



Product Oversight & Governance

PRODUCT INFORMATION PACK



COVERHOLDER: Assurant Intermediary Ltd
SCHEME NAME & REF: Assurant Let Property Home Emergency Insurance | 06027G
DATE: March 2021

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Introduction to our Product Information Pack

Product Oversight and Governance (“POG”) refers to the systems and controls firms have in place to design, approve, market and manage products throughout the product lifecycle to deliver fair value to the customer and ensure they meet legal and regulatory requirements. As a manufacturer of an insurance product, we are required to ensure you are provided with:

- All appropriate information about the insurance product;
- All appropriate information about the product approval process;
- The identified target market of the insurance product.

This information should be shared with your employees who are involved in the distribution of this product, as well as with any further distribution partners with whom you engage.

The key aims of the information provided in this pack are:

- To document how the key roles and responsibilities of product design and distribution are shared between our businesses. *This information is detailed in Section 1.*
- To ensure you understand our approach to POG in relation to the manufacture of our products. *This information is detailed in Section 2.*
- To illustrate the systems and controls we have in place to design, approve, market and manage products throughout the product lifecycle with the aim of ensuring value for the customer and, in delivering such value, meet regulatory and legal requirements. *This information is detailed in Section 2 and Section 3.*
- To provide scheme specific information relating to the product content and intended target market and to highlight any potential risk factors. *This information is detailed in Section 4.*

Ongoing responsibilities

We would like to draw your attention to your ongoing responsibilities as a Distributor, as set out in PROD4, specifically sections 4.3 and 4.4, which outline the regulatory expectations for distribution. This includes the requirement for you to share sales information that will assist us in the completion of Product Reviews, to inform us of any changes to your distribution strategy or to raise any concerns should you become aware the product may not be in line with the requirements of the target market.

Should you have any questions, or would like to discuss this material further, please email our Products Team at productsteam@ukgeneral.co.uk or contact your Account Manager.

Section 1 | Roles and Responsibilities Matrix

Scheme Name | Assurant Let Property Home Emergency Insurance

Product | Let Property Insurance

Date | March 2021

When firms collaborate to manufacture an insurance product, they must outline their mutual responsibilities in a written agreement.

Role	Party Responsible for Completing Activity for production, completion and implementation of actions	Party to Sign-off actions and outputs
Product Design	UKG	UKG
Underwriting Acceptance Criteria	UKG	UKG
Product Testing	UKG	UKG
Net costs & charges for the product	UKG	UKG
Gross costs & charges for the product	Client & UKG	UKG
Identification of Target Market & any risks to that market	UKG	UKG
Product Monitoring & Review	UKG	-
Maintaining the skill & competence of Product Development Staff	UKG	-
Selection of Distribution Channels	Client & UKG	-
Information provided to Distributors	Client & UKG	-
Monitoring of Distribution	Client & UKG	-
Documentation - Policy Wording & IPID	UKG	UKG
Documentation - Schedule	UKG	UKG
Product oversight Committee/Sign-off	UKG	UKG

The definition of roles have been agreed as follows;

CLIENT	DISTRIBUTOR
UKG	LEAD MANUFACTURER

Section 2 | Product Oversight & Governance Policy Overview

1. Introduction

This policy applies to UK General Insurance Limited (UKGIL) and sets out our approach to product oversight & governance (“POG”) in relation to the manufacture of our own products.

POG refers to the systems and controls a firm has in place to design, approve, market and manage products throughout the product lifecycle with the aim of ensuring value for the customer and, in delivering such value, meeting regulatory and legal requirements.

The FCA implemented the PROD Sourcebook to improve firms’ product oversight and governance processes and to ensure the FCA rules and guidelines are aligned with the Insurance Distribution Directive. The purpose of which is to ensure that the interests of consumers are considered throughout the life cycle of an insurance product.

