

# Commercial Combined Insurance

## Product Approval Process and Target Market

Intermediary Target Market and Product Release Information

This information is for **distributor use only** and **not intended for customer use**

<b>Product Name:</b>	Commercial Combined Insurance	
<b>Status:</b>	New Product Development	<input type="checkbox"/>
	Existing Product Refresh	<input checked="" type="checkbox"/>
	Product Change	<input type="checkbox"/>
	Other	<input type="checkbox"/>

<b>Live Date:</b>	Currently Live – 2023 Review
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<b>Product Type Description:</b>	<p>The product is designed for businesses ranging from microenterprises to mid-market sized firms seeking to purchase a combined property and/or liability insurance product.</p> <p>Additional information about the product can be found at:</p> <p><a href="https://insurance.archgroup.com/international/uk/offering/commercial-combined/">https://insurance.archgroup.com/international/uk/offering/commercial-combined/</a></p>
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<b>Characteristics and features of the product:</b>	<p>The Commercial Combined Product has been designed for businesses within United Kingdom, Isle of Man and Channel Islands, seeking to insure their companies. The following covers can be included: property damage, business interruption, glass, money, goods in transit, marine cargo, public and products liability, employers' liability, management liabilities, legal expenses, machinery breakdown and inspection, computer, loss of licence and terrorism property damage and professional indemnity cover.</p> <p>This product excludes (amongst other things): nuclear risks, nuclear and radioactive contamination, damage to the property as a result of war, pollution, computer virus and hacking, pandemics, epidemics and infectious diseases.</p>
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**Target Market:****Who is this product designed for?**

This product has been designed for businesses located in the United Kingdom, Isle of Man and the Channel Islands, seeking to purchase a section of our commercial combined product offering. Businesses can range from microenterprise up to mid-market sized firms.

**Who is this product not designed for?**

Home owner-occupiers and consumers. Those with businesses outside of the territorial limits specified above.

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**Vulnerable Customers:**

(Select ALL that apply)

*Arch recognises that vulnerability characteristics can present themselves, even in the case of commercial policies. These risks have been factored into our product level reviews. Information regarding expectations over and above this standard likelihood are captured here.*

*Broker Guidance: You should ensure that you assess the presence of vulnerable customer characteristics and verify the suitability of the product, should they arise.*

**Did any Vulnerable customer characteristics present themselves as risks during the development of the product?**

**Health** – Conditions that affect ability to carry out day-to-day tasks

**Life events** – Such as bereavement, job loss or relationship breakdown

**Resilience** – Low ability to withstand financial or emotional shocks

**Capability** – Low knowledge of financial matters or low confidence

**None of the Above**

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**Arch's Role:**

(Select ALL that apply)

Manufacturer

Co Manufacturer

Distributor

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**Distribution Channel(s):**

(Select ALL that apply)

Broker (Open Market)

Broker (Single broker or Platform)

Direct to Commercial Client (define size of client)

Direct to Consumer

Delegated arrangements

Other

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**Distribution Method(s):**

(Select ALL that apply)

Face-to-Face ['F2F']

Telephone

Online Journey

Webchat

Postal

Email

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**Type of Sale:** (Select One)

**Advised**

**Advised & Non-Advised**

**Non-Advised**

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## Summary of Product Testing:

Arch has in place various processes to test products

- prior to bringing to the market;
- where there is a significant adaptation of the product;
- when the target market changes significantly;
- When MI indicates that further testing is warranted.

Over its lifetime, testing will look into whether a product meets the identified needs, objectives and characteristics of the target market. Testing is carried out in both a qualitative and quantitative manner. This may include - but is not limited to - areas such as examination of complaints, claims volumes and frequencies, claim declinatures, remuneration arrangements, policy cancellations, retention rates, loss ratio analysis and external analysis/benchmarking against existing products. Policy wordings, summaries, IPIDs and other customer communication documents are reviewed as part of this process.

The presence of vulnerable customer characteristics will be reviewed at Product Development stage and throughout the ongoing Product Review Process.

This is a long-standing product in the market that has a proven track record of providing coverage for the specific requirements of its target market. The distribution channel is believed to be appropriate, and remuneration levels reasonable and in line with market standards.

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## Product Review Process:

Arch maintains a stringent Product Review Process, full details of which are contained in our Product Oversight and Governance Policy. The Process is in line with FCA PROD and Consumer Duty requirements and is conducted at least annually, or more frequently when considered necessary.

This product is next due for review through Arch's Product Review Process in 2024, unless there is a significant change to the product, or MI indicates an earlier review is necessary.

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## Risks and Cost:

The **risks** and **costs** have been reviewed through Arch's Product Review process, as part of product development. Due to the number of risks written under any given product, average premiums have been used to assess value – with averages allocated to differing levels of cover or limits where appropriate.

You should ensure that, in assessing the suitability of the product, you identify the risks posed to the insured, and that all costs associated are appropriate to their needs, including any additional fees you may add to the premium paid, or additional products offered alongside Arch's core offering. Where Arch has been made aware of add-ons, or additional fees, these have featured in our value assessments.

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**Product Value:**

Product Value is the relationship between the overall price to the customer and the quality of the product(s) and or services provided. Arch considers this product provides fair value to customers in the target market. We have reached this conclusion after consideration of the price, benefits and features, available MI and the distribution chain involved (this is a non-exhaustive list).

You should be satisfied that, in offering this product, it meets fair value expectations.

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**Conflicts of Interest:**

Arch has identified no conflicts of interest in the manufacture, underwriting and distribution of this product. Should you become aware of any information that leads you to believe a conflict of interest may be present, please contact Arch without delay.

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## Arch Product Oversight and Governance Arrangements

Following the implementation of the Insurance Distribution Directive ['IDD'] on 1st October 2018, the Pricing Practices changes from 1<sup>st</sup> October 2021 and 1<sup>st</sup> January 2022, and Consumer Duty requirements as at 31<sup>st</sup> July 2023, this document outlines Arch's approach to Product Oversight and Governance to demonstrate the way we design, monitor, review and distribute our insurance products.

### Why are we telling you this?

As part of the regulatory framework Arch adheres to, we are informing you of the product governance arrangements we have in place for designing, monitoring, reviewing, and distributing this product. The key areas outlined cover the various processes we have in place to monitor our products as well as the information we may require from brokers/coverholders (distributors) throughout the lifecycle of a product.

### Product Development Process

The product development process has been designed to ensure that we have a consistent approach to the development of new products, or significant revisions to existing products.

### Product Review Process

The product review process ensures that those already within the market continue to be designed in a way that meets the needs of the target market and offers fair value to customers.

### Information for distribution partners

As we carry out these reviews, we may request information from distributors to be able to evidence that our products are being distributed correctly - examples of this could be evidence that the product has been sold to the right target market or complaints received relating to the product. In most instances we will hold this data already on our systems, but there will be occasions when we may request it from relevant distributors. We will endeavour to provide adequate notice where we seek this information from you.

### Further Information

If you have any questions, please contact your Arch representative.