

# Consumer All Risks Insurance

## Product Approval Process and Target Market

Intermediary Target Market and Product Release Information

This information is for **distributor use only** and **not intended for customer use**

**Product Name:** Consumer All Risks

**Status:**

New Product Development	<input type="checkbox"/>
Existing Product Refresh	<input checked="" type="checkbox"/>
Product Change	<input type="checkbox"/>
Other	<input type="checkbox"/>

**Live Date:** Currently Live – 2022 review

**Product Type Description:** All Risks Insurance encompassing physical loss, damage, theft, liability coverage, personal accident and mechanical breakdown.

Additional information about the product can be found at:

<https://insurance.archgroup.com/international/london-market/offering/warranty-specialty-affinity/>

### Characteristics and features of the product:

The product provides all risks cover encompassing physical loss, damage, theft, liability coverage, personal accident and mechanical breakdown.

Coverage is provided across a range of consumer products – examples include (but are not limited to) mobile phones, gadgets, personal possessions, and bicycles.

Maximum Sum Insured £30,000

Product extensions may include replacement product hire.

Exclusions include (but are not limited to): Theft or malicious damage where a crime reference number cannot be supplied; Accidental Damage that does not impair the function and/or performance of the goods.

### Target Market:

#### Who is this product designed for?

Individual consumers who require financial protection against theft, loss, damage or mechanical breakdown to their goods.

#### Who is this product not designed for?

Individuals who wish to protect goods with a value in excess of £30,000. Commercial entities – for which Arch will provide a separate all risks offering.

**Vulnerable Customers:**

(Select ALL that apply)

Arch recognises that vulnerability characteristics can present themselves, even in the case of commercial policies. These risks have been factored into our product level reviews. Information regarding expectations over and above this standard likelihood are captured here.

Broker Guidance: You should ensure that you assess the presence of vulnerable customer characteristics and verify the suitability of the product, should they arise.

**Did any Vulnerable customer characteristics present themselves as risks during the development of the product?**

- |                                                                              |                                     |
|------------------------------------------------------------------------------|-------------------------------------|
| <b>Health</b> – Conditions that affect ability to carry out day-to-day tasks | <input checked="" type="checkbox"/> |
| <b>Life events</b> – Such as bereavement, job loss or relationship breakdown | <input type="checkbox"/>            |
| <b>Resilience</b> – Low ability to withstand financial or emotional shocks   | <input type="checkbox"/>            |
| <b>Capability</b> – Low knowledge of financial matters or low confidence     | <input checked="" type="checkbox"/> |
| <b>None of the Above</b>                                                     | <input type="checkbox"/>            |

**Arch's Role:**

(Select ALL that apply)

- |                 |                                     |
|-----------------|-------------------------------------|
| Manufacturer    | <input checked="" type="checkbox"/> |
| Co Manufacturer | <input checked="" type="checkbox"/> |
| Distributor     | <input type="checkbox"/>            |

**Distribution Channel(s):**

(Select ALL that apply)

- |                                                     |                                     |
|-----------------------------------------------------|-------------------------------------|
| Broker (Open Market)                                | <input checked="" type="checkbox"/> |
| Broker (Single broker or Platform)                  | <input type="checkbox"/>            |
| Direct to Commercial Client (define size of client) | <input type="checkbox"/>            |
| Direct to Consumer                                  | <input type="checkbox"/>            |
| Delegated arrangements                              | <input checked="" type="checkbox"/> |
| Other                                               | <input type="checkbox"/>            |

**Distribution Method(s):**

(Select ALL that apply)

- |                      |                                     |
|----------------------|-------------------------------------|
| Face-to-Face ['F2F'] | <input checked="" type="checkbox"/> |
| Telephone            | <input checked="" type="checkbox"/> |
| Online Journey       | <input checked="" type="checkbox"/> |
| Webchat              | <input type="checkbox"/>            |
| Postal               | <input type="checkbox"/>            |
| Email                | <input checked="" type="checkbox"/> |

**Type of Sale:** (Select One)

- |                                         |                                                                      |                                             |
|-----------------------------------------|----------------------------------------------------------------------|---------------------------------------------|
| <b>Advised</b> <input type="checkbox"/> | <b>Advised &amp; Non-Advised</b> <input checked="" type="checkbox"/> | <b>Non-Advised</b> <input type="checkbox"/> |
|-----------------------------------------|----------------------------------------------------------------------|---------------------------------------------|

**Summary of Product Testing:**

Arch has in place various processes to test products

- prior to bringing to the market;
- where this is a significant adaptation of the product;
- when the target market changes significantly;
- When MI indicates that further testing is warranted.

