

UK Retail Product Fair Value Summary

Product group	Oil & Gas Scheme
Date fair value summary completed	September 2023

Introduction

Gallagher has completed Fair Value Assessment work on those products it manufactures, or having agreed to do so with an insurer partner, those where it is a co-manufacturer. The summary output of these assessments may be based on a single product type or a group 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 our fair value assessment work but sets out the approach taken and high-level findings. If any distributors require additional information about this product, please contact us using the details on the webpage.

Product information

This is a specialist product, which provides cover for commercial customers who are working as contractors within the oil and gas industry and are carrying out their work at various heights.

This product provides a combined of cover for employers' and public liability. The customer is able to choose their own public liability limit.

Distributor remuneration

This product is largely distributed by Gallagher; any additional brokers are remunerated out of the core commission agreed with the insurer. It is our view that this commission within a reasonable range, is warranted by, and in proportion to, the activity carried out by the parties in the distribution chain;

This product is distributed by a single retail broker in addition to Gallagher and there are no ancillary products sold alongside this product.

How Gallagher mitigates risks to fair value

Our commission structure is designed to ensure that it reflects the product features and benefits, as well as the services offered by Gallagher. We have a number of controls governing remuneration setting, such as policies and referral processes.

As part of our fair value assessment of this product, we have evaluated that the commission earned is within a reasonable range.

Does this product type provide fair value?

Our Oil and Gas products are specialist arrangements, particularly designed for policyholders and customers of a potentially vulnerable nature. It is particularly important that they are sold to the correct target market and in a way that clearly offers 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.