



## Geo Underwriting Services Limited Target Market Statement & Fair Value Assessment

Geo Underwriting Services Limited (GUSL) is a Managing General Agent (MGA) and predominantly a manufacturer or lead co-manufacturer of the products it distributes. GUSL acts at all times as agent of the Insurer in accordance with the terms of our delegated underwriting authority agreements.

GUSL has undertaken a Fair Value Assessment (FVA) in accordance with the enhanced product governance requirements introduced by the FCA through their General Insurance Pricing Principles (GIPP) market study PS21/5.

This document is intended to provide a summary of the Fair Value Assessment outcome as well as pertinent information relating to the identified Target Market. It Is Intended for use by our distributors, not for customers.

<b>Product</b>	<b>N&amp;G Commercial Vessel</b>
<b>Class of Business</b>	<b>Marine Insurance</b>
<b>Capacity</b>	<b>Tokio Marine HCC</b>
<b>Geo's Role</b>	<b>Lead Co-Manufacturer</b>
<b>Date of FVA</b>	<b>Nov-25</b>

### Fair Value Assessment Output

As per our regulatory responsibilities under PROD 4.2 , this product has been subject to our Product Governance Process and has been approved by our Product Governance Committee as offering Fair Value both now and in the foreseeable future.

In undertaking the Fair Value Assessment, a wide range of factors were considered including, but not limited to, the following;

- The complexity of the insurance product.
- The nature of the product including key benefits and any limitations
- The characteristics of the target market including policy stakeholders and consideration of customers with vulnerable characteristics.
- The type and quality of services provided to customers.
- The distribution channel including any remuneration information and the expected total price to be paid.
- Appropriate data including claims frequencies, claim acceptance rates, average claim pay outs, loss ratio, customer tenure, cancellation rates and complaints data.
- The likelihood of customers not receiving good outcomes / fair value
- any conflicts of interest and where they arise how they are mitigated

## Product Features

The Commercial Vessel product offers Marine Hull Material Damage and Third-Party Liability coverage for vessels used, operated, constructed, or sold as part of a business, with the option to include Marine Employers Liability and is designed to provide businesses with comprehensive coverage for their vessels, including its gear and equipment, whether it is ashore, afloat, or in commission.

## The Customer need which is met by this Product

A Commercial Vessel Insurance policy meets the specific needs of businesses operating in the marine sector by offering flexible, tailored protection

The product protects against

- accidental damage to the vessel, whether it is in use or laid up out of commission.
- coverage extends to theft, malicious acts, and vandalism, including the forcible removal of gear from the exterior of the vessel.
- cover also includes salvage, removal of wreck, and related fees.
- transit cover for the vessel while it is being transported by road
- liability protection for the insured's business against passenger or third-party claims

## Target Market - Customer whom the Product has been designed for

Our target market for commercial vessels includes:

- Vessels with a maximum individual hull risk of up to £3 Million.
- Vessels that are under 100 feet in length, however, vessels up to 150 feet in length for sail training can be considered. Other lengths may be accepted based on risk factors.
- Customers who are based outside of war zones.
- Vessels that are registered in the UK, Isle of Man, Jersey, or Guernsey.

## Customers for whom this product is unsuitable or would not provide the intended value

This product is not suitable for:

- Customers seeking coverage for pleasure craft or private marine insurance.
- Customers looking to insure a fleet of vessels.
- Vessels exceeding 100 feet in length.
- Vessels with an individual hull risk exceeding £3 million.
- Vessels not operated, constructed, or sold as part of a business.
- Fast passenger carriage vessels.
- RIBs (Rigid Inflatable Boats) or speedboat trips.
- Vessels used for water-skiing, towed inflatables, or banana boats.
- Heavy towage operations, such as tug operators.
- Cargo-carrying vessels.
- Fishing vessels, including commercial trawlers.
- Immobile craft, such as restaurant boats or houseboats.
- Vessels registered outside of the UK, Isle of Man, Jersey, or Guernsey.
- Customers based in war zones.

