

## Aro Underwriting Group Ltd - Product Value - Information Exchange

Carrier Name	Allied World Assurance Company Europe (dac)
Broker Name	All
Product Name	Blocks of Flats
Reference/UMR [Binder]	AWCDARO2022
Reference [Class of Business]	Property
Date	31/12/2022

Manufacturer Information
<p><b>Product Information</b></p> <p><b>Product Oversight &amp; Governance</b> The following is based on Aro's compliance manual and details the product approval process.</p> <p><u>Product Approval Process</u> Aro will evaluate and approve new products and/or significant changes to existing products prior to customer distribution. Where products are manufactured in conjunction with or by Underwriters (capacity providers) Aro will seek to collaborate and meet any criteria required by them.</p> <p>Products are evaluated and approved using:</p> <ul style="list-style-type: none"> <li>• Underwriter (capacity) processes and procedures, where required and</li> <li>• The Aro Product Approval Template (APAT)</li> <li>• Product Review Schedule. This document details what elements of a product have been reviewed, when, and who by (POG team members). Its aim is to ensure that the product remains fit for purpose over its lifecycle</li> </ul> <p>These documents provide evidence that sufficient analysis has been undertaken with regards to coverage, target market(s), product compatibility, customer vulnerability, competitor products, pricing, distribution, training, fair value and the fair treatment of customers.</p> <p><u>Product Oversight and Governance Committee</u> Aro's Product Oversight and Governance Committee consists of the Underwriting Director, the Audit and Compliance Manager and the Underwriting Manager. Other staff members may be involved / seconded into product oversight and governance working groups and projects, depending upon the review being undertaken and the expertise required.</p> <p>Aro will ensure that any staff involved in product manufacture have the requisite skills, knowledge and expertise for their role. This will be evidenced in up-to-date CVs, training logs and reflected in the APAT. The committee will meet on a quarterly basis.</p> <p><u>Target Market</u> The APAT document records the following:</p> <ul style="list-style-type: none"> <li>• The identified target market(s)</li> <li>• An assessment of risks to the identified target market(s)</li> <li>• Whether the distribution strategy is consistent with the target market(s)</li> <li>• Aro, and where appropriate, Underwriters (capacity providers) will also take reasonable steps to ensure that the insurance product is distributed to the identified target market by carrying out: <ul style="list-style-type: none"> <li>- reviews on a regular basis through portfolio analysis and Conduct MI including data on complaints.</li> <li>- coverholder and sub-coverholder audit and file reviews where possible and appropriate.</li> </ul> </li> </ul>

## Product Testing

Aro, and where appropriate, Underwriters (capacity providers) will test their insurance products (both quantitatively and qualitatively) before bringing the product to market or significantly adapting it, or if the target market has significantly changed. The testing, in conjunction with other aspects of product governance is designed to help assess whether the product (over its lifetime) meets the identified needs, objectives and characteristics of the target market. To assist with this Aro will utilise a Product Questionnaire.

Testing may include a limited 'in-house pilot study' that simulates obtaining quotations and includes purchasing, cancelling, and amending, the insurance product, in a test environment. [Note: Complaints relating to a product is subject to a separate procedure and Aro do not have claims handling authority].

- The intention of the pilot is to test the product's fitness for purpose, rating, documentation issuance and associated processes on various systems (including IHP – Insurer Hosted Pricing – where relevant)
- Aro may share as appropriate and/or requested the results of the pilot studies reviewed with Underwriters.
- Feedback from the above should be considered and the product amended where this is seen to be required.

## Product Distribution Channels and Product Information Disclosure to Distributors

Aro does not distribute products direct to customers.

Where appropriate and/or requested Aro will make available to distributors information on the:

- Insurance product e.g. product guides, summaries, information exchange documents.
- Product Approval Process e.g. compliance manual, APAT template
- The identified target market of the product e.g. the specific APAT. This will enable distributors to understand the identified target market and assist being able to identify any customers for whom the insurance product is not suitable.

