

## Product Value - Information Exchange Template

Carrier name	Allied World Assurance Company (Europe) dac
Broker name	
Product name and reference	Insurance Brokers Professional Indemnity Policy PIIB-UK 00002 148 (09/22)
Reference/UMR [Binder]	
Reference [Class of Business]	UK Commercial – Professional Indemnity
Date	September 2023

### Manufacturer Information

*The fields below should be completed by the carrier. The information provided should be sufficient for distributors in the chain to understand the value of the product, the intended target market and those to whom the product should not be marketed. Other information should be included (if relevant) to advise distributors of how their known or expected actions might affect the value of the product.*

#### Product information

##### Product Description

A professional indemnity product that provides insurance protection to the customer against financial losses from a breach of professional duty if they provide advice or instructions.

There are no add-on covers available to purchase separately under this product.

##### Key Features

- Compensation, damages, or legal costs the Insured is legally liable to pay a client or customer for loss or damage resulting from negligent services or advice provided.
- Defence costs incurred in respect of a covered claim.

##### Automatic Extensions

- Compensation for attendance up to £50,000.
- Investigation costs brought by the Financial Conduct Authority up to £250,000.
- Loss of documents. Unintentional destruction, damage or loss to any documents which are the property of the Insured in relation to professional services. Up to £250,000.
- Appointed representatives.

##### Claims

Claims are handled by Allied World.

##### Complaints

Complaints are handled by Allied World:



Allied World Assurance Company (Europe) dac  
19<sup>th</sup> Floor, 20 Fenchurch Street  
London EC3M 3BY

**Renewal Process**

The renewal process and renewal notice are the responsibility of the distributor who deals directly with the customer.

**Territorial Limits**

Worldwide excluding USA and Canada.

**Jurisdiction Limits**

Worldwide excluding USA and Canada.

**Distribution Strategy**

Our Product Approval Process considers whether the proposed distribution is appropriate for our identified target market and the competency and experience of the parties involved in the distribution of our product.

This product can be distributed via FCA authorised brokers, MGAs, and Appointed Representatives with the prior agreement of Allied World. It is appropriate for the identified target market.

Brokers must enter into our standard format Terms of Business Agreement (TOBA) before we will transact business. Our preferred tool for agreeing, managing, and administering TOBAs is provided by REG Technologies.

**Product Governance**

**Product Governance Group (PGG)**

PGG is responsible for:

- Assessing Allied World products for pricing and product fair value and how they are distributed to ensure they are appropriately designed and distributed to meet the needs of the identified target market.
- Reviewing management information to ensure the product is performing in the way expected.
- Overseeing the process for the design, testing and approval of new products and significant adaptations to existing products.

PGG has senior management representation and includes Legal & Compliance. It is chaired by the Chief Underwriter Officer and meets at least quarterly.

**Product Approval Process**

The Product Approval Process document outlines the approval process and is applicable to products issued by Allied World Assurance Company (Europe) dac.



New products and/or significant changes to existing products are evaluated and approved prior to customer distribution and the process considers the Customer Risk Assessment Form (CRAF) which captures:

- Underwriting and regulatory information
- Acquisition costs and fees
- Customer risk
- Target market
- Product risk / product testing
- Sales risk / assessment of distribution of product
- Service risk

No significant adaptations have recently been made to the Insurance Brokers Professional Indemnity Policy, reference PIIB-UK 00002 148 (09/22).

#### **Product Testing**

The Product Approval Process considers what product testing is appropriate for new products or where there has been a significant adaptation to an existing product, what has been done and whether that is commensurate with the product and its complexity.

#### **Product Reviews and Fair Value**

Our product governance process requires a review of our products and target market statements at least annually to determine if the product offers fair value to the end customer.

These reviews consider the:

- Target market and any changes in the foreseeable future,
- Distribution strategy,
- Remuneration structures,
- Product information and performance (considering complaints and actual vs expected loss ratios),
- When wordings were reviewed by Legal Counsel,
- The experience of those involved in product manufacturer; and
- Distribution feedback where available from distributors and customers.

