

# Arch Insurance Manifesto:

## Created for Ardonagh Advisory Brokers

At Arch Insurance, we always strive to create a seamless partnership between you, your clients and us, as an insurer partner.

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| <b>RCAL Valuations</b>  | <p><b>A.</b> Mechanics/process and payment</p> <p><b>B.</b> Arch offering</p>  | <p><b>A.</b> TBC by Ardonagh</p> <p><b>B.</b> Arch to waive average for Buildings (not Contents), subject to RCAL desktop valuation report being provided.</p> <p>The RCAL desktop report will be funded by Arch via a separate agreed invoicing process. This replaces our usual requirement to waive average where a RICS survey has been undertaken.</p>   |
| <b>Insurer Appetite</b> | <p><b>A.</b> Minimum premiums if applicable</p> <p><b>B.</b> Rating stability – strategy</p> <p><b>C.</b> Multi-year programs</p> <p><b>D.</b> LTAs</p> <p><b>E.</b> Low Claims Rebates</p> <p><b>F.</b> Underwriting Appetite overview – Preferred risks, avoided risks, etc.</p> | <p><b>A.</b> We do not have a set minimum premium and would look to offer competitive terms for in appetite business which in our experience could well be better than a mere price match on expiring terms.</p> <p><b>B.</b> In the short-medium term for 2022 and 2023, we are looking to achieve up to 5% rate a year overall for commercial combined held business. We are pleased to report that we did not blindly follow the market in seeking significant double-digit increases. We will continue to actively work with Ardonagh Advisory brokers to help us retain our held business via early engagement with local brokers to understand any risk changes and agree rating strategy locally (e.g. whether the risk is being presented to market to quote).</p> <p><b>C.</b> We are unable to offer multi-year programmes.</p> <p><b>D.</b> We actively look to enter into LTA's to help us to win and retain target business. Our LTA strategy helps our policyholders budget their premium spend for up to 3 years.</p> <p><b>E.</b> We will offer Low Claim Rebates (LCRs) wherever possible to help Ardonagh Advisory brokers retain business.</p> <p><b>F.</b> Refer to next pages.</p> |

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| Whilst we have defined the scope as manually traded risks between £0K - £50K GWP, where larger risks fit insurer's appetite and parameters of the facility, please confirm your commitment to include these.   | We would welcome the opportunity to consider larger risks within appetite on a case-by-case basis.   |
| <p>For any complex risks, please confirm your commitment to taking co-insured follow lines, as the lead member or follow member, where other panel members take a line on a risk within the panel parameters (please note the panel members will be major composite insurers)?</p> <p>Of the insurers listed below, please confirm any you would not be prepared to follow and why:</p> <ul style="list-style-type: none"> <li><b>1.</b> Ageas</li> <li><b>2.</b> AIG</li> <li><b>3.</b> Allianz</li> <li><b>4.</b> Arch</li> <li><b>5.</b> Aviva</li> <li><b>6.</b> AXA</li> <li><b>7.</b> Chubb</li> <li><b>8.</b> Ecclesiastical</li> <li><b>9.</b> Geo*</li> <li><b>10.</b> Hiscox</li> <li><b>11.</b> NIG</li> <li><b>12.</b> QBE</li> <li><b>13.</b> RSA</li> <li><b>14.</b> Travelers</li> <li><b>15.</b> Zurich</li> </ul> <p>*Capacity may vary (Min A rated)</p> | <p>We are happy to support writing larger / more complex risks on a co-insurance basis and have written or quoted follow line for the following insurers:</p> <p><b>3.</b> Allianz, <b>5.</b> Aviva, <b>6.</b> AXA, <b>7.</b> Chubb, <b>10.</b> Hiscox, <b>11.</b> NIG, <b>12.</b> QBE, <b>13.</b> RSA, <b>14.</b> Travelers &amp; <b>15.</b> Zurich.</p> <p>We have no objection in principle to following the other insurers listed but as we have not followed them in the past, we have not yet had the opportunity to fully review their policy wordings.</p> |
| Please provide details of your ability to underwrite the following risks or trades:  |  |
| Waste & Recycling including Waste Collection   | This is currently outside current appetite.  |
| Energy and Offshore  | We won't cover extraction risks but happy to look at support industries, engineering related and can accommodate work offshore on a blanket basis (rather than restricted to prior notice basis) where required.   |
| Housing Associations   | This is currently outside current appetite.  |
| Care homes & other care  | This is currently outside current appetite.  |
| Education, Schools and Academies   | Primary and secondary education is outside current appetite. Tertiary and vocational education including technical colleges, universities etc. within appetite.  |
| Agriculture and Farming  | This is currently outside current appetite.  |
| Sawmills   | Not target business but open to selectively writing smaller quality risks and bespoke woodworking risks for which we would offer appropriate bespoke endorsements (e.g. for handling waste).   |
| Tech (including PI)  | Happy to provide general cover with PI written as a separate stand alone policy rather than embedded.  |