In collaboration with the Underwriter (capacity provider), Aro will also consider what (if any) knowledge, competence or training is needed by distributors to distribute the product. This may include:

- Evidence of training
- Product information
- Product underwriting guides

## Monitoring and Review of Insurance Products

Through the operation of the Product Oversight and Governance Committee Aro and, where appropriate Underwriters (capacity providers) will review their products using the Product Review Schedule to assess and ensure that products remain aligned with the needs identified with the target market and the distribution strategy remains appropriate.

This may include the following:

- Products will be reviewed (or appropriate elements of it e.g. wording, pricing/value, distribution, claims handling) on an annual basis in accordance with the agreed Product Review Schedule to ensure the product remains suitable and fit for purpose.
- Regular portfolio analysis using appropriate MI which will include cancellations, complaints and claims numbers.
- Collecting and incorporating feedback from clients and distributors e.g. via complaints.
- Evaluating if ongoing or further product training is required.

## Insurance Product Information Documents (IPIDs)

In collaboration with Underwriters, Aro will create IPIDs where these are required and will comply with the prescribed format.

## Product Description

This is a Block of Flats insurance policy to cover loss or damage to buildings and communal contents, Property Owners Liability and Employers Liability.

## Key Features

- Acceptable Property Types
  - Purpose Built Flats with concrete floors
  - Purpose Built flats with timber floors
  - Converted Building
- Varying occupancies accepted to include
  - All owner occupied
  - Part owner occupied/part tenanted (let out)
  - All tenanted (let out) where Insured is the Freeholder of the building
- Optional Accidental Damage cover
- Minimum Excesses:
  - Standard £250
  - Escape of Water £500
  - Flood £250
  - Subsidence £1,000
- Up to 25% of the flats unoccupied with full cover
- Temporary Accommodation/Loss of rent up to 30% of Sum Insured, as standard, with 24 months indemnity period
- Listed Buildings accepted (Grade 2)

## Claims

If you wish to make a claim, please contact:

Davies Managed Systems, 4th Floor, Telecom House, Trinity Street, Hanley, Stoke on Trent, ST1 5NA.

To notify a loss, or a circumstance, claim or an impending prosecution under Sections 2 or 3 email: [newclaim.alliedworld@davies-group.com](mailto:newclaim.alliedworld@davies-group.com)

All other communications with the Claims Manager should be sent by email to: [post.alliedworld@davies-group.com](mailto:post.alliedworld@davies-group.com)

or by post or by hand to DMS at the above address.

The Claims Manager will also be available on 0344 856 3285.

## Complaints

If you wish to make a complaint, you can do so at any time, free of charge, by referring the matter by e-mail, in writing, by telephone or in person to the company.

E: [complaints@aro-underwriting.com](mailto:complaints@aro-underwriting.com)

W: [www.aro-underwriting.com](http://www.aro-underwriting.com)

A: Aro Underwriting Group Ltd, Sackville House, 55 Buckhurst Avenue, Sevenoaks, Kent, TN13 1LZ

T: 01732 783575

## Referral Process

Where underwriting risks are referred to Aro, we aim to respond to these in the shortest timeframe possible. We can be contacted using the following:

- Steve Lewzey - [steve.lewzey@aro-underwriting.com](mailto:steve.lewzey@aro-underwriting.com)
- Josh Reading - [josh.reading@aro-underwriting.com](mailto:josh.reading@aro-underwriting.com)

- Telephone - 01732 783575

## Renewal Process

The renewal process and renewal notice are the responsibility of the broker who deal directly with the customer.

