insurance
Product Information	Loss Recovery Insurance is an insurance policy that provides and pays for the cost of an expert loss adjuster to help policyholders prepare, negotiate and settle their claims. The product is sold in conjunction with a separate property insurance policy. The Loss Adjuster provides strategic advice about how to manage an insurance claim, assisting in the preparation and submission of a claim to insurers, advising as to what other professionals might be needed in the reinstatement process, and thereafter seeking to negotiate a settlement on behalf of the policy holder.
Target Market	UK based small and medium-sized enterprises with a separate commercial property and business interruption insurance policy but it can be offered to businesses of all sizes.
Insurer	Tokio Marine Kiln (Lloyd's Syndicates 510 and 1880).
How offered	The product is only available for purchase as an add-on to an existing property and business interruption insurance policy.
Groups of customers who are unsuitable for this product	Customers domiciled outside of the UK and properties located outside of the UK. Customers with no property damage or business interruption exposure.
Distribution strategy	Distribution of the product is only permitted by brokers which have been approved by Lorega as suitable distributors for the target market. No further brokers in the chain are permitted without Lorega's prior approval. Any such approval will include consideration of their impact on product value.
Commission	Brokers can select commission rates from a range set by Lorega, so that remuneration can be aligned to their own distribution costs. The maximum commission rate set by Lorega cannot be exceeded. Lorega maintains oversight of all broker commissions and, where there may be a risk to product value, the matter is discussed with the broker and remedial action taken whenever necessary. Brokers are also reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6E.

Policy fees (payable in addition to the premium)	<p>Lorega does not charge policy fees.</p> <p>Distributors are not permitted to charge fees which are attributable to Lorega products and are subject to monitoring by Lorega to ensure that this is the case.</p>
How we assess fair value	<p>We are a Managing General Agent (MGA) and the Lead Co-Manufacturer of the products that it distributes acting as an agent of the Insurer.</p> <p>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:</p> <ul style="list-style-type: none"> • 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 including policy stakeholders. • 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.
Customer feedback	<p>All claimants are asked to complete a feedback survey after their claims have been closed, the results of which are collated and analysed by Lorega.</p> <p>At the time of completing this assessment, survey data consistently indicates high levels of policyholder satisfaction in relation to the performance of the product.</p>
Date of assessment	27 th September 2024

For broker use only.