Allianz

DISTRIBUTOR PRODUCT GUIDE

GEO UNDERWRITING

Contractors All Risks and Plant

- This guide is for intermediary reference only.
- It doesn't contain the full terms and conditions of the contract of insurance.
- You can find more information about the product within the Contractors All Risks and Plant policy overview
- Full terms and conditions are within the policy documents; you can request to have a copy of these.

Product design

We've provided construction solutions for more than 25 years and work with industry experts, such as the Association of British Insurers (ABI) and Build UK, in addition to our global partners across the Allianz Group. We continually draw upon this experience and insight, as well as customer research to ensure our products continue to add value and meet the evolving needs of our construction customers.

Contractors All Risks and Plant is a Commercial Lines General Insurance product designed for businesses who want protection for Contract Works and Plant risks. This product enables businesses to comply with certain contractual requirements under construction contracts.

Target market

established UK based construction businesses with a turnover of up to £10m, but those with a turnover in excess of £10m can be given individual consideration, including but not limited to the following construction projects:

- residential developments including all associated contracting trades working on new build, refurbishments, alterations and repairs to properties
- commercial buildings including working on new build, refurbishment, alterations and repairs and specialist contracting trades engaged with commercial projects
- civil engineering projects including, but not limited to, road surfacing, paving and driveways, ground working, footings and foundations, utilities, earthwork, site levelling and drainage.

We're able to provide insurance solutions for a broad range of businesses and are happy to consider those that sit outside of these parameters, however this product is **not** targeted towards:

- high hazard exposures particularly where a long-tail claims profile or increased frequency for large loss potential exists, including but not limited to large tunnelling and rail projects
- businesses lacking in health and safety, risk protection control and risk management procedures
- non-conventional insurance options, such as customers that run their own captives or require a layered insurance program
- companies with connections or links to sanctioned individuals or countries
- retroactive covers.

This product isn't suitable for:

- a person acting for purposes outside of their trade, business or profession
- non-going concerns or the retired
- contractors with a turnover exceeding £400m
- any offshore risk or activity

We wouldn't expect this product to provide fair value to:

- businesses where the percentage of overseas contracts exceed 50% of turnover
- businesses with very low level sums insured or exposures where we need to apply minimum premiums
- seasonal risks where annual covers are placed
- SME businesses which fall within the target market scope and cover options accommodated by our digitally traded Complete Contractor product.

Potential conflicts

The policyholder could be conflicted if they wish to make lots of small claims, just above the excess limit, as this may impact the terms offered at subsequent renewals.

Product Value Assessment

Our September 2024 assessment has concluded that the Contractors All Risks and Plant product, including its charging and distribution structure, is compatible with the needs, objectives and characteristics of the target market and provides fair value.

Our product value assessment is based on the premium we charge for the cover and the services we provide. In addition to the identified needs, characteristics (including vulnerabilities) and objectives of the target market we take a wide range of other factors into consideration, such as historical and expected claims frequencies, incurred and projected claims costs, plus scenario analysis along with customer feedback.

We also consider how the intended value of the product may be affected by its distribution with the conclusion of our product value assessment based upon our distribution strategy as set out below and that:

- The level of commission is in line with market proximate commission levels and is not being increased from what we have agreed with the placing distributor for the policy. Please refer to your commission schedule and traded commissions for your own distribution / value assessment purposes.
- Where distributors operate on a fee-in-lieu (of commission) basis, such fees are expected to be proportionately lower than the equivalent commission would be for that same policy.
- Administration fees or any other additional fees are only levied where the commission income is not sufficient to cover any of those respective costs and is commensurate with the activities undertaken.
- Our product does not form part of a packaged offering.
- Ancillary products (including premium finance arranged by the distributor) are only being offered where requested by the customer and when appropriate to their demands and needs. The total charge to the customer for any ancillary products, and any directly related remuneration (whether commission or fee) is commensurate with the benefit / services provided and activities undertaken.
- No other additional charges or remuneration are being received in connection with the distribution of our product other than referenced above or received from us.
- All and any parties in the distribution arrangement are able to confirm that their remuneration is consistent with their regulatory obligations.

Distribution strategy

The Contractors All Risks and Plant product has been designed for distribution by Geo Underwriting, who will either perform the selling, advising and arranging activities in relation to the policy directly with the customer or wholesale the policy through selected distribution channels that hold an appropriate level of understanding of the risks and exposures faced by their customer in the operation of their business.

Where the distribution of the product is on a wholesale basis, this is restricted to be no more than one level beyond Geo Underwriting, and in addition to the product value assessment details outlined above applying that:

- The additional parties being relevant and appropriate in terms of their involvement, knowledge and regulatory status.
- Any split or sharing of commission and/or the remuneration applicable to each party being proportionate to the activities undertaken by each party.
- Administration fees not being applied by more than one party in the distribution chain.
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Product Value Feedback

If you have any concerns about an Allianz Commercial product not delivering its intended value, including in relation to potential adverse customer or product value impacts from the distribution arrangement, please notify us of the relevant details by sending an email to: regulatory.standards@allianz.co.uk