

## D&O-Pro

### Target Market Statement

#### 1. Product Type

This product is covering Directors' & Officers' Liability insurance.

D&O insurance is designed to cover legal costs incurred in defending claims made against the insured company's directors and officers which allege wrongful acts (e.g. breach of duty) by them and any damages or settlement payments resulting from such claims.

#### 2. Characteristics of the target market (who is the product designed for?)

This is a specialised product sold usually to sophisticated purchasers through Arthur J. Gallagher Financial Institutions team. The product is designed for investment funds and financial institutions/financial service companies domiciled in the United Kingdom.

Whilst vulnerable customers are not expected to be amongst the target market for this product, we do have robust policies that are followed when a vulnerable customer has been identified.

#### 3. Objectives, needs and interests of the target market (considering the key features and benefits of the product)

This is an insurance product for customers who require protection against legal defence costs and settlement and damages payments in respect of D&O claims.

Customers of this product are purchasing various features, including:

- Inquiry Costs and Pre-Inquiry Costs – covers legal costs incurred by the insured persons in responding to non-routine regulatory investigations into their actions or the affairs of the insured company or insured investment fund, including information or interview requests
- Self-Report Costs – covers legal costs incurred by the insured persons in making notifications to regulators of breaches of their legal or regulatory duties

#### 4. Who is this product not designed for?

This product is not suitable for large financial institutions/financial services companies.

#### 5. How do we expect this product to be distributed?

The great majority of the distribution is carried out by the Arthur J. Gallagher Financial Institutions team and is placed with London insurers. Insurers are reviewed regularly to make sure they are offering fair terms and meet

solvency requirements. In a small number of cases distribution will be carried out by Arthur J. Gallagher Insurance Brokers Limited.

## 6. What are the distributor value considerations?

The Arthur J. Gallagher Financial Institutions team considers the following when selling Gallagher Specialty's products:

- The impact on product value of offering other products alongside this one, especially those with proportionally greater remuneration. For example, an ancillary product, elements of which may duplicate existing cover, or premium finance charged at an elevated rate of APR.
- Additional commission, fees or charges added as part of distribution processes must be proportionate to the service provided, in line with those charged elsewhere, and not affect the overall value offered by the product.
- Ensure there is no duplication of cover because of any add-on products sold, including premium finance cover, where appropriate cover is already provided by the policy.
- The Consumer Duty requirements when dealing with policyholders.

## 7. Scope

This document is intended to provide an indicative summary of the target market for this product and is not a summary of coverage. Please refer to separate policy documentation for full details of the coverage provided by your product.

## 8. Product Approval Process

Gallagher Specialty has a product approval process in place to ensure that there is appropriate oversight of all products where Gallagher Specialty is either a co-manufacturer or a distributor. The process includes a risks assessment process where consideration is given to the impact of the product on the target market and the value of the product.

## 9. Important Information

This target market statement should be used by all (co-)manufacturers and distributors of this product. (Co-)manufacturers and distributors should not create their own variation of this document. Where any party using this document has concerns about the accuracy or completeness of the information included, this should be raised to Gallagher Specialty urgently for discussion.

### Valid From

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