Generis Risk Solutions Limited

**CO-MANUFACTURER ANNUAL**
**PRODUCT REVIEW & FAIR VALUE ASSESSMENT**

This document comprises the following sections;

- **Executive Summary**
- Section one **(General information)**
- Section two **(Information required from manufacturer)**
- Section three **(Distribution and remuneration information)**
- Section four **(Service information)**

## EXECUTIVE SUMMARY

The product assessment has taken into account:

- The value of the product (including core and any add-ons)
- The impact of the distribution on value (commission, fees, any add-ons, any premium finance)
- The impact of any service on value.

This is a relatively new product offered by Generis but it is a well-established product provided by CNA Hardy with balance sheet protection at its core.

**Underwriting**
When the product was designed, significant research was completed of market / competitor wordings.

Coverage is in line with Manufacturers CNA Hardy's current offering and aligns with regulatory requirements and insured's expectations in these sectors. The products are revisited annually in line with updated minimum terms advised by and worked on with the regulators.

The products are fit for purpose for an extended period.

**Claims**
The product has performed in line with expectations in responding to claims.

**Distribution**
The product is intended to be distributed primarily by retail brokers, although, by exception, may be distributed by wholesale brokers.
The product is aimed at brokers who provide advice to the customer and have the necessary competence and technical knowledge to provide guidance on appropriate coverage and limits.
Commission is payable for services provided to the policyholder with advice on appropriate coverage and limits together with servicing of quotations, binding, renewal, MTA's, etc.

Taking these into account the product is delivering fair value.

We have determined the next steps are to monitor and review products on a regular basis

## SECTION ONE: GENERAL INFORMATION

| | |
|---|---|
| Firm name | Generis Risk Solutions Ltd |
| Name of Product Name | Construction Professions - Design & Construct,<br>Design & Construct (XOL),<br>Engineers (Civil),<br>Engineers (Negligence)<br>Architects |
| Reference/UMR (Binder) | PIAF0223, PIXD0223, PIAH0223, PIAI0223, PIAC0223 |
| Reference (Class of Business) | Professional Indemnity |
| Date of review | May 2024 |
| Date of last review and outcome | June 2023 |
| Date of sign off | May 2024 |
| Approved by [in accordance with the relevant policy] | Generis Risk Solutions Ltd |

### Product Summary

| | |
|---|---|
| Role in distribution chain | Co-Manufacturer |
| Main characteristics of the product | Tailor made coverage for Construction Professionals in the UK. Construction Firms include: Design & Construct, Engineers and Architects<br><br>**What is insured?**<br><br>Cover is provided on a Negligence basis and insures the insured against claims made against them arising from:<br>• breach of professional duty, including where the claim results from the decision of an adjudicator or an award by an arbitrator<br>• libel or slander (committed without malicious intent)<br>• breach of confidence or misuse of information<br>• Infringement of intellectual property<br>• dishonest or fraudulent acts committed in the conduct of your business<br>• loss of or damage to third party documents<br><br>**What is not insured?**<br>• Risks that can be insured elsewhere, for example, Employers and Public Liability, Product Liability and Property<br>• Work undertaken outside the business description<br>• Claims arising out of any circumstances notified under any other policy which was effective before this policy started<br>• Claims which arise because the insured's contracts impose a duty of care on the insured, which goes beyond that applicable at common law<br>• Losses resulting from computer viruses<br>• Losses associated with adjudication where the insured is bound by the adjudicator's decision or where the adjudicator was not independent<br>• Claims relating to war, terrorism, pollution, asbestos, silica or nuclear |

