

**Product Governance and Fair Value Assessment**

Aqueous Underwriting, a trading name of Aqueous Management Limited is an underwriting agency. We offer our products through selected partner brokers in the UK with whom we can build strong and meaningful relationships with. We work with these brokers to provide a truly dedicated service in turn enabling them to offer unique levels of customer service to their clients.

Aqueous Underwriting works closely with all our insurer partners to ensure the products available to our brokers are in-line with regulatory guidance and offer true, ongoing value to the end target customer.

**Product Development**

In line with our responsibilities under PROD 4.3 requirements before any new products are launched or changes made to existing products our internal governance arrangements ensure that the following assessments are undertaken and approved:

1. The **Target Market** is clearly identified for each product
2. The **Distribution Approach** supports and aligns to the needs of the target market
3. The **Costs and Charges** for the product and how they impact the **Fair Value** for the end customers
4. The **Characteristics of Vulnerability** within the target market are considered and understood
5. **Customer Communications** are clear and transparent

**Assessment**

<b>Last Review</b>	September 2023
<b>Product Type</b>	Professional Indemnity
<b>Product Name(s)</b>	Accountants, Architects & Engineers, Design & Construct, Insurance Brokers, IT Professionals, Media Professionals, Miscellaneous and Property Professionals
<b>Manufacturer / Co-Manufacturer</b>	Aqueous Underwriting and lead insurer, AXA XL Insurance Company UK Ltd
<b>Territorial Limits</b>	For risks located in the United Kingdom, Channel Islands and the Isle of Man
<b>Target Market</b>	Professional firms with fee income up to £5,000,000 increasing to £15,000,000 for Miscellaneous, IT & Media professions. For firms with turnover up to £100m.
<b>Characteristics of the product aimed at meeting the needs of the Target Market</b>	<p>The PI product provides insurance against civil liability claims made against the insured from clients or third parties who have suffered a financial loss arising out of professional business activities. PI has been provided by insurers for nearly 100 years. Many professional bodies require their members to purchase PI insurance.</p> <p>The products are designed to be compliant with relevant professional bodies, have been designed by lawyers and are approved with insurers. Significant changes or amendments to</p>

	<p>the policy wording(s) are put back through the product governance assessment process.</p> <p>Aqueous do not include any ancillary products in insolation or within the main product.</p>
<b>Notable Exclusions or conditions</b>	<p>Standard market exclusions apply. Each risk will contain clarity on Cyber with a specific exclusion.</p> <p>Construction professions will include profession specific fire safety exclusions.</p> <p>Insurance Broker risks will include a communicable disease exclusion.</p>
<b>Distribution Strategy</b>	<p>The product is sold via FCA authorised brokers only. KYC checks are made on brokers who sign up to our standard TOBA. It is the broker's role to understand the demand and needs of the insured and obtain suitable insurance.</p>
<b>Commission</b>	<p>Commission rates are agreed with each broker, who must be able to demonstrate that commission received is reasonable for their involvement and/or benefit added in the distribution of the product.</p>
<b>Other Remuneration</b>	<p>Administration/policy fees are charged at new business or renewal.</p> <p>We review our fee structure to ensure they remain appropriate.</p> <p>We may ask our brokers to provide details of their own remuneration in connection with the sale of the product. Brokers must ensure remuneration is consistent with FCA rules on conflicts and incentives.</p>
<b>Fair Value Review</b>	<p>Our product governance process includes an annual review to determine if the product offers fair value to the end customer. These reviews consider the target market, distribution strategy, remuneration, marketing, product information and policy wording coverage.</p> <p>As part of this process, we monitor product performance for:</p> <ul style="list-style-type: none"> <li>• Conversion rates</li> <li>• Renewal retention</li> <li>• Cancellations</li> <li>• Loss ratios/claims</li> <li>• Declined claim</li> <li>• Complaints</li> </ul>

	<p>Claims are handled by a third party administrator (TPA) appointed by insurers who have agreed service levels in place.</p> <p>Complaints about the policy are handled by Aqueous and those about the claims by the TPA appointed by insurers.</p> <p>The product offers fair value to it's the Target Market.</p>
<b>Customers for whom the product is not expected to provide Fair Value</b>	The product does not offer fair value to risks that are outside of the Target Market.
<b>Relevant Documents</b>	<p>IPID(s)</p> <p>Policy Wording(s)</p>

### Feedback / Training

To supply feedback on our products or to request training please contact [info@aqu-uw.com](mailto:info@aqu-uw.com).