

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	Brit Cyber Privacy Risk (CPR)
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 Brit Cyber Privacy Risk (CPR) 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.

The product provides cover for first party costs and third party liability arising out of cyber incidents. This includes cyber extortion payments resulting directly from a cyber extortion threat, business income loss resulting directly from a covered cause of loss and loss as a result of cyber crime.

In addition the policy provides Risk Management Services both pre and post incident. Pre incident services include training and education tools specific to IT security and data privacy, and access to IT experts for consultation. Post incident services include a 24/7 hotline to report incidents with access to professional experts to assist in responding and recovering from the incident. Coverage provided for Incident Response Services are subject to their own limit and do not reduce the limits offered elsewhere in the CPR policy.

There are no add on products sold alongside the CPR offering.

Pricing is set by Brit which is applied consistently to both new customers and renewals.

All claims are handled in house by Brit. 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.

What customer need is met by this product?	
The Product is designed to provide customers financial protection first party costs and third party liability arising out of cyber incidents. In addition the policy provides Risk Management Services both pre and post incident.	
Target Market	
This product has been designed specifically for companies that collect or process high volumes of personal data with a reliance on IT systems to conduct their ordinary business.	
Types of customer for whom the product would be unsuitable	
This product would not be suitable for companies who do not collect or process high volumes of personal data or who do not have a reliance upon IT systems to conduct their ordinary business. This product is not suitable for individuals taking out the insurance in their own personal capacity.	
Any notable exclusions or circumstances where the product will not respond	
<p>Key exclusions include:</p> <ul style="list-style-type: none"> • Bodily Injury or Property Damage arising from a breach • External infrastructure failure • Any alleged or actual defects in any goods, services, or products sold, supplied, repaired, altered, manufactured, installed or maintained by the insured • Any criminal, dishonest or intentional violation of the law • Natural Perils including fire, smoke, flood, explosion etc • Any presence of pollutants • Any act of Terrorism or War 	
How is this product sold?	
The product is mainly distributed via the Brit Cyber Portal direct to brokers who purchase the product on behalf of their clients. The product is available to insureds domiciled in the UK, US, Canada, South Africa and Australia and is distributed mainly via the Brit Cyber Portal direct to brokers who purchase the product on behalf of their clients.	
Fair Value Review	
The fair value assessment indicates that the Brit Cyber Privacy Risk (CPR) 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