



## **FAIR VALUE INFORMATION: CHAUCER CARGO INSURANCE**

In accordance with FCA requirements, this document is intended to provide our distributors with information on the Cargo insurance product manufactured or co-manufactured by Chaucer Syndicates Limited/Lloyd's Syndicate 1084 or Chaucer Insurance Company DAC (together "Chaucer"), our product governance and assessment procedures, and the results of our fair value assessment.

**Fair Value Assessment Date**                      May 2024

**Next Fair Value Assessment**                      May 2025

**Product Description**

Covers customers against financial loss arising from physical loss or damage to their goods as a result of an Insured Peril whilst in transit by sea, air or land, or whilst in storage. Cover can be provided as follows:

- Facultative cargo (one-off movements).
- Standard annual cargo policies covering the import, export or distribution of goods.
- Stock through put annual policies (import, export and distribution cover extended to include the storage of goods).
- Stand-alone stock policies covering storage but not transport.
- Project cargo covering multiple shipments for a specific project.
- Freight Forwarders who can arrange cargo insurance for their customers using a certificate system when their customer does not have their own cargo policy
- Terrorism cover for static stock (which is excluded by standard cargo policies).
- Exhibition cover – to cover cargo in transit to/from and whilst at exhibitions.
- Excess of Loss for transit/stock risks where limits exceed primary layer.

**Customer Needs Met by the Product**

Protects customers from financial loss arising from loss or damage to their goods in transit or storage.

**Target Market**

Freight forwarders, non-vessel operating carriers, hauliers, couriers, warehouse and storage facility operators.

**Customers not in the Target Market**

Customers seeking to protect themselves against liability for damage to goods owned by third parties.

**Distribution**

The products are distributed via brokers who provide advice to customers; and via coverholders who have authority to underwrite and bind risks on behalf of Chaucer. All commissions and other charges are in accordance with the Chaucer Intermediary Remuneration Strategy.

**Claims and Complaints Handling**

Claims and complaints are handled by Chaucer, coverholders, and/or third-party claims administrators. Where claims or complaints are outsourced to third parties, service level agreements are in place and audits are conducted to ensure good customer outcomes.

**Any Exclusions or Conditions, or Circumstances where the Product will not respond**

Any exclusions, conditions and excesses applicable to risks written under this product will be stated in the quotation, schedule and policy wording (and Insurance Product Information Document where applicable).

## Product Governance

Chaucer's Product Oversight and Governance Policy clearly defines the standards it is required to implement to ensure good customer and fair value outcomes.

In accordance with FCA PROD rules, Chaucer has conducted a Product Review and a Fair Value Assessment of this product which are designed to answer the following questions:

- What is the intended market for the product?
- What type of customers is the product not suitable for?
- What customer need is met by the product?
- Is the product likely to meet the needs and reasonable expectations of customers in the target market?
- Is the total price of the product (including all fees and commissions) fair and reasonable?
- Is the distribution method appropriate, and does distribution remuneration have an adverse impact on fair value?
- Are there any conditions or exclusions that mean reasonable customer expectations may not be met?

The Product Oversight Committee reviews the following MI in relation to each product in order to identify any emerging issues with fair value and customer outcomes:

- Complaints volumes.
- Complaints root causes.
- Complaints response times.
- Claim declination rates.
- Claim declination root causes.
- Claim response times.
- Loss ratios.

### **Fair Value Assessment**

Based on the assessment carried out on the date shown above, Chaucer considers the product provides fair value to customers and is working as designed.

Key metrics on usage and product value are being monitored (such as claims frequency and declinatures, complaints rates and total remuneration) and there are no concerns that the product cannot be used or that there are any barriers to claim.

### **Product Status**

This product is open to new and renewal business.

### **Conflicts of Interest**

There are no circumstances we are aware of that will cause a conflict of interest.

### **Other Information for Distributors**

Chaucer expects its distributors also to promote customer value by:

- Ensuring that the total remuneration that they receive (including commissions, fees and other charges) does not have a detrimental impact on the fair value of a product to the customer,
- Regularly reviewing their product distribution arrangements and their effect on product value, and notifying us if they identify any concerns,
- If requested, providing us with remuneration information in connection with the distribution of a product, and
- Ensuring that their distribution arrangements are in accordance with all applicable regulatory requirements.

**This document is intended to provide a Fair Value Assessment to the distributors of our insurance products in accordance with FCA regulatory requirements and should not be used for any other purpose. Customers should check their policy terms and conditions for details of their cover.**