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| <p>Please provide details of the current Geographical Coverage and/or Territorial Limits provided by your product: including Northern Ireland, Jersey, EU, North America and Worldwide. Please provide specific details and any dependencies.</p>   | <p>Territorial limits are Great Britain, the Isle of Man or the Channel Islands other than Offshore. We cover worldwide for temporary visits by non-manual employees normally resident within the territorial limits and manual work and USA/Canada work can be provided by endorsement upon request. Product Supplied cover operates worldwide (other than USA/Canada). USA/Canada extension provided upon request with no appetite restriction for percentage of turnover to USA exports.</p> |
| <p>Once in place for Towergate &amp; Ethos, we would look to roll this solution out to existing and future businesses within the Ardonagh Group (e.g. Bravo Network, Compass, M&amp;As). Please confirm in principle you will be willing to support this distribution strategy, subject to more detailed consideration and advise what additional information you would need.</p>                             | <p>In principle, we have no issues with supporting this distribution strategy subject to appropriate underwriting information and risk falling within our underwriting strategy.</p>  |
| <p>In the event Ardonagh Advisory acquire the business of another intermediary, we will expect the panel to immediately consider any Commercial Combined business placed with the intermediary as in-scope for the facility.</p> <p>Terms and conditions including uplifts and benefits for the new business would apply at the first renewal.</p> <p>Please confirm your acceptance to this requirement.</p> | <p>Again in principle we have no issues supporting this strategy and we would seek to accommodate where possible. Our appetite will be as outlined in this tender response within our reinsurance treaty/limits.</p>  |
| <p>Would you provide Ardonagh Advisory permission to downstream wholesale this proposition to agents, sub-agents, sub-brokers and introducers?</p>  | <p>Yes , subject to prior written approval.</p>   |

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| <b>Excluded Trades</b>         | Ammunition and gun manufacture<br>Aerosol manufacture<br>Asbestos products<br>Asylums & detention centres<br>Cotton processing<br>Farmers<br>Foundries<br>Fuel distributors<br>Gas manufacturers<br>Laundries not incidental to main trade<br>Local Authorities and Emergency Services<br>Mines & Quarries<br>Motor vehicle breakers<br>Nightclubs<br>Nuclear oil gas and coal extraction<br>Oil refineries<br>Primary and secondary schools (not tertiary education)<br>Public transport risks<br>Ship builders<br>Tank Farms (bulk gas/fuel storage)<br>Timber Growing<br>Waste and scrap dealers<br>Wool and wool waste wholesalers. |
| <b>Outside Strategy Trades</b> | Animal processing<br>Construction<br>Flammable/explosives production (aerosols, fertilisers, tank farms,etc)<br>Foundries<br>Freight Forwarders<br>Hotels<br>Laundries<br>Local authorities/government<br>Nightclubs<br>Public Houses<br>Plant Hire<br>Shipbuilders<br>Theatres<br>Utilities.   |

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| <b>Operational Guidance</b> | <p><b>A.</b> E-Trade: When insurer will expect risks to go via their eTrade platforms</p> <p><b>B.</b> Manually traded business</p> <p><b>A.</b> We can support risks traded via our e-Trade platforms (including Acturis) where a broker chooses to trade electronically. Our Branch teams will support business traded manually on the following basis.</p> <p><b>B. New Quotations:</b><br/>Within 24 hours of receipt engagement call to be completed by the underwriter to the handler.<br/>Full contract certain quote to ideally be provided by email with 48 hours; where all relevant information is received.<br/>Upon confirmation of cover, new business schedule will be emailed within 48 hours.<br/>Any referrals will be direct to the dedicated underwriting team.<br/>Regular on site or virtual quote surgeries to be completed to review upcoming opportunities.</p> <p><b>MTAs:</b><br/>All MTA schedules will be issued within 5 days of receipt via email. (unless additional information is required).</p> <p><b>Renewals:</b><br/>Monthly (or as locally agreed) on site or virtual surgeries to be completed to review upcoming renewals on a rolling 2 month basis to agree strategy and approach in securing renewal.<br/>Renewal invitation to be issued 21 days in advance of renewal date via email.(unless additional information required)<br/>Any referrals will be direct to the local Arch dedicated underwriting team.</p> |
| <b>Claims</b>               | <p><b>A.</b> Process e.g. notification, reporting, interim payments etc.</p> <p><b>B.</b> Escalation process</p> <p><b>C.</b> Contact details</p> <p><b>D.</b> Industry expertise</p> <p><b>E.</b> Office alignment</p> <p><b>F.</b> Claims Preparation clause</p> <p><b>A. - E.</b> as per tender response</p> <p><b>F.</b> We can support the claims preparation proposal for claims above £50,000 .</p>  |
| <b>Policy Wordings</b>      | We will be supporting the agreed panel wording subject to a bespoke Ardonagh Advisory endorsement to our current policy wording.  |
| <b>Submission Templates</b> | Will support Ardonagh's usual template.   |

