

# Fair Value Assessment Outcome

This document has been produced by Aviva Insurance Limited in accordance with our regulatory responsibilities as a Product Manufacturer of UK General Insurance products. It is intended for use by our Distributors and not for customers or operational staff.

For more information please speak to your usual Aviva representative.

## Product Value - Information Exchange Template<sup>1</sup>

|                               |                                        |
|-------------------------------|----------------------------------------|
| Carrier name                  | Aviva Insurance Limited (Aviva)        |
| Broker name                   | Clear Insurance Management Ltd         |
| Product name                  | Clear Self-Build Scheme - Construction |
| Reference/UMR [Binder]        | N/A                                    |
| Reference [Class of Business] | Construction                           |

| Carrier Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>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.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>Product information</b></p> <p>Aviva's Product Approval Process can be found <a href="#">here</a>. Further information for our distributors about Aviva's Product Oversight and Governance (POG) arrangements can be found <a href="#">here</a>.</p> <p>In accordance with the FCA PROD Product Intervention and Product Governance Sourcebook PROD 4 Product governance rules a product review and fair value assessment has been completed for the Construction product.</p> <p>The product has been subject to Aviva's full product review process and signed off by our authorised approvers as representing fair value to customers and may continue to be marketed and distributed.</p> <p>The Aviva Construction offerings show both value in the covers provided for customers and usability. All metrics analysed in our assessment were within tolerance and indicated sufficient usability of the products for the price paid.</p> <p>The assessment of fair value included review of the following management information as well as other insight:</p> <ul style="list-style-type: none"> <li>- Claims Acceptance Rate</li> <li>- Claims Frequency</li> <li>- Average Claims Pay-out</li> <li>- Highest Claims Pay-out</li> <li>- Average Premium</li> <li>- Claims Ratio</li> <li>- Commission Ratio</li> <li>- Expenses Ratio</li> <li>- COR (Combined Operating Ratio)</li> <li>- Total Claims Cost</li> <li>- Average Customer Settlement Lifecycle</li> <li>- Average Overall Claims Lifecycle</li> <li>- Claims Frequency by Peril</li> <li>- Average Regulated Complaints Lifecycle</li> <li>- Regulated Complaints by Outcome</li> </ul> |

<sup>1</sup> This document is based on the Product Value – Information Exchange Template, version 8 November 2021 (LMA9197), developed by the following trade associations for use by all market participants to meet the requirements of the Financial Conduct Authority's product governance rules relating to information exchange: the British Insurance Brokers' Association (BIBA), the London and International Insurance Brokers' Association (LIIBA), the Lloyd's Market Association (LMA), the International Underwriting Association (IUA), the Managing General Agent's Association (MGAA) and the Association of British Insurers (ABI).

Following the review, we have concluded that the performance of the management information is within agreed tolerance levels. Additionally, no issues or actions have been raised through the review process.

#### Target market

##### **Who is this product designed for?**

This product is designed for customers undertaking residential Self Build, Investment Build, Home Extension and Conversion and Renovation contracts where the Insured intends to live in the property when the work is complete.

##### **What is this product?**

This is a Commercial Lines General Insurance product suitable for individual customers and not businesses.

##### **What customer need is met by this product?**

This product is a modular insurance product covering the majority of segments within the United Kingdom Construction industry. The following covers are available:

##### **Contract works (Mandatory cover)**

Cover on an all risks basis which provides protection for the works, materials and plant (including hired in plant) for which the customer is responsible, but excluding damage from a number of events such as wear and tear, gradual deterioration, and faulty or defective design materials or workmanship.

##### **Property (Optional cover)**

Financial protection for the customer's building(s) following damage through events such as fire, theft, flood, escape of water, subsidence and terrorism.

##### **Liabilities (Optional cover)**

Cover for the customer's legal liability to third parties for property damage or personal injury, and for legal liability to employees for bodily injury.

##### **Can this product be sold without advice?**

This product can be sold with or without advice depending on your preference and in line with FCA regulations.

##### **How can this product be sold?**

We would suggest that this product can be sold face to face, via telephone or online.

**Please inform us where you identify you have consistently distributed our product to customers outside of the intended target market.**

| Types of customer for whom the product would be unsuitable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| This product is not suitable for customers who require home insurance cover once the building work is complete. The product is also unsuitable for commercial properties.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |
| Any notable exclusions or circumstances where the product will not respond                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |
| Cover is not provided for gradual deterioration or wear and tear, faulty or defective design, materials or workmanship. Further information concerning exclusions is provided within the Insurance Product Information Document and underwriting guide.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |            |
| Other information which may be relevant to distributors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |            |
| <p>Please note we do not require Distributors to provide additional information on remuneration or services provided. Aviva will contact brokers separately if data is required that we do not hold.</p> <p>The following is excluded from the review and as a Distributor you must consider:</p> <ul style="list-style-type: none"> <li>- any additional fees that you charge a customer/client and the effect on the value of the product.</li> <li>- any ancillary products sold alongside the product which may affect the product's value or duplicate cover provided with our product.</li> </ul> <p>Please contact your usual Aviva representative if you have any queries or concerns about the Aviva underwritten product.</p> |            |
| Date Fair Value assessment completed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 19/07/2025 |
| Expected date of next assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 19/07/2026 |