

## Product: Single Peril Catastrophe Property

Manufacturer Information
Product information
<p>This is a product which covers physical damage to various interests, primarily as a result of catastrophe perils such as windstorm, earthquake and/or flood, including but not limited to buildings, contents and stock. Business interruption, extra expense, and removal of debris can also be provided as core standard covers as well as a range of optional additional extras.</p> <p><b>Core Cover:</b> The product can include a range of coverages which the customer can choose to cover their requirements which could include;</p> <ul style="list-style-type: none"> <li>• <b>Property Damage:</b> Physical damage to property covered by the policy by named perils (subject to certain conditions and exclusions). Named perils will be agreed when the coverage is purchased. This product includes Difference in Conditions coverage which covers some perils that are excluded or limited on an underlying policy. This primarily covers catastrophe perils such as windstorm, earthquake and flood but can also include some ancillary coverage such as but not limited to subsidence, landslides and fire following earthquake.</li> <li>• <b>Business Interruption:</b> resulting from an insured peril as above, that leads to a commercial customer suffering financial loss, for example, loss of profits/income.</li> <li>• <b>Additional Living Expenses:</b> resulting from property damage caused by an insured peril as above, that results in a residential customer suffering financial loss, for example, having to pay for alternative accommodation.</li> </ul> <p>Customers may consider purchasing additional optional coverages which can include but is not limited to the following;</p> <ul style="list-style-type: none"> <li>• <b>Storm Surge</b> if buying a windstorm only policy.</li> <li>• <b>Subsidence.</b></li> <li>• <b>Fire following earthquake.</b></li> </ul> <p>Optional coverage purchased may be subject to specific sub-limits, conditions and exclusions which differ from those provided under the core cover(s).</p>
Target market
<p>This product is suitable for all individual private consumer and commercial customers in any territory where Lloyd's has a licence (other than the UK or EEA) to write direct property business who wish to cover their buildings, and/or contents, against physical damage caused by one or more catastrophe peril(s) which are excluded on their primary policy, as well as providing coverage for business interruption or additional living expenses caused by the agreed perils in the policy schedule and wordings.</p>
Types of customer for whom the product would be unsuitable
<p>This product is not suitable for customers who already have the desired catastrophe peril cover under their primary / another property insurance. Furthermore, this product is not sold or suitable for customers in the UK or EEA.</p>
Any notable exclusions or circumstances where the product will not respond
<p><b>(i) Exclusions</b> If agreed terms and conditions (including warranties and conditions precedent) that were agreed with the customer when the policy was placed have not been adhered to, could mean the claim will not be paid. For example if the customer leaves the property vacant for a length of time that exceeds the limits stated in the policy wording, then a claim that occurs while the property had been left vacant for that period, then a claim may not be paid</p>

Standard exclusions include "as a result of":

- Nuclear/Biological/Radiation Contamination.
- War - any loss caused by war.
- Infectious diseases - any non physical damage loss caused by infectious diseases.
- Cyber - any physical or non-physical damage loss caused by any cyber attack whether malicious or not. Unless a Commercial Cyber optional coverage is purchased.
- Terrorism - any physical or non-physical damage or loss caused by acts of terrorism. Unless a Terrorism optional coverage is purchased.

#### **(ii) Limits of liability:**

Limits will be the agreed limits for each section of the policy and can differ for each defined peril and defined coverage item. This will be agreed with the policyholder and be stated in the policy documentation

#### **(iii) Excesses & deductibles**

Excesses/deductibles are agreed with the customer and stated clearly in the policy schedule based on their particular needs.

### Other information which may be relevant to distributors

This product should be sold in line with FCA or local regulations and can only be sold by a regulated insurance distributor.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegation or sub-broking), it is their responsibility to ensure all distributors have been provided this document, have reviewed it and understand the content. If there is any additional remuneration, including commissions, fees or other 'non-standard' remuneration charged to the customer by other distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full. Distributors are expected to fully understand the eligibility criteria, covers and exclusions of the product. Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs.

This product can be sold face to face, via telephone, electronic communications or a mix of these methods, as long as customers are provided with sufficient information to make an informed decision regarding the suitability of the product.

This product can be sold with or without advice in line with FCA regulations or local regulations if the distributor is regulated outside of the UK.

#### **Commission & Fees**

If there is a coverholder in the chain, they are expected to ensure that maximum commission rates do not exceed those stipulated within the Binding Authority Agreement.

The coverholder is expected to maintain oversight of all broker commissions (where applicable) and, where there may be a risk to product value, remedial action should be taken immediately including notification to Tokio Marine Kiln.

Brokers are reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6 as well as the requirements to make all necessary disclosures to the customer.

Where there are any fees charged by any member of the distribution chain these should be:

- commensurate with the service provided by the distribution.
- not have an adverse impact on customer value; and
- distributor should ensure that TMKS is made aware of the fee amount and/ or method of calculation.

**How value is assessed**

Value is assessed based on a number of metrics, including underwriting, claims and complaints information as well as through broker and coverholder engagement.

Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.

If additional add-ons (including premium finance) are sold alongside this product or additional remuneration is charged, this may affect the value for the customer.

Further information on our product approval processes can be obtained on request.

Date Fair Value assessment completed	September 2023
Expected date of next assessment	September 2024