

Product: Loss Recovery

Manufacturer Information
Product information <p>Loss Recovery Insurance is an insurance policy that provides and pays for the cost of an expert loss adjuster to help policyholders prepare, negotiate and settle their claims. The product is sold in conjunction with a separate property insurance policy (sold through a separate insurer).</p> <p>The Loss Adjuster provides strategic advice about how to manage an insurance claim, assisting in the preparation and submission of a claim to insurers, advising as to what other professionals might be needed in the reinstatement process, and thereafter seeking to negotiate a settlement on behalf of the policy holder.</p> <p>There are 4 variations of the Product that may be purchased:</p> <p>Main Lorega Product (Commercial Loss Recovery Insurance) Provides the onsite assistance of the loss adjuster. Fees are calculated as a percentage of the underlying property insurance claim. There is no limit to the amount and/or length of time required assisting with the preparation of the claim.</p> <p>Lorega 25 Provides the telephone assistance of the loss adjuster up to a maximum of 25 hours. The fees are calculated on an hourly basis.</p> <p>Lorega 10 Provides the telephone assistance of the loss adjuster up to a maximum of 10 hours. The fees are calculated on an hourly basis.</p> <p>Private Clients (Private Client Loss Recovery Insurance) The difference with the "Private Client" wording, is that "commercial" is excluded, as this is for an individual's home vs. a business. There are two wordings – one for "Business Owners", including commercial / business interruption, and a "Homeowners" wording, which makes it clear it is for Property Coverage only.</p>
Target market <p>The product is suitable for UK private property owners (individuals), microenterprises, small businesses and commercial clients in the UK who buy an underlying property policy via an insurance broker.</p> <p>This product attaches to the underlying property policy and offers claims preparation costs insurance in the event the Insured experiences a claim on their property policy. This product is therefore aiming to attract those customers who feel they would benefit from property claim preparation costs insurance.</p> <p>The product is for customers with property insurance policies covering properties located in the UK.</p>
Types of customer for whom the product would be unsuitable <p>The product is for customers who feel they would benefit from property claim preparation costs insurance and would therefore not be suitable for non-property customers.</p> <p>Customers with no property damage or business interruption exposure.</p> <p>The product would not be suitable for customers with property insurance policies covering properties located outside of the UK.</p>

Any notable exclusions or circumstances where the product will not respond

Eligibility

Cover must be sold alongside a separate commercial property and business interruption insurance policy or a domestic building and/ or contents policy.

Notable Exclusions

Claims where the loss incurred is less than £5,000 or the policy excess.

Uninsured losses

Subsidence, landslip or heave claims

Losses incurred outside of the UK

Personal injury, product, public or employers' liability claims

Losses arising out of communicable diseases

Terrorism

Cyber

Limits of Liability

Commercial & Private Client - GBP 24,000 per loss adjusted

Lorega 10 - GBP 600 per loss adjusted

Lorega 25 - GBP 2,400 per loss adjusted

All Limits inclusive of VAT at the prevailing rate.

Other information which may be relevant to distributors

The product is only available for purchase as an add-on to an existing property and business interruption insurance or a domestic building and/ or contents policy.

This product is permitted for sale via the following distribution chain:

- Lloyd's Broker;
- a delegated authority arrangement with a coverholder; and
- by brokers which have been approved by the coverholder as suitable distributors for the target market.

No further brokers in the chain are permitted without the coverholders prior approval. Any such approval will include consideration of their impact on product value.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegation or sub-brokering), it is their responsibility to ensure all distributors have been provided this document, have reviewed it and understand the content. If there is any additional remuneration, including commissions, fees or other 'non-standard' remuneration charged to the customer by other distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full.

This product should be sold in line with FCA regulations and can be sold with & without advice by a regulated insurance distributor.

Distributors are expected to fully understand the eligibility criteria, covers and exclusions of the product.

This product can be sold face to face, via telephone or electronic communication or a mix of these methods, as long as customers are provided with sufficient information to make an informed decision regarding the suitability of the product.

Commission & Fees

The coverholder is expected to ensure that maximum commission rates do not exceed those stipulated within the Binding Authority Agreement.

Brokers can select commission rates from a range set by the coverholder, so that remuneration can be aligned to their own distribution costs. The maximum commission rate set cannot be exceeded.

The coverholder is expected to maintain oversight of all broker commissions and, where there may be a risk to product value and remedial action taken whenever necessary including notification to Tokio Marine Kiln.

Brokers are reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6 as well as the requirements to make all necessary disclosures to the customer.

Distributors are not permitted to charge fees attributable to the sale of this product.

How value is assessed

Value is assessed based on a number of metrics, including underwriting, claims, complaints information, customer feedback as well as through broker and coverholder engagement.

Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.

If additional add-ons (including premium finance) are sold alongside this product or additional remuneration is charged, this may affect the value for the customer.

Further information on our product approval processes can be obtained on request.

Date Fair Value assessment completed	February 2024
Expected date of next assessment	February 2025