

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	N&G Yacht and Motorboat
Class of Business	Pleasure craft
Capacity	Tokio Marine HCC
Geo's Role	Lead Co-Manufacturer
Date of FVA	Nov-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 Yacht and Motorboat product family are designed to provide individuals with financial protection in the event that their 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 Yacht and Motorboat products are designed for boats that will be using coastal waters that are over 25ft in length and under £1million in value.

The product offers insurance for wide cruising ranges including Brest-Elbe and UK coastal as standard, with European and Mediterranean extensions available for risks usually situated within the UK. Cruising outside of these areas is available subject to conditions.

Customers also have the option to add additional cover for racing, liability for towing of water toys, water skiing and wakeboarding and houseboat use

The Customer need which is met by this Product

The Yacht and Motorboat product is aimed to provide cover to boating enthusiasts looking to insure their sailing craft, powerboat, cruiser, sport boat or RIBs that are used for private pleasure use only. The policy provides a cruising range including Brest-Elbe and UK coastal as standard, with European and Mediterranean extensions available.

Target Market - Customer whom the Product has been designed for

This Yacht and Motorboat product is suitable for individuals who:

- are a UK resident with their permanent residence being with the UK, Isle of Man, or Channel Islands.
- are looking to insure their sailing craft, powerboat, cruiser, sport boat or RIBs.
- own a sailing vessel that is more than 25ft in length and under £1 milion in value.
- are looking to obtain cover for the variety of risks and damages related to owning and operating a boat.
- require use of their vessel for private pleasure use only.
- require use of their vessel in Brest-Elbe and coastal waters of the UK, as well as Europe and the Mediterranean.
- own vessels registered in the UK, Isle of Man, Jersey or Guernsey
- are looking to insure tenders including jet skis, personal watercrafts or jet bikes

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 own other types of boats and sailing vessels beyond what is specified above.
- Who own vessels less than 25ft in length.
- Who own a vessel valued at over £1million.
- Who require use of their vessel for 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.

- Claims arising from war, terrorism, strikes, or civil unrest are excluded.
- Gradual deterioration, wear and tear, and mechanical breakdown are not covered.
- Loss of consumable stores, cash, credit cards, and similar items is excluded.
- Sails, covers, and canopies split or blown away by wind are not covered unless specifically agreed.
- Third-party liability while the vessel is in road transit must be covered under a motor policy.
- Claims involving individuals contracted to work on the craft are excluded.
- Damage to mast, spars, and sails during racing is excluded unless the policy is extended to cover this.
- Loss or damage caused by reckless behaviour or wilful misconduct, including being under the influence of alcohol or drugs, is excluded.

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

Nov-26