



**Product name:** **Employers' liability**

## Target Market statements and Fair Value Assessment

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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

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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

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The Employers' Liability (Compulsory Insurance) Act 1969 requires all employers carrying on business in Great Britain and Northern Ireland to insure against their legal liability for injury or disease to employees in the course of work or them. Employers can be fined up to £2,500 by the Health and Safety Executive (HSE) for each day they are without suitable EL insurance. In addition, many small employers would suffer significant financial difficulties if required to pay large sums as compensation in the event of a claim.

#### Product design

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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

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

#### Target market

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This insurance is primarily intended for UK-based small to medium-sized enterprises which largely operate from clinics, culture, leisure and events venues, media studios, offices and shops, as well as those who work from private residencies, and which employ staff to carry out their day-to-day operations. The target market includes customers whose employees carry out such activities at the insured's own business premises as well as those who work away, for example, at contract or event sites or delivery locations. Employers' Liability insurance is subject to the Compulsory Insurance Act 1969 and therefore insureds are likely to require this cover to meet their legal requirements as employers and it enables them to operate with confidence by mitigating the financial impact of potential claims against them for injury by their staff. Cover is rarely sold stand-alone and is usually only sold in conjunction with cover for Public and Products Liability.

#### Non-target market

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This product is not primarily intended for insureds who do not employ any staff or those who do not also purchase cover for Public and Products Liability. It is not suitable for personal activities, businesses registered and domiciled outside the UK, large and complex risks which fall outside the small to medium-sized enterprise profile, or customers whose insurable exposures relate to injuries to passengers in motor vehicles, as cover for these is either excluded or more appropriately addressed by a specialist or local insurance solution.

#### Recommended distribution strategy

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This product may be sold on an advised or non-advised basis. It is suitable to be sold face-to-face, through telephony sales or via a quote-and-buy website.

**Fair value assessment**

Date of last fair value assessment: June 2026

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

As a result of our fair value assessment, we have concluded our employers' liability 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"> <li>• Product summary.</li> <li>• Target market.</li> <li>• Vulnerable customers.</li> <li>• Competitor analysis/external benchmarking.</li> <li>• Product research.</li> </ul>	<p>Our fair value assessment for this product demonstrates it is offering the expected value. The range of metrics show a good level of understanding by our customers. The customer testing illustrates the usage and benefit of the covers purchased.</p> <p>The distribution of this product remains aligned with our broader distribution strategy. The distribution metrics reviewed do not indicate any concerns or areas for investigation.</p> <p>The service level metrics reviewed for this product show no negative impact on the ability of the customer to utilise the product.</p>
Product design/performance	<ul style="list-style-type: none"> <li>• Average premium.</li> <li>• Persistency.</li> <li>• Claims analysis.</li> <li>• Tenure.</li> <li>• Price walking.</li> </ul>	
Remuneration and distribution arrangements	<ul style="list-style-type: none"> <li>• Distribution chain.</li> <li>• Distribution strategy.</li> <li>• Commission, fees and any other remuneration arrangements.</li> <li>• Add-ons.</li> </ul>	

	<ul style="list-style-type: none"><li>• Premium finance.</li></ul>	
Service	<ul style="list-style-type: none"><li>• Key indicators.</li><li>• Complaints analysis + RCA.</li><li>• Training.</li></ul>	