| | |
|---|---|
| | radiation or materials<br>• Trading losses, fines or penalties<br>• All standard risks are covered within the wording, with broad terms around innocent non-disclosure. |
| Target market summary | The products have been specifically designed to cater for and meet the needs of professional indemnity clients operating within the construction professions sector.<br><br>The target market is UK parent entities; but overseas subsidiaries will be considered if purchasing cover on a global basis.<br><br>The target market are commercial entities, partnerships and sole traders established in the United Kingdom that typically fall into the small to medium enterprise (SME) category but can cater for insureds with revenues up to £500m<br><br>They purchase PI due to contractual requirements and or for balance sheet protection. Cover is in place to protect the clients of these businesses. |
| Vulnerable customers summary | Generis Risk Solutions Ltd have a Vulnerable Customers policy and provide training to staff on how to identify and deal with vulnerable customers |
| Add ons, optional extras, premium finance | N/A |
| Main parties in distribution chain | Manufacturer – Insurer<br>Distributor 1 – Generis Risk Solutions Ltd<br>Distributor 2 - Broker |
| Summary of pricing strategy | Where the broker has agreed with client to not receive a commission, Generis Risks Solutions will still charge commission to reflect our own costs of underwriting including preparing and servicing quotations, incepting policies, renewals and MTAs.<br><br>Total price charged by Generis Risk Solutions will be advised on the schedule. This will include a fee subject to the level of income we receive.<br><br>The pricing of the products will be based on Insured turnover and declared activities, the business is written via Generis Risk Solutions Underwriting Guide which is linked to claims experience and refined over time.<br><br>Additional charges will only apply mid-term should the insured wish to increase their limit of indemnity or have a material change of activity which affects the rating.<br><br>Total premiums expected to be paid over the length of time a customer would hold the products would not exceed the benefits that could be received from claims. The policies is written on an annual claims made basis.<br><br>Given the cover is negligence based errors or omission, the likelihood of loss is the same throughout the period. |

## SECTION TWO: INFORMATION REQUIRED FROM MANUFACTURER

### Overview

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|---|---|---|
| Information provided by manufacturer | Main characteristics and features of the insurance product | YES |
| | Product approval process | YES |
| | Target market | YES |
| | Their fair value assessment | YES |
| | Any effect co-manufacturer may have on intended value which the manufacturer has not taken into account | NO |

## Target Market

| | |
|---|---|
| Summary of target market | The products have been specifically designed to cater for and meet the needs of professional indemnity clients operating within the construction professions sector.<br><br>The target market is UK parent entities; but overseas subsidiaries will be considered if purchasing cover on a global basis.<br><br>This is a mid-market solution for insureds with revenues up to £1bn |
| Description of group of potential customers whose objectives and characteristics are compatible with the product features (taking into account the characteristics, risk profile, complexity and nature of the insurance product) | Construction Firms include:<br><br>• Design & Construct,<br>• Engineers<br>• Architects<br><br>Commercial entities, partnerships and sole traders established in the United Kingdom that typically fall into the small to medium enterprise (SME) category who purchase PI due to contractual requirements and or for balance sheet protection.<br><br>Cover is in place to protect the end clients of these businesses. |
| Who is the product not suitable for? | The products are not suitable for regulated professional service firms, non-regulated professionals or those in the media/Tech industry<br><br>Consumers – persons carrying out activities unrelated to their declared business description / trade type or profession.<br><br>Customers established or employing persons based outside of the United Kingdom |

## Vulnerable customers

| | | |
|---|---|---|
| Any features of product that deliberately or inadvertently exploit customers in vulnerable circumstances | NO | If yes, describe |
| Any features of the product designed specifically to deliver positive outcomes for vulnerable customers | NO | If yes, describe |
| How information needs of vulnerable customers are being met so customers understand the purpose and risks of the product | Generis Risk Solutions Ltd are aware of the groups that vulnerable customers may fall in to. Generis Risk Solutions Ltd provide specific training to staff so that we should be able to identify a Vulnerable Customer and how to deal with them. | |
| How distribution strategy is appropriate for ensuring the needs of potentially vulnerable customers | Generis Risk Solutions Ltd only supply products to commercial entities, thereby reducing the potential. | |

## Claims analysis

| | | |
|---|---|---|
| Are claims overall delivering value? | YES | Review of the products show they are in line with expectations for products of this nature.<br>Complaints information confirms that claim outcomes are not considered to be providing poor outcomes. |
| Are there any outliers that require further investigation? | NO | |

## Product value conclusion

| Statement | Yes or Limitations |
|---|---|
| We have sufficient information to understand the characteristics of each insurance product | YES |
| We have sufficient information to understand the identified target market of each insurance product. | YES |
| We have sufficient information to identify any potentially vulnerable customers | YES |
| We have sufficient information to understand the manufacturers distribution approach | YES |
| On the information provided we have not identified any issues raised that could impact the value of the product | YES |

## SECTION THREE: DISTRIBUTION AND REMUNERATION ARRANGEMENTS

### Description

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| Method by which product is distributed | Telephone, Email and Face to Face |
| Use of sub-brokers | The products are intended primarily for distribution by retail brokers, although Generis Risk Solutions Ltd do have agreements in place to transact wholesale business. |
| Advised / non-advised | N/A |
| Any additional service provided | N/A |