#### **Vulnerable Customers**

Allied World is committed to providing positive outcomes to all customers, including the identification, assessment, monitoring and management of customers with vulnerabilities.

#### **Target market**

##### **What is the product?**

A commercial lines general insurance product suitable for business customers.

**Who is the product designed for?**

This product is designed for customers whose income is generated from charging a fee for their professional services where they provide designs, advice, and consultancy and where membership of some professional bodies or industry associations make professional indemnity cover compulsory.

**What are the Target Classes?**

Insurance Brokers.

**What customer need is met by this product?**

Customers who require insurance protection against financial losses from breach of professional duty such as defence costs and any damages or costs that may be awarded if the client alleges that inadequate or negligent advice or services have been provided that cause them to lose money.

**How can the product be purchased?**

This product can be sold by FCA authorised brokers either face to face, by telephone, online or a mix of these methods.

**Are there changes anticipated to the target market?**

There are no changes proposed in the foreseeable future to the identified target market.

**Types of customer for whom the product would be unsuitable**

This product is not:

- i. Designed for and would not be expected to provide fair value to customers who fall outside the identified Target Market and is not suitable for:
  - ICAEW regulated accountants, as it does not meet the required minimum terms and conditions required by the regulating body.
  - Royal Institute of Chartered Surveyors (RICS) regulated surveyors, as it does not meet the required minimum terms and conditions required by the regulating body.
  - Lawyers.
  - Financial advisers (IFA).
  - Architects and Engineers.
  - Building contractors.
- ii. Suitable for consumers as defined by the FCA. A consumer is classed as any person who is acting for purposes which are outside their trade or profession.

**Any notable exclusions or circumstances where the product will not respond****Important Conditions**

- There are conditions which are precedent to our liability, and these are clearly stated in the policy wording. These conditions oblige the Insured to act in a certain way or stipulate a contingency upon which the validity of the policy or a claim depends. It is the responsibility of the distributor to familiarise themselves with the conditions precedent and seek clarification from us if unclear.



- Limits of liability apply to each policy section, section extensions and additional cover, and the amounts are specified in the policy schedule.
- Where an excess is payable the amount is specified in the policy schedule.
- The insured must:
  - Advise us of any changes to their activities and registration status.
  - Take all reasonable steps to comply with all relevant applicable laws, obligations, requirements, regulations, and codes of professional conduct.
  - Pay the premium on time and in full.
  - Give notice to us immediately of any circumstance or claim.
  - Fully cooperate with us in the defence, investigation or settlement of any matter that may involve this policy.
- The insured may have specific additional obligations under their policy which will be shown in the policy schedule as either Exclusions, Endorsements, Conditions or Claims Conditions.

#### **Key Exclusions**

- Fines and penalties.
- Criminal, fraudulent, dishonest, malicious, or reckless acts or omissions.
- Injury to an employee.
- Prior known claims or circumstances.
- Claims first made or deemed first made prior to the start date.
- Client funds.
- Cyber related losses.
- Epidemics and W.H.O. declarations.
- Financial services and investment advice.
- Improper fee arrangements.
- Joint ventures.
- Sanction, prohibition or restriction under United Nations resolutions, or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.
- Defamation.
- Underwriting losses.

#### **Other information which may be relevant to distributors**


For general product governance queries and return of the completed Product Information Value Template please email:

[productgovernance@awac.com](mailto:productgovernance@awac.com)

For Underwriting queries please email your Allied World Underwriting contact:

[name.surname@awac.com](mailto:name.surname@awac.com)



