

Directors and Officers Protection

Review Type:	Product Approval
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Next Review:	2026





Product Target Market Statement (TMS) (1/2)

Directors and Officers Protection

What is this Product?

Directors and Officers Protection is a Commercial Lines Product designed to protect a Customer (the Business, and the Board of Directors and Officers) against financial losses incurred through allegations or legal action in respect of civil, criminal, regulatory or other Wrongful Acts made against the Customer in connection with the conduct of the Insured's business. The Product provides protection for:

- Defence Costs, Damages, and Awards against the directors;
- Company Reimbursement cover where they have provided Defence Costs, Damages, and Awards on behalf of the directors;
- Securities actions against the Company (actions under which investors can hold companies accountable for false and misleading statements and omissions, or for dishonest delays in publishing truthful information);
- Employment related allegations or Wrongful Acts brought against Directors and Officers.

What Customer need is met by this Product?

- This Product provides financial protection against financial losses incurred through allegations or legal action in respect of civil, criminal, regulatory or other Wrongful Acts made against the Customer in the conduct of the Insured's business.

Who is the Product designed for?

- This Product is designed for commercial Customers with a business that is listed on a Public Stock Exchange or privately limited companies with a turnover of £250m or greater.

Who is this Product not designed to support, or are there any features that you should be aware of when offering this product to Customers?

- Sole traders, Partnerships (other than Limited Liability Partnerships), Private Limited companies with a turnover less than £250m or Consumers.
- Customers domiciled or headquartered outside of the United Kingdom of Great Britain and Northern Ireland, Channel Islands, and Isle of Man.
- Customers that have an existing policy in place providing the same cover and whereby purchasing this Product would give dual cover.

- Customers subject to any Economic Financial or Trade sanctions imposed by the European Union or United Kingdom or any other prohibition or restriction imposed by law or regulation of the country of which the Policy is issued or would otherwise provide cover.

Can this Product be sold with or without advice?

- This Product can be sold with or without advice depending on the Distributor's preference and in accordance with FCA regulations.
- This Product is supported by a Policy Summary.

How can this Product be sold?

- This Product is suitable to be sold via face to face, telephone, email or postal application channels.
- The sales journey must identify Customer Eligibility and that this Product, and any optional elements, are consistent with the Customer's demands and needs. The sales journey must also ensure that key details are presented to the Customer in a timely manner that allows informed decisions to be made.

Eligibility and conditions, exclusions and excesses that may impact the outcomes that Customers may reasonably expect

- The Distributor must always consider whether they have the correct product to meet the Customer's needs.
- Eligibility and risk acceptance criteria will restrict access for certain risks which may be suitable for this Product but are outside of RSA's current strategy and risk appetite.
- Policies for this Product are individually underwritten so coverage limits, exclusions, and excesses that apply will depend upon the risk insured and will be stated in the Policy Quote and the Policy Schedule.



Product Target Market Statement (TMS) (2/2)

Directors and Officers Protection

How is the value of this Product assessed?

- We assess Product Value using quantitative (i.e. metrics) and qualitative information (e.g. processes and controls), including data from our Distributors relating to service and remuneration¹, as appropriate.
- This Product has been approved in line with RSA's Product Governance processes, including consideration of:
 - the value of the RSA Product: this includes: (i) Cover – whether the level of benefits and relevant exclusions offers value to the Customer, (ii) Utility – whether the Product is being used by the Customers of the intended target market, and (iii) RSA Service – whether the type and quality of services being provided is reasonable for the Customer.
 - the impact of distribution on the value: this includes whether Distributor remuneration is appropriate and bears a reasonable relationship to the services provided to the Customer by the Distributor. If there are concerns, RSA will follow up with the relevant Distributors to agree remedial action.

What are the obligations of our Distributors?

- Manufacturer notification – all intermediaries must review their product distribution arrangements at least every 12 months and consider the impact of remuneration against the intended value of their products. Distributors must notify the Manufacturer as soon as practically possible if there are any value concerns for which remedial action is required.
- Remuneration – Distributors must ensure that any remuneration received for an insurance product does not result in the product ceasing to provide fair value to the Customer.
- Provision of information – if so requested, Distributors must provide the Manufacturer with: (i) information on the Distributor's remuneration in connection with distribution of the insurance product; (ii) information on ancillary products or services that may impact the intended value of the Manufacturer's primary insurance product; and (iii) confirmation that the distribution arrangements are consistent with the obligations of the firm under the FCA Handbook including SYSC 10 (Conflicts of Interest) and SYSC 19F.2 (IDD Remuneration).
- Price optimisation – if the Distributor is a price-setting intermediary, unless there is a reasonable basis, firms should not increase the price of the insurance product based on: (i) policies being subject to auto renewal compared to policies that are not subject to auto renewal; (ii) the Customer's vulnerability or any protected characteristics (unless the firm can rely on them under the Equality Act 2010); and (iii) where Customers purchase the policy using Retail Premium Finance.

1. Remuneration includes: commissions, fees, charges, payments, and other economic or non-economic benefits.