The key requirements of the PROD Sourcebook are:

- Formalisation of roles and responsibilities for firms across the distribution chain clearly defined and documented in a contract;
- That product manufacturers must maintain an end-to-end POG process tailored to the complexity of the product which includes identification of the target market, risks to that target market and ensures the products match the needs of the target market;
- The need for manufacturers to pass on certain product information to distributors;
- The need for manufacturers to obtain information from distributors on product performance and complaints;
- Establishing frequency of product reviews and also to identify factors that will trigger a product review on an ad-hoc basis;
- The need for consistency in distribution strategies between manufacturers and distributors to ensure POG arrangements are effective;
- The need to ensure manufacturers select distributors who have the right skills to effectively sell the products.

This policy sets out how UKGIL complies with these requirements.

2. Definitions

UKGIL has defined the key roles in the manufacture and distribution of insurance products as follows:

Where UKGIL manufactures its own products for distribution

Role	Who	Activities
Lead Manufacturer	UKGIL	<ul style="list-style-type: none"> Autonomous design and development of an insurance product for the market Autonomous determination of the essential features of an insurance product, including coverage, price, costs and risks Identification of the target market Production of the policy wording and IPID Provides product information to the distributor Autonomously determines changes to the product
Distributor¹	Coverholder or further Sub-Delegate involved in the distribution chain up to and including the party selling directly to the customer	<ul style="list-style-type: none"> May personalise or adapt the product for its distribution arrangements Agrees distribution arrangements with UKGIL Ensures onward sharing of product information provided by UKGIL where there are other parties in the distribution chain

3. Product Governance Framework Principles

UKGIL has developed a set of 8 principles which form the basis of its approach to POG. These principles apply to its own manufacturing of insurance products. The principles are as follows:

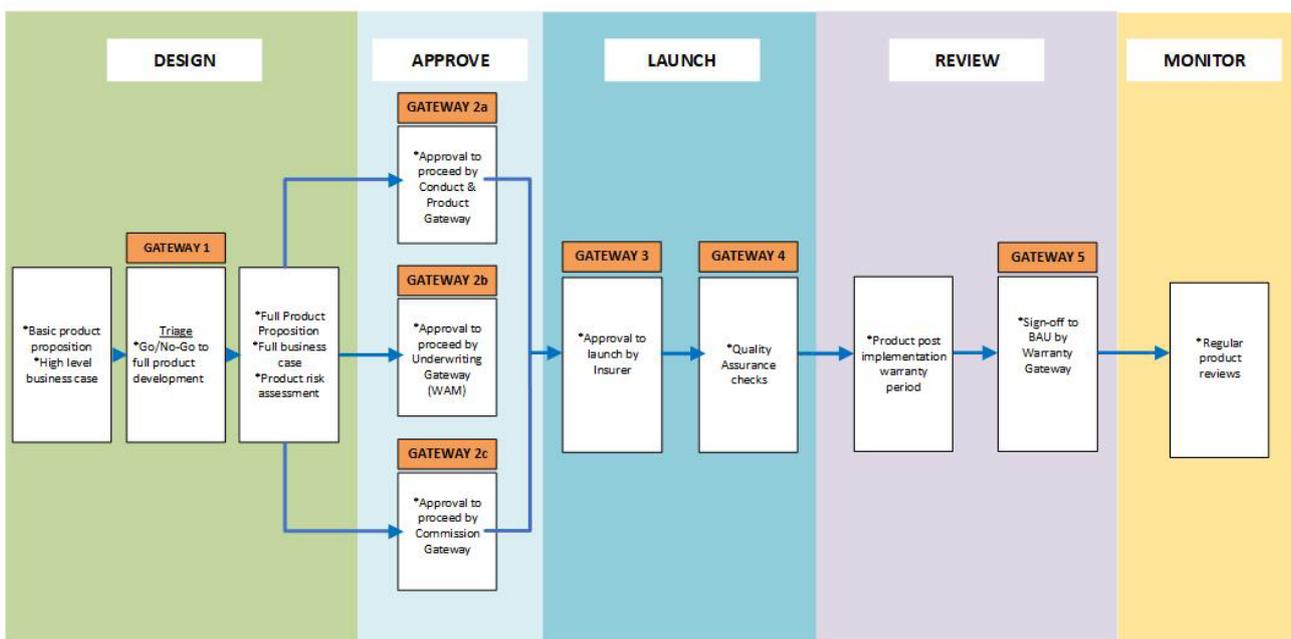
Principle	Requirement
1. Roles & Responsibilities	Ensure roles & responsibilities are clearly defined and documented.
2. Product Governance Process	Maintain a product governance & oversight process which is tailored to the complexity of the product, demonstrates that a target market is clearly defined, that any risks associated with that target market are understood, and ensures the design of the product matches the needs of the identified target market.
3. Transparency of Charging	Demonstrate that the charging structure is compatible with, and appropriately transparent to, the target market (i.e. does not disguise charges or is too complex to understand).
4. Provision of Product Information to Distributors	Provide product information to distributors covering all appropriate information on the product, all appropriate information on the product approval process, and the identified target market of the insurance product.
5. Product Reviews	Undertake regular product reviews, whether scheduled or ad-hoc.
6. Selection of Distributors	Ensure the selection of distributors with the necessary knowledge, expertise and competence to understand the features of the product and the identified target market.
7. Monitoring Distribution Activity	Ensure the activities of the distributor(s) are consistent with the product distribution strategy.
8. Training & Competence	Maintain the skills of the people involved in the product manufacturing process.