Date Fair Value assessment completed	2023
Expected date of next assessment	2024
 <b>Carolyn Shreeve</b> <b>SVP, Chief Underwriting Officer, Europe</b> Allied World Assurance Company (Europe) dac 19th Floor, 20 Fenchurch Street London EC3M 3BY United Kingdom	
<i>The following should only be completed <u>after</u> the Broker Information section below has been completed and provided by Distributor 1.</i>	
Total commissions	
Total fees	
Total other Distributor remuneration	
<b>Distributor Information</b>	
<i>The fields below should be completed for all Distributors in the chain. Distributor 1 should be the Distributor in direct contact with the carrier and the highest Distributor number should be the Distributor in direct contact with the customer. The information provided should include the type and amount of remuneration (including fees and commissions) of each Distributor, where this is part of the premium or otherwise paid by the customer, for the product.</i>	
<b>Distributor 1 – [insert name]</b>	
Retained commission	
Fees	
Other remuneration	
Explanation of activities provided	
<i>Select all that apply:</i>	
<b>Direct</b> – The product is distributed directly to insureds. The broker’s role is to understand the demands and needs of the insured and then obtain quotations from insurers.	Yes/No
<b>Wholesale</b> - The broker works on the producing brokers/Appointed Representative instructions paying due regard to the best interests of the end client.	Yes/No
<b>Advised</b> – the product is sold on an advised basis	Yes/No
<b>Non-Advised</b> – the product is sold on a non-advised basis	Yes/No
<b>Claims</b> – the broker provides claims first notification of loss	Yes/No
<b>Other</b> – please describe	Yes/No



Information on any ancillary products/activities sold alongside the product which may affect the product's value.	
<i>Select all that apply:</i>	
Legal expenses	Yes/No
Gap cover	Yes/No
Key cover	Yes/No
Emergency home cover	Yes/No
Loss recovery (pays for a loss assessor to act on insureds behalf)	Yes/No
Breakdown cover	Yes/No
Windscreen cover	Yes/No
Courtesy car cover	Yes/No
Risk Management services e.g. health & safety assessment, consultancy	Yes/No
Premium finance (if offered by the same provider) including fee structure	Yes/No
Other – please describe	Yes/No
Information on how the selected products above affect the product's value	
It is confirmed that the above remuneration paid by the customer is consistent with the regulatory obligations of Distributor 1.	Yes/No
<b>Distributor 2– [insert name]</b>	
Retained commission	
Fees	
Other remuneration	
Explanation of activities provided	
<i>Select all that apply:</i>	
<b>Direct</b> – The product is distributed directly to insureds. The broker's role is to understand the demands and needs of the insured and then obtain quotations from insurers.	Yes/No
<b>Wholesale</b> - The broker works on the producing brokers/Appointed Representative instructions paying due regard to the best interests of the end client.	Yes/No
<b>Advised</b> – the product is sold on an advised basis	Yes/No
<b>Non-Advised</b> – the product is sold on a non-advised basis	Yes/No
<b>Claims</b> – the broker provides claims first notification of loss	Yes/No
<b>Other</b> – please describe	Yes/No
Information on any ancillary products/activities sold alongside the product which may affect the product's value.	
<i>Select all that apply:</i>	



Legal expenses	Yes/No
Gap cover	Yes/No
Key cover	Yes/No
Emergency home cover	Yes/No
Loss recovery (pays for a loss assessor to act on insureds behalf)	Yes/No
Breakdown cover	Yes/No
Windscreen cover	Yes/No
Courtesy car cover	Yes/No
Risk Management services e.g. health & safety assessment, consultancy	Yes/No
Premium finance (if offered by the same provider) including fee structure	Yes/No
Other – please describe	Yes/No
Information on how the selected products above affect the product's value	
It is confirmed that the above remuneration paid by the customer is consistent with the regulatory obligations of Distributor 2.	Yes/No
<b>Distributor 3– [insert name]</b>	
Retained commission	
Fees	
Other remuneration	
Explanation of activities provided	
<i>Select all that apply:</i>	
<b>Direct</b> – The product is distributed directly to insureds. The broker's role is to understand the demands and needs of the insured and then obtain quotations from insurers.	Yes/No
<b>Wholesale</b> - The broker works on the producing brokers/Appointed Representative instructions paying due regard to the best interests of the end client.	Yes/No
<b>Advised</b> – the product is sold on an advised basis	Yes/No
<b>Non-Advised</b> – the product is sold on a non-advised basis	Yes/No
<b>Claims</b> – the broker provides claims first notification of loss	Yes/No
<b>Other</b> – please describe	Yes/No
Information on any ancillary products/activities sold alongside the product which may affect the product's value.	
<i>Select all that apply:</i>	
Legal expenses	Yes/No
Gap cover	Yes/No
Key cover	Yes/No





