



Product Value Measures Periodic Review

The purpose of this periodic review is to ensure that as a co-manufacturer, each product continues to deliver fair value to customers throughout its lifecycle, as documented in our Product Oversight and Governance policy. In undertaking the review, we will take into account any event that could materially affect the potential risk to the identified target market. In doing so, we will, as a minimum, assess the following:

- whether the insurance product remains consistent with the needs of the identified target market.
- whether the insurance product remains consistent with the original fair value assessment;
- whether the intended distribution strategy remains appropriate.

The review will be undertaken as and when it is deemed necessary but as a minimum every 12 months. Where appropriate, e.g. if the product is undergoing a significant adaptation, we will also review against and populate a Product Design Approval form.

Product: Craftinsure

Completion Date: December 2024

Period: January 2024 to September 2024 (full review to be completed post go-live H1 2025)

Review Point	Findings/Actions/Comments										
Product comparison within the market											
What are the needs of the target market and how these have been met?	<p>This policy meets the needs of an individual who requires insurance for:</p> <ul style="list-style-type: none"> • Theft, malicious damage, accidental loss and damage to their vessels or small craft (unless the customer selects Third Party Only cover) • Reasonable and necessary salvage charges in preventing or minimising a loss covered under this policy • Liabilities for accidental third-party property damage or injuries to third parties <p>Our marketing and distribution strategies, ensure we are targeting the appropriate audience, providing clear and useful information to assist in individual's decision making to determine whether or not the product offering is their right choice and meets their needs.</p> <p>The results of policy uptake, retention rates and claims frequency continue to show that the product continues to attract the appropriate audience/target market.</p>										
What are the methods of distribution being used	<p>All products are sold direct to consumer through a combination of channels. The majority of sales are made via the website however customers have the option to call the UK based contact centre.</p> <p>2024 YTD</p> <table border="1"> <tbody> <tr> <td>Affiliate</td> <td>1%</td> </tr> <tr> <td>Call Centre</td> <td>13%</td> </tr> <tr> <td>Email</td> <td>1%</td> </tr> <tr> <td>PPC</td> <td>28%</td> </tr> <tr> <td>SEO & Direct</td> <td>57%</td> </tr> </tbody> </table>	Affiliate	1%	Call Centre	13%	Email	1%	PPC	28%	SEO & Direct	57%
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<p>Any improvements made to the product (e.g. design of the product, the pricing or the distribution strategy).</p>	<p>No changes have been made specifically in response to competitor analysis, however as part of the migration to a new CRM platform and capacity provider during Q4 2024, a comprehensive review of policy wording has been undertaken, and the number of policy wordings consolidated.</p> <p>This has not impacted the coverage individual customers will receive or the value provided by the product.</p>
<p>Anything missing from this product compared to others in the market and how has this been addressed.</p>	<p>No deficiencies have been identified. Some competitors offer additional addons such as river cancel rescue, but we do not feel the absence of these detracts from the value of the product and can be purchased separately.</p>
<p>Is the charging structure of the product appropriate and are the costs and charges compatible with how useful the product is to consumers and the transparency of costs and charges.</p>	<p>The customer's price is based on the risk information they provide and so the premium is reflective of the exposure. There are no embedded covers, and we believe that this means we are providing value by not charging for covers that are not valued by the customer.</p> <p>We benchmark against market pricing from time to time to ensure that the pricing remains appropriate for the risk we are insuring. All charges and fees are clearly broken down at both NB and RNL.</p>
<p>Have we undertaken an analysis of performance across the distribution channels taking into account:</p> <ul style="list-style-type: none"> • remuneration data • levels and quality of service • ongoing monitoring and oversight reports 	<p>The performance of all distribution channels is monitored on a weekly basis.</p> <ul style="list-style-type: none"> • Weekly PPC/SEO reports including weekly meeting to discuss results with SJ/LM/CW • Weekly meeting with Senior Leaders Group and Directors to review performance by product • Overall CVR and channel CVR to monitor website and product performance • Trustpilot scores and satisfaction levels are reviewed monthly. Any 1 star reviews are actioned immediately by the call centre – if appropriate the customer is contacted to understand what happened and why satisfaction was so low. Marketing are kept updated.
<p>What impact, if any, have the distribution arrangements had on the intended value and performance of the product, i.e. are the results as expected and if not what action is being taken with any outliers?</p>	<p>We feel that the distribution arrangements do not have any adverse impact on the value of the product.</p> <p>Remuneration is considered to be proportionate to the costs of developing, marketing and administering the scheme. Commission levels are within the parameters set out in the contract.</p> <p>Premium Credit Ltd - Customers will have the option of spreading the cost of their insurance across monthly instalments. At the time of the review the cost of finance is 13.5% which, following a review of the rates available in the market, is still considered to be competitive and appropriate to the cost of providing and arranging the finance.</p> <p>There are no sub-brokers or other parties involved in the distribution.</p>



