

MGAM Limited

PRODUCT OVERSIGHT AND GOVERNANCE  
EWS1 PI 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	EWS1 PII
Product Type	Standalone
Product Status	This product is open to new business only

Product Details	
Manufacturer(s)	Carrier
Carrier	SCOR UK Limited
Product Risk Net Score	Low
Master Binding Authority Ref	MGAMSCR_DLUHC_C2022
Effective Date	01/09/2022
Date Last Reviewed	01/09/2022

Product Description
This product provides specialist insurance to commercial customers operating business located in the UK. The product has one section and extensions to cover professional service relating to EWS1 building surveys.

Product Features	
Optional Covers	Not Applicable
Key Exclusions/Conditions	<p><b>Scope of Cover</b> This policy will indemnify the Insured, in accordance with the policy wording, for:</p> <ul style="list-style-type: none"> <li>• Civil liability in respect of a Claim arising as a result of the completion of an EWS1 form and/or suitable associated report produced in accordance with BSI PAS 9980 (including any amendments required thereto following official audit).</li> <li>• UK Financial Ombudsman’s awards in relation to a Survey.</li> <li>• Defence Costs in connection with the investigation, defence or settlement of a Claim, or incident, occurrence, fact, matter, act or omission that might give rise to a Claim under the policy.</li> <li>• Costs relating to court attendance by the Insured in connection with a Claim (subject to the limit set out in the policy).</li> <li>• Costs and expenses in relation to prosecution under a number of statutory instruments that relate to a covered claim (up to 80% indemnified, but solely at the discretion of the insurer).</li> </ul>
Key Exclusions/Conditions	<ul style="list-style-type: none"> <li>• Legal representation costs at various hearing, tribunals or proceedings in connection with a Claim (up to 80% indemnified) Key Exclusions/Conditions and Limitations.</li> </ul> <p><b>Key Exclusions/Conditions and Limitations</b></p> <ul style="list-style-type: none"> <li>• Cover only applies to a survey carried out on a single premises.</li> <li>• Survey undertaken on a premises where the premises did not constitute a building whose top storey is more than 11m above ground level (as calculated in accordance with Diagram D6 of Approved Document B, 2019 edition incorporating 2020 amendments, as produced under the Building Regulations 2010).</li> <li>• Pollution other than that caused by a negligent act, error or omission in the carrying out of the Survey.</li> <li>• Any survey, inspection, assessment or other professional activity undertaken on the premises prior to the start of the policy period.</li> <li>• The completed EWS1 form and associated technical report must be submitted to The Department for Levelling Up, Housing &amp; Communities (DLUHC) within fourteen (14) days of its completion.</li> <li>• Any claim resulting from reliance on the results of an EWS1 survey where another EWS1 survey has been carried out on the same premises in the period of five (5) years prior to the end of the survey period (other than where a subsequent EWS1 survey is carried out for a valid reason) Products Liability cover.</li> </ul>

<p>Key Exclusions/Conditions</p>	<ul style="list-style-type: none"> <li>• Any survey undertaken by anyone without the appropriate qualifications.</li> <li>• The Policyholder must agree that the completed EWS1 form and associated technical report can be audited by DLUHC or any relevant industry body.</li> <li>• Any claim relating to those aspects of assessments and reports required under the Scottish Single Building Assessment and the Welsh Fire Safety Building Passport which do not comprise the EWS1 survey.</li> <li>• An overall policy limit applies for all claims. Claims will not be payable if the overall limit of the policy is exceeded.</li> <li>• Defence costs are inclusive of the overall policy limit.</li> <li>• Condition precedent that a survey shall be carried out in accordance with industry standard as stated in the policy wording.</li> <li>• In circumstances whereby a Claim is made against the First Named Insured and any Additional Insured, the First Named Insured and any Additional Insured shall each bear their own separate Excess. However, the First Named Insured and Additional Insureds employed by the same firm shall be deemed one entity for the purposes of the Excess. Please note where an estimated Turnover is provided the Excess could vary should your actual Turnover differ from the amount declared.</li> </ul>
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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>

<p>Who is this product unsuitable for?</p>	<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>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>

<p>Target market description</p>	<p>Professional Indemnity for RICS EWS1 qualified Surveyors and IFE competent Engineers only carrying out EWS1 surveys on individual properties in excess of 11m in height located in England, Wales, Scotland &amp; Northern Ireland.</p> <p>Professional indemnity (PI) insurance is a commercial policy designed to protect business owners, freelancers and the self-employed if clients claim a service is inadequate due to negligence on the part of the insured. Any organisation which provides a professional service or gives advice could be sued if the recipient is unhappy with their work. A customer might say they were negligent, delivered the wrong advice or made a mistake which cost them money.</p>
<p>Who is this product unsuitable for ?</p>	<ul style="list-style-type: none"> <li>• RICS Surveyors who have not completed the EWS1 training course provided by RICS.</li> <li>• RICS Surveyors assessing an individual building higher than 18 metres.</li> <li>• IFE Engineers who are not deemed competent Consumers.</li> </ul>

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>Commission percentages are in line with market standards.</p>
<p>Premium</p>	<p>Fixed premiums in three bands depending on building heights</p>
<p>Distribution chain value</p>	<p>The distribution is direct to policyholder by MGAM Ltd and via UK regulated insurance intermediaries.</p>

Distribution Method	
Distributions channels	The distribution is direct to policyholder by MGAM Ltd and via UK regulated insurance intermediaries.
Delegated Authority	This product cannot be sold via sub delegated authority.
Advised / Non Advised Sales	This product can be sold on a non-advised basis.
Conflict of Interest	No