

Product Review & Fair Value Assessment

Product Co Manufacturer Name	Shape Underwriting Limited
Product name	Professional Indemnity Insurance
Product type	Commercial
Class of business	Professional Indemnity
Insurer	Accelerant Insurance Europe SA/NV UK Branch ('Accelerant')
Retained Commission	Per Binder with Carrier
Our Fees	£0
Date of Review	June 2025
Period of Review	August 2024 to July 2025
Type of Review	Annual
Approved by	Product Oversight & Governance Committee
Date of next Review	August 2026

Target market

This product provides protection in respect of civil or legal liability for damages and costs and expenses incurred in connection with the conduct of a policyholder's professional business.

Types of customer for whom the product would be unsuitable

The product is unsuitable for;

Companies / individuals who do not provide professional services or any advice.
IFAs, mortgage brokers
Global 500 firms
Banks or building societies
Journalists
Medical practitioners
Notaries,
Financial Institutions.
Sanctioned companies or individuals

Cover information

Mandatory Covers

Loss arising from any civil or legal liability arising from the conduct of the customers professional activities. Awards by an industry Ombudsman, FCA investigation costs

Optional Covers

Fraud and dishonesty
Mitigation of loss
Asbestos cover
Collateral Warranty cover
Compensation for court attendance
Health and safety legislation costs

Loss of documents

Joint ventures

Pollution

Activities of sub-consultants

Appointed representatives (RICS) legal representation costs

Any notable exclusions or circumstances where the product will not respond

- 7.1 Asbestos
- a. **Bodily Injury** resulting from the presence or release or possible release of asbestos or asbestos containing materials in whatever form or quantity; or
- b. **Asbestos Inspections** carried out by **You** arising out of, based upon or attributable to:
 - **7.2 Bodily Injury/Property Damage**
 - arising out of, based upon or attributable to **Bodily Injury** or **Property Damage** unless arising from an actual or alleged failure to achieve the legally required standard of care, diligence and expertise in performing **Professional Services**.
 - **7.3 Conduct**
 - arising out of, based upon or attributable to any actual or alleged dishonest, fraudulent or criminal conduct of **Yours**;
 - This exclusion shall not apply to Insuring Clause 2.2 – Fraud and Dishonesty.
 - **7.4 Contractual Liability**
 - arising out of, based upon or attributable to any:
 - except to the extent such liability would have attached to **You** in the absence of such contractual duty, term or agreement.
 - **7.5 Costs Assessment**
 - arising out of, based upon or attributable to any failure by **You** or other party acting for **You** to make an accurate pre-assessment of the cost of performing **Your Professional Services**.
 - **7.6 Directors' and Officers' Liability**
 - arising out of, based upon or attributable to any **Claim** made against **You** in **Your** capacity as a director, officer, trustee, **Member** or partner of **Your Company** in respect of the performance or non-performance of their duties as a director, officer, trustee, **Member** or partner of **Your Company**.
 - **7.7 Employers' Liability**
 - by any person for **Bodily Injury**, sickness, disease or death incurred, contracted or occurring whilst under a contract of service or apprenticeship with **You** or for any breach of any obligation owed by **You** as an employer.
 - **7.8 Employment Practice Violation**
 - arising out of, based upon or attributable to any act, error or omission with respect to any employment or prospective employment of any past, present, future or prospective employee of **Yours**.
 - **7.9 Fitness for Purpose**
 - arising from any fitness for purpose or other "no fault" obligation
 - **7.10 Insolvency**
 - arising out of, based upon or attributable to **Your** insolvency, liquidation, administration or receivership.
 - **7.11 Land and Buildings**

