

Product Governance and Fair Value Assessment Summary

Intermediary Target Market and Product Release Information: This summary document is for broker use only and not intended for customer use

Casualty & General Insurance Company (Europe) Limited (“CGICE”) is committed to conducting its business in a fair, honest, and open manner.

CGICE has in place a “Product Governance Framework” to design; approve; distribute; oversee; change; and withdraw products throughout a product lifecycle to ensure the product delivers good customer outcomes and meets regulatory requirements.

The FCA Product Intervention and Product Governance Sourcebook (PROD4) and Insurance Distribution Directive (IDD) regulatory rules require Product Manufacturers to share information about their products with their Distributors for in-scope products (*which is all products excluding reinsurance and contracts of large risk*). The information to be shared includes:

- Information about the intended target market; and the outcome of a fair value assessment.

IMPORTANT: - This document should not be used as a sales or marketing tool. The client facing broker must at all times act in the best interests of each customer individually when deciding whether to recommend a particular policy or not.

Product Information & Version Control

Product Name	Insurance Back Guarantee “IBG”
Version Number	CGICE/IFS – IBG Summary v1.3 July 2023
Status	Existing Product Review
Live Status	Product is currently live

Information for brokers and other distribution partners

CGICE and/or IFS may require you to provide evidence that our products are being distributed in line with regulations. This may include providing us with management information around the sale journey; complaints; and any customer facing documentation.

Please do not hesitate to contact us or IFS if you have any queries in respect of this or any of our products.

Assessment

Most Recent Review	14 th July 2023
Product Type Description	Insurance Backed Guarantee “IBG”
Manufacturer / Co-manufacturer	CGICE IFS
Territorial Limits	For risks situated in the United Kingdom (England, Wales, Scotland, Northern Ireland)
Target Market	<p>The product is designed to indemnify the customer of a construction-sector contractor from the defective workmanship of the contractor in the event the contractor ceases trading.</p> <p>The policy sits ‘behind’ the contractors written guarantee provided to the customer, such that if the contractor ceases trading (as defined in the policy) and is unable to honour the terms of the guarantee, the policy will indemnify the customer in accordance with the terms of the original guarantee and the policy.</p>
Outside Target Market	Customers seeking insurance coverage for IBG risks greater than 10 years cover.

Distribution Strategy	<ul style="list-style-type: none"> • This product is intended for distribution via FCA authorised brokers only. • Brokers must be approved by IFS and enter into their standard format TOBA. • The IFS preferred method of agreeing TOBAs is via REG. Brokers may access this product via the IFS online portal. • Sub- broking is not permitted without our express written consent as it is outside our risk appetite.
Commission	<ul style="list-style-type: none"> • IFS will agree a commission rate with each distributor (In line with the terms of the Service Level Agreement between CGICE & IFS); • All distributors should be able to demonstrate that commission received bears a reasonable relationship to the actual costs of their contribution/level of involvement or benefit added by them to the distribution arrangement. • CGICE and/or IFS may ask you to justify your commission rate.
Summary of Product Testing	<p>CGICE has in place product governance processes to test products at each stage; including: -</p> <ul style="list-style-type: none"> • Development of Product with IFS (pre-launch); • In the event the live product undergoes a substantial change, for example due to a policy wording amendment following a regulatory change or FOS complaint ruling; • In the event that CGICE and/or IFS believe that the target market requires updating, for example due to a legal or regulatory change in the market; • In the event that CGICE and/or IFS receives recommendation from brokers or the market in general or • Where key Management Information implies a review and/or further testing is required.

	<p>CGICE will review the following throughout the lifecycle of each product: -</p> <ul style="list-style-type: none"> • Complaints and Complaints Data; including FOS recommendations and decisions; • Identified “Vulnerable Customers”; • Product Loss Ratio including claims volumes; claim frequencies; claim rejections; policy retention rates (if applicable); policy cancellations; • Customer facing documentation; including but not limited to the product policy terms and conditions; product “IPID”s; product schedule (or certificate of insurance); new business communications; claims form and claims acceptance or claims rejections communications.
<p>Fair Value Review Summary</p>	<p><i>Product Value is the relationship between the overall price to the customer and the quality of the product(s) and or services provided.</i></p> <p>We consider this product provides fair value to customers in the target market.</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>We are satisfied that, in offering this “IBG” product, it meets fair value expectations.</p>
<p>Vulnerable Customers</p>	<ul style="list-style-type: none"> • CGICE recognises that vulnerability characteristics can present themselves at any point during a customer’s journey (at point of inception; renewal (if applicable) and at claims stage. This can also be the case for commercial customers. • CGICE has in place a Vulnerable Customers Policy. The risks involved for vulnerable customers, at each part of the customer journey, have been factored into our product level reviews and are embedded into the business. • We expect our partners and brokers to have in place a “Vulnerable Customers Policy” and robust procedures to identify and assist Vulnerable Customers.