SECTION 2: INFORMATION TO BE SHARED WITH DISTRIBUTORS

This information should be shared with the relevant distributor(s) to enable them to understand the intended value of the insurance product(s) manufactured or co-manufactured by QBE.

1	CARRIER NAME	QBE UK Ltd QBE Europe SA/NV Lloyd's Syndicate 386 (QBE Underwriting Ltd) Lloyd's Syndicate 2999 (QBE Underwriting Ltd) Lloyd's Insurance Company (LIC)
2	PRODUCT NAME	UK Product Recall International Markets Product Recall open market wording (DAC).
3	NAME OF ANY CO-MANUFACTURERS	None
4	DETAILS OF PRODUCT APPROVAL PROCESS	The QBE EO Insurance Product Development and Review Policy approved by the Board sets out the Product Governance Framework. The Insurance Product Development Guidelines detail the Product Development approval process for new products and any significant adaptation of an existing product. This includes identification of the product development scenarios triggering the process and requires the completion of various forms by the underwriters proposing the product development. The Product Leaders within the Chief Underwriting Office are responsible for determining whether a product development falls within the scope of the Policy and Guidelines and monitor and agrees the initial assessment and business case. Following development of a business case, a full risk assessment should be conducted and a fair value assessment completed. These take into account various considerations, including: • the nature of the product; • the main characteristics of the target market; • the proposed distribution strategy; and • the expected total price to be paid by the customer. Where a product is considered High Product Risk (HPR), underwriters are required to complete a HPR Questionnaire (HPRQ) and present this to the QBE EO Conduct Risk Group for customer challenge. The HPRQ includes consideration of target market, distribution strategy, product testing and post-sales barriers. The Product Oversight Group (POG), co-chaired by the Head of Product Leaders and the Head of Governance, Sustainability and Standards is responsible for providing oversight of and adherence to the Product Governance Framework. This includes reviewing, challenging and approving the business case for a product development prior to this going to the Divisional CUO and MD for sign-off and for ensuring that all pre-launch activities are suitably completed. The Divisional CUO and MD are responsible for providing final approval to proceed with all proposed product development based on the Business Case, Risk Assessment and Fair Value Assessment presented to them. The Product Leaders will oversee post-launch reviews within 6 months of the launch of a product development. For those products within the appropriate scope, an annual product review will be conducted and then reviewed and challenged by the POG.
5	PRODUCT INFORMATION	Product recall insurance protects businesses from the first-party and third-party losses associated with products which have been contaminated or manufactured defectively resulting in the need for a Product Recall. The product therefore provides protection of the Insured's balance sheet against liabilities arising out of manufacturing and selling its products. This risk transfer allows the business to concentrate on its core activities and manage their risk.
6	TARGET MARKET	The target market for our product recall offering is a narrow range of client sectors, sizes and geographies, but could include businesses worldwide. A small number of clients are large and fall outside of this review however the majority are small to medium in size. The business we write in the UK on an open market basis are automotive component manufacturers. Our DUAL DUA targets USA food/ingredient manufacturers (70%) and automotive component manufacturers. Territory dependent, we can write business on a direct or reinsurance basis though in reality all business is currently written as insurance. This portfolio of business is placed in London and is transacted on a wholesale basis, through professional and UK regulated intermediaries (insurance brokers) and is a combination of direct insurance and Coverholder DUA. The wholesale brokers secure their business from locally regulated intermediaries in each market. Target market has changed for 2024 and we no longer write open market Recall Business in International Markets. We provide a standard product only. There are different sections and depending on the Insured's needs we will be asked by the broker to provide stand alone recall, or recall and products liability. The products section can be "switched off" via the policy Schedule.
7	TYPES OF CUSTOMER FOR WHOM THE PRODUCT WOULD BE UNSUITABLE	Our product offering is not suitable for individuals or micro enterprises or clients that do not manufacture products. It is aimed at the commercial market for clients who manufacture products.
8	ANY NOTABLE EXCLUSIONS OR CIRCUMSTANCES WHERE THE PRODUCT WILL NOT RESPOND	Our policy coverage is a standard market form with no unusual exclusions or restrictions.
9	OTHER INFORMATION WHICH MAY BE RELEVANT TO DISTRIBUTORS	None
10	DATE FAIR VALUE ASSESSMENT COMPLETED	February 2025
11	EXPECTED DATE OF NEXT ASSESSMENT	February 2026

EXECUTIVE SUMMARY

RAG	Requirement	Rationale
	Target Market - the product is fit for purpose and remains consistent with the needs, characteristics and objectives of the identified target market	The product aligns with the needs of our target market because it enables them to demonstrate that they have insurance coverage that covers the 1st and/or 3rd party recall of their products. Without such cover companies would be excluded from supplying their products to larger manufacturers. Given that we have identified no complaints connected to this product we feel that this helps us confirm that the product meets our client's needs.
	Fair Value - the product provides fair value for customers, when considering the relationship between the overall price and the quality of the product(s) and/or services provided	We believe this product provides a good level of protection to the customer in respect of their potential legal liabilities at a fair price. From discussions with underwriters this is evidenced by a lack of complaints, cancellations and a good renewal ratio. Policies can be reviewed and tailored to individual customer needs as determined and negotiated for the customer by the broker, who provide a strong level of external challenge, as they compare our terms with other competing markets to ensure fair value for the customer.
	Distribution strategy - the distribution strategy remains appropriate and distribution arrangements do not have any detrimental impact on value for customers	Business continues to be transacted via UK based wholesale Brokers to global brokers and Coverholders. During 2024 we have stopped selling open market business through our International Markets team for 2025 but we maintain our participation on the DUAL Binder. This strategy remains appropriate as QBE has no direct-selling capabilities, and is not authorised to advise Insureds.
	Customer Understanding - the information provided to the customer enables them to make informed decisions	Broker & Coverholders will provide advice to the customer on suitability of the product and comparison against other available similar products in the market.
	Customer Support - support provided to the customer allows them to fully utilise the product they purchase, e.g. make a claim, complain, cancel or amend cover	All processes and procedures are in place to provide full support to the end customer. Claims notification and complaints processes are set out within the policy documentation provided to the customer.