

UK Retail Product Fair Value Summary

Product group	Combined Liability for Oil & Gas Contractors
Date fair value summary completed	September 2024

Introduction

Gallagher has completed Fair Value Assessment work on those products it manufactures. This is based on groupings of products which may be similar in features and are intended to be distributed to similar target markets. This summary is not intended to replicate this work but sets out the approach taken and high level findings.

Product information

This product is designed for commercial customers who are working as contractors in the oil and gas industry and/or carrying out their work from a height.

Combined Liability insurance provides cover for contractors working in the Oil and Gas industry, and or carrying out their work from a height. The product meets the demands and needs of policyholders that require cover for damages and legal costs in respect of bodily injury. The product also provides cover for Public and Products Liability, Product Recall, Employment Related Accident Benefits, Crisis Containment and Medical and Rehabilitation Service.

Distributor remuneration

In the case of this product, distribution is undertaken by Gallagher Group businesses who are remunerated out of the core commission agreed with the insurer. It is our view that this is warranted by, and in proportion to, the activity carried out by Gallagher specifically;

- Commissions and fees Gallagher charge are reasonable relative to the service(s) provided and the total cost of the product to policyholders; and
- Commissions and fees charged are fair, and support the intended value of the product.

How Gallagher mitigates risks to fair value

Our commission structure is designed to ensure that it reflects product features and benefits and the services offered by Gallagher.

Where Gallagher Group companies distribute we have validated that product commissions/fees are charged within a reasonable range and in line with usual market practice in order to ensure the value of the product is not diluted.

Does this product type provide fair value?

We believe, based on a review of information in respect of sales practices and services, claims, complaints and market intelligence, that this product provides fair value to policyholders. We carefully review the value and suitability of our products in conjunction with the Target Market Statements (TMSs); 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.

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, subject to distributors:

- Not charging additional fees (including the cost of premium finance) that bear no reasonable relationship to the service(s) provided, or the overall cost of the product; and
- Ensuring that where appropriate cover is already provided by the policy, there is no duplication of cover as a result of either add-on products sold, or any policies held separately by the policyholder.