

Product Review and Fair Value Assessment

This document was prepared by ERGO UK Specialty Limited ('ERGO UK') in accordance with regulatory responsibilities under PROD 4.2 as the manufacturer of this product.

Carrier name	Great Lakes Insurance UK Ltd
Product name	Commercial Combined
Date of most recent Fair Value Assessment	August 2025
Product Review and Fair Value Assessment Frequency ¹	Every 12 months

Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product, we can confirm the following:

1. The product remains consistent with the needs of the identified target market
2. The product remains consistent with the fair value assessment
3. The intended distribution strategy remains appropriate

Product Information and Approval Process

In accordance with the FCA's Product Intervention and Product Governance Sourcebook ('PROD') rules ERGO UK has completed product review and fair value assessments ('FVAs') across all its products. ERGO UK FVAs considered the performance of products against a number of areas including, but not limited to:

- Product Oversight and Governance Arrangements
- Target Market
- Pricing
- Distributor Oversight
- Remuneration

In considering and assessing fair value ERGO UK analysed all appropriate and necessary management information ('MI'). ²

¹ In line with PROD 4.2.34R and PROD 4.2.34B R, ERGO will undertake a review every 12 months or more frequently where the potential risk associated with the product makes it appropriate to do so. ERGO will apply a risk-based approach to product governance and continuously review products to ensure ongoing fair value for customers in the target market.

² The MI used to assess fair value are classed as commercially sensitive to ERGO UK and have therefore not been disclosed in this Assessment.

All products have been subject to full review, the FVA shows that this product meets the target market needs and continues to provide fair value to customers in the target market and will continue to do so for a reasonably foreseeable period (including following renewal). The FVA results were satisfactory and aligned with ERGO UK's expectations of its products.

Product Features and Characteristics

The Commercial Property Owners (CPO) product is designed specifically for commercial customers, including legal entities that own or manage commercial premises. It is not intended for individual consumers. The product provides core cover for buildings, landlord's contents, loss of rent, property owners' liability, and optional extensions such as terrorism and legal expenses. Deterioration of Stock - for damage to foodstuffs by deterioration, contamination or putrefaction whilst contained in a refrigerating unit.

- Buildings section: Cover for buildings owned by the property owner or for which they are legally responsible against a wide range of insurable events. Including:
- Loss of rent (or cost of alternative premises) where the property becomes uninhabitable following insured damage.
- Property Owner's Liability for injury or damage arising from ownership of the premises.
- Contents section: Cover for landlord's contents such as furniture, fixtures, and domestic appliances located at the insured premises.
- Terrorism: Damage to property and other losses and costs resulting from an Act of Terrorism.
- Loss of Rent: Cover for rent receivable following insured damage, including interruption due to denial of access or utility failure.
- Employers' Liability: Legal liability for injury to employees arising out of their employment.
- Legal Expenses: Optional cover for legal advice and representation.

Target Market

This product is designed for commercial customers who:

- Own a commercial property situated in the United Kingdom (England, Scotland, Wales, Northern Ireland), the Isle of Man or the Channel Islands and are looking to insure that business against property related losses.
- Have no unspent (non-motoring) criminal convictions, or prosecutions pending.
- Have a valid contract as per the Landlords and Tenants Act 1985.
- Meet the conditions within ERGO's Underwriting Guide.

The customer's demands and needs are assessed at the time of acceptance by their insurance broker. ERGO UK's assessment of MI, including renewal retention, cancellations, claims and complaints indicates that the needs of the target market have been met.

Type of Customer for Whom the Product Would be Unsuitable

This product is not designed for customers:

- Who have unspent criminal convictions.
- Whose business premises have flooded or have a high risk of flooding.
- Who are seeking cover for employers' liability, public liability or product liability related

risks arising from their business;

- Who are seeking insurance for a business situated outside the United Kingdom, the Isle of Man or the Channel Islands.
- Who are seeking to purchase a personal lines product such as household insurance.
- Who are subject to any economic, financial or trade sanctions.

Distribution Strategy

The product will be distributed via selected agents and sub-agents, who will be accessed by selected wholesale and retail insurance brokers, acting for target market customers who are eligible for the cover in accordance with our new business / renewal acceptance criteria.

The insurance broker will review the customer's demands and needs to ensure that the product is distributed to the identified target market.

The product is relatively straightforward, and the target market customers are generally familiar with similar insurance products.

The distribution strategy is considered appropriate for the target market, with customers able to purchase the product through a distributor of their choice.

Additional commission, fees and charges added by a distributor as part of the distribution process must be proportionate to the service provided, aligned to those charged elsewhere, and not affect the overall value offered by the product.

Commission and Other Remuneration

A full assessment of the commission structure for agents and sub-agents has been carried out and it is deemed to be appropriate and reasonable. Any fees or charges passed onto the customer are proportionate to the type of product offered and provide fair value.