



# Fair Value Assessment Outcome

July 2024

**Qlaims Insurance**

For Businesses

This document has been prepared by Qlaims Limited in accordance with our regulatory responsibilities as a Product Manufacturer of non-investment insurance products.

If you have any questions about this document, the product or any aspects of the product operation, please contact us.

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**PLEASE NOTE:** this document is intended to inform our product distributors and not to be used (or shared) with the customers or operational staff.

# 1 Product Oversight and Governance

Following the FCA's assessment on general insurance pricing practices, further rules have been introduced to strengthen the regulations governing product oversight ensuring that products provide fair value to all customers.

## 1.1 Product Design

Product development and management at Qlaims is conducted through our Product Design and Oversight process. Before we launch a product, it needs to satisfy several internal governance assessments, including:

- Client needs,
- Identified target customer group,
- Customer value,
- Identification and clear signposting (for distributors and prospects) of any complexities,
- Any potential ambiguity or potential for confusion is identified and mitigated,
- Have appropriate agreements in place with appropriate distribution channels, and
- Everyone involved in a product design and approval process has and maintains relevant skills and knowledge needed to understand both regulatory and market expectations.

## 1.2 Ongoing Oversight

Once the product has launched, Qlaims continue to review the proposition with at least annual reviews or if there's considerable product alteration, to ensure the product continues to deliver fair value and meets demands and needs of its target market.

## 1.3 Product Value Assessment

In accordance with the FCA's Product Intervention and Product Governance Sourcebook (PROD 4), a product review and fair value assessment has been completed for 'Qlaims Insurance for Businesses'.

Our fair value assessment can only consider the remuneration (including fees or charges) that we have been informed of by our distribution partners involved in the sale of a policy. It is therefore essential that all our distribution partners make us aware of any additional fees or charges incurred by their customers, to ensure it is considered as part of our assessment.

Based on the information gathered from you (and the wider distribution channel) we have been able to conduct a fair value assessment. The outcome from our current assessment satisfies us that our Product meets, or exceeds, expectations at this time.

## 2 Product Value

Carrier name	Great American International Insurance (UK) Limited
Broker name	As set out in your TOBA with Qlaims Limited
Product name	Qlaims Insurance for Businesses
Reference/UMR [Binder]	GAQLAIMS_01.10.2022
Reference [Class of business]	Loss Recovery Insurance (Commercial)
Date	16/07/2024

### Carrier Information

*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 subject to the product review process of Qlaims Limited and its carrier. At the time of this assessment, and as signed-off by the Qlaims Board and that of the relevant carrier's approvers, Qlaims is satisfied that the product is fair value and may continue to be marketed and distributed.**

The insurance policy designed to pay the professional fees of an independent loss adjuster to manage, prepare and negotiate claims for the policyholder. Cover is provided for claims resulting from damage that leads to a claim on specified underlying policy(ies) of more than £5,000, or a specified alternative threshold.

Our assessment of fair value included a review of

- At the point of distribution
  - Referrals rate
  - Cancellation rates (within and outside 14 days)
  - Conversion (Quotes to sales) rate
  - Average customer premium
  - Commission ratio
- During the lifecycle
  - Claims Frequency and claims acceptance
  - Loss ratio. Total and average claims incurred
  - Claims lifecycle for liability acceptance and closure
  - Customer satisfaction and complaints reported
  - Customer, Broker and partner feedback

#### Target market

Designed for businesses, particularly small to medium sized, SMEs where the loss of use or damage to their property, such as offices, shops, restaurants or other owned (or with insurable interest) buildings or stock, is key to the operation of their trade or business. These businesses are unlikely to have access to the specialist skills, including for example accountants to easily and well prepare a claim.

For full information, please refer to the Qlaims underwriting guide.

## Types of customers for whom the product would be unsuitable

Customers such as

- Businesses with risks outside of the geographical location of the cover
- Business with no assets (property or stock)
- Businesses whose claims would not trigger the minimum claim limit.

For full information, please refer to the Qlaims underwriting guide, which details all exclusions.

## Any notable exclusions or circumstances where the product will not respond

The product does not respond unless there is a valid claim on the underlying policy. Please refer to the Qlaims underwriting guide.

## Distribution

Distribution of the product is only permitted by brokers/partners approved by Qlaims and have signed a Terms of Business Agreement with Qlaims.

## Commission & Policy Fees

Commission ranges are set by for broker utilisation and aligned to relevant distribution strategies. Oversight of all broker commissions is maintained and where a risk to product value may be identified the matter will be discussed with the broker and action taken to rectify. Qlaims does not charge policy fees.

Brokers are also reminded of their own regulatory obligations for remuneration under PROD and Consumer Duty guidance.

## Other information which may be relevant to distributors

We do not require Distributors to provide additional information on remuneration. Qlaims will contact brokers separately if data is required that we do not already hold.

The overall assessment confirms significant benefit has been taken by policyholders and distributor's remuneration is in line with wider market expectation.

Please contact your Qlaims representative with any questions you may have.

Date Fair Value assessment completed	16/07/2024
Expected date of next assessment	15/07/2025