Over its lifetime, testing will look into whether a product meets the identified needs, objectives and characteristics of the target market. Testing is carried out in both a qualitative and quantitative manner. This may include - but is not limited to - areas such as examination of complaints, claims volumes and frequencies, claim declinatures, remuneration arrangements, policy cancellations, retention rates, loss ratio analysis and external analysis/benchmarking against existing products. Policy wordings, summaries, IPIDs and other customer communication documents are reviewed as part of this process.

The presence of vulnerable customer characteristics will be reviewed at Product Development stage and throughout the ongoing Product Review Process.

This is a long-standing product in the market that has a proven track record of providing coverage for the specific requirements of its target market. The distribution channel is, we believe, appropriate and remuneration levels reasonable and in line with market standards.

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**Product Review Process:**

Arch maintains a stringent Product Review Process, full details of which are contained in our Product Oversight and Governance Policy. The Process is in line with FCA PROD requirements and is conducted at least annually, or more frequently when considered necessary.

This product is next due for review through Arch's Product Review Process in 2023, unless there is a significant change to the product or MI indicates an earlier review is necessary.

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**Risks and Cost:**

The **risks** and **costs** have been reviewed through Arch's Product Review process, as part of product development. Due to the number of risks written under any given product, average premiums have been used to assess value – with averages allocated to differing levels of cover or limits where appropriate.

You should ensure that, in assessing the suitability of the product, you identify the risks posed to the insured, and that all costs associated are appropriate to their needs, including any additional fees you may add to the premium paid or additional products offered alongside Arch's core offering. Where Arch has been made aware of add-ons, or additional fees, these have featured in our value assessments.

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**Product Value:**

Product Value is the relationship between the overall price to the customer and the quality of the product(s) and or services provided. Arch considers this product provides fair value to customers in the target market. We have reached this conclusion after consideration of the price, benefits and features, available MI and the distribution chain involved (this is a non-exhaustive list).

You should be satisfied that, in offering this product, it meets fair value expectations.

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**Conflicts of Interest:**

Arch has identified no conflicts of interest in the manufacture, underwriting and distribution of this product. Should you become aware of any information that leads you to believe a conflict of interest may be present, please contact Arch without delay.

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## Arch Product Oversight and Governance Arrangements

Following the implementation of the Insurance Distribution Directive [‘IDD’] on 1st October 2018 and the Pricing Practices changes from 1<sup>st</sup> October 2021 and 1<sup>st</sup> January 2022, this document outlines Arch’s approach to Product Oversight and Governance to demonstrate the way we design, monitor, review and distribute our insurance products.

### **Why are we telling you this?**

As part of the regulatory framework Arch adheres to, we are informing you of the product governance arrangements we have in place for designing, monitoring, reviewing, and distributing this product. The key areas outlined cover the various processes we have in place to monitor our products as well as the information we may require from brokers (distributors) throughout the lifecycle of a product.

### **Product Development Process**

The product development process has been designed to ensure that we have a consistent approach to the development of new products, or significant revisions to existing products.

### **Product Review Process**

The product review process ensures that those already within the market continue to be designed in a way that meets the needs of the target market and offers fair value to customers.

### **Information for distribution partners**

As we carry out these reviews, we may request information from brokers to be able to evidence that our products are being distributed correctly - examples of this could be evidence that the product has been sold to the right target market or complaints received relating to the product. In most instances we will hold this data already on our systems, but there will be occasions when we may request it from relevant distributors. We will endeavour to provide adequate notice where we seek this information from you.

### **Further Information**

If you have any questions, please contact your Arch representative.