

MUM UK Professional Indemnity - Surveyors

Date Fair Value Outcome Completed	Quarter 3 2024
Expected Date of Next Assessment	Quarter 3 2025

Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product we can confirm:

1. The outcome of the fair value assessment found that this product provides fair value, which is based on Pen Underwriting Limited trading as Manchester Underwriting Management's (MUM) review of information related to sales practices and services, claims, complaints and market intelligence.
2. There is no evidence that the product is not suitable for the customers it is intended to be distributed to.
3. The intended distribution strategy remains appropriate, subject to distributors not charging customers additional fees that bear no reasonable relationship to the service(s) provided, or the overall cost of the product.

Fair Value Outcome Statement

Product Fair Value Outcome – Methodology

MUM has completed Fair Value Assessment work on products we manufacture. This is based on groupings of products which may be similar in features and are intended to be distributed to similar target markets. This Product Fair Value Outcome Statement is not intended to replicate our Fair Value Assessments, but sets out the approach taken and the outcome of the assessment.

Product Information

The product provides financial protection against liability incurred by practices or businesses who provide professional services to the construction and property industry. It does not provide cover for Chartered Surveyors, Surveyors regulated by RICS, Surveyors regulated by RICS with a non-lending exposure.

It offers cover to an individual (in their professional capacity) or a company, in respect of third-party claims arising from professional negligence or a civil liability arising from professional services that have been provided.

Key Coverage

- Civil Liability cover for Loss in respect of claim made against the Insured arising out of the ordinary conduct of Insured's Professional Business
- Liability for Loss of Documents
- Pollution Cover
- Asbestos Cover
- Ombudsman Award
- Legal Representation Costs
- Defence costs and expenses
- Own Copyright Protection
- Defence cost and expenses against proceedings under Estate agents' and health and safety legislation
- Court attendance expenses

Product Limitations

- Claims that should be covered elsewhere under other types of policies, for example employers' liability, public/product liability, directors' & officers' liability, cyber liability and data law, property and motor
- Claims arising from the sale of goods, manufacture and construction, your own environmental, nuclear, pollution, war & terrorism risks
- Claims for an amount not exceeding the Excess
- Claims arising from any work done before the Retroactive Date shown on the Policy Schedule or notified more than 7 days after the expiry of the policy
- Prior or known claims and circumstances
- Claims to be determined by an adjudicator unless you notify us within 2 working days
- Certain conduct matters including deliberate acts, losses arising after discovery of the dishonesty, obscenity, money laundering, breach of tax or competition laws, losses relating to negotiable instruments, incoming employees' breach of prior employment restrictions
- Fines, penalties and punitive damages
- Claims by connected parties unless emanating from a third party

Product Limitations (continued)

- Claims relating to breach of contractual duty more onerous than implied by common law or statute, but cover is provided for collateral warranties etc. provided that certain basic requirements are met
- Trading losses, claims regarding infringement of patents or trade secrets
- Your insolvency
- Financial advice other than mortgage or insurance mediation
- Surveys or valuations that were not in writing
- Surveys or valuations that were not undertaken by a qualified person
- Surveys or valuations that do not include certain specified disclaimers
- Asbestos surveys
- Market fluctuations

Limit of Liability and Excess is determined on individual cases factoring in the risk profile, turnover and claims history of the firms.

Limitations apply in relation to the maximum limit per insuring clause.

Optional Products

No products are sold alongside this core product by MUM.

Further details can be found in our policy wordings available to brokers.

Distributor Remuneration

MUM agrees commission rates with each distributor and as part of the Fair Value Assessment process has requested details of any additional fees that may be added in the distribution chain. The fee details received have been analysed and if MUM considers these could impact the value of the product this would be raised directly with distributors.

All distributors should be able to:

- Confirm annually that the commissions and fees they charge are reasonable relative to the service(s) they provide and the total cost of the product to the customer; and
- Justify that commissions and fees they charge are fair, and support the intended value of the product.

How MUM Mitigates Risks to Product Fair Value

MUM's commission structure is intended to ensure that it reflects product features and benefits and the services we provide, which support product fair value. MUM does not benefit from distributors increasing or decreasing their own commissions/fees.

MUM has taken steps to validate that distributor commissions/fees charged are within a reasonable range and in line with usual market practice, in order to ensure the value of our products is not diluted.

How MUM Assesses Value

MUM's product governance and oversight process requires a full review of all product groups at least annually to determine if the product offers fair value to the customer.

These reviews consider the following areas:

Target market	<ul style="list-style-type: none"> • Target market reviewed to ensure the product meets the needs of the customer and will continue to do so for the life of the product • Identify the impact on vulnerable customers where applicable
Distribution strategy	<ul style="list-style-type: none"> • Appropriateness of the distribution channel, services offered and remuneration • Remuneration does not negatively impact the overall value offered by the product
Market assessment	<ul style="list-style-type: none"> • Market scrutiny to ensure the product aligns with current market trends
Product design/lifecycle	<ul style="list-style-type: none"> • Pricing • Regulatory requirements • Fees and charges • Product documentation • Performance of the product • Product changes
Customer journey	<ul style="list-style-type: none"> • Quality Assurance • Feedback from distribution
Claims	<ul style="list-style-type: none"> • Frequency and trends • Loss ratio trends
Complaints	<ul style="list-style-type: none"> • Feedback is reviewed to ensure the product continues to offer good benefit for customers • Reasons for complaints and volumes • Outcomes of complaints: whether they are upheld, not upheld • Identification of trends and root causes • Redress payments: volume and timescales • Financial Ombudsman Service: volume and outcomes