

Fair Value Assessment Outcome:

Product - Residential Development Insurance

Insurer/Provider - HSB Engineering Insurance Ltd

KEY FINDINGS;

Product Overview

Residential Development Insurance Includes cover for contract works and optional cover for any existing structures, plant and public liability (including non-negligent)

See Manufacturer's Target Market Statement for 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.

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 new business quotes and conversion rates were above the company target rate of 35 % with a rate of 50 % being achieved within the review period.
- The average commission for this product during the review period was 32.5 % with a fee of £25 per policy.
- The renewal retention rates are not relevant in this case as this is a single contract product with no retention.
- Cancellation rates are not relevant in this case as this is a single contract product with no retention.

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- 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.