### Notable Exclusions or Circumstances where the Product will not respond

The following notable exclusions apply. In addition, Geo may impose further exclusions and restrictions at policy level based on the risk profile disclosed to us at quotation stage.

- Wear and Tear / Lack of Maintenance - Damage resulting from normal wear and tear, corrosion, rust, or poor maintenance is excluded.
- Misconduct or Negligence - Losses caused by reckless or intentional acts, illegal activities, or improper use of the vessel
- Manufacturer Defects - Pre-existing defects or equipment failures due to manufacturing issues
- Mold, Blistering, and Marine Growth - These are considered preventable through regular upkeep
- Acts of War and Terrorism - losses due to war, terrorism, or political unrest are excluded although maybe considered on a case by case basis
- Improper Loading or Stowage - Damage caused by incorrect loading practices or overloading

We recommend that all policy wordings are carefully checked by both the broker and the client to ensure the cover meets the client's requirements and to allow the client to make an informed decision on whether the product is suitable for them.

Copies of our Policy Wordings and Summaries/ IPID's are available upon request. Additionally, we are happy to provide additional training on the product if required

### Distribution Strategy

Our Distribution Strategy, approved by the Executive Committee & Board, is to wholesale products through third party insurance brokers & intermediaries. It is a core part of the MGA strategy to ensure our complex products are sold via regulated intermediaries who provide advised sales. The distribution chain can involve the use of sub delegated authority agreements, panel arrangements, aggregators and any other channels provided these are contractually authorised by capacity and risk assessed as part of our product approval process.

Risk based due diligence is completed on all third parties in line with our Agents and Third-Party agency process. All intermediaries who transact business with us must meet a minimum level of due diligence and financial checks to maintain an ongoing terms of business agreement (TOBA).

Those who distribute products on our behalf must act in accordance with the customers demands and needs to ensure the product is distributed to the intended target market.

All intermediaries who distribute our products are reminded of their regulatory responsibilities to assess fair value to customers where separate fees are charged and/or premium finance is arranged. This also applies where an add-on product (not manufactured by us) is sold alongside the core product.

If a distributor identifies a product is not providing fair value as a result of the distributor's own arrangements, including remuneration, the distributor is obliged to notify Geo immediately. Geo will then assess the circumstances and take action as appropriate.

Commission, fees or charges passed onto the customer must be proportionate to the service provided and provide fair value.

We will from time to time request additional management information from our distributors to support the fair value assessment process. This may include;

- The type and amount of remuneration of each member in the distribution arrangement in relation to the core insurance product including commissions, fees and premium finance charges paid by customers and details of any additional products sold alongside it.
- An explanation of the services provided by each member of the distribution arrangement.
- Confirmation from distributors that remuneration is consistent with their regulatory obligations.

Where information is not provided by a distributor, within a reasonable period of time, Geo Underwriting Services Limited reserves its rights to notify Insurers and/ or the FCA.

### Product Approval Process

Product oversight and governance controls are in place for the design, approval, distribution, and ongoing management of products throughout their lifecycle.

Our approach to manufacturing, co-manufacturing, and distributing insurance products is underpinned by a set of internal frameworks and controls to ensure we are;

- Providing customers with products and services that deliver fair value and are in their best interests both now, and in the reasonably foreseeable future.
- Adhering to regulatory and legislative requirements
- Delivering commercially viable, competitive, and sustainable products.

We maintain and operate an approval process for all of our insurance products, which is proportionate and appropriate to the nature of the insurance product, its complexities, value and associated conduct risk. Significant alterations to our existing products are also subject to the approval process.

### Product Feedback

We strongly encourage feedback from distributors on our products, services and distribution methods to help ensure they continue to deliver value now and for the foreseeable future. If you do have any feedback or concerns regarding this product and it's value please contact us via your usual GUSL representative.

Date of Next Assessment

Nov-26