### Commission analysis

| | | |
|---|---|---|
| Any potential conflicts of interest | NO | If yes, describe |
| Controls in place to avoid conflicts | YES | |
| Justification for any variable commission rates | Where the broker has agreed with client to not receive a commission, Generis Risks Solutions will still charge commission to reflect the costs of underwriting activities. | |

### Ancillary products or services (including insurance add-ons, non-insurance additional products – excluding Retail Premium Finance which should be detailed below)

| Manufacturer | List the Ancillary Products/Services/Add-Ons | Price |
|---|---|---|
| 1 None | | |
| 2 | | |
| 3 | | |

### Ancillary Products/Add-ons analysis

| | | |
|---|---|---|
| Are add ons and ancillary products appropriate? | N/A | |
| Do add ons and ancillary products have consistent markets? | N/A | |

| | |
|---|---|
| Are they consistent with customers' demands and needs? | N/A |
| Have you satisfied yourself about customer understanding of the add on? | N/A |
| Have you conducted an analysis of the value of the add on and the impact of the remuneration arrangement? | N/A |
| Have you considered the impact of the add on to the value of the product? | N/A |

## Fees

We charge fees on most open market SME business subject to the level of income we receive. On multinational accounts fees are individually negotiated according to requirements for the programme.

## Fees analysis

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|---|---|
| Justification of fees against the levels of service provided | We charge the above fees to cover the cost of providing underwriting expertise and issuing bespoke documentation. |
| Any rules or exceptions to fees | None. Our policy has been changed to now always charge a fee but we no longer charge fees for MTAs |
| If fees are standard irrespective of premium size how have you justified that they are providing value in all cases? | Depending on the complexity of the policy, additional costs and man hours may be incurred in preparing a contract by using more experienced staff with advanced technical underwriting expertise, a specialism of specific markets or a certain type of risk and the level of advice given or services offered in negotiating a policy as a result |
| Are there any fees in lieu of commission? | None |

## Retail Premium Finance *(If applicable, applies to retail Premium Finance only)*

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|---|---|
| Flat Rate plus providers set up fees | N/A |
| Margin | N/A |

## APR analysis

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|---|---|
| Do additional costs of retail premium finance have a material determinantal effect on the value of the product with which it is combined? | N/A |
| Are you satisfied that you can justify the APR in light of the credit risk? | N/A |
| Do you have enough information on premium finance provider's fair value assessment? | N/A |

## Distribution and remuneration arrangements conclusion

| Statement | Yes or Limitations |
|---|---|
| We are satisfied there are no conflicts of interest in our arrangements | YES |
| We are satisfied any add-ons are appropriate and priced appropriately | N/A |
| We are satisfied that any retail premium finance is appropriate and priced appropriately | N/A |
| We are satisfied the level of remuneration is reflective of costs incurred | YES |
| We are satisfied I have considered the impact of our remuneration and distribution arrangements and they don't have a detrimental effect on the overall value of the insurance product to the customer. | YES |

# SECTION FOUR: SERVICE INFORMATION

*SA note: The quality of services is an important part of the fair value assessment. As part of performing their value assessment insurers may ask you for information about*
*levels and quality of service including any ongoing monitoring and oversight reports relating to your processes, for example call monitoring or file reviews.*

## Service information

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|---|---|---|
| Summary of services provided | Information gathering via the broker to assess the customers Demands & Needs for both new and renewal customers.<br><br>Provision of advice to brokers, underwriting and administration during the course of the policy | |
| Complaints information | Number of complaints made in the last 12 months | None |
| | Complaints not closed within 8 weeks | None |
| | Complaints upheld | None |
| | Complaints per 1,000 policies sold | None |
| | FOS complaints | None |
| Customer outcomes testing | File audits and peer reviews are carried out monthly. Customer outcomes are monitored and reported quarterly to our capacity providers. | |
| Service performance measures | No standard service performance measures are in place, however we would assess the service if Complaints and Customer Satisfaction responses highlight any deficiencies. | |
| Satisfaction surveys | We do not use satisfaction surveys however we request feedback regularly from our brokers | |

## Service information conclusion

| Statement | Y or Limitations |
|---|---|
| We are satisfied the complaints data does not indicate a poor level of service that may impact the value of the product | YES |
| We are satisfied any customer outcomes testing has not identified any issues that may impact the value of the product | YES |
| We are satisfied we have not identified any other service issues that may impact the value of the product | YES |
| We are satisfied that the complaints data does not highlight any concerns about the Distribution Strategy or Distribution Channels' | YES |