

Product Governance and Fair Value Assessment

Aqueous Underwriting, a trading name of Aqueous Management Limited, was established in 2016 as an underwriting agency specialising in the Food, Leisure, and Hospitality trade. We offer our products through selected partner brokers in the UK with whom we can build strong and meaningful relationships with. We work these brokers to provide a truly dedicated service in turn enabling them to offer unique levels of customer service to their clients.

Aqueous Underwriting works closely with all our insurer partners to ensure the products available to our brokers are in-line with regulatory guidance and offer true, ongoing value to the end target customer.

Product Development

In line with our responsibilities under PROD 4.3 requirements before any new products are launched or changes made to existing products our internal governance arrangements ensure that the following assessments are undertaken and approved:

1. The **Target Market** is clearly identified for each product
2. The **Distribution Approach** supports and aligns to the needs of the target market
3. The **Costs and Charges** for the product and how they impact the **Fair Value** for the end customers
4. The **Characteristics of Vulnerability** within the target market are considered and understood
5. **Customer Communications** are clear and transparent

Assessment

Last Review	September 2024
Product Type	Commercial Combined Policy
Product Name(s)	Coffee Shop and Tea Room; Hairdressers and Beauty Salon; Hotel and Guest House; Restaurant, Pub, Bar, Gastropub & Micro-Brewery; Takeaway and Fast food
Manufacturer / Co-Manufacturer	Aqueous Underwriting Insurer Capacity Providers: Allianz Insurance plc
Territorial Limits	For risks situated in England, Wales, Scotland.
Target Market	This product is designed to provide Commercial Combined Package cover for SME food, leisure, and hospitality businesses
Outside Target Market	Customers with Material Damage and Business Interruption total insurable values in excess of £2.5m, long-term unoccupied premises, industrial risks, risks located in high-risk flooding areas.
Characteristics of the product aimed at meeting the needs of the Target Market	The package product provides insurance following damage to the Insureds assets from a list of insured perils and civil liability claims made against the Insured from third parties and/or employees who have suffered injury arising out of the Insureds negligence.

Distribution Strategy	The product is sold via FCA authorised brokers only. KYC checks are made on brokers who sign up to our standard TOBA. If a broker is operating on an advised sale basis, it is their role to understand the demand and needs of the Insured and recommend suitable insurance.
Commission	Commission rates are agreed with each broker, who must be able to demonstrate that commission received is reasonable for their involvement and/or benefit added in the distribution of the product.
Other Remuneration	Administration/policy fees are charged at new business or renewal but not at adjustment or cancellation. We review our fee structure to ensure they remain appropriate. We may ask our brokers to provide details of their own remuneration in connection with the sale of the product. Brokers must ensure remuneration is consistent with FCA rules on conflicts and incentives.
Fair Value Review	Our product governance process includes an annual review to determine if the product offers fair value to the end customer. These reviews consider the target market, distribution strategy, remuneration, marketing, product information and policy wording coverage. As part of this process, we monitor product performance for: <ul style="list-style-type: none"> • Conversion rates • Renewal retention • Cancellations • Loss ratios/claims • Declined claims • Complaints
Customers for whom the product is not expected to provide Fair Value	The product does not offer fair value to risks that are outside of the Target Market.
Relevant Documents	Policy Overview Policy Wording(s)
Notable Exclusions or conditions	Standard market exclusions apply. Each policy will contain clarity on Cyber and Business Interruption caused by Pathogens coverage, with a specific exclusion. Where the risk involves the process of cooking, standard frying conditions are applied. Where the risk location is at high-risk of flooding a Flood exclusion may apply.

Feedback / Training

To supply feedback on our products or to request training please contact info@aqu-uw.com.