

SECTION 2: INFORMATION TO BE SHARED WITH DISTRIBUTORS

This information should be shared with the relevant distributor(s) to enable them to understand the intended value of the insurance product(s) manufactured or co-manufactured by QBE.

1	CARRIER NAME	QBE UK Ltd, QBE Europe SA/NV, QBE Underwriting Ltd (Syndicates 386 & 1886)
2	PRODUCT NAME	QBE Cyber Response – PPTT 310323 QBE Cyber Response SME – PCIS 310323 QBE Tech Protect Plus (blended Tech PI and Cyber) – PTPP 310323
3	NAME OF ANY CO-MANUFACTURERS	None
4	DETAILS OF PRODUCT APPROVAL PROCESS	<p>The QBE EO Insurance Product Development and Review Policy approved by the Board sets out the Product Governance Framework.</p> <p>The Insurance Product Development Guidelines detail the Product Development approval process for new products and any significant adaptation of an existing product. This includes identification of the product development scenarios triggering the process and requires the completion of various forms by the underwriters proposing the product development.</p> <p>The Product Leaders within the Chief Underwriting Office are responsible for determining whether a product development falls within the scope of the Policy and Guidelines and monitor and agrees the initial assessment and business case.</p> <p>Following development of a business case, a full risk assessment should be conducted and a fair value assessment completed. These take into account various considerations, including:</p> <ul style="list-style-type: none"> the nature of the product; the main characteristics of the target market; the proposed distribution strategy; and the expected total price to be paid by the customer. <p>Where a product is considered High Product Risk (HPR), underwriters are required to complete a HPR Questionnaire (HPRQ) and present this to the QBE EO Conduct Risk Group for customer challenge. The HPRQ includes consideration of target market, distribution strategy, product testing and post-sales barriers.</p> <p>The Product Oversight Group (POG), co-chaired by the Head of Product Leaders and the Head of Governance, Sustainability and Standards is responsible for providing oversight of and adherence to the Product Governance Framework. This includes reviewing, challenging and approving the business case for a product development prior to this going to the Divisional CUO and MD for sign-off and for ensuring that all pre-launch activities are suitably completed.</p> <p>The Divisional CUO and MD are responsible for providing final approval to proceed with all proposed product development based on the Business Case, Risk Assessment and Fair Value Assessment presented to them.</p> <p>The Product Leaders will oversee post-launch reviews within 6 months of the launch of a product development. For those products within the appropriate scope, an annual product review will be conducted and then reviewed and challenged by the POG.</p>
5	PRODUCT INFORMATION	<p>Cyber Response - first party incident response costs (legal, IT forensics & PR costs),</p> <p>Business interruption losses</p> <p>Third party liability arising from a cyber incident</p> <p>Financial support, technical and strategic advice and guidance through the consequences of a cyber security breach</p> <p>Theft of funds is excluded except for companies with less than £50m of turnover where a small sub-limit of £50,000 is provided.</p>
6	TARGET MARKET	<p>We consider companies in all market segments, including SME, and all industry sectors, with the exception of government owned entities, education, healthcare and crypto risks. Target industries include professional services and construction firms. Our target customers are those clients who can demonstrate minimum cyber security controls regardless of industry.</p> <p>No changes to our target market within last 12 months.</p> <p>Additional covers or extensions to coverage and any amendments may be negotiated on a case by case basis with the Insured's broker in the normal course of underwriting. Products can be reviewed and tailored to individual clients needs as determined and negotiated by the Client via their Broker.</p>
7	TYPES OF CUSTOMER FOR WHOM THE PRODUCT WOULD BE UNSUITABLE	<p>QBE's cyber product is not designed for individuals/personal cyber security.</p> <p>The business is placed by specialist cyber brokers, although this is not always the case with SME business. Where risks are not written on a QBE based form, the Brokers will provide a specific wording which are subject to independent review by clients and their insurance brokers and then proposed by and on behalf of a client.</p>
8	ANY NOTABLE EXCLUSIONS OR CIRCUMSTANCES WHERE THE PRODUCT WILL NOT RESPOND	<p>QBE's cyber product is not designed for individuals/personal cyber security.</p> <p>No notable changes over last 12 months, other than all war exclusions have been replaced with the new LMA style war clauses. Standard market exclusions for the products apply.</p> <p>QBE policy wording is written in line with UK law. Notice of change documents are provided with each version of our base wording, where requested.</p>
9	OTHER INFORMATION WHICH MAY BE RELEVANT TO DISTRIBUTORS	We regularly meet with brokers to explain our appetite and target market
10	DATE FAIR VALUE ASSESSMENT COMPLETED	15/01/2024
11	EXPECTED DATE OF NEXT ASSESSMENT	15/01/2025

EXECUTIVE SUMMARY

RAG	Requirement	Rationale
	Target Market - the product is fit for purpose and remains consistent with the needs, characteristics and objectives of the identified target market	To ensure the product is fit for purpose we take into consideration the demands and needs of clients as well as account specific requests arising out of day to day negotiations. The product is continually compared to available market coverage as part of the underwriting process and assessed relative to alignment with customer needs in conjunction with the customers' brokers.
	Fair Value - the product provides fair value for customers, when considering the relationship between the overall price and the quality of the product(s) and/or services provided	In addition to the above, the pricing model is reviewed annually to ensure that pricing is relative to performance and wordings are reviewed, on an adhoc basis driven by changes within the market, to ensure they provide appropriate cover for the risks the insureds face.
	Distribution strategy - the distribution strategy remains appropriate and distribution arrangements do not have any detrimental impact on value for customers	All distribution is through brokers, remuneration is through brokerage which is detailed on the slip and/or quote documentation and which is reviewed at each renewal. There is regular review of the broker panel and all brokers have a TOBA in place with QBE to satisfy their appropriateness
	Customer Understanding - the information provided to the customer enables them to make informed decisions	Distribution is on an intermediated basis and therefore the Broker or coverholder is responsible for advising and explaining the terms provided and the appropriateness of these for the insureds individual circumstances. Most brokers will provide a comparison of the terms offered in order to help insureds understand the differences. From time to time the Broker may specifically request QBE provide input on our terms / coverage.
	Customer Support - support provided to the customer allows them to fully utilise the product they purchase, e.g. make a claim, complain, cancel or amend cover	Customers can contact QBE in many different ways, via the broker or directly via dedicated Cyber Underwriters and Claims Adjusters who can provide expertise and assistance when needed. The intermediary will assist the customer in respect of making complaint, cancelling or amending cover. In Cyber, claims are normally made directly through our 24/7 breach response hotline, provided by law firms who adhere to SLAs in terms of answering the calls. Brokers may assist also with making a claim. In 2023 we created documentation to clearly explain what to expect from the claims process and how it can be accessed.