

MGAM Limited

PRODUCT OVERSIGHT AND GOVERNANCE
RETAIL 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	Retailers incorporating Hair & Beauty and Café & Tearoom
Product Type	Combined / Package
Product Status	This product is open to new and renewal business

Product Details	
Manufacturer(s)	Carrier
Carrier	MS Amlin
Product Risk Net Score	Low
Master Binding Authority Ref	7688_100_2022_001
Effective Date	01/09/2022
Date Last Reviewed	01/09/2022

Product Description
This product provides a package of cover commercial retail 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 mandatory or optional and priced individually.

Product Features	
Mandatory Covers	<ul style="list-style-type: none"> • Contents and stock - we will pay for damage to your property insured following an insured event. • Business interruption - we will pay for interruption to your business following damage to your property caused by an insured event. • Money- we will pay for your loss of money following insured damage. • Personal accident assault – we will pay agreed benefits to insured persons following death, permanent disablement or temporary disablement by violent external and visible means.

<p>Mandatory Covers</p>	<ul style="list-style-type: none"> • Glass - we will pay for the cost to replace glass, sanitaryware or the shop front. • Goods in transit – we will reinstate, replace, repair or pay you following damage to your property in transit. • Deterioration of stock – we will pay you for damage to frozen or chilled stock in any freezer cabinet, deep freezer, cold room, cold store or chilled cabinet due a change in temperature resulting from any cause. • Book debts – we will pay for any net outstanding debit balances which you are unable to recover from customers as a result of damage to your records and any additional expenditure incurred in tracing and establishing outstanding debit balances.
<p>Mandatory Covers</p>	<ul style="list-style-type: none"> • Public liability – we will cover your costs and expenses and legal liability to pay compensation to any person suffering accidental injury or accidental loss of or damage to material property. • Products liability – we will cover your costs and expenses legal liability to pay compensation in the event of accidental injury or accidental loss of or damage to material property caused by your products. • Employers’ liability - we will cover your costs and expenses legal liability to pay compensation in respect of injury to employees. • Prosecution defence costs – we will pay for your costs and expenses in respect of the defence of any criminal proceedings brought against you in respect of any applicable legislation plus any prosecution costs awarded against you and costs and expenses incurred for your legal representation at an inquiry ordered under any applicable legislation.
<p>Optional Covers</p>	<ul style="list-style-type: none"> • Buildings - we will pay for damage to your buildings following an insured event. • Loss of licence – if you lose your licence we will pay for the resulting loss in value of the premises if you’re unable to obtain another licence within 12 months, or you have to sell the premises, plus costs and expenses. • All risks - we will pay for damage arising to property insured that you declare to us. • Treatment risk – An optional extension to the Public and products liability cover. We will pay for costs arising from your legal liability to pay damages arising from insured standard treatments.

<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"> • Asbestos • Cyber terrorism • Date recognition • Excess • Northern Ireland - civil commotion • Radioactive contamination • Terrorism • War • Virus Disease Epidemic and Pandemic <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	Specifically Designed for Market
Policy Language	Minimal Legal / Technical Terms
Target market description	Shop Owners who may own or rent their trading space and retail goods to members of the public with incidental online sales. These could be high street operations with members of the public entering their premises, have a number of staff as well have property which could be at risk to theft, fire, water damage and a number of other known perils.
Who is this product unsuitable for?	This product is not suitable for consumers, online retailers or policyholders operating from a residential premises.

Fair Value Assessment	
Fair Value Definition	<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>
Commissions/Fees	<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.</p> <p>Commission percentages are in line with market standards.</p>
Premium	Suitable for a broad range of premium levels
Distribution chain value	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.

Distribution Method	
Distributions channels	The distribution is via a select number of 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 an advised and a non-advised basis.
Conflict of Interest	No