

Aro Underwriting Group Ltd - Product Value - Information Exchange

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

Manufacturer Information
<p>Product Information</p> <p>Product Oversight & Governance 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 policyholder 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"> • Underwriter (capacity) processes and procedures, where required and • The Aro Product Approval Template (APAT) • 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 <p>These documents provide evidence that sufficient analysis has been undertaken with regards to coverage, target market(s), product compatibility, policyholder vulnerability, competitor products, pricing, distribution, training, fair value and the fair treatment of policyholders.</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"> • The identified target market(s) • An assessment of risks to the identified target market(s) • Whether the distribution strategy is consistent with the target market(s) • 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"> - reviews on a regular basis through portfolio analysis and Conduct MI including data on complaints. - coverholder and sub-coverholder audit and file reviews where possible and appropriate.

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 policyholders.

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

- Insurance product e.g. product summaries, information exchange documents.
- Product Approval Process e.g. compliance manual, APAT template

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 summaries

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

The Residential Landlord product is designed to meet the demands and needs of commercial landlords with a single or small number of rental properties.

Key Features

- Buildings only, Contents only or Building and Contents combined.
- Optional Accidental Damage cover
- Optional Legal Expense cover
- Minimum Excesses:
 - Standard £100
 - Escape of Water £250
 - Flood £250
 - Subsidence £1,000
- Cover for Temporarily unoccupied property (full cover up to 60 days on mid-term unoccupancy)
- Competitive Unoccupied rates
- Malicious Damage by Tenants is included as standard for Buildings and Contents (£2 500 each section)
- Temporary Accommodation/Loss of rent up to 30% of Sum Insured, as standard, with 24 months indemnity period
- Up to 50% Flat roof allowable without referral
- Student tenants accepted
- DSS tenants accepted
- HMO (up to 5 individual tenants) allowed
- 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

All other communications with the Claims Manager should be sent by email to:

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

W: 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
- Josh Reading - 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 policyholder.

Territorial Limits

UK, Channel Islands, Isle of Man

Minimum Premiums / Commissions and Fees

- Buildings Only: £100 + IPT
- Contents Only: £50 + IPT
- Buildings & Contents: £120 + IPT

Target Market

- 'Occasional' Landlords, with a single or small number of rental properties
- Commercial customers
- Small to medium enterprises with a maximum of 12 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 policyholder 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:
 - Owner occupied risks and proposers who do not have a direct tenancy agreement with the tenant e.g., an agreement with a local authority (DSS2).
 - Properties let to friends and family
 - Bedsits
 - DSS2
 - Holiday Lets / Airbnb
 - HMOs with more than 5 occupants
 - Claims Experience (claim type and threshold conditions apply)
 - Insolvencies / Bankruptcies
 - Unspent Criminal Records
 - Non-Standard Construction (ie not Brick/Stone/Slate/Tile)
 - Detached Houses
 - Asylum Seekers
 - 100% Flat Roofs
- People/companies who are subject to any economic, financial or trade sanctions

Any notable exclusions or circumstances where the product will not respond

- Any loss or damage for a number of insured perils if your building is unoccupied for more than 60 consecutive days
- Loss or damage to walls, gates, fences, hedges and any moveable property in the open caused by storm, flood or weight of snow
- Escape of water resulting in subsidence, heave or landslip
- Any loss or damage, injury or liability arising out of any occurrence outside the territorial limits
- Loss or damage caused by theft or attempted theft which does not involve forcible and violent entry into or exit from the buildings

- Any subsidence damage to walls, gates, fences, paths, drives, terraces, patios, swimming pools, tennis courts, cesspits, septic tanks, central heating fuel tanks unless the property is damaged at the same time and by either a), b) or c) above.
- Any subsidence damage for which compensation is provided by the National House Building Council Scheme, or other similar guarantee
- Any loss or damage occurring before the start of this policy
- Any loss or damage deliberately caused by you or anyone working on your behalf
- Any loss or damage caused by wear and tear or any gradually operating cause
- Any loss or damage caused by animals, insects or vermin
- Loss or damage to or the use of motorised vehicles, trailers, caravans or their spare parts and accessories.
- Chemical, Biological or Nuclear Risks
- Sonic Boom
- War
- Any reduction in market value following repair or replacement paid for under this policy
- Pollution or contamination unless caused by an event covered under this policy
- Cyber
- Electronic Data
- Inventory Shortage
- Terrorism
- Mould
- Wet or Dry Rot
- Infectious or Contagious Disease

Important Conditions

- Information You have Given 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
- You must undertake regular property inspections
- You have a duty in relation to maintenance/ safety requirements
- Flat Roof Inspection and Maintenance

General Conditions

- Other Insurance
- Sanctions Limitation and Exclusion Clause
- Subrogation
- Several Liability
- Third Parties Clause
- Third Parties (Rights Against Insurers) Act 2010 Clarification Clause

Other information which may be relevant to distributors

Useful contacts

- Steve Lewzey - steve.lewzey@aro-underwriting.com
- Josh Reading - josh.reading@aro-underwriting.com
- Telephone - 01732 783575

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

ARO



Total Fees	Variable as below
Total other Distributor Remuneration	Other broker remuneration is variable depending on the client TOBA.