

SECTION 2: INFORMATION TO BE SHARED WITH DISTRIBUTORS

This information should be shared with the relevant distributor(s) to enable them to understand the intended value of the insurance product(s) manufactured or co-manufactured by QBE.

1	CARRIER NAME	QBE UK Ltd
2	PRODUCT NAME	UK Mono Property - PBMFO10121 UK Property Excess of Loss - PMDX010121 UK Property PFI (inc Machinery) - PPF010121 UK Property PFI (ex Machinery) - PPF010121 UK Property - Public Authority - PPP010121 UK Property Advantage - PPA0310322
3	NAME OF ANY CO-MANUFACTURERS	N/A
4	DETAILS OF PRODUCT APPROVAL PROCESS	<p>The QBE EO Insurance Product Development and Review Policy approved by the Board sets out the Product Governance Framework.</p> <p>The Insurance Product Development Guidelines detail the Product Development approval process for new products and any significant adaptation of an existing product. This includes identification of the product development scenarios triggering the process and requires the completion of various forms by the underwriters proposing the product development.</p> <p>The Product Leaders within the Chief Underwriting Office are responsible for determining whether a product development falls within the scope of the Policy and Guidelines and monitor and agrees the initial assessment and business case.</p> <p>Following development of a business case, a full risk assessment should be conducted and a fair value assessment completed. These take into account various considerations, including:</p> <ul style="list-style-type: none"> the nature of the product; the main characteristics of the target market; the proposed distribution strategy; and the expected total price to be paid by the customer. <p>Where a product is considered High Product Risk (HPR), underwriters are required to complete a HPR Questionnaire (HPRQ) and present this to the QBE EO Conduct Risk Group for customer challenge. The HPRQ includes consideration of target market, distribution strategy, product testing and post-sales barriers.</p> <p>The Product Oversight Group (POG), co-chaired by the Head of Product Leaders and the Head of Governance, Sustainability and Standards is responsible for providing oversight of and adherence to the Product Governance Framework. This includes reviewing, challenging and approving the business case for a product development prior to this going to the Divisional CUO and MD for sign-off and for ensuring that all pre-launch activities are suitably completed.</p> <p>The Divisional CUO and MD are responsible for providing final approval to proceed with all proposed product development based on the Business Case, Risk Assessment and Fair Value Assessment presented to them.</p> <p>The Product Leaders will oversee post-launch reviews within 6 months of the launch of a product development. For those products within the appropriate scope, an annual product review will be conducted and then reviewed and challenged by the POG.</p>
5	PRODUCT INFORMATION	<p>Our Commercial Property policies cover Buildings, Machinery & Plant, Stock and related property plus Business Interruption. These products are written on a conventional "All Risks" form but the main perils covered are fire, explosion, theft & natural perils. Cover can also be extended to include Money, Goods in Transit, Terrorism and Breakdown.</p> <p>Customer need is met by protecting our policyholders against their financial loss arising from physical damage to their property and the resulting business interruption.</p>
6	TARGET MARKET	<p>Our Mono Property products are designed for mid to large corporate companies defined by turnover greater than GBP10m (with a policy premium of £25k and above) excluding property owner businesses which are insured under our Real Estate product.</p> <p>We have a wide appetite and are open to providing cover to a broad cross section of industry. We formally review our target market as part of our annual planning process. The normal UW process is subject to regular performance reviews to ensure that our pricing and terms & conditions remain market competitive and continue to offer fair value to our policyholders. Our target market appetite has remained consistent during the last 12 months.</p> <p>These products are designed to provide standalone property damage cover for commercial entities of all sizes. That said, as this is an open market product, the majority of these policies are sold to policyholders that would be considered a "Large Risk" under the FCA definitions as smaller commercial clients tend to purchase package policies such as our Commercial Combined & SME product offering. Indeed, taking the total insured asset value as a proxy for the FCA large risk definition, we believe approx. 80% of policyholders buying these products would be considered a large risk.</p> <p>Our products contain optional additional sections and bespoke limits (notably CBI extensions) that can be reviewed and tailored to individual client need as determined and negotiated by the client via their broker.</p>
7	TYPES OF CUSTOMER FOR WHOM THE PRODUCT WOULD BE UNSUITABLE	Our Commercial Property product suite is intended for sole use by business customers and is NOT intended to protect consumers or individuals. This is made clear in our sales & distribution materials. The products are not suitable for Property Owners and SME clients.
8	ANY NOTABLE EXCLUSIONS OR CIRCUMSTANCES WHERE THE PRODUCT WILL NOT RESPOND	This product excludes war, terrorism (unless explicitly included by separate section of the policy), nuclear hazards, confiscation, deliberate acts, gradual or environmental deterioration, communicable disease, cyber risks and other market standard PD/BI exclusions.
9	OTHER INFORMATION WHICH MAY BE RELEVANT TO DISTRIBUTORS	In rare circumstances, where leaseholding risks incidental to the primary risk are insured we provide a split of the premium to allow calculation of any leaseholders share. We expect the broker and policyholder to be fair and transparent in the premium allocation with leaseholders. Note, presently the premium split is not shown on policy documentation.
10	DATE FAIR VALUE ASSESSMENT COMPLETED	11/03/2024
11	EXPECTED DATE OF NEXT ASSESSMENT	11/03/2025

EXECUTIVE SUMMARY

RAG	Requirement	Rationale
	Target Market - the product is fit for purpose and remains consistent with the needs, characteristics and objectives of the identified target market	We consider the demands and needs of policyholders taking into account specific client requests and those of their agents arising out of day to day negotiations. The product is regularly compared to available market coverage as part of the normal underwriting process to ensure alignment with customer need in conjunction with their broker.
	Fair Value - the product provides fair value for customers, when considering the relationship between the overall price and the quality of the product(s) and/or services provided	We believe this suite of Commercial Property products delivers a good level of protection to businesses for loss of their key physical assets (i.e. Property, Machinery & Plant and Stock) and the resulting business interruption at a fair price. This is evidenced by a lack of complaints, strong renewal retention and high claims settlement statistics. All policies can be reviewed and tailored to individual client need as determined and negotiated for the policyholder by their broker.
	Distribution strategy - the distribution strategy remains appropriate and distribution arrangements do not have any detrimental impact on value for customers	Typically, distribution is through brokers who are remunerated through brokerage which is transparent to the policyholder and is reviewed at each renewal. Our broker panel is subject to regular review and all brokers have a TOBA in place with QBE to satisfy their appropriateness.
	Customer Understanding - the information provided to the customer enables them to make informed decisions	All products are distributed through brokers who will provide information to customers. The policy wording, relevant schedule and policy summary are provided to the broker at the point of quotation. For renewal business where there has been a material change to the wording, a 'Notice of Change' detailing any cover amendments compared to the expiring policy wording is also provided.
	Customer Support - support provided to the customer allows them to fully utilise the product they purchase, e.g. make a claim, complain, cancel or amend cover	The Policy Schedule incorporates contact details for making a claim and the policy incorporates our standard Complaints Condition. Requests for alterations or cancellation would be received direct from the appointed broker. The Policy Summary also outlines the policy and incorporates guidance on our complaints procedure, claims details & cancellation rights.