

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	Unoccupied Commercial Property Owners
Date of most recent Fair Value Assessment	May 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 key value elements of cover for unoccupied commercial property owners include:

- Protection against loss or damage caused by fire, theft, vandalism, storm, and flood
- Public Liability coverage for incidents occurring on or related to the unoccupied premises
- Optional cover extensions such as accidental damage, fly tipping removal, and loss of rental income
- Flexibility to insure multiple properties under a single policy, simplifying portfolio management

Unoccupied commercial properties can present increased risks, particularly if left without appropriate insurance. Standard commercial property policies may restrict or exclude cover during periods of vacancy. Therefore, it is essential that property owners inform their insurer when a building becomes unoccupied and arrange specialist cover to ensure continued protection.

Insurers may impose specific conditions—such as regular inspections, security measures, or utility management—to mitigate the heightened risks associated with unoccupied commercial premises. These measures help maintain the property's safety and preserve its value during periods of inactivity, sale, or redevelopment.

Target Market

This product is designed for commercial customers who:

- Are over the age of 18
- Own unoccupied commercial properties and require protection against loss or damage to the property and/or its contents
- Are commercial landlords with property situated in the United Kingdom (England, Scotland, Wales, Northern Ireland), the Isle of Man, or the Channel Islands, and are seeking to insure their business against property-related losses
- Require cover for single or multiple commercial properties
- Have no unspent (non-motoring) criminal convictions or prosecutions pending
- Meet the conditions of the ERGO Underwriting Guide

The customer's demands and needs are accessed at the time of acceptance by their insurance broker. ERGO UK's assessment of MI, including renewal retention, cancellations, claims and complaints indicates 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 are under the age of 18
- Where the commercial property is currently occupied or actively in use
- Seeking cover for properties in active business operation
- Who have unspent criminal convictions
- Seeking insurance for properties located outside the United Kingdom, the Isle of Man, or the Channel Islands
- Seeking insurance for businesses situated outside the United Kingdom, the Isle of Man, or the Channel Islands
- Who are subject to any economic, financial, or trade sanctions

Distribution Strategy

The product will be distributed via selected coverholders, 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.