



UK Retail Product Fair Value Summary

Product/group	General Aviation (Rotor Wing, Fixed Wing, Spirit of Aviation, Gliders, Premises, Hangar keepers and Products, Aircraft Hull Deductible and Gyrocopter).
Date fair value summary completed	September 2022

Introduction

Gallagher has completed Fair Value Assessment work on those products it manufactures, or has agreed to do so with an insurer partner where we are a co-manufacturer. The summary output of these assessments may be based on groupings of products which may be similar in features and are intended to be distributed to similar target markets. In the case of this product, this outcome summary represents the work we have done to assess the value of our General Aviation products for those customers, purchasing hull and liability insurance for a variety of different aviation risks/classes. If any distributor would like further information about the specific work carried out, please do not hesitate to contact us.

Product information

This is a general insurance product for commercial or personal lines customers wishing to obtain protection of their aircraft in respect of loss, damage and/or injury to third parties, including passengers, cargo, mail and baggage. It provides cover for damage of aircraft and or injury to third parties. This is a specialist product for sophisticated customers who operate or own aircrafts. It is unlikely to be mis-sold routinely.

Distributor remuneration

This product is sold either via the Gallagher Aviation office (formerly Haywards Aviation) or through a group of specialist brokers. It is our view that the commission is reasonable, in particular given the cost to the policyholder of this product and the sophistication of a purchaser of this type of product and in particular, where the commission is split between more than one party, where each party is providing a different activity. When sold directly by Gallagher, we do not charge administration fees. There are also no ancillary products sold alongside the core product.

How Gallagher mitigates risks to fair value

Our overall approach to product governance and remuneration is designed to ensure that our remuneration reflects product features and benefits and the services offered by Gallagher as manufacturer, as well as considering elements such as the services provided, the arrangements in the sector, any precedent and the price of the product.

Does this product type provide fair value?

This product is a specialist arrangement, specifically intended to be purchased by a designated group of aircraft owners and operators, such as flight training schools. Whilst we would normally expect the target market to be sophisticated purchasers, we remain aware that there are SME and personal lines policyholders.

We have reviewed the specific claims and complaints information for this product group, as well as sales data. We are comfortable that claims are being successfully made and paid for each. We have made further enquiries on outlier data and overall, we believe, based on a review of information in respect of this information, service levels and market intelligence, that this product



group provides fair value to policyholders. We carefully review the value and suitability of our products in conjunction with the Target Market Statements (TMSs) and subject to products being sold in line with the direction of our TMSs, there is no evidence that would lead us to believe that the product is not suitable for the policyholders it is intended to be distributed to. We have shared our findings with a co-manufacturer.

How we assess value

Our 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 policyholders.

These reviews consider the target market, distribution strategy, remuneration, marketing, product information, product performance, product design (including wordings), and any feedback received from distributors or policyholders. We also consider sales, claims and complaints data, and risk metrics related to these factors.

We believe that these products provide fair value to its intended target market.