

## 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

<b>Last Review</b>	September 2025
<b>Product Type</b>	Commercial Combined Policy
<b>Product Name(s)</b>	Coffee Shop and Tea Room; Hairdressers and Beauty Salon; Hotel and Guest House; Restaurant, Pub, Bar, Gastropub & Micro-Brewery; Takeaway and Fast food
<b>Manufacturer / Co-Manufacturer</b>	Aqueous Underwriting Insurer Capacity Providers: Allied World Assurance Company (Europe) dac for 60% Endurance Worldwide Insurance Limited, a wholly owned subsidiary of Sompo International Holdings Ltd for 40%
<b>Territorial Limits</b>	For risks situated in England, Wales, Scotland.
<b>Target Market</b>	This product is designed to provide Commercial Combined Package cover for SME food, leisure, and hospitality businesses
<b>Outside Target Market</b>	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.

<b>Characteristics of the product aimed at meeting the needs of the Target Market</b>	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.
<b>Distribution Strategy</b>	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.
<b>Commission</b>	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.
<b>Other Remuneration</b>	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.
<b>Fair Value Review</b>	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"> <li>• Conversion rates</li> <li>• Renewal retention</li> <li>• Cancellations</li> <li>• Loss ratios/claims</li> <li>• Declined claims</li> <li>• Complaints</li> </ul>
<b>Customers for whom the product is not expected to provide Fair Value</b>	The product does not offer fair value to risks that are outside of the Target Market.
<b>Relevant Documents</b>	Policy Overview Policy Wording(s)

<b>Notable Exclusions or conditions</b>	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.
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**Feedback / Training**

To supply feedback on our products or to request training please contact [info@aqu-uw.com](mailto:info@aqu-uw.com)