

Product Name: Machinery Damage and Machinery Loss of Profit
Carrier name: Munich Re Syndicate Limited
Class of business: Engineering
Date: Q3 2023

1 Manufacturer Information

Munich Re Syndicate Limited and Munich Re Specialty Insurance (UK) Limited are the joint manufacturers for this product as set out in our binding authority agreement and the manufacturer activities are allocated as follows:

Activity	Party Responsible
Product Approval Process	Munich Re Syndicate Limited and Munich Re Specialty Insurance (UK) Limited
Target Market	Munich Re Specialty Insurance (UK) Limited
Product Testing	Munich Re Specialty Insurance (UK) Limited
Product Monitoring & Review	Munich Re Syndicate Limited and Munich Re Specialty Insurance (UK) Limited
Distribution Channels	Munich Re Syndicate Limited and Munich Re Specialty Insurance (UK) Limited
IPIID Development	The activity of IPIID development is not required for UK Commercial Risks

This document is intended to provide a summary of the product, intended target market, product distribution strategy, and the product approval process. It also sets out the outcome of the annual product review and fair value assessment. This document is intended to be used by distributors and not provided to the end customer.

1.1 Product Information

- **Product Description:** This product is designed to provide cover for breakdown (B), explosion (E), sudden and unforeseen damage (S), damage to own surrounding property (O) or damage to lifted goods (L) as detailed in the policy schedule for the specified cover reference.
- **Demands & needs:** The cover reference applicable and limits will be specified in the schedule

Cover also includes inner limits for extensions to cover including but not limited to;
Explosion Damage to Owned Property, Temporary Removal, Additional Property, Temporary Repairs and Expediting Costs, Debris Removal and Measures taken in avoidance of Damage
Please refer to the policy wording for the specified limits for each

A full list of the exclusions are provided in the policy documentation but the key exclusions for this product include;
Financial loss (*except when taking the optional add on*),
Wear and tear, scratching of painted or polished surfaces, or corrosion,

Insured’s wilful misconduct,
Loss or damage that does not result from a sudden identifiable and unintended or unforeseen external fortuitous event and
Other standard market exclusions apply.

- **Target Market:** This product is suitable for businesses that own and operate machinery including that which requires statutory inspection within commercial locations such as offices and factories.
- **Not intended for:** This product is not suitable for businesses that do not have any machinery maintenance procedures or for items that do not have a valid statutory inspection certificate where that is a requirement. This product is not suitable for consumers (retail customers).
- **Territorial reach:** United Kingdom including the Channel Islands and Isle of Man. Cover may also be available for subsidiary companies domiciled and machinery outside the above territories subject to internal underwriting guidelines, risk appetite, licensing requirements and sanction regulations.
- **Optional additional cover/extensions:** There are optional additional covers/extensions which the customer is able to select in order to meet their needs. Information on our optional additional cover/extensions is provided in the table below.

Optional Add-on / Extension	Demands and needs
Loss of Gross Profit	This extension provides cover for loss of gross profit due to a reduction in turnover following an insurable event covered within the schedule.

1.2 Distribution strategy for this product

- **Sales method:** This product is sold as a standalone product.
- **Advised or non-advised sales:** All our products are sold through Brokers and therefore we expect Brokers to provide the advice to the end customer.
- **Assessment of customer demand and needs:** We expect distributors to have effective assessment processes in place for establishing the customer's eligibility and demands and needs and offering this product only where it is appropriate for the customer's stated demands and needs.
- **Commission:** An assessment of the commission structure for brokers has been carried out and it is deemed to be appropriate and reasonable.

1.3 Product Information and Approval Process

In accordance with the FCA’s Product Intervention and Product Governance Sourcebook (‘PROD’) rules, we have completed product reviews and fair value assessments across all of our products. The fair value assessments considered product performance against a number of areas including, but not limited to:

- Conduct Risk MI
- Complaints Data

- Commission Ranges
- Loss Ratios
- Broker Surveys
- Customer Understanding & Support Reviews

We will undertake ongoing product reviews on a yearly basis and any significant or material changes to this product will go through the product approval process again.

1.4 Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product, we can confirm the following:

- The product remains consistent with the needs of the identified target market
- The product continues to provide fair value
- The intended distribution strategy remains appropriate

Date Fair Value assessment completed	Q3 2023
Expected date of next assessment	Q3 2024