To support these principles, UKGIL has defined a core product governance process, which can vary as to the nature of the distribution. The process is owned by the Head of Products, who ensures ongoing maintenance, and is stored centrally. The process is summarised below:



4. Product Manufacturing Approval & Oversight Committees

The diagram below illustrates the approval requirements for new product opportunities.



The Conduct & Compliance Committee is responsible for reviewing conduct management information at product and portfolio level which may indicate issues with product performance, the outputs of product reviews, and agreeing the requirement for any ad-hoc product reviews.

5. Product Reviews

UKGIL maintains a product review schedule based on scale and overall risk of a product. This schedule is owned by the Head of Products, who is also responsible for ensuring the reviews take place. Reviews will take place in accordance with the schedule plan, dependant on the product, and the frequency is aligned to the latest regulatory advice and guidance.

UKGIL may also undertake an ad-hoc product review if there is reason to do so, for example, a change in product performance, evolving market conditions or a change or amendment to regulatory requirements. The outcome of product reviews will be reported into the Conduct & Compliance Committee.

6. Training & Competence

UKGIL ensures that the staff involved in the design of insurance products have the necessary skills, knowledge and expertise to understand the products sold and that they understand the needs, objectives and characteristics of the customers belonging to the target market.

Section 3 | Product Review Content

UKGIL maintains a product review schedule based on scale and overall risk of a product. This schedule is owned by the Head of Products, who is also responsible for ensuring the reviews take place. Reviews will take place in accordance with the schedule plan, dependant on the product, and the frequency is aligned to the latest regulatory advice and guidance.

Review Purpose:

- Products are competitive with market offerings
- Review of internal and external broker/customer feedback
- Products meet customer needs and provide value for money
- Products comply with all relevant regulations and legislation
- Policy documentation is clear and concise

Review Content:

Review Document Content	<ol style="list-style-type: none"> 1. Business Stakeholder Feedback <ul style="list-style-type: none"> - Collate views and opinions of the product inc: Actuarial / Underwriting / Account Management / Customer Relations & Claims / Compliance 2. Market Summary <ul style="list-style-type: none"> - Value - Size - Horizon Scanning - Emerging Trends - Market Activity & Competition - Market Commentary 3. Distribution <ul style="list-style-type: none"> - Method of Sale - Hierarchy / chain of insurance from Insurer to Customer 4. Product Content & Comparison <ul style="list-style-type: none"> - Comparison Tables - Key findings 5. Pricing Comparison <ul style="list-style-type: none"> - Comparison Tables - Key findings 6. Policy Wording Review <ul style="list-style-type: none"> - RAG status report 7. Underwriting Performance <ul style="list-style-type: none"> - NWP / ACT ULR / UW ULR / Pricing Run Rate - Key points and comments from UW Guide / Appetite / Binder Restrictions 8. Claims & Customer Experience <ul style="list-style-type: none"> - Declinature rates - Claims frequency - Average claims value to retail price - FOS Cases - Complaints numbers 9. TPA Capability <ul style="list-style-type: none"> - Adherence to SLAs. 10. Legal & Regulatory Review <ul style="list-style-type: none"> - FCA Thematic Reviews - Market activity - Other trade organisation activity 11. Recommendations <ul style="list-style-type: none"> - Table of key finding and required actions.
Sign off	Gain signoff for any changes from the relevant committee, Compliance and Legal

