

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.

Product	Freedom Active, Freedom Cruise, Freedom Power, Sail & Third Party Only
Class of Business	Pleasure craft Insurance
Capacity	Tokio Marine HCC
Geo's Role	Lead Co-Manufacturer
Date of FVA	Oct-25

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 products within the Freedom and Sail Product Family are designed to provide individuals with financial protection in the event that their small pleasure craft vessel is lost or damaged as a result of fire, theft, malicious damage, or involved in an accident. It includes third party cover for costs incurred due to injury or damage caused to others, their craft or other property.

The product provides cover for most small sailing yachts, small motorboats, speedboats, and most types of sailing dinghies, as well as their trolleys and trailers, outboard motors, gear, and equipment.

Customers also have the option to add additional cover for liability for towing of water toys.

There is an automatic cruising range of Inland and Coastal Waters of the UK and Europe up to 12 nautical miles offshore so clients can trailer their boat over to Europe, however the boats must be registered within the UK.

Boats must be kept ashore when not in use.

Please note that the Third Party Only product provides cover for legal liability arising from injury to other people or damage to their property caused by the insured vessel, but it does not offer any protection for loss or damage to the policyholder's own boat.

The Customer need which is met by this Product

This product is designed for boating enthusiasts who own smaller vessels used exclusively for private pleasure. The Freedom and Sail Product Family offers comprehensive insurance protection, covering loss or damage from fire, theft, malicious acts, and accidents, as well as third-party liability for injury or damage caused to others or their property.

Target Market - Customer whom the Product has been designed for

The products aim to provide cover to boating enthusiasts looking to insure their smaller vessels that are used for private pleasure use only.

This product is suitable for individuals:

- Who are UK residents with their permanent residence in the UK, Isle of Man, or Channel Islands.
- Who own a small sailing boat, motorboat, speedboat, or sailing dinghies that are typically no more than 25ft in length.
- Who own a small sailing boat, motorboat, speedboat, or sailing dinghies with a top speed not exceeding 75 knots.
- Who own a small sailing boat, motorboat, speedboat, or sailing dinghies which does not exceed the value of £1million.
- Who are looking to obtain cover for the variety of risks and damages related to owning and operating a boat.
- Who require use of their vessel for private pleasure use only.
- Who require use of their vessel on inland or coastal waters, up to 12 nautical miles offshore of the UK and Europe.
- Who own vessels 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 individuals:

- Who are not a resident of the UK.
- Who intend to use their vessel over 12 nautical miles offshore UK and Europe.
- Who own other types of boats and sailing vessels beyond what is specified above.
- Who are looking to insure jet skis, personal watercrafts or jet bikes.
- Who own vessels with a top speed exceeding 75 knots.
- Who require use of their vessel for racing speed trials, hire, charter, reward, or any other commercial activity.
- Who own vessels that are registered to anywhere outside UK, Isle of Man, Jersey or Guernsey.
- Who have any unspent criminal convictions or any pending prosecutions.
- Who have ever had insurance refused, cancelled, or offered with terms imposed.

Notable Exclusions or Circumstances where the Product will not respond

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

Loss or damage caused by the craft being in an unseaworthy condition.

Failures due to mechanical or electrical faults are not covered.

Theft of outboard motors unless they are securely locked using an anti-theft device.

Loss of money, travellers' cheques, credit or debit cards.

Damage or loss when the craft operates outside the cruising range shown in the policy schedule.

Any loss or damage resulting from reckless behaviour or wilful misconduct, including being under the influence of alcohol or drugs.

Most claims are subject to an excess, as detailed in the policy schedule.

Claims will not exceed the sum insured or specified limits.

Age-related deductions apply to claims for outboard motors.

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

Sep-26