

Top Marques Insurance

DISTRIBUTOR ANNUAL PRODUCT REVIEW & FAIR VALUE ASSESSMENT

This document comprises the following sections;

- **Executive Summary**
- Section one **(General information)**
- Section two **(Information required from manufacturer)**
- Section three **(Distribution and remuneration information)**
- Section four **(Service information)**

EXECUTIVE SUMMARY

The product assessment has taken into account:

- The value of the product (including core and any add-ons)
- The impact of the distribution on value (commission, fees, any add-ons, any premium finance)
- The impact of any service on value.

Taking these into account the product is delivering fair value.

We have determined the next steps are to monitor and review products on a regular basis

SECTION ONE: GENERAL INFORMATION

Firm name	Top Marques Insurance
Name of product grouping	Contractors All Risk
Date of review	July 2024
Date of last review and outcome	N/A
Date of sign off	July 2024
Approved by [in accordance with the relevant policy]	Top Marques Insurance

Product Summary

Role in distribution chain	Distributor
Main characteristics of the product	This product provides cover against claims made against the Directors of Officers of a company for specified risks and can, if required be extended to cover for claims in respect of Employment Practices and Crime risks.
Target market summary	Commercial entities, partnerships, sole traders, pension funds and individuals established in the United Kingdom that typically fall into the small to medium enterprise (SME) category. The main exposures for these clients will usually come from claims made against the Directors of Officers of a company for specified risk and can, if required be extended to cover for claims in respect of Employment Practices and Crime risks.
Vulnerable customers summary	Top Marques Insurance have a Vulnerable Customers policy
Add ons, optional extras, premium finance	Commercial Legal Expenses Premium Finance
Main parties in distribution chain	Manufacturer – Q Underwriting, Commercial Express, Focus Underwriting Distributor 1 – Top Marques Insurance
Summary of pricing strategy	Distributor 1 - Top Marques Insurance receive a fixed 15 % commission from the Manufacturer.

SECTION TWO: INFORMATION REQUIRED FROM MANUFACTURER

Overview

Information provided by manufacturer	Main characteristics and features of the insurance product	YES
	Product approval process	YES
	Target market	YES
	Their fair value assessment	YES
	Any effect distributor may have on intended value which the manufacturer has not taken into account	NO

Target Market

Summary of target market	Commercial entities, partnerships and sole traders established in the United Kingdom that typically fall into the small to medium enterprise (SME) category
Description of group of potential customers whose objectives and characteristics are compatible with the product features (taking into account the characteristics, risk profile, complexity and nature of the insurance product)	Commercial entities, partnerships, sole traders, pension funds and individuals established in the United Kingdom that typically fall into the small to medium enterprise (SME) category. The main exposures for these clients will usually come from claims made against the Directors of Officers of a company for specified risk and can, if required be extended to cover for claims in respect of Employment Practices and Crime risks.
Who is the product not suitable for?	Consumers – persons carrying out activities unrelated to their declared business description / trade type or profession. Customers established or employing persons based outside of the United Kingdom

Vulnerable customers

Any features of product that deliberately or inadvertently exploit customers in vulnerable circumstances	NO	If yes, describe
Any features of the product designed specifically to deliver positive outcomes for vulnerable customers	NO	If yes, describe
How information needs of vulnerable customers are being met so customers understand the purpose and risks of the product	Top Marques Insurance are aware of the groups that vulnerable customers may fall in to. Top Marques Insurance provide specific training to staff so that we should be able to identify a Vulnerable Customer.	
How distribution strategy is appropriate for ensuring the needs of potentially vulnerable customers	Top Marques Insurance only supply products to commercial entities, thereby reducing the potential.	

Claims analysis

Are claims overall delivering value?	YES	Complaints information confirms that claim outcomes are not considered to be providing poor outcomes.
Are there any outliers that require further investigation?	NO	N/A

Market analysis

The Management Liability Insurance product is one that Top Marques Insurance have marketed for a number of years and ongoing awareness and analysis of the market continues to confirm that the product offers value for money.

Product value conclusion

Statement	Yes or Limitations
We have sufficient information to understand the characteristics of each insurance product	YES
We have sufficient information to understand the identified target market of each insurance product.	YES
We have sufficient information to identify any potentially vulnerable customers	YES
We have sufficient information to understand the manufacturers distribution approach	YES
On the information provided we have not identified any issues raised that could impact the value of the product	YES

SECTION THREE: DISTRIBUTION AND REMUNERATION ARRANGEMENTS

Description

Method by which product is distributed	Telephone, Email and Face to Face
Use of sub-brokers	Top Marques Insurance do have agreements in place to transact wholesale business.
Advised / non-advised	Direct Business – Advised
Any additional service provided	First contact for Claims including ongoing advice. General administration of policies including undertaking adjustments.

