

## Fair Value Assessment Outcome:

Product - Preferred Breweries Insurance

Insurer/Provider – Various – See Product Overview Below

### KEY FINDINGS;

#### Product Overview

Commercial Combined Insurance comprising of Property provided by Great Lakes and Liability cover from Convex plus Equipment Breakdown 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, this product is for Commercial Clients in the brewing industry that require a policy of insurance that covers the assets, earnings and legal liabilities of their business.

#### Date Fair Value assessment completed – December 2023

The data reviewed for this assessment has been drawn from the policies sold between 1<sup>st</sup> October 2022 and 30<sup>th</sup> 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 11 live policies in place at time of review.
- 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 30.64 % with an average fee of £18.18 per policy.
- The renewal retention rates company tolerance level for this product is 75 % . In the review period this product achieved a rate of 66.7 % . This is not a concern due to the very low volume of policies in place.
- Cancellation rates were low during the review period. 2 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.