

Product Governance and Fair Value Assessment

This summary document has been created to fulfil our responsibilities under fair value regulations and this document should not be used as a sales or marketing tool.

The client facing broker must act in the best interests of each client individually when deciding whether to recommend a particular policy or not.

Product	Protection and Indemnity (P&I)
Version Number	UKF-1

Assessment

Most Recent Review	October 2025
Product Type	Protection and Indemnity (P&I) covers 3 rd party liabilities of ship owners, charterers, operators, managers within the marine industry and indemnifies them for such liabilities as arising from injury / loss of/damage to personnel, cargo, property and pollution.
Manufacturer / Co-manufacturer	The United Kingdom Mutual Steam Ship Assurance Association Limited UK P&I Club N.V.
Territorial Limits	Worldwide
Target Market	Commercial Clients using an Insurance Intermediary This product is designed to provide ship owners coverage for liability covering them for damage or injury to third parties, property and pollution
Outside Target Market	Direct Clients and those clients that are using private pleasure craft This product is also not suitable for consumers as defined by the FCA, unless an incidental part of a larger placement, the policy endorsed accordingly and an IPID supplied to the consumer through the intermediary. A consumer is classed as any person who is acting for purposes which are outside their trade or profession.

<p>Characteristics of the product aimed at meeting the needs of the target market</p>	<p>This product has been subject to full product review and has been approved and can continued to be marketed and distributed as the product presents fair value to clients.</p> <p>The P&I product is soundly established in the maritime space with the insurance needs of the client well understood. The product remains a reliable form of liability insurance which has a proven track record within the market to provide insurance value.</p> <p>The P&I product tends to have larger claims and a lesser claims frequency and to continue to monitor the effectiveness of the product the Club undertake monitoring via Management Information.</p> <p>There are a number of key management information reports that we use to support fairness of a product to make sure that the product continues to be fit for purposes and these include but are not limited to:</p> <table data-bbox="528 1153 1246 1317"> <tr> <td>Complaints</td><td>Claims made</td></tr> <tr> <td>Claims declined</td><td>Average claims pay-out</td></tr> <tr> <td>Average premium</td><td>Policy retention</td></tr> </table> <p>Add-ons :</p> <p>There are no add-on covers available to purchase separately under this product.</p>	Complaints	Claims made	Claims declined	Average claims pay-out	Average premium	Policy retention
Complaints	Claims made						
Claims declined	Average claims pay-out						
Average premium	Policy retention						
<p>Distribution Strategy</p>	<p>This product is intended for distribution via regulated introducing insurance brokers.</p> <p>Introducing insurance brokers must be approved and be granted an agency with us, and enter into our Terms of Business Agreement.</p> <p>Sub-broking is permitted with appropriate due diligence having been undertaken by the introducing broker.</p>						

Commission	<p>We will agree a commission rate with each distributor. All distributors should be able to demonstrate that commission received bears a reasonable relationship to the actual cost of their contribution/level of involvement or benefit added by them to the distribution arrangement.</p> <p>We may ask you to justify your commission rate and if we are not satisfied that it is appropriate we may seek to amend it.</p>
Other Remuneration	<p>Should there be any additional fees levied these will be notified during the risk assessment process to ensure transparency.</p> <p>We may ask you to provide details of remuneration you earn in connection with the sale of our policy. This includes any fees, premium finance earnings, earning from non-insurance products or add-ons sold alongside our policy.</p> <p>You must ensure that your arrangements are consistent with the FCA (or other regulatory body) rules on conflicts and incentives. You should review all remuneration arrangements at least annually and share the outcome of that review with us on request.</p>
Fair Value Review	<p>Our product governance process requires a full review of all products at least annually to determine if the product offers fair value to the end client.</p> <p>These reviews consider the target market, distribution strategy, remuneration, marketing, product information, product performance, product design and feedback from distributors and clients.</p> <p>We also monitor conversion rates, renewal retention, cancellations, loss ratios, claims and complaints as part of this review process.</p> <p>We are satisfied that the product offers fair value to its intended Target Market subject to distributors;</p> <ul style="list-style-type: none"> ▪ not charging clients additional amounts over and above the gross premium plus underwriting fees quoted by us without first determining that they do not have a detrimental effect on the value of the product. ▪ Ensuring that no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy

Clients for whom the product is not expected to provide fair value	This product would not be expected to provide fair value to policyholders/risks that fall outside the Target Market.
Next assessment date	October 2026

Providing Feedback

As an organisation, we are committed to conducting business in a fair, honest and open manner. We ensure that we have appropriate product oversight and governance systems and controls in place to offer products that have been assessed as providing fair value to customers and are within the appropriate target market. We welcome any feedback from our distributors on the performance of our products and all such feedback will be considered in our next product review.

If you believe that your staff would benefit from additional training on this product, please let us know by contacting : ukf@thomasmiller.com