- arising out of the ownership, possession or use by You or on Your behalf of any land, buildings, aircraft, watercraft, vessel or mechanically propelled vehicle, including the leasing of goods or property by You or on Your behalf
- **7.12 Pollution**
- arising out of, based upon or attributable to any direction, request or effort to (a) test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**; or (b) respond to or assess the effects of **Pollutants**.
- **7.13 Prior Acts**
- arising out of based upon, attributable to or in any way involving any **Wrongful Act** which first takes place before the **Retroactive Date**.
- **7.14 Prior Claims/Circumstances**
- made prior to the inception of this Insurance including any **Related Claims** thereto, or arising out of, based upon or attributable to a circumstance which has been properly notified under any other policy or certificate of insurance attaching prior to the inception of this Insurance including any **Related Claims** thereto.
- **7.15 Products**
- arising out of any products or goods supplied, manufactured, constructed, altered, repaired, treated, sold, recalled, fabricated, distilled or maintained by **You** or on **Your** behalf (including any party engaged by **You**).
- **7.16 Surveys and Valuations (Properly Qualified Persons)**
- arising out of, based upon or attributable to any survey or valuation unless it was undertaken by, or under the direct supervision of, a **Properly Qualified Person**.
- **7.17 Trade debts**
- arising out of, based upon or attributable to any (i) trading debt incurred by **You**; or (ii) guarantee given by **You** for a debt.
- **7.18 Unauthorised Access/Virus**
- for loss, liability, expenses or Costs arising indirectly or directly out of:
- **7.19 U.S.A./Canada**
- made or pending within or to enforce a judgment obtained in the United States of America or Canada, or any of their territories or possessions;
- **7.20 War/Terrorism**
- arising out of, based upon or attributable to any war (declared or otherwise), **Terrorism**, warlike, military, terrorist or guerrilla activity, sabotage, force of arms, hostilities (declared or undeclared), rebellion, revolution, civil disorder, insurrection, usurped power, confiscation, nationalisation or destruction of or damage to property by or under the order of, any governmental

Features you should be aware of when considering this product

Your sales journey should identify the eligibility of customers and ensure that information is presented to them in a way that supports them through the process and enables them to make an informed decision whether the product meets their needs.

Where there are different underwriting and cover options available for this product customers should consider which option best suits their needs and circumstances.

Your customer journey and interactions should highlight and identify any customers with potential areas of vulnerability and address them accordingly.

Intended method of Distribution

The product should be sold by an authorised insurance broker, in line with FCA regulation on an advised or non-advised basis. The sale of the product can be via online, telephone or face-to-face channels.

If the product is distributed to the customer via more than one broker then the second tier broker:

1. must deal direct with the end customer rather than through a third-tier broker.

Distribution costs, fees and remuneration

As part of our assessment, we have not considered the specific distribution costs of any one broking firm. You should therefore assure yourself that your own fee structure is compliant with your regulatory obligations.

If you have any concerns over the impact that your fee structure may have on our products, then please contact us.

Other information which may be relevant to distributors

We are satisfied that the pricing, the cover, the design of the product, the claims settlement process and the distribution methods we have chosen result in a product that represents fair value to our end customers.

This product does not adversely impact vulnerable customers and delivers outcomes that are the same as those for customers with no characteristics of vulnerability.

As part of the process of assessment, we have reviewed, amongst other things:

- General market pricing
- Our pricing in relation to the product loss ratio
- Product value over a reasonably foreseeable future period
- Renewal retention
- Mid-term cancellations rates
- Operational and claims service levels and outcomes
- Customer complaints
- Distributor feedback
- Our pay-aways and the general distribution costs of our broker panel as disclosed to us.
- Customer needs and any changes in the last 12 months

We have also considered the pricing and premiums in relation to FCA regulations in PS21/5, ICOBS 6B and Consumer Duty and are satisfied we comply with the necessary requirements. As part of our assessment, we concluded that time will not diminish the value of the product to the end customer. The customer may report a claim on the last day of the policy period and receive a settlement that would not be distinctly different to the settlement he would have received had he reported the claim on the first day of the period of insurance. The product also contains provisions to protect against the erosion of value over subsequent renewals and policy periods.

This document should be read in conjunction with the Policy Wording and Insurance Product Information Document (IPID) for the product.

Statement of Demands and Needs

The product meets the needs of companies or individuals who require protection in respect of civil or legal liability for damages and costs and expenses incurred in connection with the conduct of a policyholder's professional business.