

Product Value - Information Exchange Template

Carrier name	MX Special Risks Limited
Broker name	Alesco
Product name	Terrorism Including Sabotage Insurance
Reference/UMR [Binder]	B1262BW0238325
Reference [Class of Business]	Terrorism
Date	01/08/25

Manufacturer Information
<p><i>The fields below should be completed by the carrier. The information provided should be sufficient for distributors in the chain to understand the value of the product, the intended target market and those to whom the product should not be marketed. Other information should be included (if relevant) to advise distributors of how their known or expected actions might affect the value of the product.</i></p>
<p>Product information</p> <p>The product is predominantly sold as an add-on to property insurance bought by commercial customers in relation to their business. Therefore, this is not typically sold as a standalone product, albeit the associated buildings insurance is not mandated to be purchase through the same distributor. The type of property covered includes UK residential, commercial or a block of flats. The product targets different levels of commercial customers and does not target personal lines insurance customers.</p> <p>This policy covers an act of terrorism that is defined as an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.</p> <p>This insurance policy insures property against physical loss or physical damage occurring during the period of the policy caused by damage to property insured by an act of terrorism and/or consequential loss directly resulting from damage to any building or other property used by the insured at the premises for the purpose of the business by an act of terrorism.</p>
<p>Target market</p> <p>Commercial customers only who are based in the UK and have an existing associated buildings policy in place (as this cover is typically only in force whilst the associated buildings policy is in place).</p>
<p>Types of customer for whom the product would be unsuitable</p> <p>Consumers purchasing the insurance in relation to their own residential property. The product is targeted at commercial entities and properties.</p>
<p>Any notable exclusions or circumstances where the product will not respond</p> <p>Damage or Consequential Loss directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however caused.</p>

Damage or Consequential Loss directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with by war, invasion or warlike operations, hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, military or usurped power or martial law.	
Other information which may be relevant to distributors	
This product is designed to be an alternative to the offering provided by Pool Re and therefore is not a mandatory policy, with other similar product(s) being available.	
Date Fair Value assessment completed	30/06/25
Expected date of next assessment	Q2 26
<i>The following should only be completed <u>after</u> the Broker Information section below has been completed and provided by Distributor 1.</i>	
Total commissions	<i>Maximum 42.5%</i>
Total fees	<i>0</i>
Total other Distributor remuneration	<i>Profit commission of 12.5% on net NCB = max 5.4% gross</i>
Distributor Information	
<i>The fields below should be completed for all Distributors in the chain. Distributor 1 should be the Distributor in direct contact with the carrier and the highest Distributor number should be the Distributor in direct contact with the customer. The information provided should include the type and amount of remuneration (including fees and commissions) of each Distributor, where this is part of the premium or otherwise paid by the customer, for the product.</i>	
Distributor 1– Arthur J. Gallagher (UK) Limited t/a Alesco Delegated Authority	
Retained commission	Up to 7.5%
Fees	None
Other remuneration	None
Explanation of activities provided	
<i>Select all that apply:</i>	
Direct – The product is distributed directly to insureds. The broker’s role is to understand the demands and needs of the insured and then obtain quotations from insurers.	No
Wholesale - The broker works on the producing brokers/Appointed Representative instructions paying due regard to the best interests of the end client.	No
Advised – the product is sold on an advised basis	No
Non-Advised – the product is sold on a non-advised basis	No
Claims – the broker provides claims first notification of loss	No
Other – please describe <ul style="list-style-type: none"> • Placement of the binder • Distribution of underwriting information including bordereaux • Coordination of Coverholder audit 	Yes
Information on any ancillary products/activities sold alongside the product which may affect the product’s value.	
<i>Select all that apply:</i>	
Legal expenses	No
Gap cover	No
Key cover	No
Emergency home cover	No

Loss recovery (pays for a loss assessor to act on insureds behalf)	No
Breakdown cover	No
Windscreen cover	No
Courtesy car cover	No
Risk Management services e.g. health & safety assessment, consultancy	No
Premium finance (if offered by the same provider)	No
Other – please describe	N/A
Information on how the selected products above affect the product's value	
N/A	
It is confirmed that the above remuneration paid by the customer is consistent with the regulatory obligations of Distributor 2.	Yes

Distributor 2 – MX Special Risks	
Retained commission	<u>Up to 37.5%</u>
Fees	<u>TBC</u>
Other remuneration	<u>12.5% on net NCB = max 5.4% gross</u>
Explanation of activities provided	
<i>Select all that apply:</i>	
Direct – The product is distributed directly to insureds. The broker's role is to understand the demands and needs of the insured and then obtain quotations from insurers.	No
Wholesale - The broker works on the producing brokers/Appointed Representative instructions paying due regard to the best interests of the end client.	Yes
Advised – the product is sold on an advised basis	No
Non-Advised – the product is sold on a non-advised basis	Yes
Claims – the broker provides claims first notification of loss	Yes
Other – please describe	N/A
Information on any ancillary products/activities sold alongside the product which may affect the product's value.	
<i>Select all that apply:</i>	
Legal expenses	No
Gap cover	No
Key cover	No
Emergency home cover	No
Loss recovery (pays for a loss assessor to act on insureds behalf)	No
Breakdown cover	No
Windscreen cover	No
Courtesy car cover	No

Risk Management services e.g. health & safety assessment, consultancy	No
Premium finance (if offered by the same provider)	No
Other – please describe	N/A
Information on how the selected products above affect the product's value	
It is confirmed that the above remuneration paid by the customer is consistent with the regulatory obligations of Distributor 1.	Yes

Distributor 3– Retail broker (various)	
Retained commission	Up to 30% (deducted from Distributor 2 commission)
Fees	None
Other remuneration	None
Explanation of activities provided	
<i>Select all that apply:</i>	
Direct – The product is distributed directly to insureds. The broker's role is to understand the demands and needs of the insured and then obtain quotations from insurers.	Yes
Wholesale - The broker works on the producing brokers/Appointed Representative instructions paying due regard to the best interests of the end client.	No
Advised – the product is sold on an advised basis	No
Non-Advised – the product is sold on a non-advised basis	Yes
Claims – the broker provides claims first notification of loss	No
Other – please describe	N/A
Information on any ancillary products/activities sold alongside the product which may affect the product's value.	
<i>Select all that apply:</i>	
Legal expenses	No
Gap cover	No
Key cover	No
Emergency home cover	No
Loss recovery (pays for a loss assessor to act on insureds behalf)	No
Breakdown cover	No
Windscreen cover	No
Courtesy car cover	No
Risk Management services e.g. health & safety assessment, consultancy	No
Premium finance (if offered by the same provider)	No
Other – please describe	N/A
Information on how the selected products above affect the product's value	

It is confirmed that the above remuneration paid by the customer is consistent with the regulatory obligations of Distributor 2.	Yes