

## Product Approval, Oversight & Governance

### OUR COMMITMENT

#### Introduction

Our claims operation is comprised of staff who have the requisite training, skill and experience to handle claims in line with our stated reserving philosophy and to treat customers fairly at all times, act with integrity and pay valid claims promptly. We commit to achieve (at a minimum) the Lloyd's Minimum Claims Standards and we review and assess our performance against these standards annually.

#### Performance Management and Monitoring

We have various systems, controls and reports in place to monitor, assess and manage performance with claims specific Key Performance Indicators in place. These are set in accordance with Lloyd's Claims Management Principles and Minimum Standards. Aligned to these are performance goals for our claims handlers where annual objectives are set each year and monitored quarterly by their manager. Each claims handler goals include requirements to meet the customer focused objectives as set out in the claims philosophy.

#### Case Reserving Philosophy

We are committed to delivering a responsive and intelligent service as a key component of our value proposition, to treat customers fairly, to act with integrity and pay valid claims promptly. Our approach is collaborative and consensus driven relying on regular communication with all stakeholders and underpinned by core values of technical expertise, commerciality and fairness.

#### Treating Customers Fairly (TCF)

We believe in putting our customers first and pride ourselves in building long term client relationships. TCF is fundamental to this strategy and provides the trust that our customers can rely on a fair and swift outcome to all interactions with us including:

- » Fair treatment of customers is central to our corporate culture
- » Products are designed to meet their demands and needs.
- » Clear information is provided before, during and after the sales / underwriting process.
- » All advice provided is suitable and takes account of their needs.
- » Policies contain suitable cancellation rights and all major terms and conditions are clear.
- » A clear and simple process to make a complaint.
- » No unreasonable barriers to making a claim.
- » Suitable MI is collated to demonstrate compliance with the principles of TCF.
- » TCF is regularly discussed and monitored at internal management meetings.

All our employees are required to complete annual in-house, online training modules on TCF, in addition to the financial related training modules identified relating to anti-bribery and fraud.

## OUR PROCESS

For any new products or significant changes to existing products the following considerations are critical. It is important to note that Syndicates 2232 and 5535 or its underwriters are not considered the product manufacturer in our current business model.

### Target Market

- » Is the target market clearly identified?
- » Is the market for which the product is not suitable, clearly identified?

### Details of The Product

- » Is the intended coverage clear?
- » Are the main features of the products clear?
- » Are there any bespoke elements, if so, are these clearly defined?
- » Is the product suitable to the identified target market?
- » Are the events/circumstances the product will not cover clear?

### Product Testing

- » Demands and needs assessment completed?
- » Is the coverage sufficient to meet the customers future needs (if not what changes will be required)?
- » Adequate scenario testing and analysis completed (increased sales or loss and any subsequent impact)?
- » Is the customer journey clear, concise and not misleading (purchase, claims and complaints)?
- » Is the charging structure compatible with the product and the product complexity?

### Distribution Chain

- » Is the distribution arrangement clear?
- » Does each party involved in the distribution of the product possess the skills, knowledge and competency required for the product and target market?
- » Is the distribution method appropriate for the target market and complexity of the product?
- » Is the remuneration for each party appropriate? Does it conflict with the duty to act in the best interest of customers?
- » Does each party have adequate systems and controls in place to service the product and capture relevant MI?

### Conflicts of Interest

- » Any conflicts identified within the arrangement which will conflict with the duty to act in the best interest of customers, if so, how will these be addressed/mitigated?

### **Claims Management**

- » Is the responsibility of claims management clearly identified?
- » Where a third party is responsible for claims management, do they possess the necessary skills, knowledge and competency?

### **Complaints Management**

- » Is the responsibility of complaints management clearly identified?
- » Where a third party is responsible for management of complaints do they possess the necessary skills, knowledge and competency?

### **Business Considerations**

- » Is the proposal in line with business plan and strategy?
- » Is the proposal in line with company's conduct risk appetite?
- » Consider any Treaty requirements.
- » Consider available resource and whether they are adequate for the management of the product and its customers.

All new, renewing or products with substantial changes are required to be reviewed and approved by our Delegated Underwriting Group and Product Oversight Group. Both Group meet on a combined basis on a monthly and quarterly basis to:

- Review and approve new/renewing or products with substantial changes; and
- Review the performance of each arrangement.