



# Fair Value Assessment

## Target Market and Product Information

This information is for **broker use only** and **not intended for customer use**

**Business Division / Product Line:** Casualty – Environmental Impairment Liability

### CONTRACTORS POLLUTION

<b>Status:</b>	New Product Development	<input type="checkbox"/>
	Existing Product Refresh	<input checked="" type="checkbox"/>
	Product Change	<input type="checkbox"/>
	Other	<input type="checkbox"/>

**Live Date:** Existing Product

**Territorial Limits:** Worldwide.

**Product Type Description:** Comprehensive Contractors Pollution Liability Cover:  
Third-Party Liability, Environmental Damage & Emergency Costs.  
Contractors Pollution Liability UK provides comprehensive protection for contractors, site owners and developers against pollution releases, whether sudden & accidental or gradual, caused by new pollution conditions or the exacerbation of existing pollution conditions.

## Target Market:

### Who is this product designed for?

- Contractors
- Site owners
- Developers
- Only suitable for businesses who derive their revenue from performing Contracting Operations on Third Party sites.

### Who is this product not designed for?

- Any firm that is not in the target market.
- Individuals



**Vulnerable Customers:**

*Broker Guidance: You should ensure that you assess the presence of vulnerable customer characteristics and verify the suitability of the product, should they arise.*

**Did any vulnerable customer characteristics present themselves as risks during the development of the product?**

- Health** – Conditions that affect ability to carry out day-to-day tasks
- Life events** - Such as bereavement, job loss or relationship breakdown
- Resilience** – Low ability to withstand financial or emotional shocks
- Capability** –Low knowledge of financial matters or low confidence
- None of the Above**

**Hartford Role:**

(co)-manufacturer

**Distribution Channel(s):**

- Broker (Open Market)
- Broker (Single broker or Platform)
- Direct to Commercial Client (define size of client)
- Binder
- Lineslip

**Summary of Product Testing:**

This product has NOT been tested in the existing market. This is an established product with a long history of demand, and as such, is deemed to meet the needs of this particular market. Underwriting and claims handling are mature and conducted by experienced professionals in this area.

**Product Review Process:**

This product was last reviewed and approved through The Hartford’s Product Oversight and Governance [POG] arrangements in **FEB 2024**.

**Risks and Cost:**

The **risks** and **costs** has been reviewed through The Hartford’s POG, as part of the product development process.  
 You should ensure that, in assessing the suitability of the product, that you identify the risks posed to the insured, and that all costs associated are appropriate to their needs.

**Total price paid by customer**

Variable –Total price will be the average net premium provided above plus the acquisition costs detailed below.

**Pricing differences between new/renewal?**

No difference in pricing strategy.

**Commission justification:**

**Open Market:** Gathering information, presenting renewal, responding to queries, acting as a point of contact between the insurer and the insured, drafting and distributing documentation, transferring funds.



**Lineslip:** Responding to queries, presenting declarations, EPI/bdx management, gathering aggregation data, distributing documents, transferring funds.

**Binder/Coverholder:** Broker: responding to queries, EPI/bdx management, gathering aggregation data, drafting and distributing documents, in some instances binding risks, transferring funds.

**Coverholder:** Reviewing and binding risks, monitoring aggregations, EPI reporting.

---

**Product Value:**

Product Value is the relationship between the overall price to the customer and the quality of the product(s) and or services provided.

**The Hartford considers that this product provides fair value to customers in the target market considering all the data available to us, including the pricing model used to calculate the risk.**

**We consider this product to be fair value for the foreseeable future.**

You should be satisfied that, in offering this product, it meets the fair value expectations.

Should you become aware of any information that leads you to believe the product is not offering fair value, please contact The Hartford without delay.

**Any other remuneration / Fees?**

**Where you charge additional fees or other remuneration, you must provide The Hartford with this information on an annual basis and explain what the additional fees are for.**

**Type & quality of services provided**

Tailored product depending on customer's needs, efficient claims payments.

**Claims & Cancellations**

Cancellation and Complaint clauses are clear and fair and are included in policy wordings.

**Distribution Strategy**

The product is distributed via a suitable strategy, using various means via experienced brokers and cover holders who have the required expertise to identify the demands and needs of the identified target market and convey the coverage and inherent risks associated with the product.

---

**Conflicts of Interest:**

Hartford has identified no conflicts of interest in the manufacture, underwriting and distribution of this product. On occasions where a conflict of interest is identified, they are properly disclosed, managed, and reported, in line with our internal policy. Should you become aware



of any information that leads you to believe a conflict of interest may be present, please contact The Hartford without delay.

---

## The Hartford Product Oversight and Governance Arrangements

Following the implementation of the Insurance Distribution Directive ['IDD'] on 1st October 2018 and the Pricing Practices changes from 1<sup>st</sup> October 2021 and 1<sup>st</sup> January 2022, this document outlines The Hartford's approach to Product Oversight and Governance to demonstrate the way we design, monitor, review and distribute our insurance products.

### Why are we telling you this?

As part of the regulatory framework The Hartford adheres to, we are informing you of the product governance arrangements we have in place for designing, monitoring, reviewing, and distributing of this product. The key areas outlined cover the various processes we have in place to monitor our products as well as the information we may require from brokers/cover holders (distributors) throughout the lifecycle of a product.

### Product Development Process

The product development process has been designed to ensure that we have a consistent approach to the development of new products, or significant revisions to existing products.

### Product Review Process

The product review process ensures that those already within the market continue to be designed in a way that meets the needs of the target market and offers fair value to consumers.

This document confirms the target market, product information and has been assessed as having Fair Value using MI relating to the following:

- Nature of the product and the coverage provided
- Cancellation rates
- Claims volumes, declinature rates and average claims pay out
- Loss ratios
- Customer feedback including complaint volumes and root cause analysis
- Pricing model and the total acquisition costs including commissions and other distributor remuneration
- The reasonableness of any admin and/or cancellation fees
- Suitability of the distribution strategy

### Information for brokers and other distribution partners

As we carry out these reviews, we will request information from brokers and cover holders to be able to evidence that our products are being distributed as intended - examples of this could be evidence that the product has been sold to the right target market or complaints received relating to the product. In most instances we will hold this data already on our systems, but there will be occasions when we may request it from relevant brokers. We will endeavour to provide adequate notice where we seek this information from you.

**Further Information** - If you have any questions, please contact your Hartford representative.