

MGAM Limited

PRODUCT OVERSIGHT AND GOVERNANCE  
COMBINED LIABILITY PRODUCT PASSPORT 2022

### PURPOSE OF THIS DOCUMENT

To explain the identified target market and the expected distribution strategy for each product manufactured by MGAM Limited (MGAM), and our capacity partners. It also outlines our approach to Product Oversight and Governance (POG) to demonstrate how we design, monitor and review our products to ensure they continue to provide fair value and meet the demands & needs, characteristics and objectives of the target market including vulnerable customers.

### PRODUCT OVERSIGHT AND GOVERNANCE

MGAM's Product Governance Policy sets out the approach that MGAM is required to implement to achieve fair value and good customer outcomes. MGAM's aim is to maximise the long-term value of our business but not at the expense of the fair expectations of our customers. The Senior Management Team is committed to enabling and supporting appropriate decision making so that the targets and aspirations the business sets at the top arise from good outcomes achieved for our customers.

The extent to which POG applies depends largely on whether a firm is a manufacturer, a distributor or possibly both.

A "manufacturer" is a firm which is involved in 'designing, developing, creating and/or underwriting' which covers activities prior to the insurance product being approved for marketing and distribution, and on a continuing basis after such approval.

A "distributor" is a firm that distributes and/or recommends insurance products and services to clients.

Primarily where MGAM acts under a delegated authority, MGAM is a co-manufacturer in that we work in partnership with insurers on the manufacture of non-investment insurance products.

- We identify, define and assess our target markets at an appropriate level, based on the nature and complexity of our products including assessment of the impact to vulnerable customers.
- We undertake appropriate testing of our new products before launch, to make sure they meet our customers' needs and provide fair value.
- The design and performance of all our new, existing and legacy products are subject to regular assessment and review to ensure products provide fair value and that there is a continuing customer-centric focus, achieving good customer outcomes.
- The features, nature and complexity of our products are carefully matched to our intended distribution channels to ensure they reach our identified target market.

## TARGET MARKET AND FAIR VALUE STATEMENTS

Target Market and Fair Value Statements provide information about all MGAM products distributed. This includes:

- The main features, mandatory and optional covers pertaining to our products.
- Key Exclusion / Conditions
- Who our products are designed for and who they are not designed for
- How our products should be distributed
- The complexity of our products
- How to ensure that our product provides fair value to customers as intended

Product Passport	
Product Name	Combined Liability (Wages & Turnover and Per Capita)
Product Type	Combined / Package
Product Status	This product is open to new and renewal business

Product Details	
Manufacturer(s)	Joint Carrier & MGAM
Carrier	Convex
Product Risk Net Score	Low
Master Binding Authority Ref	B1820WLS22C204
Effective Date	01/09/2022
Date Last Reviewed	01/09/2022

Product Description
This product provides standard liability insurance to commercial customers operating business located in the UK. The product has a number of separate sections and extensions to cover a broad range of risks to business with each of these sections being optional and priced individually.

Product Features	
Mandatory Covers	<p>Public Liability insurance responding to the legal liabilities of our policyholders and the threat of financial loss from a claimant suing a policyholder of our target market because of injury or damage resulting from negligent acts and / or breach of statutory duty of the policyholder which breach their duty of care.</p> <p>Product Liability insurance responding to the legal liabilities of our policy holders and the threat of financial loss from a claimant suing the policyholder of our target market because of injury or damage resulting from the use of a product supplied or out of then liability incurred by a contractor after completion of a job.</p>

<p>Optional Covers</p>	<p>Employers Liability Insurance responding to the threat of financial loss from an employee suing our policyholder (their employer) due to injury or disease incurred through, from or during the claimants employment as a result of negligent acts of the policyholder which breach their duty of care.</p>
<p>Key Exclusions/Conditions</p>	<p>The policy does not insure, apply to or include any cover for any loss, damage, Claim, cost, expense or other sum directly or indirectly arising out of or relating to:</p> <ul style="list-style-type: none"> <li>• Abuse</li> <li>• Asbestos</li> <li>• Cyber</li> <li>• Data Loss</li> <li>• Data Protection</li> <li>• Deliberate failure to prevent Bodily Injury or Property Damage</li> <li>• Liquidated Damages</li> <li>• Nuclear</li> <li>• Communicable disease</li> <li>• War</li> <li>• Terrorism</li> <li>• Sanctions</li> <li>• US/Canada Pollution</li> </ul> <p>Some of the above exclusions do not apply to some of the covers (for instance, Employers' Liability), as further specified in the wording.</p> <p>In addition, there are exclusions applicable to each of the cover provided, as further specified in the wording.</p>
<p>Distributors action to ensure provides fair value to end customer</p>	<p>Volume dependent remuneration is not available and should be avoided by distributors and must not conflict with the best interests of the customer.</p> <p>The rates set by MGAM have been assessed as part of our value assessment and are deemed to be of fair value to the customer. Intermediaries with delegated authority arrangement are permitted to adjust the overall price paid by the customer by way of commission, discounts, fees and charges must ensure that the overall price paid by the customer represents value for money and is in keeping with the FCA duty to act in the best interests of the customer.</p> <p>All marketing materials must be formally reviewed for regulatory compliance by the distributor and agreed by MGAM prior to publication.</p>
<p>Restrictions</p>	<p>As per Policy Schedule</p>
<p>Additional Cover(s)</p>	<p>As per Policy Wording</p>
<p>Policy length</p>	<p>Variable but usually annual with ability to extend up to 6 months as required.</p>
<p>Policy structure</p>	<p>This policy is to be sold to individual insureds</p>

