



Fair Value Assessment Statement

In compliance with FCA rules, the purpose of this document is to explain Azur's approach to fair value and to provide our distributors with product information for each Insurance product co-manufactured by Azur.

It also outlines our approach to Product Oversight and Governance, to demonstrate how we design, monitor, and review our products to ensure they continue to provide fair value, whilst meeting the needs, characteristics and objectives of the target market including vulnerable customers.

Product Oversight and Governance

Azur's Product Governance Oversight sets out the standards that Azur is required to implement to ensure fair value and good customer outcomes, by having robust product oversight and governance framework of systems, policies, and procedures in place.

Our product governance documents include key information and refer to:

1. Identification of the target market.
2. The value the product provides to customers in the target market (including specifically in relation to any customers falling into the 'vulnerable' category).
3. Whether any features of the product (and, additionally, the distribution arrangements) may give rise to concerns about fair value.
4. Appropriate research including consideration of customer needs has been carried out and is used appropriately within the Product Development Process.
5. Consideration of the pricing structure, appropriateness and transparency of fees and charges.
6. Consideration of various metrics, including loss ratios, claims frequencies, claims acceptance rates, complaints data, combined ratios, and any other available measures.

Key Output

Azur is confident that its product governance policies and procedures are appropriate and satisfy relevant regulatory requirements, enabling us to identify effectively whether our products offer fair value to our customers, both at product design stage and on an ongoing basis.

The template below, Azur Fair Value Assessment Summary provides information about Azur insurance products including:

- A fair value assessment completion date
- A fair value assessment outcome
- Target Market (who our products are designed for and who our products are not suitable for)

- Any notable exclusions or circumstances where the product will not respond (where applicable)
- Whether the product is sold as part of a bundle/package
- Fees and remuneration (where applicable)
- The main features and optional covers associated with our products (where applicable)

This template is to be used to communicate Azur's response to our distributors to enable you to fulfil your obligations under the FCA rules. Azur has completed its assessment based upon the information it holds, including information provided in response to any data requests. To the extent that a distributor holds additional information to which Azur is not privy (for example certain confidential or proprietary information such as relating to fee arrangements between the distributor and its customers) then it is the responsibility of the distributor to ensure that this additional information does not impact fair value for the customer.

Azur Underwriting Limited Dawson House 5 Jewry Street London EC3N 2EX
Registered company number. 09903413 **Registered address** 1st Floor Templeback 10 Templeback Bristol BS1 6FL

Azur Underwriting Limited is authorised and regulated by the Financial Conduct Authority (FRN 774401).

Azur Fair Value Assessment Summary

Personal Insurance: High Net Worth, Home	
Fair Value Assessment Date:	22nd August 2022
Expected date of next Assessment:	2023
Fair Value Outcome:	Having carried out its fair value assessment, including consideration of key metrics (including loss ratio, claims rates, claims acceptance rates, complaints rates and distributor remuneration levels) Azur considers that this product provides fair value to policyholders.
Product Information: (To include key features of the product which support and enhance its benefit to customers, please also refer to full policy wording)	<p>Home – This product is designed to provide financial protection for all risks damage to buildings, contents, art and collections, valuables, legal expenses, personal cyber and annual travel. This is a worldwide all risks High Net Worth product aimed at High Net Worth individuals and not designed to compete on price against standard market insurers.</p> <p>Ultra – This product is designed to provide financial protection for all risks damage to buildings, contents, art and collections, valuables, legal expenses, personal cyber and annual travel. This is a worldwide all risks comprehensive product aimed at Ultra High Net Worth individuals and not designed to compete on price against standard market insurers.</p> <p>Niche – This product is designed to provide financial protection for all risks damage to buildings, contents, art and collections, valuables and legal expenses. This is a worldwide all risks High Net Worth product aimed at High Net Worth individuals and not designed to compete on price against standard market insurers.</p> <p>Unoccupied - This product is designed to provide financial protection for all risks damage to buildings. This is not designed for mass market customers and properties that are long term unoccupied with no plans to change the occupancy.</p>
Target Market:	<p>Niche through to Mass Market</p> <p>Home - High Net Worth (HNW) customers, with a single UK main residence or HNW customers with a UK main residence and additional properties located in the UK or Europe.</p> <p>Ultra - Ultra High Net Worth (UHNW) customers, with a</p>

