

## UK Retail Product Fair Value Summary

Product group	Commercial Crime
Date fair value summary completed	September 2024

### Introduction

Gallagher has completed Fair Value Assessment work on those products it manufactures. This is based on groupings of products which may be similar in features and are intended to be distributed to similar target markets. This summary is not intended to replicate this work but sets out the approach taken and high level findings.

### Product information

This product is designed for commercial entities which are UK registered limited companies with a turnover of less than £250m, it can support small and mid-market UK private limited companies across a wide range of industries.

The product is not suitable for sole traders or public limited companies, or those who are not a UK registered limited company.

#### **Product coverage**

The product provides policyholders with protection against direct financial losses caused by theft, fraud, or dishonesty by their employees and/or third parties.

Cover is available for a range of indemnity limits depending on the demands and needs of the insured.

#### **Product limitations**

The product is not intended to cover losses of any property stock, materials in trade or finished goods that are owned or held for sale by the insured. Cover is subject to a minimum deductible of £5,000.

#### **Distribution approach**

This is a commercial lines general insurance product, which is open to both new, and renewal customers. Customers are best supported by purchasing this product through either telephony or face-to-face sales channels on an advised basis.

#### **Optional Products**

Optional ancillary products are not suited to being sold alongside this product.

### Distributor remuneration

In the case of this product, distribution is undertaken by Gallagher Group businesses who are remunerated out of the core commission agreed with the insurer. It is our view that this is warranted by, and in proportion to, the activity carried out by Gallagher specifically;

- Commissions and fees Gallagher charge are reasonable relative to the service(s) provided and the total cost of the product to policyholders; and

- Commissions and fees charged are fair, and support the intended value of the product.

#### How Gallagher mitigates risks to fair value

Our commission structure is designed to ensure that it reflects product features and benefits and the services offered by Gallagher.

Where Gallagher Group companies distribute we have validated that product commissions/fees are charged within a reasonable range and in line with usual market practice in order to ensure the value of the product is not diluted.

#### Does this product type provide fair value?

We believe, based on a review of information in respect of sales practices and services, claims, complaints and market intelligence, that this product provides fair value to policyholders. We carefully review the value and suitability of our products in conjunction with the Target Market Statements (TMSs); subject to products being sold in line with the direction of our TMSs, there is no evidence that would lead us to believe that the product is not suitable for the policyholders it is intended to be distributed to.

#### How we assess value

Our product governance and oversight process requires a full review of all product groups at least annually to determine if the product offers fair value to the policyholders.

These reviews consider the target market, distribution strategy, remuneration, marketing, product information, product performance, product design (including wordings), and any feedback received from distributors or policyholders. We also consider sales, claims and complaints data, and risk metrics related to these factors.

We believe that these products provide fair value to its intended target market, subject to distributors:

- Not charging additional fees (including the cost of premium finance) that bear no reasonable relationship to the service(s) provided, or the overall cost of the product; and
- Ensuring that where appropriate cover is already provided by the policy, there is no duplication of cover as a result of either add-on products sold, or any policies held separately by the policyholder.