

Product Information & Target Market

First Underwriting's Real Estate proposition caters for larger UK domiciled Commercial and Residential Real Estate businesses that includes but is not limited to the following risk types: -

- Purpose-Built Offices
- Purpose-Built Retail: High Street (including Residential above), Shopping Centres and Out of Town Retail Parks
- Light and Medium Hazard Industrial / Manufacturing / Warehousing
- Purpose-Built Hotels
- Long Leasehold, Purpose-Built, Concrete Floored Blocks of Flats, with Converted and Timber Floored considered on a case-by-case basis

The product has been designed for:

- Risks up to £60m Total Sum Insured per location
- Standalone risks and portfolios paying a gross underlying premium above £10,000 + IPT
- Businesses that are larger in scale and may require bespoke solutions for more complex risks placed as part of a wider portfolio arrangement
- Standalone risks and mixed Commercial / Residential portfolios that display the following profile:
 - Established businesses with a proven 3-5 years claims experience
 - Purpose-built construction or suitably converted and in a good state of repair
 - Fire resisting or non-combustible construction, however other types can be considered on a case-by-case basis
 - Good geographical spread with low arson and flood exposure
 - Pro-active risk management ethos

The product is not designed for/exclusions:

- Risks or Properties located outside the UK
- Smaller businesses where e-traded package solutions are more suitable
- Short-term, informal letting arrangements with no AST or similar legal agreement in place
- Standalone risks that:
 - Consist entirely of recycling or high hazard industrial tenants
- Premises of combustible or non-standard construction, which are to be treated as risks requiring 'referral to underwriter' in order determine underwriting acceptability in principle
- Grade 1 listed properties in isolation
- Loss as a consequence of war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military or usurped power
- Loss arising from earthquake or terrorism
- Loss caused by a deliberate act or omission to act by anyone covered under this policy

Additional information

The information above is intended to provide an indicative summary of the target market only. Please refer to our Policy wording document, IPID/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.