



Product: Commercial Property

Manufacturer Information

Product information

This is a customisable product with a range of coverages from which the customer can choose to cover their specific commercial property insurance requirements.

Purchase of this product can help to mitigate the economic loss potentially suffered by a customer as a result of damage to the Property they operate their business from or as a result of loss or damage to contents within the Property such as specialist equipment or stock.

Core Cover:

This is a customisable product can have a range of coverages which the customer can choose to cover their specific commercial property insurance requirements which could include:

- Property Damage Physical damage to property covered (e.g. buildings, contents, stock) by the policy by named perils and/or All Risks (subject to certain exclusions). Named perils will be agreed when the coverage is purchased. Named perils can include:
 - Fire
 - Explosion
 - Machinery Breakdown
 - Flood
 - Windstorm
 - Earthquake
 - Aircraft Impact.
- Business Interruption caused by as per the above

Customers may consider purchasing additional optional coverages which can include but is not limited to the following;

- Machinery Breakdown
- Accidental Damage
- Boiler Explosion

N.B. Optional coverage purchased may be subject to sub-limits which differ from the main cover.

Target market

This product has been designed to meet the needs of businesses of any size and across a wide range of industries/professions, that wish to cover their buildings, and/or contents, against physical damage, as well as providing coverage for interruption to their business processes caused by certain agreed perils.

This product is suitable for all commercial entities in any territory where Lloyd's has a license to write direct property business but only for reinsurance, large risks and follow business in the UK.

In many cases cover is provided to those who are unable to obtain insurance in standard markets.

Types of customer for whom the product would be unsuitable

The product is not appropriate to be sold to:

- UK customers except for reinsurance, large risks and follow business.
- Commercial entities who own property that is let to commercial or residential tenants.
- Residential customers looking to insure their own personal property.

**Any notable exclusions or circumstances where the product will not respond****Limitations:**

- Policies may be subject to Deductibles or Excesses where Insurers are not liable for the amount of claims up to the deductible or excess values.
- Depending on the needs of the client, there may be sub-limits within the policy for certain extensions of coverages or perils.
- 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.

Exclusions:

- 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.

Limits of Liability:

These 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 policy holder and be stated in the policy documentation.

Excess (Deductible)

This will be agreed with the customer and stated clearly in the policy based on their particular needs.

Other information which may be relevant to distributors

This product should be sold in line with FCA 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.

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 is sold with 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