

## UK Retail Product Fair Value Summary

Product group	Instasure UK Holiday Homes
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. If you would like more information about our assessment of this product, please do not hesitate to contact us.

### Product information

This product has been designed to meet the demands and needs of holiday home-owners who require protection against loss or damage to their buildings and/or contents. The product provides cover for loss of rent/alternative accommodation, property owners' liability cover and legal liability as occupier. These products are not suitable where a property owner wishes to use part of the property to house a business activity outside of holiday rentals or clerical use

### Distributor remuneration

Gallagher agrees commission rates with each distributor and pays these out of the commission paid to us. Gallagher and all distributors is able to evidence that remuneration is reasonable relative to the service(s) provided, including where the activity of a retail broker as distinct from Gallagher. For this product, our evaluation of the commission rates has been considered in the context of average premium amounts.

### How Gallagher mitigates risks to fair value

Our commission arrangements are designed to ensure that they reflect the services offered. Remuneration is agreed within Gallagher according to controls such as policies and escalation processes.

We have written to all retail brokers to validate that distributor commissions are charged within a reasonable range and in line with usual market practice in order to ensure the value of our products is not diluted. Where a product may be sold in higher volumes, as this group is, we also carefully consider the actual amount commission represented by the percentage paid, and whether this is representative of the cost of service. We have written to retail distributors to gather additional information about administration fees and any other costs which might be added, such as charges for premium finance and any ancillary products sold alongside this product.

### 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. We are aware that a holiday home product may well be offered

to vulnerable customers or other protected groups and we have considered as part of our analysis.

#### 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.

Whilst our products have been assessed at an overall level, there may be certain aspects we wish to pick up separately with specific partners, based on the responses to our distribution questionnaire or the information you provided regarding your distribution arrangements. Where we have identified any outliers, we will look to engage brokers individually to discuss next steps.