

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.

For use by distributors only.

Product Name	UK Terrorism
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 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
- Declinature rates
- Loss ratios
- Ex gratia payments
- Root cause analysis
- Renewal retention rates
- Customer Feedback
- Oversight and Monitoring
- Conduct and Technical Wordings review
- Product Benchmarking
- Breaches of Lloyd's/FCA benchmarks and tolerances

The product provides cover for physical loss or damage to buildings and associated Business Interruption in the event of damage caused by an Act of Terrorism or an Act of Sabotage. It is designed specifically to cover commercial and/or residential businesses.

Pricing is set by Brit using pre-determined rates as per our underwriting guidelines which is applied consistently to both new customers and renewals. The acquisition costs and fees have been assessed for fairness.

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

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. Regular analysis of all complaints received ensure Underwriters can identify any necessary policy changes to ensure fair customer value is maintained over time. There have been no complaints on the product to indicate that there are any systemic issues which may affect customer outcomes or product value.

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, Fixtures and Fittings along with any associated Business Interruption in the event of damage caused by an Act of Terrorism or an Act of Sabotage.

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 a NCBR & Electronic attack.

Types of customer for whom the product would be unsuitable

This product would not be suitable for general property insurance for individuals. It would also not be suitable for insured requiring any products, public liability 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 LMA5409)
- Loss or damage arising from war, invasion or warlike operations
- Loss or damage arising from burglary, looting or theft
- Aircraft or warcraft
- Animals, plants and living things or all types

The exclusions within the terms and conditions of the policy are clear.

How is this product sold?

The product may be sold to customers on an information only basis or may be offered 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 only distributed via delegated authority to Lloyd's approved Coverholders and brokers 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 Terrorism 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

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.

If you have any questions regarding the product approvals and Fair Value Assessments, please refer any communications to your Brit representative.

Date of Fair Value Assessment Completed	2023
--	------

Expected Date of Next Assessment	2024
---	------