

Target Market and Product Governance Guide for Distributors

Offices and Surgeries policy

Who is this guide for and why are we issuing it?

- This guide is intended for intermediary use and reference only and is not for distribution to customers.
- We are issuing it to give guidance to intermediaries in respect of the target customer market for this product, types of customers or business for whom this product is not suitable, the value this product provides and the Product Governance we undertake to establish this.
- This guide does not contain the full terms and conditions of the Insurance contract and should not be used to compare Policy Coverage. More information about the product can be found within both the Offices and Surgeries policy summary and full terms and conditions may be found within the Offices and Surgeries policy.

What is this product and what customer need is met?

Offices and Surgeries policy is a Commercial Lines General Insurance product which is digitally traded and is designed for small to medium sized enterprises (SMEs) including Limited Companies, Partnerships and sole traders acting for their profession.

The policy meets the needs of business owners seeking comprehensive protection of their assets and income, along with coverage for third party liabilities and mandatory requirements defined by the Employer's Liability Act, providing essential security to Professional Services, Administrative and Support and Healthcare operations falling within the UK SME sector.

This product delivers value by enabling customers to select both standard and additional covers, creating a tailored package ensuring their specific needs are met such as:

- Stock and Contents including Machinery and Equipment
- Fixed glassware and Sanitaryware
- Business Interruption
- Money, Deeds and Documents
- All Risks (Property away from the Premises)
- Liabilities (Employers liability (compulsory) and Public / Products)
- Fidelity (Theft by Employee)
- Transit of own goods
- Legal Expenses
- Buildings

Target Market – Who is this product designed for?

Offices and Surgeries policy is designed for independently owned small to medium sized business based in the UK which:

- Own business assets and own or lease a business premises which they trade from
- Have a maximum Property and Business Interruption sum insured per location of £10,000,000
- Are UK registered businesses that trade from a premises located within the UK
- Are businesses offering professional services, administrative or support functions, or offering a healthcare provision
- Are undertaking clerical activities only (with the exception of veterinary and healthcare treatments)
- Operate from self-contained premises, or on a hybrid/working from home basis

Who is this product not designed for?

Offices and Surgeries policy is not targeted towards:

- Multi-national corporate businesses
- Businesses undertaking manual work also such as Construction companies, Cleaning services
- Shared premises with no self-contained, lockable area
- Premises with non-standard construction
- Premises with high proportions of combustible composite panel construction
- Are not undertaking manual work (with the exception of veterinary and healthcare treatments)

In addition, the Offices and Surgeries policy is not suitable for:

- Cash Holding Financial Services (Banks, Building Societies, Bureau de Change, Bookkeepers, Securities Dealing)
- Driving Schools, Vehicle Hire Agencies or Taxi Operators
- Government or Political Services
- Art Dealing, Valuation or Auctioneers

How have we valued this product?

Our product value assessment is based on the premium we charge for the cover and the services we provide. We take a wide range of factors into consideration, such as historical and expected claims frequencies, incurred and projected claims costs, plus scenario analysis along with customer feedback. This may include – but is not limited to – areas such as examination of complaints, claims, claim declinatures, policy cancellations, retention rates, loss ratio analysis and external analysis/benchmarking against existing products.

We also consider how the premium is affected by the commission we pay the placing intermediary for the activities they conduct on our behalf. Any additional charges within the distribution chain may potentially erode the intended value of our product.

We may from time to time request information from you to allow us to check that our products are being distributed correctly, are performing as expected and continue to offer fair value; examples of this could be evidence that the product has been sold to the right target market or complaints received relating to the product. We will endeavour to provide adequate notice where we seek this information from you.

Key Value information is included in the attached Appendix.

The policy's value to customers is indicated by existing available data which shows average claims costs significantly surpass average premiums.

The projected low complaints volumes should demonstrate that the product will reliably meet customer's needs.

In distributing this product you should be satisfied that it meets the fair value expectations of your customers' requirements. Should you have any concerns that this product is not offering fair value, please contact MSIG Europe SE without delay.

Who can distribute this product and via what method?

Offices and Surgeries policy is designed for digital distribution via insurance intermediaries holding live commercial agency facilities with us. Access to the product can be obtained either via the Acturis platform or the MSIG Eplace extranet.

Sales may be either face to face or by telephone and may be advised or non-advised based on your own preference and any FCA regulation applicable, but should always be by persons who have the appropriate level of understanding about the risks and exposures faced by their customers in the operation of their businesses.

For UK broker use only, for full terms, conditions and exclusions please refer to policy wording.

MSIG Europe SE, UK Branch with the company registration number FC038781 and offices at The Leadenhall Building, 122 Leadenhall Street, EC3V 4AG, tel. +44 (0)20 7746 1000. MSIG Europe SE is authorised and regulated by the National Bank of Belgium. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority and the Financial Conduct Authority are available from us on request.

Product	Offices and Surgeries policy
Distribution	Retail Brokers via Acturis software system and MSIG Eplace extranet
IPID/Summary	Attached
Policy Document	Attached
Review Period	Annual
Date Fair Value interim assessment completed	March 2025
Expected date of next full assessment	March 2026
Key Value Measures	
Claims frequency	3.32%
Decline rate %	10.43%
Average claim value	£8,524
Average time to settle	137 days property; 254 days casualty
Average Premium	£1,246
Complaints (TOTAL)	19
Claims (cover)	2
Claim (handling)	16
Claims (settlement)	1
Other complaints	0
Overall frequency	0.29%
Upheld rate	84%
Remuneration approach	Product is provided at a Gross rate to Brokers. Brokers are able to net down the commission taken but are unable to increase beyond system maximum. Value assessment is made based upon maximum commission payable.
Maximum Overall Commission	35%
Average Overall Commission	30%
Fees chargeable	NONE

Product	Offices and Surgeries policy
Reasonable Period Assessment	
Insured values and degradation of sum insured or limits	Policy values and limits are set or selected by the Insured at new business and at each renewal. Core cover limits are therefore not automatically reduced at first or subsequent renewals
Price changes at renewals and premium vs benefit	Policy pricing is based upon values declared by the Insured. The premium charged may increase or decrease based upon risk factors present at the time but is based upon the values declared by the Insured. Premiums are calculated by various factors but are generally small percentages of the total sum insured or limit of liability provided, even when several years premiums are aggregated. All risks are individually priced based on their personal risk factors presented to MSIG Europe SE and confirmed by the issue of a statement of fact document. At renewal, the premium charged may increase or decrease based upon our periodically revised assessment of an individual risk factor and/or where age based rating applies. MSIG Europe SE does not apply new business incentives that would breach the FCA fair pricing regulations, hence no renewing client would pay more than their equivalent new business price.
Reduction in ability to claim or expected value of claim over time	Main cover values are selected by the Insured each year and are not inhibited at subsequent renewals. Individual policies may have specific terms and conditions applied depending on circumstances but there is no systemic reduction or removal of limits at subsequent renewals.
Additional Products	None by MSIG Europe SE. If you provide additional products to customers which mirror or overlap the cover provided herein, then the value to the customer may be affected.
Automatic renewal	No automatic renewal facility.
Actions by you or other distributors which may affect value	If commission is rebated in order to charge a higher equivalent fee in lieu. If you charge for additional services already provided by the product.