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### **Product Oversight & Governance (POG) Decision Register**

<b>Product</b>	Residential & Commercial Property Owners
<b>Department</b>	Commercial
<b>Insurer</b>	Accelerant Insurance Europe SA/NV UK Branch
<b>Directors/Managers</b>	Phillip Oliver
<b>Completion Date</b>	27/11/2023

#### **PRODUCT APPROVAL PROCESS**

Has the complexity of the product been considered? Please detail.	Yes, the product complexity has been considered and it is tailored for this sector of the industry and customers will be commercial clients. Such as Limited Companies, Sole Traders, and Partnerships etc. This product is not deemed suitable for “Consumers” where the trade is not their main occupation or field of expertise.
Is there sufficient information on the product for customers and is it readily available?	Yes, there is sufficient information available for the customer on the product which is contained within policy summary, wording, and key benefits documents.
What is the nature of the product?	The nature of the product is tailored for this sector of the industry.
Has the scale and complexity of the business of the relevant Insurer/Manufacturer/Distributor been considered?	Yes, we have approached appropriate Insurers who offer Property Owners insurance as a speciality. The Insurers have the relevant expertise for this class of business.
What are the main characteristics and features of the insurance product?	This is a specialist product offering Buildings cover, Property Owners Liability and can be extended to Include Landlord’s Fixtures and Fittings, Rental income and EL cover for maintenance activities. For residential lets, cover can include the cost of re-housing tenants in the event that the building becomes un-inhabitable following a claim.
What does the insurance cover?	The cover includes Property Damage for Buildings cover, Landlord’s fixtures and fittings, communal contents, Rental income, Property Owners liability and can be extended to cover Employers’ Liability cover to cater for maintenance personnel. Legal Expenses cover is also an additional option.
What does the insurance NOT cover?	Optional covers include Legal Expenses, Employers’ Liability and Terrorism. Risks falling outside United Kingdom, Channel Islands, and Isle of Man.
Are there any restrictions on cover?	The policy provides “tailored” covers as requested at the time of Inception and Renewal by the Insured/Broker. Limits can be increased on request.
Where can further information about the policy terms be found?	The Policy Wording, Summary of Cover and Key Benefits document.

#### **TARGET MARKET**

Who is the target market?	The target market will be micro, SME, sole trader property owners. The product is focused at both Residential and Commercial property owners. Their characteristics are Property owners, Property Managers who own the property and let it out to
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	both residential and commercial clients. This will include properties that have a “Buy-to-let” mortgage applicable.
What are the potential risks posed to the identified target market and how will these be managed?	The potential risks would be minimal as the product is designed to fulfil all the requirements of the Property Owner/Property Manager. Cover is flexible and the Sums Insured/Limits can be changed to meet the Insured’s requirements. Every case is referred to a dedicated Underwriter who will review each case to manage the risk to ensure it’s suitable for the product.
Who is this product not suitable for?	Risks with a Total Sum Insured of more than £5,000,000 Commercial enterprises outside of the United Kingdom, Channel Islands, and Isle of Man. Retail Consumers within the FCA definition.
What reasonable steps will be taken to ensure that the product is distributed to the identified target market?	We recognise we are not distributing the product directly to customers and therefore ensure it is sold via regulated professional insurance brokers who also have a duty to ensure the product meets their clients’ needs. Furthermore, every case is referred to a dedicated DOA Underwriter who will review each case to manage the risk to ensure it’s suitable for the product being offered.

**VULNERABLE CUSTOMERS**

Are there likely to be any Vulnerable Customers to the product?	We will maintain awareness of any clients who the broker indicates may be vulnerable, are in financial distress or if they are/were non-domiciled in the UK and English could be their second language.
What are the potential risks posed to Vulnerable Customers and how will these be managed?	We have a dedicated Vulnerable Customer Policy & Procedure which robustly details how all staff at DOA are to identify and assist any identified Vulnerable customers with any potential risks faced. Where a potential vulnerable customer may not understand the content of the policy or coverage our distribution strategy utilises regulated professional Insurance brokers who act on their client’s behalf and can relay the content accordingly if the client is having difficulty understanding the documentation.

**PRODUCT TESTING**

Has the product been appropriately tested, including scenario analyses where relevant, before bringing it to market, significantly adapting it, or if the target market has significantly changed? Also, does the product over its lifetime meets the identified needs, objectives, and characteristics of the target market?	This product has been available since 2018, during which time the product has been tested via our select panel of partner brokers, who have been able to determine that this product meets the requirements of the target market. A review of similar products has been done and DOA will continue to review on an ongoing basis when any significant changes are made, to ensure the product remains suitable for the intended market. A product performance review is now in place, consisting of data capture and analysis covering quote conversion, renewal retention, cancellations & claim repudiations and more as detailed below.
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**DISTRIBUTION STRATEGY**

