

## Fair Value Assessment Outcome:

Product – Engineering and Construction

Insurer/Provider – ALLIANZ & ZURICH

### KEY FINDINGS;

#### Product Overview

Commercial Lines General Insurance product designed for businesses who want protection from a range of engineering and construction risks, such as property damage or third-party injury. This product enables businesses to meet certain legislative insurance requirements, such as those dictated by the Employers' Liability Act. It also helps them comply with contractual requirements, for example professional indemnity and contract works insurance often required under the constructions and engineering contracts.

See Manufacturer's Target Market Statement for detail on the range of customers the product is designed for as well as the groups of customers for whom the product is not appropriate and will not provide the intended value.

#### Date Fair Value assessment completed – 2022

This is the first report, but future reports will include a comparison between the current and previous year in order to identify trends.

#### Fair Value Assessment Outcome:

The outcome of the review shows the product delivers value. This product will therefore be monitored and reviewed again in 12 months as per PROD 4.2.34 requirement to undertake regular product reviews.

A summary of why we concluded this product is delivering value is set out below:

- The product performance metrics do not raise any major concerns and are explained in detail below.
- The product is a very low volume one from a sales perspective with 18 live policies in place at time of review so the appetite and demand for this product is low.
- The new business quotes and conversion rates are in line with company tolerance. Whilst it is not possible to break this down to a granular level overall percentages show no issues or concerns.
- The renewal retention rates are not a concern in these cases as this is not sold in isolation but as an ancillary product to the Property Owners' product.
- Cancellation rates are above company tolerance.
- Complaints levels for this product are low.
- Our approach to this product review has utilised data and MI readily available.