



September 2022

Fair Value Assessment Statement

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

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

AIG's Product Governance Oversight sets out the standards that AIG 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

AIG 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, AIG Fair Value Assessment Summary provides information about AIG 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 AIG's response to our distributors to enable you to fulfil your obligations under the FCA rules. AIG 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 AIG 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.



AIG Fair Value Assessment Summary

Commercial SME Package & Combined – Digital Product	
Fair Value Assessment Date:	May 2022
Expected date of next Assessment:	2023
Fair Value Outcome:	Having carried out a product review and fair value assessment, including consideration of key metrics (loss ratio, claims rates, claims acceptance rates, complaints rates and distributor remuneration levels) AIG considers that this product provides fair value to the businesses within the identified target market
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>This is a Commercial Lines general insurance multi-section product providing a range of essential covers.</p> <p>It incorporates cover under at least two sections including Material Damage with a range of additional optional covers with their own risk thresholds as follows</p> <ul style="list-style-type: none">• Business Interruption• Employers' Liability• Public & Products Liability• Money and Personal Accident (Assault)• Specified All Risks• Goods In Transit• Equipment Breakdown• Employment Related Accident Benefits• Employers' Dishonesty• Virtual Medical Care• Directors' and Officers'• Legal Expenses <p>This product is open to new and renewal business and is only available through the digital platform Acturis or the AIGeXtra Broker Portal; this can be sold by an insurance intermediary directly to customers with or without active assistance, guidance and advice"</p>



<p>Target Market:</p>	<p>Micro, small and medium enterprise retail, hospitality, manufacturing, wholesale and office-based businesses based within Great Britain, the Channel Islands and the Isle of Man who are looking for a packaged multi-line insurance policy and have</p> <ul style="list-style-type: none">• an annual turnover up to £7,500,000• a material damage and business interruption sum insured up to £10,000,000• a maximum public and products liability limit of £5,000,000• each business will have their own limit threshold based on their risk profile
<p>Types of customers for whom the product would be unsuitable:</p>	<p>This product is not suitable for</p> <ul style="list-style-type: none">• non-commercial customers or businesses with limits higher than their limit threshold• businesses not based in Great Britain, the Channel Islands and the Isle of Man
<p>Any notable exclusions or circumstances where the product will not respond:</p>	<p>Please refer to the full policy wording and associated product literature for details.</p>
<p>Is the product sold as part of a bundle/package?</p>	<p>No</p>
<p>If yes, please include information about the outcome of the assessment of whether the bundle or package provides fair value overall?</p>	<p>N/A</p>
<p>Impact of distribution remuneration upon fair value</p>	<p>Commission/remuneration paid by AIG to its distribution partners is as agreed. 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>