What are the intended distribution channels and are these appropriate for the target market?	The intended distribution strategy is for the product to be sold via regulated professional insurance brokers who have agencies with DOA. Such brokers will appropriately market the product to ensure it meets the needs of the target market above.
Is all appropriate information on the product, approval process and	Yes. Along with a policy summary, policy wording we also distribute key benefits to the policy to further highlight the details.



the identified target market made available to distributors so they can understand the identified target market and be able to identify any customers for whom the product is not suitable?	Our website offers a breakdown of the products also. These are all available throughout the customer journey. A copy of our Product Review form will be available to distributors if they require.
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<b>REMUNERATION</b>	
Is the pricing clear and transparent to end customers and others in the chain?	Yes, the pricing is clear to all and is detailed on the NB/RENL schedule.
How will we ensure we continue to operate fair pricing practices for this product?	All renewals are reviewed annually to ensure the best possible terms are provided. Terms and conditions are detailed within the DOA Underwriting Guide. Annual rate increases and commissions are in keeping with the individual binding agreements with the ultimate insurer.
Does the commission splits agreed between Insurers / Underwriters / Brokers bear proportionate resemblance to the work being done for the client?	The remuneration that DOA receives from Insurers is commensurate with the work undertaken and the account management procedures that are required of us. The overall remuneration received from this Insurer is 38% which is in keeping with the market standards for Underwriting agencies of our standing. Remuneration being ceded to our broker partners is in keeping with market standards and varies slightly but on average amounts to between 65% to 75% of the total commission received. On occasion, modified commissions may be individually agreed between DOA and the Broker at Inception or renewal. This is considered fair and reasonably reflects the amount of work involved by each party on behalf of the client. A review of down-line commissions has been undertaken and is considered to be fair and reasonable.
Are Insurers / Underwriters / Brokers making additional money through fees, charges, and premium finance arrangements?	The Standard Fees are £35 applied to MTA's. The below shows the charges applied at New & Renewal review, in relation to the Premium. < £1,001 = £65 £1,001 - £5,000 = £75 £5,001 + = £100 Higher fees may occasionally be applied to support additional time input where required. There are no hidden charges. All fees are approved by Insurers and clearly stated on the NB/RENL schedules. Premium finance is not actively sold. A premium finance agreement can be arranged upon request from the client subject to a 6% interest charge (equivalent to an APR of 13.67%). We do however have a minimum premium requirement of £1,000 and only make available to non-consumers. Our Brokers add their own fees. We have reviewed these fees and believe fair value is being maintained throughout.

<b>MULTI OCCUPANCY – FCA PS23/14 (Residential Leaseholders)</b>	
Are leaseholders considered as a relevant part of the target market when designing, pricing and distributing the product?	Yes Leaseholders are considered as a relevant part of the target market for design, pricing and distribution purposes. We have reviewed the distribution strategy and implemented necessary



	system changes to ensure the needs of leaseholders are understood and met under the product.
Is the product consistent with the needs and interests of leaseholders and other policy stakeholders?	In addition to the Target Market as stated above, the product will also meet the needs and interests of leaseholders who may have no choice or say in the purchasing of the policy. This will be achieved via dedicated disclosure documentation and information in accordance with the regulatory requirements which should be provided to leaseholders by the broker one step down the chain. We will however provide such information should we be made aware it has not been received by leaseholders
Is the product priced in a way that provides fair value and that remuneration practices do not lead to poor outcomes?	The product is underwritten based on a dedicated underwriting guide that considers various parameters which taken together would influence an underwriter and ultimately the premium. DOA receives 38% commission from the Insurer, of which approximately 15.5% is retained for our underwriting services and 22.5% is passed onto the client's registered broker for their full market analysis and formal recommendation for most appropriate policy. We do not pay any additional commissions or fees to any other entities including Freeholders or Property Management Companies.
Demonstrate that product provides fair value to leaseholders as well as any other customers.	There is a fair relationship between the total price and the overall benefits leaseholders receive. This is evidenced through our Fair Value process including review of all relevant and applicable Management Information which highlights no detrimental outcomes to leaseholders.
Have we considered the amount of remuneration shared with other parties in the distribution chain, such as freeholders and PMAs?	As above, we do not pay any additional commissions or fees to any other entities including Freeholders or Property Management Companies. We will however ensure that our disclosure information provided to brokers confirms no such payments can be made by them unless they can clearly demonstrate they provide fair value to leaseholders.

<b>PRODUCT VALUE</b>	
Is everyone in the distribution chain providing ultimate value to the end consumer?	In conjunction with carefully vetted and well-respected Insurers, DOA has developed this policy wording specifically to meet the needs of the clients operating within this trade sector. Pricing and coverage are regularly monitored to provide the best levels of cover and for the best price to ensure value and peace of mind. We also only deal with professional Insurance intermediaries who are competent within this sector to provide the advice and service required for the end consumer. DOA have undertaken a review of down-line broker fees and additional charges, and these are considered to be fair and reasonable.
Does the product in question provide value to end customers both now, for the foreseeable future i.e., policy term, and at potential future renewals? If not, what further actions are required?	Yes. DOA also review policy wordings on a regular basis to ensure the best cover is maintained/provided. Each client case is reviewed on an annual basis to ensure that best pricing and coverage is offered in order to provide security and peace of mind.

