

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 SME (Professional Indemnity led packages) BNU Miscellaneous - PBNURZ0922, PBNUX0424 BNU Business and Management - PBNURZ0922, PBNUX0424 BNU Information Technology - PBNJFR0922, PBNUTD424 BNU Accountants - PBNJFR0922, PBNJUD424 BNU Marketing - BNUFRM0922, PBNUM0424 BNU Design and Construct - PBNUFR0922, PBNUD424 BNU Architects and Engineers - PBNJFR0922, PBNJED424 BNU Surveyors - PBNURZ0922, PBNUS0424 BNU Insurance Brokers - PBNURZ0922, PBNUB0424
3	NAME OF ANY CO-MANUFACTURERS	Not applicable
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 Professional Indemnity (PI) led Package Product provides PI as the core cover with a range of optional sections. Where additional sections are not required cover has historically attached under a Professional Indemnity only policy wording.</p> <p>Additional optional sections are detailed in the table below.</p> <p>The core Professional Indemnity covers the Insured against third party claims alleging a wrongful act in their performance of professional services which gives rise to a legal liability to that third party. The cover extends to pay defence costs for such claims as well as the amount of loss for which the Insured is legally liable up to the policy limit.</p> <p>In some instances the customer requires PI cover that satisfies the minimum insurance terms and conditions set out by the professional bodies of their industry in order for them to be a member and trade with the accreditation of that body, (Accountants and Surveyors specifically). QBE SME PI package policies meet these requirements.</p> <p>For other customers PI may be sought to demonstrate a level of coverage to interested parties that satisfies eligibility requirements to tender for work.</p> <p>The optional sections available under the product span a range of financial lines covers depending upon customer need. Property covers are also available to protect the Insureds physical assets and resultant business interruption. Employers & Public liability round off the available sections affording protection from legal liabilities for injury and damage incurred in the course of the Insureds business activities.</p> <p>Customer need is met by the breadth of physical assets and legal liability covers available under this package product. Optional sections provide flexibility for the customer to select additional insurance protection tailored to their type of business. All optional sections have to be affirmatively selected and are priced separately based on the Insureds activities and limits selected.</p>
6	TARGET MARKET	<p>We have a wide appetite across our professional indemnity packages including Accountants, Surveyors, Architects & Engineers, Information Technology risks, Business & Management Consultants and Miscellaneous Risks.</p> <p>UK SME products are predominantly 'e-traded' via brokers. We review our target market as part of our annual planning process by analysing our portfolio performance (top and bottom-line metrics by product and at a more granular level). We conduct a monthly product performance review 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 professional indemnity with additional optional covers for UK SME businesses. When designing, reviewing and operating our products we treat all customers as if they were FOS eligible even when they are not. (The majority will be small to medium SMEs but there is a range from micro to larger risks).</p> <p>Our products contain optional Sections providing cover for various classes of insurance, (see Product Information), which are priced separately, allowing the overall product to be tailored to individual needs as determined by the client via their broker.</p>
7	TYPES OF CUSTOMER FOR WHOM THE PRODUCT WOULD BE UNSUITABLE	<p>Our SME Professional Indemnity products are intended for small & medium sized business customers. Business transacted via Acturis is on a rules based basis. Trade eligibility, line size and other risk features trigger either a quote, a referral or a declination. Decline / referral reasons are visible to the broker. Risks where the number of employees is >50, turnover exceeds £7.5m or asset values are greater than £7.5m will generally trigger a referral for underwriters to assess risk and product suitability. Our SME Professional Indemnity led products are intended for small and medium sized business customers who typically exhibit risk features falling within these parameters.</p> <p>We do not have an SME Professional Indemnity product suitable for solicitors.</p>
8	ANY NOTABLE EXCLUSIONS OR CIRCUMSTANCES WHERE THE PRODUCT WILL NOT RESPOND	<p>The main General Exclusions are nuclear risks, war and cyber risks, cyber liability, and terrorism (except to the extent insured by a separate section of the policy). Specific Sections will have additional section specific exclusions and we recommend that all wordings are checked carefully by the broker and client to make sure they meet individual policyholder requirements.</p> <p>We provide open access to our open market policy wordings and summaries on our website for brokers to pass on and discuss with customers.</p>
9	OTHER INFORMATION WHICH MAY BE RELEVANT TO DISTRIBUTORS PRICING	Not applicable
10	DATE FAIR VALUE ASSESSMENT COMPLETED	08/07/2024
11	EXPECTED DATE OF NEXT ASSESSMENT	08/07/2025

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 Professional Indemnity led SME Package products meet the needs of the target market. Through regular product performance reviews, broker feedback and monitoring of claims trends and complaints we are able to identify any amendments that are required. The majority of UK SME business is e-traded. Brokers are able to contact QBE to discuss and negotiate the needs of clients through our SME underwriting hub based in Stafford. We do not restrict broker access to our contact centre.
	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 the suite of SME Professional Indemnity led package products offer a good level of protection for a variety of business risks. The core Professional Indemnity coverage responds to third party claims alleging a wrongful act in the performance of professional services and for which a legal liability arises. Alongside this a range of optional covers are available to protect against other financial and physical losses dependent on individual customer need. Pricing is regularly reviewed against claims metrics, renewal retention and new business conversion. There is no pricing differential between new and existing customers. A low volume of complaints comparative to the number of customers is further evidence these products offer fair value.
	Distribution strategy - the distribution strategy remains appropriate and distribution arrangements do not have any detrimental impact on value for customers	All SME Professional Indemnity led package products are distributed through brokers. Intermediary remuneration is through commission. Brokers are obliged to declare the earnings received from insurers upon customer request. All brokers have a TOBA in place with QBE and will have satisfied Agency and Market Management due diligence to be able to place e-trade business with QBE.
	Customer Understanding - the information provided to the customer enables them to make informed decisions	All SME Professional Indemnity led package products are distributed through brokers who will provide information to customers. The vast majority are advised sales. For our e-trade portfolio policy wordings, summaries, statement of fact and the relevant schedules are available at point of quote and bind. For renewal business a 'Notice of Change' detailing any cover amendments compared to the expiring policy wording is also provided. We make marketing brochures available to brokers to outline our product appetite and key features to further assist them.
	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	All SME Professional Indemnity led package products are distributed through brokers who in most cases assist the Insured on aspects such as making a claim, complaints, cover changes and cancellation. In any event our policy documentation is clear, prominent and provides guidance on these points. QBE do not levy cancellation fees or charge for policy amendments. Claims notification is unambiguous and the initiation of complaints and process visible and clear.

	Professional Indemnity Combined
Directors & Officers	X
Crime	X
Corporate Legal Liability	X
Pension Trustees Liability	X
Cyber	X
Contents	X
Buildings	X
Business Interruption	X
Terrorism	X
Employers Liability	X
Public Liability	X
Legal Expenses	Included