



Product name: Financial Institutions & FinTech (regulated)

Target Market statements and Fair Value Assessment

This document has been designed to support distributors in understanding the target markets for our products. Distributors should consider this information when deciding whether the product is suitable for their clients. It is important to be aware that underwriting and risk acceptance criteria will be applied during the quote process, this may result in some customers within the target market not being eligible for a quote.

Important product information

Full information on product features and significant exclusions can be found in the Policy Summary and Policy Wording documents which should be read in conjunction with the Policy or Quote Schedule.

Customer needs and objectives

Customers require insurance as it is a compliance requirement for most FCA-regulated firms.

Product design

Following the latest product review and fair value assessment the product has been approved as providing the expected value to customers. The metrics and other insight reviewed suggest the product is understood and well utilised by customers. For information on the key benefits and any notable exclusions please see the relevant policy summary, or contact your local Hiscox underwriter.

Eligibility

- Policyholder should be SME or mid-market business, based in the United Kingdom.
- Policyholder should not have had insurance previously refused, declined or cancelled.

Target market

FinTech insurance is a commercial product designed for UK-domiciled SME FinTech companies whose activities include but are not limited to, debt administration, providing credit information services and managing investments.

Non-target market

This product is not designed to support customers who are not within the definition of the target market. It is also unsuitable to be marketed directly to the customer given the sale via a broker. It is not designed for Pension funds, Insurance brokers, advisors or platforms and is not for policy holders domiciled outside of the UK.

Recommended distribution strategy

This product may be sold on an advised basis via a broker.

Fair value assessment

Date of last fair value assessment: September 2024

Expected date of next assessment: within 12 months of the above date

As a result of our fair value assessment, we have concluded our financial institutions and FinTech product is providing the expected value to customers.

1. The product is compatible with the needs of the target market.
2. The distribution and remuneration strategy remains appropriate, we are not aware of any distribution and remuneration arrangements having a detrimental effect on the overall value of the product.
3. The quality of the service provides the expected value.

When completing our fair value assessments, we consider all information that is available and relevant including information provided by our distributors. We also continually monitor key metrics throughout the year to give us ongoing assurance that products are providing the value expected. Where information is outside of our tolerance levels, we may review the product outside of the scheduled timeline.

| Assessment | Indicators and measures | Assessment |
|---|--|--|
| Product overview | <ul style="list-style-type: none"> Product summary. Target market. Vulnerable customers. Competitor analysis/external benchmarking. Product research. | <p>This product offers the expected value to customers. Various metrics show there is good utilisation of the covers purchased and customers are benefiting from the insurance. Analysis of customer testing suggests there is understanding of cover offered.</p> |
| Product design/performance | <ul style="list-style-type: none"> Average premium. Persistency. Claims analysis. Tenure. Price walking. | |
| Remuneration and distribution arrangements | <ul style="list-style-type: none"> Distribution chain. Distribution strategy. Commission, fees and any other remuneration arrangements. Add-ons. Premium finance. | |
| Service | <ul style="list-style-type: none"> Key indicators. Complaints analysis + RCA. Training. | |