

# Product Governance and Fair Value Assessment

Plum Underwriting is committed to conducting its business in a fair, honest and open manner and we ensure that we have appropriate product oversight and governance systems and controls in place to offer products that have been assessed as providing fair value to customers that are within the appropriate target market.

This summary document has been created to fulfil our responsibilities under fair value regulations. This document should not be used as a sales or marketing tool. The client facing broker must act in the best interests of each customer individually when deciding whether to recommend a particular policy or not.

## Product Information

<b>Product</b>	PropertyWorks
<b>Version Number</b>	PWK/0421/PW

## Assessment

<b>Most Recent Review</b>	October 2021
<b>Product Type</b>	Existing unoccupied commercial structure and works, contract all risks cover.
<b>Manufacturer / Co-manufacturer</b>	Plum Underwriting Capacity Providers: HSB Engineering Insurance Ltd
<b>Territorial Limits</b>	For properties situated in England, Wales, Scotland, Northern Ireland, The Isle of Man and The Channel Islands
<b>Target Market</b>	This product is designed to provide Contract All Risk cover for building works starting at £25,000 (must be at least 10% of BSI) for small to medium size commercial property owners looking for peace of mind cover during renovation.
<b>Outside Target Market</b>	Customers with unoccupied or occupied commercial properties that are not undergoing building works.
<b>Characteristics of the product aimed at meeting the needs of the target market</b>	<p><b>Cover Sections:</b></p> <ol style="list-style-type: none"> <li>1. The Property</li> <li>2. The Contents</li> <li>3. Your Liability as Property Owner</li> </ol> <p><b>Add Ons:</b></p> <p>Non-Negligence Liability cover can be added.</p> <p><b>Key Exclusions</b></p> <p>Any loss or damage caused by loss of profit, business interruption or any economic loss of any kind other than covered under section 1 special extension 6 – Advanced Loss of profits</p> <ul style="list-style-type: none"> <li>▪ Any loss or damage caused by wilful acts by you or any of your employees</li> <li>▪ Any loss or damage caused by wear &amp; tear or any gradual operating cause, mechanical/electrical breakdown, or fault/failure</li> <li>▪ Any loss or damage that commenced before cover starts</li> <li>▪ Any loss, damage or liability resulting from any structural work undertaken as part of the contract works that is not designed and planned by a fully qualified structural engineer and carried out in line with the current building regulation with the local authority building control services overseeing the work as they deem necessary</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Any costs which we have not agreed in writing, any expenses for preparing a claim or an estimate of loss or damage</li> <li>▪ Any loss or damage to the contract works arising from a defect in the existing structure that existed prior to the commencement of the period of insurance</li> </ul> <p><b>Key Restrictions</b></p> <ul style="list-style-type: none"> <li>▪ Any loss or damage resulting from any contract works being undertaken at an open trench depth of 5 metres (16 feet 4.85 inches) below the normal ground level surrounding the home, unless we have agreed and accepted such contract works before they commence and your schedule specifically state that this exclusion no longer applies.</li> <li>▪ Any loss or damage where the contract works cease for 60 continuous days unless expressly agreed by us in writing</li> <li>▪ If the home is vacant for more than 7 consecutive days, we do not insure loss or damage to contents caused by escape of water or oil, theft or attempted theft, or any person taking part in a riot, violent disorder, strike, labour disturbance, civil commotion or acting maliciously</li> </ul>
<p><b>Distribution Strategy</b></p>	<p>This product is intended for distribution via FCA authorised brokers only. Brokers must be approved by us and enter into our standard format TOBA. Our preferred method of agreeing TOBAs is via REG. Brokers may access this product via our online portal.</p> <p>Sub-broking is not permitted without our express written consent as it is outside our risk appetite.</p>
<p><b>Commission</b></p>	<p>We will agree a commission rate with each distributor. All distributors should be able to demonstrate that commission received bears a reasonable relationship to the actual costs of their contribution/level of involvement or benefit added by them to the distribution arrangement. We may ask you to justify your commission rate.</p>
<p><b>Other Remuneration</b></p>	<p>We will charge an Underwriting Fee on any new business or extension of cover. We will also charge a fee if your customer requests to cancel the policy during its term (other than in the cooling off period). Full details regarding our fees can be found within the quote and issue cover Schedule Statement of Fact. We review our fees annually to ensure that they remain appropriate.</p> <p>We may ask you provide details of remuneration you earn in connection with the sale of our policy. This includes any fees, premium finance earnings, earning from non-insurance products or add-ons sold alongside our policy.</p> <p>You must ensure that your arrangements are consistent with FCA rules on conflicts and incentives. You should review all remuneration arrangements at least annually and share the outcome of that review with us on request.</p>
<p><b>Fair Value Review</b></p>	<p>Our product governance process requires a full review of all products at least annually to determine if the product offers fair value to the end customer. These reviews consider the target market, distribution strategy, remuneration, marketing, product information, product performance, product design and feedback from distributors and customers.</p> <p>We also monitor conversion rates, renewal retention, cancellations, loss ratios, claims and complaints as part of this review process.</p> <p>We are satisfied that the product offers fair value to its intended Target Market subject to distributors</p>

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	<ul style="list-style-type: none"> <li>• not charging customers additional amounts over and above the gross premium plus underwriting fees quoted by us without first determining that they do not have a detrimental effect on the value of the product.</li> <li>• Ensuring that no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy</li> </ul>
<b>Customers for whom the product is not expected to provide fair value</b>	This product would not be expected to provide fair value to policyholders/risks that fall outside the Target Market.
<b>Relevant documents available via our website</b>	IPID Broker Product Summary Policy Wording

### Providing Feedback

We welcome any feedback from our distributors on the performance of our products. All feedback will be considered in our next product review.

If you believe that your staff would benefit from additional training on this product, please let us know by contacting [bus.dev@plum-underwriting.com](mailto:bus.dev@plum-underwriting.com).