

## 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.

<b>Product</b>	<b>Rural Livestock</b>
<b>Class of Business</b>	<b>Livestock Insurance</b>
<b>Capacity</b>	<b>Zurich Insurance Company Ltd</b>
<b>Geo's Role</b>	<b>Lead Co-Manufacturer</b>
<b>Date of FVA</b>	<b>May-25</b>

### 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**

Our livestock policy has been designed to supplement our Farm Products ensuring that we are catering for all of the livestock farmers' insurance needs. Available covers include All Risks of Mortality, Loss of Use for specified animals and the following disease for Flocks and Herds: Bovine Tuberculosis, Foot & Mouth, Brucellosis, Anthrax. Infertility/Vendors Guarantee.

Cover is also available for animals purchased from Breed sales.

**The Customer need which is met by this Product**

The Geo Agricultural Livestock Policy is designed to provide insurance protection for specified animals and/or Herds & Flocks in the event of the death of the animal (s) or its humane destruction caused by any accident, injury, illness or disease (including Government Slaughter (disease cover only)).

**Target Market - Customer whom the Product has been designed for**

The Market segment that this product is aimed at is Agricultural based entities who require insurance protection for specified animals and/or Herds & Flocks in the event of the death of the animal (s) or its humane destruction caused by any accident, injury, illness or disease (including Government Slaughter (disease cover only)).

The market consists of over 50,000 livestock holdings totalling over 50 Million animals. The customers for which this product is suitable includes individuals with a "hobby" herd, Sole traders, Partnerships & a wide range of larger Commercial farming entities & Estates.

**Customers for whom this product is unsuitable or would not provide the intended value**

Businesses who work solely with research animals and fish farms

Government Entities

Non-commercial clients including retail customers

The product is not suitable for poultry farmers due to the restrictions in place arising from enzootic diseases such as avian flu

The Loss of use element of cover is only suitable for proven animals

The disease covers are only available for certain types of animals & diseases and location is part of the acceptability criteria.

**Notable Exclusions or Circumstances where the Product will not respond**

1. Death resulting from

a) Slaughter without the consent of the Insurer unless authorised by a qualified Veterinary Surgeon on humanitarian grounds only and carried out immediately consequent upon accident or injury.

b) Destruction in compliance with the requirement of any statute or by Official Order or where Government compensation is paid or payable for the total market value for the animal.

c) Castration or other surgical operation unless conducted by a qualified Veterinary Surgeon and certified by him to have been necessitated solely by accident, injury, illness or disease and to have been carried out in an attempt to preserve the animal's life.

d) Any animal being used other than for the Purpose of Use including the hiring of any animal to another party.

e) Inoculation which is not of a prophylactic nature or necessitates by accident, injury, illness or disease.

2. Consequential Loss of any kind.

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	May-26
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