Section 4 | Product Information Record (PIR)

Product Name: Home Emergency | Let Property
Client Name: Assurant Intermediary Limited
Scheme Name: Assurant Landlord Let Property Home Emergency
Scheme Ref: 06027G

Section 1: Product Summary

Product Description:	Provides emergency assistance to property owners whose property is let under a tenancy agreement. An emergency is defined as “a sudden and unexpected event which if not dealt with quickly, may lead to further damage, or leave your home unsafe or unsecured or cause risk to you or any other permanent resident of your home.” Includes cover for plumbing, drainage, boiler and heating breakdown, electrical and gas faults and security cover.		
Product Aim:	To provide property owners with access to emergency assistance and protect against unexpected associated costs.		
Customer Type:	Personal		
Product Structure	Individual Policyholder	Annual, True Monthly or Short Term / Event Policies	Annual
Class of Business:	Assistance	Claims Settlement Basis:	<ul style="list-style-type: none"> • Claims occurred • Repair or replacement
Cover Sections:	<ol style="list-style-type: none"> 1. Plumbing & Drainage 2. Electricity Supply 3. Primary Heating System 4. Water Supply 5. Emergency Gas Supply 6. Inoperable Toilet 7. Security 8. Roofing 9. Alternative Accommodation 10 Pest Control 	Main Restrictions:	<ul style="list-style-type: none"> • A maximum of 5 claims per period of insurance. If the scheme limit is reached the policyholder can use the pay-on-use service. • The limit for each section is £500 per claim • The property must have no more than 6 bedrooms. • The property must be no more than 3 storeys high. • Boilers must be less than 10 years old and serviced on an annual basis. £65 payable by Insured towards claim if boiler hasn't been serviced in last 12 months. • Cover for heating excludes any form of solar or warm air heating system and non-domestic central boiler or source. • The property must be kept in a good state of maintenance. • Property cannot be unoccupied for more than 30 days.
Optional Cover:	N/A		

Section 2: Target Market & Risks to Target Market

How complex is the product?	<ul style="list-style-type: none"> • Low complexity. 		
Who are the intended product's end customers?	<ul style="list-style-type: none"> • Individuals who are living permanently in the UK • Individuals looking to insure a property in the UK that they let to a third party under a tenancy agreement. 		
Who is this product <u>not</u> intended for?	<ul style="list-style-type: none"> • Those not resident of the UK. • Those looking to insure property outside of the UK. • Those looking to insure properties that their tenants use for commercial activities and/or running a business. • Those looking to insure a property in which they reside. • Those whose tenants intend to use their property infrequently and cannot meet the unoccupancy criteria. • Those whose property has more than 6 bedrooms. • Those whose property has a boiler over 10yrs old. 		
Any potential risks associated with the target market?	<ul style="list-style-type: none"> • No specific concerns identified for this product. • As a mass market product we will be catering to a broad range of customer profiles and need to ensure all general best practises are adhered to. This includes, but is not limited to, the provision of suitably informative pre-sale documentation and customer sales journey, clear and concise policy documentation, availability of documentation in a variety of formats and clear signposting and guidance to assist customers in their communications with us throughout the life of the policy. 		

	Age	Gender	Socio-Economic Status	Household Type
Identified demographic factors	N/A – mass market.	N/A – mass market	Let property ownership would suggest a level of financial stability.	N/A – mass market
Any identified potential vulnerability factors	Awareness some customers may be retired or elderly.	N/A – mass market	N/A – mass market	N/A – mass market
	Occupational Situation	Literacy Capabilities	Other	
Identified demographic factors	Let property ownership would suggest a level of financial stability – employed or retired.	N/A – mass market	N/A – mass market	
Any identified potential vulnerability factors	Awareness some customers may be retired or elderly.	N/A – mass market	N/A – mass market	