Any Customer Impact?	
Any particular features of the product or terms and conditions that may give rise to concerns about poor value?	None have been identified.
Has the product disadvantaged any particular vulnerable group? If so, how has this been avoided?	No
What actions, if appropriate, have been taken to mitigate/remedy harm to existing customers and prevent harm to new customers?	N/A
Has the level of commission and other potential remuneration such as premium finance caused any conflict of interest and how has this been managed?	No, the remuneration is commensurate with the cost of acquiring and administering policies and is within the parameters laid out in the Binder Agreement.
Has the product material gone through the financial promotion / advertising sign-off procedure throughout the last 12 months?	Not relevant, there have been no financial promotions offered during the period covered by this assessment.
Product Performance	
Number of policy sales (new and renewing)	2024 (to September); New – 5,027 ; Renewal – 16,357
Total Gross Written Premium	2024 (to September); £3,188,000
Average Commission within deal terms	Yes, a standard commission rate of 34% applies to this product.
Average Conversion Rate	2024 (to September); 10.6%
Average Retention Rate	2024 (to September); 87.7%
NB Cancellation rates < 14 days	2024 (NB to September) 342 policies - 6.8% of NB. The above figure is a combination of cancellations and those wanting to make a mid-term adjustment.
Average Trust Pilot Rating	2024: 4.8 (Excellent)
Number of regulated complaints	2024: 2 (to September);
% of regulated complaints upheld	2024: 50% (to September);
Total Redress Paid for upheld complaints	2024: £0 (to September);
Number of complaints as a % of average policy count	2024: 0.008% (to September);
Root Cause Analysis completed and reviewed?	Yes
If Premium Finance Is available, does it remain appropriate and it provides fair value?	The annual cost of credit at time of writing this review is 13.5% which we believe will offer good value and compares favourably with the rates offered by many of our competitors.
Claims Performance	



Number of claims registered (based on submitted date)	2024 (to September) ; 437
Average number of policies in force	23,850
Claims Frequency	1.83%
Number of claims rejected/repudiated If the declinature rate is greater than expected, highlight common themes.	2024 (to September) ; 13 Declinature rate c2.75% which is well within tolerance and does not give cause for concern in terms of product value.
Claims acceptance rate (based on settled and withdrawn claims against closed)	96% (settled/withdrawn @ 307, closed @ 320)
Average claim handling time (settled claims)	55 days
Number of claim complaints (based on date of complaint)	4
Claim complaints as a % of claims	0.79%
% of claim complaints upheld	50% - this number is prone to volatility given the very low number of claims complaints.
Claim complaint Root Cause Analysis completed reviewed and actions assigned?	Yes. Due to the very low volume of complaints received, root cause and any action off this, is completed at the time of complaint investigation.
Actions	
Are there any significant adaptations planned? Are there any external factors that in the foreseeable future are likely to diminish the value that the product offers?	No. A further review will be completed H1 2025 with GEO performance data.
Next Review Date	
H1 2025	