## Territorial Limits

UK, Channel Islands, Isle of Man

## Minimum Premiums / Commissions and Fees

- £350 + IPT

## Target Market

- Residents Associations, Residents Management Company, RTM Company and Freeholders
- Commercial customers
- Small to medium enterprises with a maximum of 1 properties
- The policyholder must be a UK resident
- The policyholder must be over the age of 18
- The properties must be located in Great Britain, Northern Ireland, Channel Islands, Isle of Man

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

- Other classes of insurance
- Policyholders located outside of the UK
- Policyholders under the age of 18
- Properties not located in Great Britain, Northern Ireland, Channel Islands, Isle of Man
- The following are ineligible:
  - Blocks of flats containing a commercial aspect
  - Blocks of flats that are entirely occupied by students and/or local authority (DSS2).
  - Properties let to friends and family
  - Bedsits
  - Holiday Lets / Airbnb
  - HMOs with more than 5 occupants
  - Unacceptable Claims Experience (claim type and threshold conditions)
  - Insolvencies / Bankruptcies
  - Unspent Criminal Records
  - Non-Standard Construction (ie not Brick/Stone/Slate/Tile)
  - Detached Houses
  - Asylum Seekers
- People/companies who are subject to any economic, financial or trade sanctions

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

- Damage by insects, parasites, vermin, fungus, mildew, mould or pets, atmospheric conditions, general maintenance, defective work or materials, structural movement, settlement, shrinkage or the action of chemical or chemical reaction
- Loss or damage to walls, gates, fences, paths, drives, patios, swimming pools, tennis courts, cesspits and fuel tanks.
- Loss or damage caused by pets and livestock.
- Loss or damage by theft or attempted theft caused by people lawfully on the premises
- Costs or fees for handling a claim, costs for complying with requirements which were known before the damage occurred and costs for undamaged parts of the building.
- Loss or damage by erosion, faulty design, workmanship or materials
- Loss or damage caused by wet or dry rot, frost, a rise in the water table or by any gradually occurring cause.

- Moveable property in the open.
- Liability arising from any contract, building occupation, business use or occasioned by riot or civil commotion.
- Bodily injury to you and your employees; your property or in your possession. Any act, error, or omission, in the provision for a fee of any advice, design services, instructions, or specification
- Liability while entering or exiting a vehicle where the Road Traffic Act applies.
- Injury caused by work undertaken at 3 metres or above.
- The excesses in your quote or schedule.
- Any business property and business liability.
- Act of Terrorism if not specifically chosen by you and in your quote or schedule.
- Wear and tear, mould or gradual occurrence.
- Liability caused by the application of heat.

## General Exclusions

- Chemical, Biological or Nuclear Risks
- Sonic Boom
- War
- Events Before the Policy Started
- Deliberate Acts
- Reduction in Value
- Business Property and Legal Liability
- Pollution or Contamination
- Cyber
- Electronic Data
- Terrorism
- Wear and Tear
- Mould
- Wet or Dry Rot
- Infectious or Contagious Disease
- Moveable Property
- Use of Heat
- 3 Metre Height Limit
- Excess

## Important Conditions

- You must accurately present the risk to us
- You must tell us about changes in your circumstances
- You must take reasonable care
- What You must do if You have an Unoccupied Property
- Flat Roof Maintenance

## Claims Conditions

- What you must do if a claim occurs
- How we settle claims under this policy
- If you make a fraudulent claim

## General Conditions

- Other Insurance
- Sanctions Limitation and Exclusion Clause
- Subrogation
- Several Liability
- Contracts (Rights of Third Parties) Act 1999
- General Interest Clause

Other information which may be relevant to distributors	
Useful contacts <ul style="list-style-type: none"> <li>• Steve Lewzey - <a href="mailto:steve.lewzey@aro-underwriting.com">steve.lewzey@aro-underwriting.com</a></li> <li>• Josh Reading - <a href="mailto:josh.reading@aro-underwriting.com">josh.reading@aro-underwriting.com</a></li> <li>• Telephone - 01732 783575</li> </ul>	
Date Fair Value Assessment Completed	31/12/2022
Expected Date of Next Assessment	31/12/2023
<i>The following should only be completed <u>after</u> the Broker Information section below has been completed and provided by Distributor 1.</i>	
Total Commissions	Variable as below
Total Fees	Variable as below
Total other Distributor Remuneration	Other broker remuneration is variable depending on the client TOBA.