

# Professional Indemnity

Last Review Date: October 2025.

Review Interval: Annually.

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## Product Information

First Underwriting's Professional Indemnity product is designed to cover professionals working in a wide range of industries, from sole traders and freelancers to larger practices. The policy can be extended to include optional PL/Products, EL, D&O and Office sections of cover.

The Target Market suitability includes those working in following sectors/line of work:

- Management & Business Consultants
- Accountants
- Architects & Engineers
- Design & Construct firms
- Property Professionals
- IT & Telecommunications Professions
- Media & Creative Professions

### This product has been designed for: -

- SME businesses with fee income up to 25m
- Firms or individuals with experience and proven track record in their area of work
- When working in higher hazard sectors they can demonstrate pro-active risk management and contracting ethos

### This product is not designed for: -

- Legal firms requiring SRA compliant cover
- IFAs or Financial Services
- Medical Malpractice
- Companies domiciled outside of the UK

### How should the product be distributed?

The distribution strategy must be appropriate for the target market. Distributors are expected to have considered the customers' needs, objectives, and characteristics to ensure the product meets their requirements.

### Additional information

This document is intended to provide an indicative summary of the target market only. Please refer to our Policy wording document and Key Facts to fully understand the product, including the key features and exclusions.

## **Product Governance & Fair Value**

In accordance with FCA PROD4 rules, First Underwriting Limited (FUL) apply a risk-based approach to determine how frequently fair value assessments are carried out. Each assessment is conducted under our Product Oversight & Governance (POG) framework which includes formal approval to confirm that the product continues to deliver fair value to customers and remains suitable for distribution. Where any findings indicate potential customer detriment, appropriate remedial actions will be implemented. More information on our POG framework and FVA frequency determination is available on our website.

### **Value assessment – Performance measures**

Incorporating the SUP16.27 General Insurance value measures, FUL conducts a very thorough assessment which includes the following analysis:

- New business and renewal / retention volumes
- Average premium
- Cancellation rates
- Complaints (policy and claims) inc. route cause analysis
- Claim activity (Registered, frequency, severity, accepted and rejected)
- Policy wording / features & limitations review and competitor analysis
- Loss Ratio's
- Target Market
- Distribution arrangements

### **Distribution Strategy and Remuneration**

The distribution strategy must be appropriate for the target market. The Distributor is expected to have considered the customers' needs, objectives, and characteristics to ensure the product meets their requirements.

Commission rates will be monitored on an ongoing basis and administration fees will be sampled on a periodic basis and as part of our Distributor audit process. To comply with fair value as a Distributor, it is your responsibility to consider:

- Any additional fees charged to a customer and the effect that may have on the value of the product.
- Any ancillary products sold alongside the product which may affect the products value or duplicate cover already provided with our product.
- Sales to ineligible customers and sales to customers outside of the product target market would lead to poor value for those customers.

### **Outcome of the Fair Value Assessment**

The outcome of the fair value assessment found that this product offers fair value. The product also remains consistent with the needs of the identified target market and remains appropriate for the intended distribution strategy. This is subject to the distributors applying the fair value considerations above and complying with the fair value regulatory requirements.