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| <b>Risk Management Offering</b>   | <p>We provide a comprehensive embedded Risk Management Service at no cost to our customers.</p> <p>Arch risk management tools include a suite of templates and online training courses prepared by risk management professionals.</p> <p>We also offer access to qualified risk management professionals to answer any queries the policyholders may have.</p> <p>Arch Risk Management (ARM) is more suited to smaller clients up to £7500 premium and Arch Business Protect (ABP) offers a more bespoke solution to larger clients and multi location operations Both solutions include Business Continuity planning tools for Arch policyholders.</p>                             |
| <b>BI Calculator</b><br>Where the client has utilised the insurer's BI calculator or Towergate's LMI Group BI calculator, we are looking for insurers to: <ul style="list-style-type: none"> <li>▪ Provide an additional 12 months Indemnity Period (with a proportionate uplift to the sum insured) at no additional charge</li> <li>▪ Provide an enhanced 150% declaration linked protection (from 133.3%)</li> <li>▪ Remove any 'Average provision' from the policy</li> </ul> | Where a client has used our BI calculator or Towergate LMI Group BI calculator we can agree this proposal on a case by case basis, or with a total sum insured cap after additional 12 months indemnity period and uplifts.<br><br>Like all insurers we have internal exposure limits and reinsurance limits, particularly for larger and high hazard trades.   |
| <b>Held Business</b> - all in-scope clients will be logged where possible and you agree not to quote to another broker. When another broker produces a letter of appointment, you agree not to use an agreed Ardonagh Advisory exclusive wording.   | In future, we are happy to provide your branches with Arch quote exclusivity for Ardonagh-held in scope business which is at least a £5,000 premium. This is provided the Ardonagh Advisory broker has engaged their local Arch Branch to quote for the business within at least 90 days of the renewal date. Should the Ardonagh branch not engage their local Arch branch or abuse the quote exclusivity, we would reserve the right to rescind quote exclusively for that Ardonagh Advisory broker as we cannot restrict customer choice. Our preference would be to exclude quote exclusivity for any cases below £5,000 premium, London market cases or Arch-backed MGA cases. |
| <b>New Business</b> - where a qualified prospect has been identified as in-scope, it will be logged by the insurer as exclusive to Ardonagh Advisory, where the insurer is not the holding market or already formally working with another broker.  | In future, we are happy to provide your branches with quote exclusivity for new business cases which are at least £5,000 premium which are not already with Arch, provided the Ardonagh Advisory broker has engaged their local Arch Branch at an early stage to win the business with Arch. Should the Ardonagh branch not engage their local Arch branch at an early stage or abuse the quote exclusivity, we would reserve the right to rescind quote exclusively.   |

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| <p><b>Bespoke product</b> - any bespoke product agreed will be exclusive to Ardonagh Advisory . Should Ardonagh Advisory be replaced by another broker mid-term, the wording will be returned to the standard open market wording at the earliest opportunity.</p> | <p>We confirm that any bespoke product agreed for this tender will be exclusive to Ardonagh Advisory brokers. Any bespoke covers will be removed at the earliest opportunity if a non Ardonagh Advisory broker is appointed mid-term.</p>   |
| <p>Please provide details of your service proposition including but not limited to dedicated resource, location of service team and escalation process.</p>  | <p>Our market leading service proposition to Ardonagh Advisory aligns each TIB Advisory or Ethos office to a local, dedicated Arch Insurance trading branch manned by our expert underwriting trading teams.</p> <p>We believe the backbone to our trading success with your account handling teams is to engage in regular underwriting surgeries on forthcoming renewals. Our service-led ethos encourages our teams to engage with the Ardonagh Advisory broking teams either face-to-face (government restrictions permitting) or virtually on the telephone where ever this is possible, rather than via email.</p> <p>Any escalations by your account handling teams can be made directly via your Arch BRDM, Arch Branch Manager, Arch Branch Underwriting Manager, our Arch Key Account Director or ultimately our UKR Exec team.</p>   |
| <p>Please provide details of your multinational service proposition (local policies, FOS, premium allocation) etc.</p>   | <p>We do not target multi-national risks via Arch Insurance UK (AIUK). However, we can consider standalone EU risks via Arch Insurance Europe (AIEU) based in Dublin. In terms of AIUK policies written through our UK offices, like all insurers, we have had to modify our Freedom of Services (FOS) approach post Brexit. For European domiciled exposures which are connected to a UK policy and form a smaller part of the overall risk, we can accommodate this via one AIUK arranged policy with documentation making it clear that the European part of the risk is covered by AIEU and some additional benefits of the UK policy can't apply in the EU such as DAS helplines, Engineering inspection and different considerations for the Financial Ombudsman. We do however continue to offer Overseas Suppliers extensions under the BI section of our policies, as we did pre Brexit.</p> |