Commission analysis

Any potential conflicts of interest	NO	If yes, describe
Controls in place to avoid conflicts	YES	
Justification for any variable commission rates	As a scheme broker, Top Marques Insurance will only place a risk outside of scheme options when the scheme facility cannot accommodate the risk.	

Ancillary products or services (including insurance add-ons, non-insurance additional products – excluding Retail Premium Finance which should be detailed below)

Manufacturer	List the Ancillary Products/Services/Add-Ons	Price
1 BD ELITE	Commercial Legal Expenses	£45 for Sole Traders £62 for Commercial up to £50,000 turnover £125 for Commercial up to £5m turnover £300 for Commercial up to £50m turnover
2		
3		

Ancillary Products/Add-ons analysis

Are add ons and ancillary products appropriate?	YES	The product provides additional cover to that which the core product provides
Do add ons and ancillary products have consistent markets?	YES	DAS Insurance for Commercial Legal Expenses
Are they consistent with customers' demands and needs?	YES	
Have you satisfied yourself about customer understanding of the add on?	YES	
Have you conducted an analysis of the value of the add on and the impact of the remuneration arrangement?	YES	

Have you considered the impact of the add on to the value of the product?	YES
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Fees

New Business - £30.00 Renewal - £30.00 Mid Term Adjustment - £10.00 Policy cancellation - £25.00 (this applies within cooling off and pre-inception) Any other changes £10.00..

Fees analysis

Justification of fees against the levels of service provided	Top Marques Insurance charge a standard portfolio fee which is to cover the cost of providing a computer platform, underwriting expertise and issuing bespoke documentation.
Any rules or exceptions to fees	Fees may be altered if the product provided represents a significant reduction against average commission income levels. The amount of any fee charged is always disclosed prior to cover.
If fees are standard irrespective of premium size how have you justified that they are providing value in all cases?	The cost of maintaining a broking platform does not alter significantly because of premium level.
Are there any fees in lieu of commission?	None

Retail Premium Finance

Flat Rate plus providers set up fees	Due to the uncertainty of interest rates, please refer to our Insurance Presentation Summary of Cover (New Business and Renewals) for the current flat rate % applicable to the premium finance option.
Margin	An over-rider is applicable to agreements, currently 3% but is subject to change.

APR analysis

Do additional costs of retail premium finance have a material determinantal effect on the value of the product with which it is combined?	Premium finance allows the insured to spread the cost instead of paying up front which can significantly help with a company's cash flow which they would take into account. Top Marques Insurance offer a single premium finance package for all policies / Top Marques Insurance do not offer products where the insurer offers their own finance options.
Are you satisfied that you can justify the APR in light of the credit risk?	YES – Top Marques Insurance believe the rate charged to be in line with the market.
Do you have enough information on premium finance provider's fair value assessment?	YES

Distribution and remuneration arrangements conclusion

Statement	Yes or Limitations
We are satisfied there are no conflicts of interest in our arrangements	YES
We are satisfied any add-ons are appropriate and priced appropriately	YES
We are satisfied that any retail premium finance is appropriate and priced appropriately	YES
We are satisfied the level of remuneration is reflective of costs incurred	YES
We are satisfied I have considered the impact of our remuneration and distribution arrangements and they don't have a detrimental effect on the overall value of the insurance product to the customer.	YES

SECTION FOUR: SERVICE INFORMATION

Service information

Summary of services provided	Information gathering to assess the customers Demands & Needs for both new and renewal customers Marketing of information gained to offer best option Sales are Advised to Direct Customers and Non-advised for Wholesale business Provision of advice and administration during the course of the policy Provision of claims first contact and advice on an ongoing basis	
Complaints information As at 01/06/2023	Number of complaints made in the last 12 months	
	Complaints not closed within 8 weeks	
	Complaints upheld	
	Complaints per 1,000 policies sold	
	FOS complaints	
Customer outcomes testing	Every policy undergoes a standard audit by the Compliance Department. Additionally, there are on average 5% of policies audited in depth by Kayleigh Westwood including listening to call recordings. Customer Satisfaction questionnaires are sent to every New Business and Renewal client.	
Service performance measures	No standard service performance measures are in place, however we would assess the service if Complaints and Customer Satisfaction responses highlight any deficiencies.	
Satisfaction surveys	96% of respondents were 100% satisfied the service provided.	

Service information conclusion

Statement	Y or Limitations
We are satisfied the complaints data does not indicate a poor level of service that may impact the value of the product	YES
We are satisfied any customer outcomes testing has not identified any issues that may impact the value of the product	YES
We are satisfied we have not identified any other service issues that may impact the value of the product	YES
We are satisfied that the complaints data does not highlight any concerns about the Distribution Strategy or Distribution Channels'	YES