

Fair Value Assessment Outcome:

Product - Flood Commercial Combined Insurance

Insurer/Provider – Various – See Product Overview Below

KEY FINDINGS;

Product Overview

Flood Commercial Combined Insurance comprising of Property from a panel of insurers plus Liability cover from Convex, Equipment Breakdown cover and Cyber cover from HSB Insurance, and Legal Expenses cover from ARAG Insurance.

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, the product is for Commercial Clients that require a policy of insurance that covers the assets, earnings and legal liabilities of their business. The target market includes risks that are at increased risk of flooding.

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 19 live policies in place at time of review.
- The new business quotes and conversion rates were in line with the company target rate of 35 % with a rate of 35 % being achieved within the review period.

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- The average commission for this product during the review period was 21.65% with an average fee of £19.63 per policy. This is a package product so commission will vary between 20% and 28.5% depending on which sections of cover are selected.
- The renewal retention rates company tolerance level for this product is 75%. In the review period this product achieved a rate of 78.9%.
- 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.