

SECTION 2: INFORMATION TO BE SHARED WITH DISTRIBUTORS

This information should be shared with the relevant distributor(s) to enable them to understand the intended value of the insurance product(s) manufactured or co-manufactured by QBE.

1	CARRIER NAME	QBE UK Ltd
2	PRODUCT NAME	UK Commercial Combined - Morton Michel PCCB011223; PCCB011224 Childcare Business Combined Policy PCHC011223; PCHC011224 Home Childcare Policy PCMI011223; PCMI011224 Childminder Policy PP01122023; PP01122024 Practitioner Policy
3	NAME OF ANY CO-MANUFACTURERS	N/A
4	DETAILS OF PRODUCT APPROVAL PROCESS	<p>The QBE EO Insurance Product Development and Review Policy approved by the Board sets out the Product Governance Framework.</p> <p>The Insurance Product Development Guidelines detail the Product Development approval process for new products and any significant adaptation of an existing product. This includes identification of the product development scenarios triggering the process and requires the completion of various forms by the underwriters proposing the product development.</p> <p>The Product Leaders within the Chief Underwriting Office are responsible for determining whether a product development falls within the scope of the Policy and Guidelines and monitor and agrees the initial assessment and business case.</p> <p>Following development of a business case, a full risk assessment should be conducted and a fair value assessment completed. These take into account various considerations, including:</p> <ul style="list-style-type: none"> the nature of the product; the main characteristics of the target market; the proposed distribution strategy; and the expected total price to be paid by the customer. <p>Where a product is considered High Product Risk (HPR), underwriters are required to complete a HPR Questionnaire (HPRQ) and present this to the QBE EO Conduct Risk Group for customer challenge. The HPRQ includes consideration of target market, distribution strategy, product testing and post-sales barriers.</p> <p>The Product Oversight Group (POG), co-chaired by the Head of Product Leaders and the Head of Governance, Sustainability and Standards is responsible for providing oversight of and adherence to the Product Governance Framework. This includes reviewing, challenging and approving the business case for a product development prior to this going to the Divisional CUO and MD for sign-off and for ensuring that all pre-launch activities are suitably completed.</p> <p>The Divisional CUO and MD are responsible for providing final approval to proceed with all proposed product development based on the Business Case, Risk Assessment and Fair Value Assessment presented to them.</p> <p>The Product Leaders will oversee post-launch reviews within 6 months of the launch of a product development. For those products within the appropriate scope, an annual product review will be conducted and then reviewed and challenged by the POG.</p>
5	PRODUCT INFORMATION	<p>The Morton Michel package products variously offer cover for Property, Business Interruption, liability (EL & PL), PA, financial lines (D&O, PI, Cyber), and other ancillary covers. The extent of additional covers varies by product as they are aimed at different segments with different needs.</p> <p>Childcare Business Combined - a package policy aimed at nurseries, pre schools, children's activity groups, community groups, education and training businesses, sports coaches, out of school clubs, parent & toddler groups and the like. Core covers are liability with Property, PI, D&O and other ancillary covers available to meet individual customer needs.</p> <p>Home Childcare - a product aimed at those caring for children in their own or other people's homes - registered and unregistered. Core covers are PL & PI. Options exist for EL, Property & PA to meet individual customer needs.</p> <p>Childminder - a product aimed at registered childminders offering EL, PL, PI, limited Property, Loss of Revenue and Suspension of registration covers. PA can be added as an optional cover.</p> <p>PR actioner - product aimed at childcare membership bodies where insurance is provided as part of a range of membership benefits and the premium forms part of the membership fee.</p> <p>Childcare businesses require public liability cover providing indemnity for legal liabilities arising from injury or damage arising from their business activities. (For registered childminders and Ofsted registered nannies amongst others this is a statutory requirement). Potential breach of professional duty, employers liability and protection of physical assets (property) and business interruption arising from damage thereto are other common risks for which childcare providers seek protection.</p> <p>Legal Expenses and helplines are also available in these products, (provided by ARAG as a separate section in the wording(s)).</p>
6	TARGET MARKET	<p>This product is intended for businesses operating in the childcare sector including nurseries, pre schools, children's activity groups, community groups, education and training businesses, tutors, sports coaches, out of school clubs, holiday play schemes, parent & toddler groups, childminders, nannies and the like.</p> <p>The target market ranges from micro businesses, (individuals), to small to medium size businesses generally <50 employees; T/O < €6.5m; assets <€5m.</p> <p>The product is distributed solely by Morton Michel, (part of the PIB Group), specialist insurance providers to the childcare sector.</p> <p>The product can be tailored according to customer requirements with core cover supplemented by optional covers and limits which can be tailored to different customer needs.</p>
7	TYPES OF CUSTOMER FOR WHOM THE PRODUCT WOULD BE UNSUITABLE	Customers who do not operate within the childcare sector as defined in the target market.
8	ANY NOTABLE EXCLUSIONS OR CIRCUMSTANCES WHERE THE PRODUCT WILL NOT RESPOND	The main General Exclusions are contractual liability, cyber risks, cyber liability, deliberate acts, nuclear risks and ionising radiation, war, and terrorism (except to the extent insured by a separate section of the policy)
9	OTHER INFORMATION WHICH MAY BE RELEVANT TO DISTRIBUTORS	Policy documentation, (quote / schedule, policy summary, wording / notice of change) are provided at point of quote or bind as applicable. Policy wordings and summaries are available on the Morton Michel website and documentation is otherwise available upon request at any time.
10	DATE FAIR VALUE ASSESSMENT COMPLETED	May 2025
11	EXPECTED DATE OF NEXT ASSESSMENT	May 2026

EXECUTIVE SUMMARY		
RAG	Requirement	Rationale
	Target Market - the product is fit for purpose and remains consistent with the needs, characteristics and objectives of the identified target market	We consider the Morton Michel package products meet the specific needs of the childcare sector. Through regular product performance reviews, broker and customer feedback and the monitoring of claims trends and complaints we are able to maintain relevant product offerings for a broad customer base.
	Fair Value - the product provides fair value for customers, when considering the relationship between the overall price and the quality of the product(s) and/or services provided	We believe the Morton Michel package products offer a good level of protection for business risks for those operating in the childcare sector. Pricing is regularly reviewed against claims metrics, renewal retention and new business conversion. A low volume of complaints comparative to the number of customers provides complimentary evidence these products offer fair value.
	Distribution strategy - the distribution strategy remains appropriate and distribution arrangements do not have any detrimental impact on value for customers	The childcare package products are solely distributed by Morton Michel, (part of the PIB Group). Remuneration is through commission. It is an obligation that earnings received from insurers must be declared upon customer request. We are satisfied that, as childcare insurance experts, the distribution strategy adopted by Morton Michel is suitable for customers and does not drive any detrimental impact on value.
	Customer Understanding - the information provided to the customer enables them to make informed decisions	The Morton Michel childcare package products are solely distributed by Morton Michel, (part of the PIB Group). Policy wordings, summaries, statement of fact and relevant schedules are available to customers at the point of quote and bind. For renewal business a 'Notice of Change' detailing any cover amendments compared to the expiring policy wording is additionally provided.
	Customer Support - support provided to the customer allows them to fully utilise the product they purchase, e.g. make a claim, complain, cancel or amend cover	Policy documentation provided to customers contains clear and prominent guidance with regard to making a claim or complaint and amending or cancelling cover.