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Product Oversight & Governance (POG) Decision Register

Product	Commercial Combined
Insurer	China Taiping Insurance (UK) Co Ltd
Directors/Manager	Phillip Oliver
Completion Date	13/03/2024
Date of Last / Next Review	March 2023 / March 2025

PRODUCT APPROVAL PROCESS	
Has the complexity of the product been considered?	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. Sole Traders, Limited Companies and Partnerships.
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 and the risk of consumer detriment related to it?	The nature of the product is tailored for this sector of the industry. Therefore, the risk of consumer harm is low.
Has the scale and complexity of the business of the relevant Insurer/Manufacturer/Distributor been considered?	Yes, we have approached appropriate Insurers who offer Commercial Combined insurance as a speciality. The Insurers have the relevant expertise for this class of business. Distribution is via regulated sub-brokers who work with us collaboratively to ensure compliance with PROD.
What are the main characteristics and features of the insurance product?	This is a specialist product for the more complex risks and can be tailored to meet the specific requirements of the Insured in order to fully reflect their unique needs.
What does the insurance cover?	Property Damage (covering Buildings, Contents, Stock and specified other items etc.), Business Interruption (including extensions e.g., for Denial of access, Failure of Public Utilities, Failure of Customer/Suppliers) Specified Business Equipment (At premises, Anywhere in the UK or Anywhere World-wide), Loss of Money (Inc Personal Accident Assault) Goods in Transit Terrorism (An optional cover extension) Employers' Liability (£10m LOI) Public / Products Liability (Flexible Indemnity limits) Fidelity Guarantee (An optional cover extension) Personal Accident (An optional cover extension) Legal Expenses (An optional cover extension) All tailored to meet the individual needs of client.
What does the insurance NOT cover?	Risks falling outside England, Scotland, Wales and Northern Ireland.
Are there any restrictions on cover?	The policy provides "tailored" covers requested at the time of Inception and Renewal by the Insured/Broker. Inner limits can be tailored to individual's requirements.
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 operations. The product is focused on customers who require a greater degree of cover flexibility as opposed to the stricter parameters of a “Package” arrangement with pre-set limits. Their characteristics are commercial clients who require a “tailored” insurance product to meet their specific more demanding needs.
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 more “complex” client requiring specialist covers. Cover is tailored to meet the specific requirements of the client and the Sums Insured/Limits are flexible to meet the Insured’s precise 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 £6,000,000 Commercial enterprises outside of England, Scotland, Wales and Northern Ireland.
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 staff at DOA 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. Furthermore we have also created a dedicated Accessibility webpage which may assist customer understanding.

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.



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 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?	Yes. Along with a policy summary, policy wording we also distribute key benefits of the policy to further highlight the details. Our website offers a breakdown of the products also. These are all available throughout the customer journey. A copy of this Product Review form is available at all times on the website .

REMUNERATION

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/RNWL 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?	<p>The remuneration that DOA receives from Insurers is commensurate with the work undertaken and the account management procedures that are required of us. The remuneration varies slightly between Insurers but on average is around 32.5% which is in keeping with the market standards for Underwriting agencies of our standing.</p> <p>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.</p> <p>On occasion, modified commissions may be individually agreed between DOA and the Broker at Inception or renewal.</p> <p>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.</p>
Are Insurers / Underwriters / Brokers making additional money through fees, charges, and premium finance arrangements?	<p>The Standard Fees for this product are £35 applied to MTA's and a maximum 10% of Return Premium on Cancellations. The below shows the charges applied at New & Renewal review:</p> <p>< £2,500 = £100 £2,500 - £4,999 = £125 £5,000 - £9,999 = £175 £10,000 + = £250</p> <p>Higher fees may occasionally be applied to support additional time input where required. There are no hidden charges. Fees are approved by Insurers and stated on the NB/RNWL schedules.</p> <p>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.</p> <p>Our Brokers add their own fees. We have reviewed these fees and believe fair value is being maintained throughout.</p>



PRODUCT VALUE	
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. In addition, our overall review of this product and PROD MI assures us the product provides value to end customers.

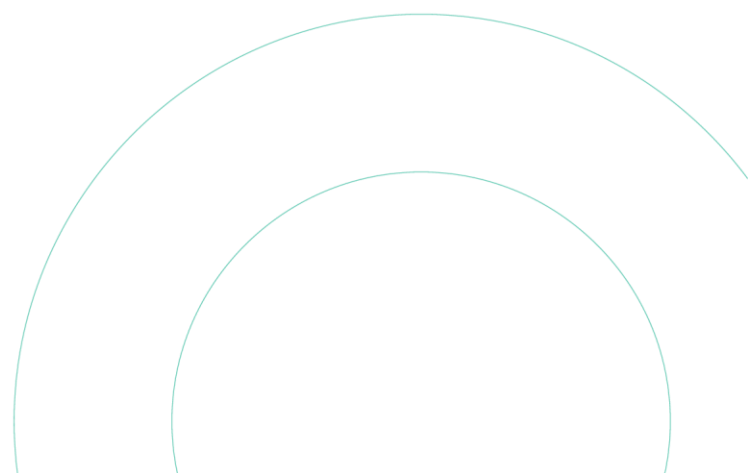
MONITORING/ONGOING REVIEW	
How will the product be continuously monitored and regularly reviewed, and who by?	The product will be continually monitored and regularly reviewed at least annually or when any significant changes are made, to ensure the product remains suitable for the intended market. A product performance review is now in place, consisting of data capture and analysis covering quote conversion, renewal retention, cancellations & claim repudiations. A dedicated Product Oversight & 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 & Governance Policy & Procedure covering our review and monitoring framework.

CONFLICTS OF INTEREST	
Do you foresee any Conflicts of Interest?	<ul style="list-style-type: none"> • Making an unfair and/or unreasonable profit at the customer's expense 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. • Awarding unfair, unreasonable and/or non-transparent fees in connection with the insurance mediation service the customer uses 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/RNWL schedules. • Add-ons – balancing the benefit to the business with the needs of the customer This product is tailor made utilising necessary features required to meet the customers needs. Extensions to the policy can included to meet the individual requirements of the insured. • Premium finance 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.



- **Bonuses, commission, and incentives for sales executives**

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 department internal audit.





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