

## Product Governance and Fair Value Assessment

FloodFlash has undertaken a product review and fair value assessment as the co-manufacturer of this product, in accordance with our obligations under PROD 4.2.

### Product Information

<b>Product name</b>	FloodFlash parametric flood insurance
<b>Product description</b>	FloodFlash is a parametric flood insurance product. It is a differentiated product intended to fill an observed gap in the UK insurance market. Clients select a depth of flood and payout amount at purchase. Cover is contingent on the installation of a FloodFlash sensor on the insured property. When the sensor registers a flood at the assigned depth, the payout is released. Claims are semi-automated, with human intervention for payment approval. We do not use external third parties to handle claims. The product runs for a duration of 12 months and renewal notices are issued in line with FCA regulation.
<b>Co-manufacturers</b>	FloodFlash Limited Capacity provider: Munich Re syndicate 1840
<b>Territorial Limits</b>	Property located in and policyholders domiciled in UK

### Fair Value Assessment

<b>Date of review</b>	14 September 2022
<b>Target market</b>	Commercial customers, namely small and medium sized businesses and landlords. We are sector agnostic, as we aim to provide cover for businesses and landlords whose flood insurance needs are less likely to be met even when governments intervene.
<b>Not appropriate for</b>	Homeowners
<b>Characteristics of the product aimed at meeting the needs of the target market</b>	Unbundled parametric flood insurance: claim payments are intended to be used for any expenses as a result of flooding. Available to commercial customers as standalone cover, excess infill or top-up cover (i.e. where there are limits or co-insurance).
<b>Distribution</b>	The product is sold via FCA-authorized distributors. This is primarily done on an advised basis but can be non-advised. Sub-broking is permitted where the broker can provide adequate information of their due diligence and ongoing monitoring and review of sub-brokers. Brokers are approved by us and agree to our standard TOBA. Brokers access the product via our online portal, with telephone assistance available as required.  The product can also be purchased directly via the FloodFlash website on a non-advised basis.
<b>Commission</b>	We agree a standard commission rate for new and renewal business with each distributor. Distributors can net-rate the commission within the broker portal.
<b>Other remuneration</b>	We charge a sensor fee on every policy. There is also a charge for a request for a sensor move following installation. We review these fees regularly to ensure that they remain appropriate.

	<p>Any extra remuneration earned by distributors should be consistent with FCA rules on conflicts and incentives, as well as reviewed on at least an annual basis for how it affects the product's value.</p>
<p><b>Fair value review</b></p>	<p>All product changes are rigorously tested. At the design stage of proposed product changes, we will seek customer and/or broker feedback, which forms part of the overall product oversight process. Where there is a significant change or amendment to the product, the product would then be subject to our product oversight process in line with PROD rules.</p> <p>The product is also subject to ongoing monitoring and review. Review of the product includes, but is not restricted to the following:</p> <ul style="list-style-type: none"> <li>• Cancellation data</li> <li>• Claims and complaints volumes</li> <li>• Loss ratios</li> <li>• Wording review</li> </ul> <p>We are satisfied that this product offers fair value to the intended target market, subject to distributors ensuring that any additional fees and charges passed onto the customer do not have a detrimental effect on the value of the product.</p>
<p><b>Additional relevant documents</b></p>	<p>This document is to be read in conjunction with the appropriate policy wording provided by FloodFlash.</p>