	<p>single UK main residence or UHNW customers with a UK main residence and additional properties located in the UK or Europe.</p> <p>Niche - High Net Worth customers who struggle to purchase insurance elsewhere due to prior convictions, CCI's or poor claims experience.</p> <p>Unoccupied - High Net Worth customers that require cover for their buildings that are unoccupied due to works, pending sale or probate.</p>
Types of customer for whom the product would be unsuitable:	Non-UK residents
Any notable exclusions or circumstances where the product will not respond:	<p>The product contains the following exclusions:</p> <ul style="list-style-type: none"> - Loss or damage caused by faulty, inadequate or defective planning, design, workmanship, repair, materials or maintenance. - Loss or damage caused by gradually operating causes, deterioration, mechanical/electrical breakdown or wear and tear. - Subsidence to external property such as patios, swimming pools, boundary walls etc. unless there is also subsidence to the main home. - Loss or damage to any item while in transit which is not suitably packed relative to its value.
Is the product sold as part of a bundle/package?	<p>Additional covers sold as part of an unbreakable bundle are as follows:</p> <p>Home - Annual Travel, Legal Expenses, Family Protect, Personal Cyber</p> <p>Ultra - Annual Travel, Legal Expenses, Family Protect, Personal Cyber</p> <p>Niche - Legal Expenses</p> <p>Unoccupied - None</p>
If yes, please include information about the outcome of the assessment of whether the bundle or package provides fair value overall?	Having carried out its fair value assessment, including consideration of key metrics (including loss ratio, claims rates, claims acceptance rates, complaints rates and distributor remuneration levels) Azur considers that this product including the bundle products provides fair value to policyholders.
Impact of distribution remuneration upon fair value	Commission/remuneration is as agreed between Azur and party/ies. If you are aware of fees or charges or other distributor remuneration being paid within the distribution chain for this product, which may impact the overall value of the product to the customer, you must factor this into your own review. Azur considers the impact of the commission/remuneration it pays to its distribution partners as part of its own FV assessment.

Personal Insurance: High Net Worth, Motor

Fair Value Assessment Date:	22nd August 2022
Expected date of next Assessment:	2023
Fair Value Outcome:	Having carried out its fair value assessment, including consideration of key metrics (including loss ratio, claims rates, claims acceptance rates, complaints rates and distributor remuneration levels) Azur considers that this product provides fair value to policyholders.
Product Information: (To include key features of the product which support and enhance its benefit to customers, please also refer to full policy wording)	<p>Motor is designed to provide comprehensive physical damage and third-party liability for a customer and their vehicle.</p> <p>Collector Car is designed to provide comprehensive physical damage and third-party liability for a customer and their vehicle. Footman James operate a MNW scheme for collections with a total insured value of £300,000-£1m and a HNW scheme for collections with a total insured value of £1m+.</p>
Target Market:	<p>Niche Market</p> <p>This product is targeted at High Net Worth individuals with a single vehicle with a value over £50,000 or a portfolio of vehicles with a lead vehicle valued over £30,000.</p> <p>This product is targeted at collectors of classic vehicles with a minimum lead vehicle value of £200,000.</p>
Types of customer for whom the product would be unsuitable:	<p>Motor - This product is not suitable for clients with a vehicle valued less than £75k if stand alone or £50k if part of a portfolio, or do not hold a connecting Home policy.</p> <p>Collector Car - This product would not be suitable for individuals that do not require comprehensive cover for a classic vehicle</p>
Any notable exclusions or circumstances where the product will not respond:	<p>The product contains the following exclusions:</p> <ul style="list-style-type: none"> - Loss of damage caused by mechanical or electrical breakdown, computer programme failure, freezing or normal wear and tear. - Competitive racing of any kind or any use of the vehicle on a closed track,

