FORTEGRA
EUROPE INSURANCE COMPANY

Schedule A

PRODUCT POG ARRANGEMENTS

Product Name:	Key Insurance
Review Frequency:	At least every 12 months
Co-manufacturing:	Applicable
Co-manufacturer's name:	Complectus Limited

POG Arrangement Activities:

	Description of Activity	Co-manufacturer	Fortegra Europe Insurance Company Ltd
1.	Product approval tasks:		
a.	Policy schedule, terms and conditions	✓	✓
b.	Proposal form	NA	NA
c.	Claims form	✓	✓
d.	Customer disclosure documents	✓	✓
e.	Insurance product information document (IPID)	✓	✓
f.	Marketing material	✓	✓
2.	Target market identification	✓	
3.	Product testing	✓	✓
4.	Product monitoring and review (on-going products)	✓	✓
5.	Distribution channels:		
a.	MGAs, or regulated insurance intermediaries	✓	✓
b.	TPA (if different from the MGA)	✓	
c.	Dealers / B2B Clients	✓	
d.	Ultimate client	Retail clients ✓	
6.	Target Market: The target market would comprise of any individual or company who would like to be protected in case of theft, loss or locking of keys (the keys of the motor vehicle and/or the keys to the main entrance of the policyholder's property) in the motor vehicle during the insurance period, which will prevent access to the motor vehicle.		

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Reviews:

Reviewed by:	Review Result	Review Date	Appendix (Schedule 2)
Finance	✓		
Actuarial / Underwriting	✓		
Claims	✓		
Risk Management	✓		
Compliance	✓		
Complaints Management (existing products)	✓		

Product Review Process ("PRP") Documents (Schedule B) attached.

Co-manufacturer Product sign-off:

Name | Position: PETER POWELL MANAGING DIRECTOR

Signature:

Date: 5 JANUARY 2024

Fortegra Europe Insurance Company SE sign-off:

General Manager: Leanne Fenech

Signature:

Date: 22 December 2023

Compliance Officer: Brian Borg

Signature:

Date: 22 December 2023

Chairman UCIT: Sanjay Vara

Signature:

Date: 22 December 2023

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Schedule B

PRODUCT OVERSIGHT GOVERNANCE POLICY PRODUCT REVIEW PROCESS

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Name of Distributor:	Complectus Limited
Product Name:	Key Insurance
Form Competed by:	Prakash Chandarana
Email address:	pchandarana@fortegra.com
Telephone number:	+44 113 521 1332
Date of Completion:	6 November 2023

1.	Who / what does the policy cover?	The policy covers any eligible individual or company who purchases, hires or leases a private car or light commercial vehicle from one of the approved retailers. The policy covers: • Loss or Theft Cover – the reasonable cost of replacing the keys in the event they have been accidentally lost by, or stolen from, the customer. If no key can be cut or obtained, the reasonable cost of replacing the lock will be covered. • Vehicle Entry Cover - a contribution towards the reasonable cost of gaining entry to the vehicle in the event the keys have been locked inside the vehicle or accidentally broken in the lock by the customer, if a duplicate key is not readily available. • Car Hire - a contribution towards the cost of hiring a car for up to 3 days in the event that the key to the vehicle has been accidentally lost or stolen or has been broken in the lock or locked in the vehicle and cannot be easily accessed. In the event of loss or theft of the customer' keys (the keys of the motor vehicle and/or the keys to the main entrance of the policyholder's property), they must notify the police and obtain a crime reference number. The policy offers peace of mind for the customer in the event of loss or theft of keys, or keys being locked inside or accidentally broken in the lock.
2.	Is the product still actively offered by the distributor? If not (and if it ceased post 2018) please provide a phasing out document? • Where the Company is planning to withdraw a product from the market, has the firm considered whether this could lead to foreseeable harm?	Yes, the product is actively offered in the market. The Company will have two versions for the product: 1. Mandatory cover, which is paid for by the dealers / OEM, given for free to customers; or 2. Optional cover (sold as a stand-alone, or an add-on for which the customer has to pay), which is purchased by customers.

