

## DISTRIBUTOR PRODUCT GUIDE

# Complete Professional Indemnity

- 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 [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 professional indemnity solutions for over 10 years and work with industry experts such as the Association of British Insurers (ABI), 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 professional indemnity customers.

This collaboration has helped us to create tailored wordings for our targeted trade sectors which enable businesses to meet regulatory requirements where professional indemnity cover is compulsory, whilst also delivering cover tailored to the needs of other specific trades where cover is optional.

Complete Professional Indemnity is a Commercial Lines General Insurance product designed for small and medium-sized enterprises who want who want insurance protection against financial loss claims arising out of negligent advice, design or specification. It also meets the insurance requirements of certain trade bodies, such as the Institute of Chartered Accountants England & Wales (ICAEW) and the Royal Institute of Chartered Surveyors (RICS).

Our Complete Professional Indemnity Product provides tailored cover for 10 specific trade sectors:

- accountants
- architects
- construction
- engineers
- management consultants
- media
- miscellaneous
- recruitment consultants
- surveyors
- technology

The product design provides value as it allows the customer to buy the cover that meets their specific needs, a variety of limits of indemnity, ranging from £100,000 to £2,000,000, along with the trade specific wordings, as detailed above.

# COMPLETE PROFESSIONAL INDEMNITY DISTRIBUTOR PRODUCT GUIDE

## Target market

The target market for our Complete Professional Indemnity product is

- established UK based businesses with fees up to £2.5m or a turnover of up to £7.5m.

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:

- non UK businesses
- businesses outside of the 10 trade sectors listed above
- UK businesses with fees over £2.5m or a turnover over £7.5m
- non-renewable covers for less than twelve months
- businesses requiring a primary cover exceeding £2,000,000 limit of indemnity.

This product isn't suitable for:

- risks based outside of the United Kingdom and which require a global insurance solution
- a person acting for purposes outside their trade, business or profession
- non-going concerns or the retired.

We will not look to write risks for:

- accountants involved in tax
- avoidance and/or tax mitigation work
- actuaries
- environmental consultants
- independent financial advisers
- insurance brokers
- medical malpractice risks
- risks with basement and/or swimming pool exposures

- risks with cladding exposures
- solicitors
- surveyors undertaking surveys and/or valuations for lending purposes.

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

- Businesses with very low level exposures where we need to apply minimum premiums.

## Product value assessment

Our September 2023 assessment has concluded that our Complete Professional Indemnity 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**

Our Complete Professional Indemnity product has been designed for distribution by insurance distributors that hold commercial agency facilities with us, and that perform selling, advising and arranging activities in relation to the policy directly with the customer. They must have the appropriate level of understanding of the risks and exposures faced by their customer in the operation of their business.

Where we've granted permission for the distribution of our products to involve another, or an additional, party in the distribution arrangement, this is restricted to be no more than one level beyond the distributor placing the business with us, 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.

### **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](mailto:regulatory.standards@allianz.co.uk)