	<p>motor racing circuit, pre-prepared course, or de-restricted toll road.</p> <ul style="list-style-type: none"> - Intentional acts. - Vehicles being used to carry people or property for a fee or similar reward. - Criminal or illegal acts including driving while intoxicated.
Is the product sold as part of a bundle/package?	<p>Additional covers sold as part of an unbreakable bundle are as follows:</p> <p>Motor Legal Expenses Breakdown Cover</p>
If yes, please include information about the outcome of the assessment of whether the bundle or package provides fair value overall?	<p>Having carried out its fair value assessment, including consideration of key metrics (including loss ratio, claims rates, claims acceptance rates, complaints rates and distributor remuneration levels) Azur considers that this product including the bundle products provides fair value to policyholders.</p>
Impact of distribution remuneration upon fair value	<p>Commission/remuneration is as agreed between AIG and party/ies. If you are aware of fees or charges or other distributor remuneration being paid within the distribution chain for this product, which may impact the overall value of the product to the customer, you must factor this into your own review. AIG considers the impact of the commission/remuneration it pays to its distribution partners as part of its own FV assessment.</p>

Personal Insurance: Smart Home	
Fair Value Assessment Date:	24th August 2022
Expected date of next Assessment:	2023
Fair Value Outcome:	<p>Having carried out its fair value assessment of its own product, including consideration of key metrics (including loss ratio, claims rates, claims acceptance rates, complaints rates and distributor remuneration levels) AIG considers that this product provides fair value to policyholders.</p>
<p>Product Information:</p> <p>(To include key features of the product which support and enhance its benefit to customers, please also refer to full policy</p>	<p>This product is a home insurance policy designed to provide financial protection for all risks damage to buildings, contents, art and collectables, jewellery and watches, pedal cycles, legal expenses, person cyber and home emergency.</p> <p>This is a blanket sum insured product designed to compete with the direct</p>

wording)	<p>markets already attracting these customers.</p> <p>The cover limits within the policy wording are slightly higher and include £200,000 alternative accommodation and £5m personal and public liability and personal cyber cover as standard (included as a policy level cover via HSB).</p> <p>The main differences aside from coverage limits are a more flexible underwriting acceptance criteria allowing clients;</p> <ul style="list-style-type: none"> - Up to £100,000 art and collectables along with - £100,000 jewellery and watches before they are moved onto our HNW product. - A single item limit of £15,000
Target Market:	<p>Mass Market Emerging Wealth</p> <p>Homeowners or renters who have a main residence located in the UK and who have never had insurance refused, cancelled or terms imposed. The product is for individual personal insurances.</p>
Types of customer for whom the product would be unsuitable:	<p>This product is not suitable for customers whose property has a building sum insured over £1m or who have a second property they wish to insure under a single portfolio.</p> <p>This product is not intended to cover commercial use.</p>
Any notable exclusions or circumstances where the product will not respond:	<p>The product contains the following exclusions:</p> <ul style="list-style-type: none"> - Loss or damage caused by dishonest or criminal acts. - Loss or damage caused by faulty, inadequate or defective planning - Loss or damage caused by frost. - Loss or damage caused by gradually operating causes, deterioration, mechanical/electrical breakdown or wear and tear. - Loss or damage by intentional acts by you or a family member. - Loss or damage caused by mould. - Subsidence to external property such as patios, swimming pools, boundary walls etc. unless there is also subsidence to the main home. - Loss or damage to any item while in transit which is not suitably packed relative to its value.

<p>Is the product sold as part of a bundle/package?</p>	<p>Additional covers sold as part of an unbreakable bundle are as follows:</p> <ul style="list-style-type: none"> Legal Expenses Home Emergency Personal Cyber
<p>If yes, please include information about the outcome of the assessment of whether the bundle or package provides fair value overall?</p>	<p>Having carried out its fair value assessment, including consideration of key metrics (including loss ratio, claims rates, claims acceptance rates, complaints rates and distributor remuneration levels) Azur considers that this product including the bundle products provides fair value to policyholders.</p>
<p>Impact of distribution remuneration upon fair value</p>	<p>Commission/remuneration is as agreed between AIG and party/ies. If you are aware of fees or charges or other distributor remuneration being paid within the distribution chain for this product, which may impact the overall value of the product to the customer, you must factor this into your own review. AIG considers the impact of the commission/remuneration it pays to its distribution partners as part of its own FV assessment.</p>