

Management Liability

Target Market Statement

1. Product Type

This is an insurance product for customers who require protection against legal defence costs and possible settlements in the event of a civil, criminal or regulatory action including investigations against the management or company. Liability covers provided include Corporate Legal Liability (CLL), Pension Trustees Liability (PTL) and Employment Practices Liability (EPL).

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

This product is designed for commercial entities which are UK registered private limited companies with a turnover of less than £250m. The product can support small UK limited companies across a wide range of industries. The product is suitable to cover Directors & Officers such as:

- Risk Managers
- Chief Financial Officers
- Financial Directors
- Heads of Procurement
- Chief Executive Officers

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.

We have made available a Target Market Statement for the Crime add on product offered with this product.

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 possible settlements in the event of a civil, criminal or regulatory action including investigations against the management or company. Customers of this product are purchasing the following features:

- Corporate Legal Liability (CLL) – Protects key decision-makers and the corporate entity itself. Individual managers are also covered for employment practices claims.
- Pension Trustees Liability (PSL) – Protection for the trustees, employees, the business and the fund itself against claims brought in relation to wrongful acts involving a pension plan, whether actual or merely alleged.
- Employment Practices Liability (EPL) – Protection for the entity, directors and other employees against claims from current, former or future employees for employment wrongful acts such as unfair dismissal, harassment and discrimination.

4. Who is this product not designed for?

This product is not suitable for non-UK private registered companies. This product is also not suitable for UK based customers such as consumers, charities and trusts, financial institutions and publicly limited companies. Additionally, any purchaser based in the UK with a turnover of more than £250m.

Any Loss on this product would not include:

- criminal fines or penalties;
- clean up costs relating to hazardous materials, pollution or product;
- any matter which is uninsurable under the governing law;
- axes or sums payable in relation to taxes except as provided in the wording;
- remuneration, cost of the time of any insured person or costs or overheads of any insured entity
- fines and penalties against the company; or
- any sum payable pursuant to a financial support direction or contribution notice issued by the UK Pensions Regulator unless to the extent covered

Additionally, with respect to any claim in connection with employment practices liability only, loss shall not include:

- compensation payable in respect of contractual or statutory termination, notice or severance periods;
- employment-related benefits; or
- any liability or costs incurred by any insured to modify any building or property in order to make the building or property more accessible or accommodating to a disabled person.

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

All the distribution is carried out directly by Arthur J. Gallagher Insurance Brokers Limited (Gallagher UK Retail) via the online platform Efinity, which has produced and developed by Gallagher Specialty, however there are parameters for referral which would happen outside of the scope of the Efinity platform. The level of specialist advice and support provided by Arthur J. Gallagher (UK) Limited (Gallagher Specialty) to Gallagher UK Retail ensures the best service is being provided to the end customer.

This product can only be placed into the agreed five, market leading, insurers via the online platform Efinity. This ensures the best prices for the whole package required by the customer is being achieved.

This product is sold on advised basis by Gallagher UK Retail and is sold under a Delegated Authority agreement where Gallagher Specialty are the coverholder.

6. What are the distributor value considerations?

We expect all distributors in the chain to consider the following when selling Gallagher Specialty's products:

Arthur J. Gallagher (UK) Limited is authorised and regulated by the Financial Conduct Authority.
Registered Office: The Walbrook Building, 25 Walbrook, London EC4N 8AW. Registered in England and Wales.
Company Number: 1193013. www.ajg.com/uk

- 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.
- Distributors must 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.
- Distributors should consider 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

January 2025