Target Market	
Product Design / Targeting	Generic Product / Widely Targeted
Policy Language	Standard wording
Target market description	<p>These risks tend to have the main exposure away from their own premises, working in third party premises and may include treatments for beauty trades and thus increased exposure to damage to third party property or third party injury. The insured may also provide/sell products or services which could cause injury to third parties. Furthermore, they may have employees who may have exposure to heat, height, depth, woodwork machinery and other manual/non clerical activities which puts the insured's employees at greater risk to injury.</p>
Who is this product unsuitable for?	<ul style="list-style-type: none"> <li>• Consumers - any natural person purchasing a policy which is unrelated to their trade and/or occupation.</li> <li>• Trades operating in the Waste Management / Environmental Sector such as Recycling, Waste Disposal and Management, Metal Recycling &amp; Scrapping.</li> <li>• Woodworking trades operating as Plywood Manufacturers, Sawmill and Timber Wholesalers/Merchants or any use of non-exhausted woodworking machinery.</li> <li>• Tobacco &amp; e-cigarette wholesale, Sale of Bone, Horn or Ivory, Cosmetic Implants, Paper, Plastic Bags, Plastics, Plastic Foods, and Packing Materials Wholesale.</li> <li>• Any trade involving the transport of Hazardous goods (UN Class 7 and Class 1).</li> <li>• Railways, Tramway, Vehicle Breakers, Airlines and Airports.</li> <li>• Adults shops including Sex Shops, Gun Shops Furriers, Solarium.</li> <li>• Abattoir, Industrial Laundry, and Knacker.</li> <li>• Manufacturing of Cannabis based products, Cosmetic Implants, Explosives, Fertiliser, Firelighters, Fireworks, Foam or foam goods, Frozen Food, Latex Prophylactic, Matches, Munitions, Paper Goods, Sunbeds, Tobacco &amp; e-cigarettes, Tyres.</li> <li>• Abortion Clinics, Cosmetic Surgery, Tanning Studio.</li> <li>• Adult Industry including Lap Dancing Clubs, Night Clubs, Public Houses including Night Clubs, Sex, Strip, Swingers Clubs.</li> </ul>

<p>Who is this product unsuitable for ?</p>	<ul style="list-style-type: none"> <li>• Amusement Parks, Bouncy Castle Hirer, Circus, Inflatable Play Arena, Skating Rinks &amp; Zoos.</li> <li>• Crane Engineers, Lift Maintenance Engineers, and installation, Abseilers, Dam Construction, Demolition Contractors (all), Roofing Contractors, Ship builders, Shuttering / Formwork Contractors, Swimming Pool Installation, Tower Crane erectors &amp; Tunnelling Contractors.</li> <li>• Children's home, Adult Education College, Prison, Asylum, and detention centres.</li> <li>• Asbestos, Chemical, Oil and Gas Trades including Petrochemical Risks, Offshore Risks, Extraction, Storage, Drilling, Generation, Manufacture.</li> <li>• Farm &amp; Estates including Fish Farm, Foresters, Forestry / Tree Surgery, Genetic modification, or organisms, Growing crops, Smallholding, tree felling/surgery.</li> </ul>
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Fair Value Assessment	
<p>Fair Value Definition</p>	<p>Fair value means the relationship between the overall price paid by the end customer and the quality of the product(s) and/or service(s) received.</p> <p>MGAM's fair value assessment considers value measures such as claims history, complaints, commission and fees, staff remuneration, barriers to complaints/claims/cancellation and premium finance arrangements.</p> <p>We have reached this conclusion after consideration of the price, benefits and features, available MI and the distribution chain involved (this is a non-exhaustive list).</p> <p>You should be satisfied that, in offering this product, it meets fair value expectations.</p>
<p>Commissions/Fees</p>	<p>Brokerage is variable with total earnings including the addition of any fees not permitted to exceed 29% of the gross premium ex IPT charged to the end customer. Commission percentages are in line with market standards.</p>
<p>Premium</p>	<p>Suitable for a broad range of premium levels.</p>
<p>Distribution chain value</p>	<p>The distribution strategy represents value for money, commissions and fees reflect services provided and there are no unnecessary intermediaries in the chain. The overall method of distribution is cost effective.</p>

Distribution Method	
Distributions channels	The distribution is via a select number of UK regulated insurance intermediaries.
Delegated Authority	This product can be sold via sub delegated authority from MGAM Ltd.
Advised / Non Advised Sales	Advised & Non Advised
Conflict of Interest	No