

Fair Value Assessment Outcome:

Product - SME Flood Protect

Insurer/Provider – Various – See Product Overview Below

KEY FINDINGS;

Product Overview

SME Flood Protection Cover from a panel of insurers: AXA XL, Great Lakes, Ascot

This Policy covers clients against the Damage to Property and for the additional expenditures incurred due to Damage to insured Property as a direct result of a Flood. Fixed indemnity limits of £25,000 or £50,000.

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.

In summary, this product is aimed at Small Businesses with assets and turnover of under £1m.

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 9 live policies in place at time of review.
- The new business quotes and conversion rates were below the company target rate of 35 % with a rate of 20 % being achieved within the review period. This is not a concern as this is a new product and a specialised market. The product will be reviewed in 2024 to improve distribution which should see an increase in new business.

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- The average commission for this product during the review period was 20% with a fee of £25 per policy.
- The renewal retention rates company tolerance level for this product is 75%. In the review period this product achieved a rate of 72.7%.
- Cancellation rates 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.