

Fair Value Assessment

Commercial Combined Suite

(includes Contractors Combined, Cyber Cover, Hotel & Leisure Combined, Liability Combined, Manufacturers Combined, Retailers Combined and Wholesalers Combined)

Introductory statement

FCA Product Intervention and Product Governance Sourcebook rules (“PROD”) require product manufacturers such as Intact Insurance to conduct a product review at least annually to ensure that the product remains consistent with the needs of the identified target market with an appropriate distribution strategy and to communicate the outcome with distributors.

This Fair Value Assessment document should be read in conjunction with our Target Market Statement and other materials on www.intactinsurance.co.uk to ensure the product is appropriate.

Conclusion of our fair value assessment

Last fair value assessment outcome	The product is providing fair value for target market customers	Yes
Last fair value assessment	October 2025	

How we assessed fair value

In conducting our assessment of both financial and non-financial fair value, we considered the below measures. We are unable to share the actual detail in the assessment as these are documents that contain confidential information.

Category	Information used in assessment
Target market & distribution	- Review of the Target Market Statement - Whether the product is attracting and meeting the needs of the target market - Whether the product is likely to meet those needs for a reasonably foreseeable period, and what that period is - Any impact on vulnerable customers - Any complaints to media or ASA - Appropriateness of distribution channels and remuneration - Impact of distributor remuneration on fair value
Product design & construction	- Loss ratios against thresholds internally set for fair value (with trends) - Performance of any in market propositions - Product changes since last review - Product changes proposed in the coming period - Regulatory or legal incidents - Performance of the main product - Performance of any add ons or cover extensions - Pricing conduct, controls and principles adhered to - Any fees and charges applied by Intact Insurance
Market assessment & competitor landscape	- Secondary or primary research on competitor products - Defaqto and similar reports, where available
Customer journeys – overall	- Changes to journeys and processes and impact those have had - Feedback from consultants - Feedback from distributors - Call abandonment rates - Quality assurance
Customer journeys – sales & servicing	- Webchat – where applicable - Document production

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Customer journeys – product lifecycle	• Mid-term amendments – rates and reasons – main product, add ons and cover extensions • Mid-term cancellations – rates and reasons • Document production
Customer journeys – claims	• Frequency – trends and movements • Severity – trends and movements • Claims not paid, whether repudiated, declined or withdrawn • Changes to trends in loss ratios over time • Claims handling times
Customer journeys – complaints	• Volumes of and reason for complaints • Outcomes of complaints – upheld, not upheld and trends • Testing of fair outcomes • Redress payments – numbers, timescales • FOS cases – numbers, outcomes, where applicable

We also considered how the intended value of the product could be affected by its distribution, with the conclusion of our Fair Value Assessment being based on our distribution strategy and that:

- Commission ranges are in line with typical market commission levels, as increased values could affect the overall assessment.
- Where distributors charge a fee instead of commission, such fees are expected to be assessed by the distributor for fair value and to not exceed commission that would be received on a gross basis under the terms of our agency agreement.
- Any fees and charges are clearly advised to the customer and responsibility for assessing the fair value they provide rests with the distributor.
- Every party involved in distributing this product can confirm their overall remuneration is consistent with their regulatory obligations, including under SYSC 19F.2 (IDD remuneration incentives).

Where we've granted permission for the distribution of our products to involve another, or an additional, party in the distribution arrangement, and in addition to the details outlined above, the primary distributor must assess that:

- The additional parties are relevant and appropriate in terms of their involvement, knowledge and regulatory status.
- Any split or sharing of commission and/or the remuneration applicable to each party is proportionate to the activities undertaken by each party.
- Administration fees are not applied by more than one party in the distribution chain.

Additional information distributors can provide

When distributors are conducting their own assessments, or in their regular activities, they may become aware of information that may help inform us of potential changes to the product or service to ensure the needs of the target market continue to be met. When this occurs, distributors should contact their usual Intact Insurance representative.

Other information that may assist distributors

If we require additional information on remuneration or on services provided, we will ask for it directly. In conducting our reviews, we have excluded the following aspects that distributors will need to consider when conducting their reviews:

- Fees, charges and other forms of remuneration that are charged to the customer by the distributor, but which are not part of the premium paid to us.
- Any other products sold with this product which could affect the overall value of the customer's arrangements, e.g., where dual cover is arranged.
- The effect of any third party premium finance arrangements that are made by the distributor on the customer's behalf.

Distributors should contact their usual Intact Insurance representative if there are any questions or observations relating to this product and our assessment of it.