

Product Value - Information Exchange Template

Carrier name	MX Special Risks
Broker name	Alesco
Product name	Terror
Reference/UMR [Binder]	B1262BW0238324
Reference [Class of Business]	LD9203TEXL24
Date	03/02/2025

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 purchased through the same distributor.</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>This product was subject to approval at Lancashire's Product Oversight Group (including Compliance members) and has been signed off by Underwriters, Finance and Claims. Customer related MI was reviewed in order to make an assessment of fair value.</p>
<p>Target market</p> <p>The target market is that this product is designed for commercial customers only based in the UK and will typically only be in force whilst the associated buildings policy is in place.</p> <p>More specifically, this product is aimed at SME's, Landlords and Businesses.</p>
<p>Types of customer for whom the product would be unsuitable</p>

The product is sold via the individual Coverholder. The product is targeting commercial customers who are not buying this insurance in relation to their own residential property. This is not because of the suitability or quality of the product but because this is Lancashire's target market.

Any notable exclusions or circumstances where the product will not respond

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.

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.

Any claim directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with confiscation, requisition, detention, seizure, legal or illegal occupation, embargo, quarantine acts of contraband or illegal transportation or illegal trade or any result of any order of public or government authority which deprives the policyholder of the use or value of the property.

Any claim directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with chemical or biological release or exposure of any kind

Any claim directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with the seepage and/or discharge of pollutants or contaminants including but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment unless otherwise specifically noted in the policy.

Any claim directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon; any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

Any claim caused by or arising out of Malicious Act, Strikes, Riots, or Civil Commotion, unless Damage is caused directly by an Act of Terrorism.

Business Interruption as a result of threat or hoax except as insured by Extension (e) Verified Threat set out in the policy.

Damage or Business Interruption caused by cessation, fluctuation or variation in or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service as insured by Extension Utilities

Business Interruption other than expressly provided under Insuring Clause 2.2 or Extensions (a) Denial of Access, (b) Utilities or (e) Verified Threat as set out in the policy.

Loss of use, delay or loss of markets, loss of income, depreciation, or reduction in functionality

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	15/10/2024
Expected date of next assessment	15/10/2025
<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	35% Coverholder Commission, 12.5% Profit Commission 7.5% Brokerage
Total fees	-
Total other Distributor remuneration	-
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 – Alesco DA	
Retained commission	7.5% Brokerage
Fees	-
Other remuneration	-
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	No
Other – please describe	No
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	No
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 1.	Yes
Distributor 2– TSRL	
Retained commission	35% Coverholder Commission
Fees	-
Other remuneration	-
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	No
Other – please describe	No
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	No
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
Distributor 3– Producing Broker		
Retained commission	Included in Coverholders PC	
Fees	-	
Other remuneration	-	
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		No
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		No
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 3.		Yes