

UK Retail Product Fair Value Summary

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| Product/group | Sunseeker yacht cover |
| Date fair value summary completed | September 2023 |
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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 is a co-manufacturer. The summary output of these assessments may be based on groupings of products which may be similar in features and are intended to be distributed to similar target markets.

In the case of this product, this outcome summary represents the work we have done to assess the value of our single yacht cover product for those customers purchasing Sunseeker yachts and introduced to us by Sunseeker. If any distributor would like further information about the specific work carried out, please do not hesitate to contact us.

Product information

The product provides cover for both personal lines and commercial clients who wish for protection for any damage to their vessel (sustained in an accident, by malicious damage, fire, theft or attempted theft). It also provides cover for damages or injuries the customer may cause in the event of an accident. This product does not cover loss, damage or liability whilst the vessel is racing or is being used for hire, charter or other commercial activity. This is a specialist product to which only a specific group of people would be introduced by their yacht manufacturer, so would be unlikely to be mis-sold routinely.

Distributor remuneration

This product is mainly sold direct via the Gallagher Poole office (formerly Coleman Marine) but we may occasionally sell via a retail intermediary distributor (including elsewhere in our group) and another broker would be remunerated out of the core commission agreed with the insurer. It is our view that the commission is reasonable, in particular given the cost to the policyholder of this product and the sophistication of a purchaser of this type of product and in particular, where the commission is split between more than one party, each providing a different activity.

We have included in our assessment any administration fees charged by each party supporting the distribution of this product. No ancillary products are sold alongside the Sunseeker product.

How Gallagher mitigates risks to fair value

Our overall approach to product governance and remuneration is designed to ensure that our remuneration reflects product features and benefits and the services offered by Gallagher as manufacturer, as well as considering elements such as the services provided, the arrangements in the sector, any precedent and the price of the product.

Does this product type provide fair value?

Our Sunseeker product is a specialist arrangement, specifically intended to be purchased by a designated group of yacht owners for which the product has been designed. It is particularly important that this product is sold to the correct target market and in a way that clearly offers fair value but for this product, we believe it would be difficult not to direct it at the intended market.

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); and 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.