

Fair Value Assessment Outcome:

Product – Package Combined Insurance

Insurer/Provider – Various – See Product Overview Below

KEY FINDINGS;

Product Overview

Package Combined Insurance comprising of Property and Liability provided by Brit and Axis plus 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 policy is for Commercial Clients that require a policy of insurance that covers the assets, earnings and legal liabilities of their business.

Suitable for Offices, Surgeries and Retail risks with Material Damage and Business interruption exposures of £5m and under any one location.

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 high volume one from a sales perspective with 2,453 live policies in place at time of review so the appetite and demand for this product is good.

- The new business quotes and conversion rates target is 35 % with an overall average rate of 22 % being achieved within the review period. This is not a concern, however, as the offline conversion rate was 74.4 % . The overall percentage has been brought down due to the online conversion rate being 18.4 % . The online figure is lower as there is evidence that a number of unacceptable trades have been requested which has had an effect on the ability to convert these quotes to sales as they were not suitable for the cover provided.
- The average commission for this product during the review period was 33.49 % with an average fee of £24.36 per policy.
- The renewal retention rates company tolerance level for this product is 75 % . In the review period this product achieved a rate of 87.9 % .
- Cancellation rates were low during the review period. 56 policies were cancelled.
- 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.