

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.

This information is for use by distributors only and not for customer use.

Product Name	UK Terrorism
Manufacturer	Brit Syndicates Limited is the core product manufacturer. Ancillary products including Legal Expenses and Premium Finance are offered by third parties and are separate from Brit's offering.

Product Information

The UK Terrorism 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:

- Acquisition Costs and Fees
- Policy Coverage and Limitations
- Premium Information
- Cancellation Data
- Claims and Complaints Data
- Vulnerable Customers Data
- Data on residential leaseholders in multi-occupancy buildings
- Declinature rates
- Loss ratios
- Ex gratia payments
- Root cause analysis
- Renewal retention rates
- Customer Feedback
- Conflicts of interest
- Oversight and Monitoring
- Conduct and Technical Wordings review
- Product Benchmarking
- Breaches of Lloyd's/FCA benchmarks and tolerances

All management information is reviewed on a periodic basis to complete root cause analysis and understand whether there are any systemic issues that require a review of the product design outside of the annual review cycle.

The product provides cover for physical loss or damage to buildings, landlord's contents, fixture and fittings, and residential leaseholders in the event of damage caused by an Act of Terrorism or an Act of Sabotage. This is defined as an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes. The core cover also includes business interruption and public liability as a result of an Act of Terrorism or Act of Sabotage.

It is designed specifically to provide cover for commercial property owners, and investors or managers of commercial and/or residential portfolios and may benefit residential leaseholders.

Brit uses sophisticated actuarial techniques to value and price risk in line with the Government Pool rates. This process is complemented by a rigorous approach to risk aggregation and mapping where we use analysis to rigidly monitor maximum exposures.

The agreement and attaching policies are not subject or capable of automatic renewal. Brit will review each insurance bound prior to its individual renewal date in order to offer renewal terms or to decline the renewal.

All claims and complaints are handled in house by Brit. Quarterly Technical File reviews are undertaken to ensure that all claims and complaints are handled appropriately against our internal metrics which centre around ensuring good customer outcomes.

What customer need is met by this product?

The Product is designed to provide customers financial protection for physical loss or damage to buildings, contents, computers and ancillary equipment, and stock and trade samples in the event of damage caused by an Act of Terrorism or an Act of Sabotage. As well as the financial protection in the event the insureds business can no longer operate and the legal liability to pay damages in respect of injury to a third party.

Target Market

This product has been designed specifically for commercial and/or residential businesses, from Medium/Large Corporates to SME's. Coverage is standard Terrorism and Sabotage with the option to purchase extra cover, such as Nuclear, Chemical, Biological and Radiological (NCBR) & Electronic attack.

Types of customer for whom the product would be unsuitable

This product would not be suitable for individuals requiring general property insurance. It would also not be suitable for any customers requiring products or employers liability coverage.

Any notable exclusions or circumstances where the product will not respond

Key exclusions include:

- Communicable Diseases (as per endorsement LMA5393)
- Cyber (as per endorsement LMA5409)
- Aircraft or warcraft
- Animals, plants and living things or all types
- Nuclear radiation or radioactive contamination
- Property in transit
- Unoccupied property
- Loss or damage arising from war, invasion or warlike operations
- Loss or damage arising from burglary, looting or theft
- Loss or damage from protests, strikes, riots, or civil commotion
- Loss or damage from pollutants and contaminants
- Loss by seizure or illegal occupation

How is this product sold?

The product may be sold to customers on an advised or non-advised basis offering bespoke advice to ensure the product meets their demands and needs. The product is only available to purchase in the UK, Jersey, Guernsey, Isle of Man and the Falkland Islands and is distributed via delegated authority and open market basis to Lloyd's approved Coverholders and Brokers.

Fair Value Review	
The fair value assessment indicates that the UK Terrorism product remains suitable for the target market and provides value to the insured and any residential leaseholders. 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	
In line with the FCA's updated guidance on Fair Value Assessment requirements, we have reviewed and revised our assessment frequency. Product value will be assessed periodically, with the review frequency determined by each product's potential risk of customer harm.	
We will continue to require distributors to provide additional product information as needed, including details of the distribution chain, any fees, remuneration or services, and any ancillary or add-on products, taking into account the potential impact on customers and overall product value.	
Date of Fair Value Assessment Completed	2025
Expected Date of Next Assessment	2028