

Product Value - Information Exchange Template

Carrier name	Liberty Mutual Insurance Europe SE
Broker name	Miles Smith Limited
Product name	Professional Indemnity
Reference/UMR [Binder]	LM 21 COR 2001
Reference [Class of Business]	PI
Date	1 August 2022

Manufacturer Information

The fields below should be completed by the carrier. The information provided should be sufficient for distributors in the chain to understand the value of the product, the intended target market and those to whom the product should not be marketed. Other information should be included (if relevant) to advise distributors of how their known or expected actions might affect the value of the product.

Product information

This product has been through the carrier's Conduct Risk Framework which reviews the full lifecycle of the product to ensure it is providing good outcomes for our customers, including fair value.

It has been reviewed and signed off by the carrier's Conduct team as representing fair value to customers.

The following aspects are included in the review:

- Cancellation data
- Claims and complaints volumes
- Declinature rates
- Loss ratios
- Average premium: average (and largest) claims
- Wordings review (technical and Plain English)

Professional indemnity cover against claims for negligence. Offers cover for legal costs, expenses and damages payable to third party in negligence claims. The product is not aimed at any one trade and is sold to micro to large companies. Identical to Liberty's open market offering.

The product runs for 12 months, and renewal is processed in line with local regulations.

Claims are outsourced to specialist third party claims administrator who have to refer denials to Liberty claims team for approval.

The product is offered to SME and Large customers in the UK – all sales are coverholder advised with no long wholesale chain.

Both new business and renewal business is treated the same in respect of terms offered and price.

Target market

SMEs and Large companies operating in the UK some of whom require PI to service clients and all of whom need to protect balance sheet from negligence claims.

Types of customer for whom the product would be unsuitable	
Consumers would have no need for this product.	
Any notable exclusions or circumstances where the product will not respond	
Defective workmanship not covered.	
Other information which may be relevant to distributors	
<p>The carrier has rated this product as Medium Conduct Risk exposed on the basis that sales are made to consumers based in the UK who are offered advice on product suitability by coverholder.</p> <p>In rare instances where premium exceeds £50,000 Premium Finance is offered to SMEs via the coverholder. It is manufactured by a third party alongside the PI product and Miles Smith understand their obligations in this regard in respect of the FCA handbook and have confirmed it has no impact on pricing.</p>	
Date Fair Value assessment completed	April 2022
Expected date of next assessment	Q2 2023