

Target Market Statement and Fair Value Assessment

Brit Syndicates Limited has undertaken a product review in accordance with the FCA Product Governance (PROD 4) and our product governance obligations. This document is intended to provide a summary of the Target Market Statement and outcome of the Fair Value Assessment only.

For use by distributors only.

Product Name	UK Contingency
Manufacturer	Brit Syndicates Limited is the core product manufacturer. Ancillary products are offered by third parties and are separate from Brit's offering.

Product Information

The UK Contingency product has been subject to periodic controls and our POG process. The product has been reviewed and signed off by our POG panel as representing fair value to customers. This is in light of a review of the following MI:

- Cancellation Data
- Claims and complaint volumes
- Declinature rates
- Loss ratios
- Renewal retention rates
- Ex gratia payments
- Wordings review
- Breaches of Lloyd's/FCA benchmarks and tolerances
- Root cause analysis

Brit's wider Contingency Product is diverse, with the main component being Event Cancellation which also includes coverage for curtailment or abandonment due to named perils outlined in the policy. Other elements include Non-Appearance, Film and Prize Indemnity. The product is typically written on an all-risk's basis meaning unless an exclusion is in place, cover is offered. This gives the product flexibility to be tailored to the client's needs as, where necessary, we can extend the standard market wordings. The most common extensions being Terrorism, Civil Commotion, National Mourning and Adverse Weather.

All claims are handled in house by Brit (some binders have delegated claims handling authority). Quarterly Technical File reviews are undertaken to ensure that all claims are handled appropriately against our internal metrics which centre around ensuring good customer outcomes.

All complaints are handled by the Brit Insurance in house Complaints Team. All complaints received are reviewed on a quarterly basis to understand the root causes and whether there are any systemic issues that require a review of the product design.

The Product has been subject to a fair value assessment considering the commission and fee information in the distribution chain as well as a suite of internal MI. We are satisfied the product offers fair value.

What customer need is met by this product?	
This product is designed to provide insurance against financial loss resulting from cancellation and abandonment, non-appearance, in respect of an event they organised.	
Target Market	
This product is designed specifically for insureds that have organised an event and want protection against specific perils. The target market can include individuals and SME's as well as larger companies.	
Types of customer for whom the product would be unsuitable	
This product would not be suitable for events taking place in regions restricted on Lloyds Crystal and insureds who wish to take on the financial risk of their ventures themselves.	
Any notable exclusions or circumstances where the product will not respond	
<p>This product is typically written on an all risks form so exclusions can be bought back to tailor the product to the client's needs. However, some exclusions are mandatory and cannot be removed.</p> <p>Key exclusions include:</p> <ul style="list-style-type: none"> • Communicable Diseases including Covid-19 and SARS • Any loss directly or indirectly arising out of a cyber act or cyber incident (cyber incident is a compulsory exclusion but can be bought back. Cyber act is an absolute exclusion) • Deliberate or reckless misrepresentation of any material fact • Alterations or variance of Insured Event(s) without the prior approval of the Underwriters. • Any additional costs incurred unless agreed by underwriters to minimise possible loss 	
How is this product sold?	
The product is only available to purchase in the UK and is only distributed via delegated authority by a Lloyd's approved Coverholder who manage the inception and renewal of all policies in accordance with their approved binding authority agreement.	
Fair Value Review	
The fair value assessment indicates that the UK Contingency product provides value to the end customer and remains suitable for the target market. Where a potential risk to the product value has been identified, the distributors will be contacted directly.	
Other information which may be relevant to distributors	
<p>As part of the FCA Fair Value Assessment we require distributors to provide additional product information on the distribution chain, fees, remuneration or services, ancillary/add-on products on an annual basis. Taking into consideration the potential impact it would have on the customer and the product value.</p> <p>If you have any questions regarding the product approvals and Fair Value Assessments, please refer any communications to your Brit representative.</p>	
Date of Fair Value Assessment Completed	2022
Expected Date of Next Assessment	2023