Emergency home cover	Yes/No
Loss recovery (pays for a loss assessor to act on insureds behalf)	Yes/No
Breakdown cover	Yes/No
Windscreen cover	Yes/No
Courtesy car cover	Yes/No
Risk Management services e.g. health & safety assessment, consultancy	Yes/No
Premium finance (if offered by the same provider) including fee structure	Yes/No
Other – please describe	Yes/No
Information on how the selected products above affect the product's value	
It is confirmed that the above remuneration paid by the customer is consistent with the regulatory obligations of Distributor 3.	Yes/No
<b>Distributor 4– [insert name]</b>	
Retained commission	
Fees	
Other remuneration	
Explanation of activities provided	
<i>Select all that apply:</i>	
<b>Direct</b> – The product is distributed directly to insureds. The broker's role is to understand the demands and needs of the insured and then obtain quotations from insurers.	Yes/No
<b>Wholesale</b> - The broker works on the producing brokers/Appointed Representative instructions paying due regard to the best interests of the end client.	Yes/No
<b>Advised</b> – the product is sold on an advised basis	Yes/No
<b>Non-Advised</b> – the product is sold on a non-advised basis	Yes/No
<b>Claims</b> – the broker provides claims first notification of loss	Yes/No
<b>Other</b> – please describe	Yes/No
Information on any ancillary products/activities sold alongside the product which may affect the product's value.	
<i>Select all that apply:</i>	
Legal expenses	Yes/No
Gap cover	Yes/No
Key cover	Yes/No
Emergency home cover	Yes/No
Loss recovery (pays for a loss assessor to act on insureds behalf)	Yes/No



Breakdown cover	Yes/No
Windscreen cover	Yes/No
Courtesy car cover	Yes/No
Risk Management services e.g. health & safety assessment, consultancy	Yes/No
Premium finance (if offered by the same provider) including fee structure	Yes/No
Other – please describe	Yes/No
It is confirmed that the above remuneration paid by the customer is consistent with the regulatory obligations of Distributor 4.	Yes/No
<b>Distributor 5– [insert name]</b>	
Retained commission	
Fees	
Other remuneration	
Explanation of activities provided	
<i>Select all that apply:</i>	
<b>Direct</b> – The product is distributed directly to insureds. The broker’s role is to understand the demands and needs of the insured and then obtain quotations from insurers.	Yes/No
<b>Wholesale</b> - The broker works on the producing brokers/Appointed Representative instructions paying due regard to the best interests of the end client.	Yes/No
<b>Advised</b> – the product is sold on an advised basis	Yes/No
<b>Non-Advised</b> – the product is sold on a non-advised basis	Yes/No
<b>Claims</b> – the broker provides claims first notification of loss	Yes/No
<b>Other</b> – please describe	Yes/No
Information on any ancillary products/activities sold alongside the product which may affect the product’s value.	
<i>Select all that apply:</i>	
Legal expenses	Yes/No
Gap cover	Yes/No
Key cover	Yes/No
Emergency home cover	Yes/No
Loss recovery (pays for a loss assessor to act on insureds behalf)	Yes/No
Breakdown cover	Yes/No
Windscreen cover	Yes/No
Courtesy car cover	Yes/No
Risk Management services e.g. health & safety assessment, consultancy	Yes/No
Premium finance (if offered by the same provider) including fee structure	Yes/No



Other – please describe	Yes/No
It is confirmed that the above remuneration paid by the customer is consistent with the regulatory obligations of Distributor 5.	Yes/No