	• What action is it taking to mitigate this risk?	Note: The claims limit for the Key – Optional is up to £1,000, while the claims limit for the Key - Mandatory is up to £1,500.
3.	How is and by whom is the product distributed to the customer? Is the FEIC product offered exclusively by the MGA, TPA or Retailer? If not, is it the preferred product? How long has the product existed in this format? Please include a comparison with other similar products in the market in accordance with the 'Product Comparison Template'. Who completed the comparison?	For the optional cover, the product is presented to the customer at point-of-sale of the vehicle or can be purchased online. As for point-of-sale, the product is offered by the OEM's and dealerships. The TOBAs that exist between Complectus and the retailers provide for exclusivity at product level, meaning the retailer cannot offer customers multiple products providing the same coverage, in order to avoid anti-selection. The key product has existed in this form for over many years.  Complectus - Key Comparison.xlsx The Product Comparison Document is prepared by the Underwriter completing the POG at the date of completion of this POG.
4.	Has the product's target market been specified to the sufficient level of granularity necessary?	Yes – Fortegra Europe and Complectus as co-manufacturers have no concern in this regard.
5.	How are distribution strategies being followed, and how is the Company monitoring that products are being correctly distributed to the target market?	The distribution strategy and target market are well established for this product, having been available in the market for a number of years. All new retailers of products sign a terms of business agreement, which sets out their roles and responsibilities with the MGA. Rates are agreed by the insurer at the outset and monitored/controlled by the MGA's systems. Retailers' systems use eligibility questions linking to the demands and needs statements to ensure that customers are eligible for the products that they choose to purchase and to ensure that they are within the target market. Complectus monitor sales and penetration rates and highlight any areas where they feel training would assist in the distributor's understanding of the products and sales process. Regular management meetings will focus on the distribution strategies to ensure that the products are being correctly distributed to the target market.
6.	What testing has been conducted?	With key and lock replacement become more technologically advanced and expensive, key insurance has been thoroughly tested over a number of years and

	If so, please describe (i.e. product/coverage/benefit scenario testing, price sensitivity, claim frequency/severity/loss ratio stress testing etc.) What is the net effect on the loss ratio with a 10% flex in the average claims cost and/or claim frequency? Please provide summary of product characteristics.	proven to be a worthwhile insurance product for the everyday consumer. Based on the information provided by Motorplus, who have significant experience in this type of business, we have conducted some desktop analysis and performed claim frequency/severity stress testing in order to support our assumptions and basis for pricing. Assuming a target premium set to achieve an 80% loss ratio, a 10% downward swing in both claim severity and frequency would generate a loss ratio of 65%, versus a loss ratio of 97% if it were an upward swing. For the product characteristics refer to Section 1.
7.	Were any conclusions or actions from the previous review, if applicable, actioned? If so, please describe. (i.e. change in conditions, premiums, change in product information, removing the product from the market?)	The claims handling for the key business will be carried out by Motorplus, who are a specialised provider focused on key insurance. Motorplus send out locksmiths to fix the issues. Customers are not required to make payment and then reclaim, this creates a better customer service. Fortegra carried out due diligence on Motorplus and concluded that they have the technical capabilities to manage this type of claims, and that they should be onboarded as claims handlers.
8.	Have there been any developments in legislation or regulations impacting the product since last review? If so, please describe.	The FCA's Consumer Duty, which came in effect on 31 July 2023, is a new consumer principle that requires firms to act to deliver good outcomes for retail customers. The rules relating to the four outcomes represent key elements of the firm-consumer relationship which are instrumental in helping to drive good outcomes for customers. These outcomes relate to: • products and services • price and value • consumer understanding • consumer support The rules require firms to consider the needs, characteristics and objectives of their customers, including those with characteristics of vulnerability, and how they behave, at every stage of the customer journey. As well as acting to deliver good customer outcomes, firms need to understand and evidence whether those outcomes are being met. Under these obligations, both Fortegra Europe and Complectus are working on the identification and handling of vulnerable customers. This involves more awareness not only on the customer facing side of the business, but also within the two organisations generally. The relevant information would need to be collected at the point when the customer makes contact with the