

Fair Value Assessment Outcome:

Product – TERRORISM COVER

Insurer/Provider - BRIT

KEY FINDINGS;

Product Overview

This product covers Damage caused by Act of Terrorism or an Act of Sabotage for UK Commercial Clients

See Target Market Statement for full detail on the range of customers the product is designed for as well as the groups of customers for whom the product is not appropriate and will not provide the intended value.

In summary, the product covers commercial risks requiring terrorism coverage for their UK assets and Public liability exposures. The product is not suitable for non-commercial risks or commercial clients who do not require the aforementioned cover.

Date Fair Value assessment completed – December 2023

The data reviewed for this assessment has been drawn from the policies sold between 1st October 2022 and 30th September 2023.

Fair Value Assessment Outcome:

The outcome of the review shows the product delivers value. This product will therefore be monitored and reviewed again in 12 months as per PROD 4.2.34 requirement to undertake regular product reviews.

A summary of why we concluded this product is delivering value is set out below:

- The product performance metrics do not raise any major concerns and are explained in detail below.
- The product is a low volume one from a sales perspective with 20 live policies in place at time of review so the appetite and demand for this product is low.
- The new business quotes and conversion rates are above company tolerance (35 %) so the conversion is very good. In the review period the conversion rate was 55.7 %.

- The average commission for this product during the review period was 30 % with an average fee of £21.25 per policy.
- The renewal retention rates are below company tolerance of 75 %, at 53.8 % for the review period. This is due to some of the policies being moved onto a more suitable combined product. The remaining renewals are purely standalone terrorism policies.
- Cancellation rates are within company tolerance and were zero during the review period.
- Complaints levels for this product were zero during the review period. No complaints have been received by Mi Specialty Ltd in relation to the sale or administration of this product.
- Our approach to this product review has utilised data and MI readily available.