

# Tour Operators' Liability

Last Review Date: September 2025.

Review Interval: Every 3 years, or sooner if changes arise.

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## Product Information & Target Market

First Underwriting's Tour Operators product has been designed for customers who operate a business with activities that fall within the Package Travel regulations 2018. The product provides Public Liability, Professional Indemnity and Employers Liability cover for domestic and international travel / holidays / activities / excursions. In addition, a crisis management additional coverage.

Pricing and acceptability is based on turnover, passenger numbers and activity classification linked to First UW's appetite.

Public Liability and Employment Liability Limits can range up to £10m and Professional Indemnity can either be up to £1m or extended to £2m.

Any "Organiser" of travel arrangements, or a "Principal" of accommodation supply who assumes the same responsibility under contract, domiciled in the United Kingdom of Great Britain and Northern Ireland. The Regulations make the Organiser liable for the performance of the travel services making up the package.

### Designed for clients who are:

- Tour Operators of any size
- Coach Operators
- Clients who cannot get supplier Indemnity Contracts
- Clients with Complex or Specialist Requirements
- Able to plan and define the size and shape of passenger counts, turnover and activities.

### Not designed for customers who are:

- Are a principle activity supplier themselves
- Are domiciled outside of the UK
- Are unable to define for the year the range and passenger counts by activity
- Seeking property cover – such as offices, contents, motor vehicle

## 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.