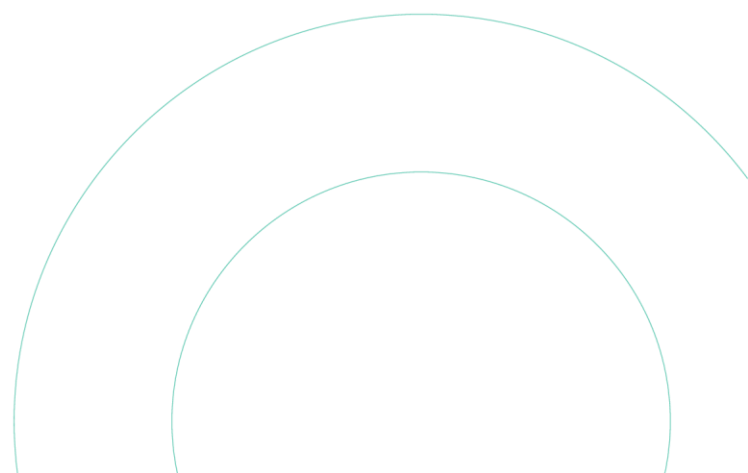


### MONITORING/ONGOING REVIEW

<p>How will the product be continuously monitored and regularly reviewed, and who by?</p>	<p>The product will be continually monitored and regularly reviewed at least annually or when any significant changes are made, to ensure the product remains suitable for the intended market. A product performance review is now in place, consisting of data capture and analysis covering quote conversion, renewal retention, cancellations &amp; claim repudiations. A dedicated Product Oversight &amp; Governance Committee has been established, working with our Insurer partners to ensure all compliance with the new requirements and we also have a Product Oversight &amp; Governance Policy &amp; Procedure covering our review and monitoring framework.</p>
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### CONFLICTS OF INTEREST

<p>Do you foresee any Conflicts of Interest?</p>	<ul style="list-style-type: none"><li>• <b>Making an unfair and/or unreasonable profit at the customer's expense</b> Premium rates are pre-determined based on nature of trade and theft area and would be adjusted based on perceived risk quality and claims experience, using the DOA Underwriting Guide.</li><li>• <b>Awarding unfair, unreasonable and/or non-transparent fees in connection with the insurance mediation service the customer uses</b> The fee structure, which has been agreed by the panel of insurers, is fair and reflects the amount of work involved. Higher fees may occasionally be applied to support additional time input where required. Fees are clearly stated on the NB/Ren'l schedules.</li><li>• <b>Add-ons – balancing the benefit to the business with the needs of the customer</b> The Package insurance policy is sold as an unbreakable bundle and there are no add-ons. There are several additional optional cover sections (Fidelity Guarantee, Personal Accident and Terrorism) but these need to be requested by the client.</li><li>• <b>Premium finance</b> Premium finance is not actively sold. A premium finance agreement can be arranged upon request from the client subject to a 6% interest charge (equivalent to an APR of 13.67%). We do however have a minimum premium requirement of £1,000 and only make available to non-consumers.</li><li>• <b>Bonuses, commission, and incentives for sales executives</b> There is a commission structure paid to new business underwriters over and above basic annual salary. Each underwriter is monitored by regular monthly internal audit carried out by senior management in addition to a department internal audit. We are also implementing a new monthly conduct risk review for staff who deal with this product to help demonstrate positive outcomes.</li></ul>
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## DATA MONITORING & COLLECTION

PRODUCT PERFORMANCE MEASURES	EXPLANATION
Number of policies in force (month total)	Total policy count for the month
Number of policies in force (total book)	Total of all policies in force at month end
New business quotes by Policy count	Total number of all quotes given in the month
New business sales by Policy count	Total number of all sales in the month
New business conversion by Policy count	% Number of sales versus number of quotes given
New business conversion by Premium	% Value by premium of all sales versus quotes given
New business policies cancelled <14 days?	The number of (consumer) policies cancelled
Renewals invited by policy count	The number of policies invited for renewal in the month
Renewals taken up by policy count	The number of policies renewing in the month
Renewal retention rate %	The % of policies renewed versus invited
Mid-term cancellations	The number of policies cancelling mid-term in the month
Mid-term cancellation rate	The % of policies cancelling versus policies in force
Number of claims made	The number of claims made in the month
Number of Claims paid	The number of claims paid in the month
Number of claims outstanding	The number of claims outstanding in the month
Number of claims repudiations (Ex COVID)	The % of claim repudiations in the month versus total no. of claims
Number of complaints	The % of complaints received in the month versus total no. of policies
Number of complaints upheld	The % of all complaints upheld in the month versus to total no. of complaints