

Distribution Product Guide: Bloodstock

→ Distributor Product Guide
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This guide is for intermediary reference only:

It does not contain the full terms and conditions of the contract of insurance. Full terms and conditions are within the policy documents; you can request to have a copy of these.

Background

Markel International is a leader in the Bloodstock market and has underwritten Equine insurance since 2008.

The Bloodstock product offering is primarily comprised of cover for thoroughbreds for racing and sport horses for show jumping, eventing, and dressage. However, we can also consider risks outside of these categories including, but not limited to, standardbreds, individual risk for large commercial stud farms and racing operations globally.

Product design

Markel products go through a Product Design and Approval process to ensure products are able to meet the needs and objectives of the target market. This product has undergone testing, including industry benchmarking as part of this approval process.

Bloodstock insurance is designed to cover various exposures faced by many types of horses. A typical Bloodstock policy would indemnify the insured for the death of a horse whether caused by accident, injury illness or disease and would also cover the theft of the animal. This is known as an "all risks of mortality & theft".

Our policies are generally designed to pay the fair market value at the time of the loss however they can also be arranged on an agreed value basis.

The policy is designed to respond to claims that are a result of an accident, illness, disease, lameness or injury that first occurs during the period of insurance, and are notified to insurers within the period of insurance.

Limits apply either on an any one claim basis or in the aggregate for the period of insurance, dependent upon the type of exposure.

We confirm that the product is free from any innate conflict of interest that would compromise you from putting customers interests first.

Target market

The Target Market for Bloodstock are:

- Individual horse owners
- Equine professionals
- Large commercial stud farms

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This Policy is not suitable for:

- Non-horse owners
- Non-horse lessees
- Government entities

Scope of cover

Markel International's Bloodstock policies can be arranged with a number of different extensions to allow other types of business protection to be arranged under the same policy.

Policies can be tailored to the individual risk, ensuring that cover is right for the client's exact needs.

We can offer cover for:

- A life-threatening condition reported during the policy period, but which has yet to result in the death of the horse (for up to 12 months after the expiry of the policy). This is called a twelve-month extension.
- Prospective foal
- Barrenness
- Stallion permanent disability
- Wobbler syndrome
- Stallion first season infertility
- Stallion loss of income
- Emergency lifesaving surgery
- Vet fees
- Loss of use
- Major medical extension
- Agreed value

Should a client be in a position to make a claim, we have dedicated claims handlers on hand specifically for this product, possessing the expertise to process the claim and advise the customer to limit loss from the outset.

Product value assessment

We have taken into account the cost to Markel to provide the product, the chosen distribution channel and, the key features and benefits, alongside anticipated product performance and customer services to undertake a Fair Value Assessment. This includes where an add-on product (including premium finance) not manufactured by us is sold alongside, or forms a package with the distribution of our products. As part of this assessment we have collaborated with our chosen distribution partners to gather and assess fees and charges associated with the Product at point of interaction.

Following our assessment of Bloodstock, the product as presented provides Fair Value to the intended Target Market, which has been assessed through the Management Information available to us on the products performance, evidencing the value to Policyholders overall. We have determined that the features, benefits and distribution strategy remain consistent with the needs of the Target Market, and provide suitable coverage. The defined distribution strategy is appropriate for this product, and provides the value intended through the policy lifecycle.

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We do however expect any distributor of this product to consider any additional fees or charges they may charge policyholders and its effect on the end value. This includes the addition of ancillary products provided alongside a Markel product which may erode the intended value.

Distribution strategy

Our Bloodstock insurance product has been designed for distribution by insurance intermediaries that hold commercial agreements with us. Each distribution partner is assessed by the Underwriting team to have the appropriate level of understanding about the risks and exposures faced by their customers in the operation of their business. Where necessary, we shall work with intermediaries to provide training and communications as appropriate.

The distribution strategy is considered appropriate for the target market with customers having the option to purchase these products through a distributor of their choice based upon their expertise in the field. These products are considered suitable for advised and non-advised sales by suitably skilled persons.

Distributor / partner remuneration and costs

We expect the following to be agreed, prior to any placements being made:

- Commission levels
- Fee for Service arrangements, should they be entered into between both parties

Distributors / partners responsibilities

You are reminded to assess fair value to your customers where you charge additional fees, charges or where commission rebating takes place. Distributors / partners should consider whether their customers who are purchasing a Markel International product are being charged any additional fees that are not funded by the premium paid.

If a distributor / partner identifies that a product is not providing fair value and this has been caused by the distributor's / partner's distribution arrangements, including its remuneration arrangements, the distributor / partner must immediately inform Markel International for appropriate action to be determined.

Providing feedback

We welcome any feedback from our distributors / partners on the performance of our products. All feedback will be considered in our next product review. We shall host regular touchpoints with you to discuss the product offering and any support required.

