

Product Review and Fair Value Assessment

This document was prepared by ERGO UK Specialty Limited ('ERGO UK') in accordance with regulatory responsibilities under PROD 4.2 as the manufacturer of this product.

Carrier name	Great Lakes Insurance UK Ltd
Product name	CLSPI Online Title
Date of most recent Fair Value Assessment	September 2023
Product Review and Fair Value Assessment Frequency ¹	Every 12 months

Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product, we can confirm the following:

1. The product remains consistent with the needs of the identified target market
2. The product remains consistent with the fair value assessment
3. The intended distribution strategy remains appropriate

Product Information and Approval Process

In accordance with the FCA's Product Intervention and Product Governance Sourcebook ('PROD') rules ERGO UK has completed product review and fair value assessments ('FVAs') across all its products. ERGO UK FVAs considered the performance of products against a number of areas including, but not limited to:

- Product Oversight and Governance Arrangements
- Target Market
- Pricing
- Distributor Oversight
- Remuneration

In considering and assessing fair value ERGO UK analysed all appropriate and necessary management information ('MI').²

¹ In line with PROD 4.2.34R and PROD 4.2.34B R, ERGO will undertake a review every 12 months or more frequently where the potential risk associated with the product makes it appropriate to do so. ERGO will apply a risk-based approach to product governance and continuously review products to ensure ongoing fair value for customers in the target market.

² The MI used to assess fair value are classed as commercially sensitive to ERGO UK and have therefore not been disclosed in this Assessment.

All products have been subject to full review, the FVA shows that this product meets the target market needs and continues to provide fair value to customers in the target market and will continue to do so for a reasonably foreseeable period (including following renewal). The FVA results were satisfactory and aligned with ERGO UK's expectations of its products.

Product Features and Characteristics

These products provide cover, up to agreed specified limits for:

- Loss arising in relation to a range of adverse interests that may be asserted, or challenges raised by a third party and/or unknown risks that could arise in relation to:
 - Ownership, development, or use of a Property.
 - The administration of an estate.
- The range of products tie to the transaction for the particular insured Property, or the administration of an estate, against which a challenge could be raised, and can include, but is not limited to:
 - Absence of Easement (Access/Services), Adverse Possession, Mineral Rights, Lack of Planning and Building Regulations, Restrictive Covenant and Search Insurance.
 - Early Distribution, Missing Beneficiary and Missing Will.
- Cover can include:
 - Damages, compensation, costs and/or expenses awarded against the Insured pursuant to a Court Order.
 - A reduction in the market value of the property caused by an Insured Risk
- The product offering including policy coverage, losses and exclusions have been considered and the policies continue to remain competitive in the market and offer fair value.
- Customers are able to select the specific cover that is appropriate for the nature of the particular risk faced.
- The policies run in perpetuity, or in line with the duration of the policyholder's interest in the property that is insured.

Target Market

These products are designed for commercial and residential customers who:

- Are purchasing, selling, or providing financing for a Property situated in the United Kingdom (England, Scotland, Wales, Northern Ireland), the Isle of Man or the Channel Islands and are looking to insure against Loss that could arise as a result of either a challenge from a third-party or enforcement action being brought in relation to an Insured Risk.
- May face potential liabilities as executor in respect of the administration of an estate

The customer's demands and needs are assessed at the time of acceptance by their insurance broker. ERGO UK's assessment of M.I, including conversions, cancellations, claims and complaints indicates the target markets needs have been met.

Type of Customer for Whom the Product Would be Unsuitable

These products are not designed for customers:

- Who are seeking insurance for a Property situated outside the United Kingdom, the Isle of Man or the Channel Islands;
- Not buying, selling, or lending on a property or who are not estate executors/beneficiaries for a deceased estate.
- Who are subject to any economic, financial or trade sanctions.

Distribution Strategy

The products will be distributed via a selected coverholder, who will be accessed by selected specialist wholesale and retail insurance brokers, acting for target market customers.

The insurance broker will review the customer's demands and needs to ensure that the products are distributed to the identified target market.

The products are relatively straightforward, and the target market customers are generally familiar with similar insurance products.

The distribution strategy is considered appropriate for the target market, with customers able to purchase the products through a distributor of their choice.

Additional commission, fees and charges added by a distributor as part of the distribution process must be proportionate to the service provided, aligned to those charged elsewhere, and not affect the overall value offered by the products.

Commission and Other Remuneration

A full assessment of the commission structure for agents and sub-agents has been carried out and it is deemed to be appropriate and reasonable. Any fees or charges passed onto the customer are proportionate to the type of product offered and provide fair value.