# Product: General Liability

| Manufacturer Information |
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| Product information |
| General liability is a form of insurance which protects against risks incurred by businesses/entities in relation to liabilities to third parties including (but not limited to) injury, illness, property damage, and financial loss.<br><br>The product is designed to be purchased in a modular format, so that customers can attain tailored covers required for their particular business activities. The proposition allows the customer the ability to extend coverage where required through exclusion 'write backs,' and is able to provide cover in a wide range of potential liability scenarios.<br><br>Common coverage can include:<br><br>**1) Public Liability** - the legal liability of the insured to pay damages and/or compensation to any party other than the insured or its employees, in respect of personal injury or property damage arising out of any act or default of the insured in the conduct of its business within the territorial limits.<br><br>**2) Property damage** - as described under public liability, including physical damage to or loss / destruction of tangible property, including any consequential loss arising therefrom.<br><br>**3) Product Liability -** the legal liability of the insured to pay damages and/or compensation to any party, other than the insured or its employees, in respect of personal injury and or property damage arising out of or from the insured's products within the territorial limits.<br><br>**4) Completed Operations -** covers a contractor's liability for property damage or bodily injury to a third party after the point in time that contracted operations have ceased.<br><br>It is noted that the product can cover a range of optional exclusion write backs / additional extras, and customers commonly purchase a range of different covers to cater to their individual liability needs. Other examples include (but are not limited to):<br>- **Advertising Liability** offers coverage to protect a company in the event that they are sued for slander, defamation, libel or copyright infringement.<br>- **Auto or Motor Liability** offers to customers on an excess basis to protect against claims arising from injury or damage to third parties only.<br>- **Care, Custody, and Control** provides coverage to a customer in respect of non-owned property that suffered damage whilst in the care, custody or control of the insured.<br>- **Cyber Liability** covers third party bodily injury and/or property damage arising from a cyber breach.<br>- **Employers Liability** covers a business in the event of bodily injury sustained by an employee within the course of their employment.<br>- **Failure to supply** provides coverage in respect of any third-party property damage or bodily injury arising out of the failure or fluctuation in supply of a utility.<br>- **Financial Loss (consequential)** covers monetary loss that the insured is legally liable to pay because of bodily injury or property damage.<br>- **Medical Malpractice Liability** covers the provision of medical or paramedical services or the failure to render thereof. The provision of prescription drugs, the provision of diagnostic equipment and clinical trials.<br>- **Abuse and Molestation**<br>- **Sudden and Accidental Pollution Liability** covers a business for a pollution loss as a result of a sudden and accidental pollution event. This does not provide coverage for gradual pollution events.<br>- **Product Recall** covers a business for the expenses related to a withdrawal of a product from the marketplace. This can include costs for shipping and disposal. |

- **Professional Liability** covers liability arising from any act, error, omission, malpractice, or mistake of a professional nature committed by the insured and for which the insured is legally liable.
- **Terrorism Liability** covers bodily injury, property damage, personal injury or advertising liability arising directly or indirectly in whole or in part by Terrorism.
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## Target market

The General Liability product is specifically designed for commercial entities of all sizes and across diverse industries that seek protection against third-party liability risks. It targets businesses that value flexibility and tailored coverage to manage exposures such as bodily injury, property damage, consequential and financial loss. Key characteristics include:

(1) Business Size & Type
- Micro enterprises, small businesses, mid-sized commercial entities, and large corporates, including:
  (a) Private and public companies.
  (b) Charities and non-profits.
  (c) Clubs, associations, and similar organizations.
- Suitable for businesses operating in sectors where liability risks to third parties are inherent.

(2) Insurance Profile
- Customers requiring coverage for:
  (a) Public Liability – injury or property damage to third parties.
  (b) Product Liability – harm caused by products supplied.
  (c) Completed Operations – liability after contracted work is completed.
- Modular structure allows tailored coverage with optional extensions such as Professional Liability, Cyber Liability, Product Recall, and Pollution Liability.
- Policies typically written on internationally recognised wordings (e.g., PCA94, LMA 3150a), ensuring consistency and clarity.

(3) Customer Needs & Behaviours
- Likely to value:
  (a) Comprehensive protection against diverse liability exposures.
  (b) Ability to customise coverage to match business activities.
  (c) Competitive pricing and flexibility in limits and deductibles.
- Businesses that want:
  (a) Certainty in managing third-party claims.
  (b) Access to specialist liability expertise through brokers.
  (c) Optional extensions for niche risks without purchasing multiple standalone policies.

(4) Geographic Scope
- Distributed worldwide in jurisdictions where Lloyd's is licensed.
- Underwriting appetite may restrict certain territories, but generally broad global availability.

(5) Distribution Channel
- Sold via coverholders, lineslips, open market placements, and master policies.
- Both advised and non-advised sales processes, typically through regulated brokers.
- Distribution chain typically capped at 4 entities, ensuring oversight and compliance.

(6) Circumstances Where Product Delivers Greatest Value
- When businesses face:
  (a) Third-party injury or property damage claims arising from operations or products.
  (b) Contractual obligations requiring liability coverage.
- Particularly valuable for:
  (a) Organisations seeking a single, modular solution for multiple liability exposures.
  (b) Businesses operating in sectors with complex liability risks (e.g., manufacturing, construction, energy, care sector).

This product appeals to commercial entities seeking flexible, comprehensive liability protection

tailored to their operational risks, delivered through specialist brokers and supported by globally recognised policy wordings.

## Types of customer for whom the product would be unsuitable

The General Liability product is not appropriate for:

(1) Individual Consumers or Personal Insurance Buyers
- The product is designed exclusively for commercial entities and does not cater to personal or household insurance needs.

(2) Businesses Seeking Coverage for Risks Outside General Liability Scope
- Organisations requiring marine, aviation, or environmental liability for gradual operating causes should seek specialist products.

(3) Entities Without Third-Party Exposure
- Businesses that do not interact with third parties or have negligible liability risk will not derive meaningful value from this coverage.

(4) Customers Expecting Comprehensive Coverage for All Risks
- The product does not cover every liability exposure (e.g., gradual pollution, punitive damages) and is unsuitable for those expecting blanket protection.

(5) Businesses Operating in Jurisdictions Where Lloyd's Is Not Licensed
- The product cannot be distributed in territories without Lloyd's regulatory permissions.

(6) Organisations Requiring Consumer-Facing Distribution Channels
- The product is not available via online aggregators or direct-to-consumer platforms; it is broker-driven and tailored for commercial clients.

This product is unsuitable for individuals, businesses without third-party liability exposure, entities seeking marine/aviation or environmental liability, and those expecting all-risk coverage. It is also not appropriate for customers in non-licensed jurisdictions or those requiring consumer-style distribution.

## Any notable exclusions or circumstances where the product will not respond

**(i) Exclusions (available as write-backs upon request and approval):**

- Advertising Liability
- Auto or Motor Liability
- Care, Custody, and Control
- Cyber Liability
- Employers Liability
- Failure to supply
- Financial Loss (consequential)
- Medical Malpractice Liability
- Sudden and Accidental Pollution Liability
- Product Recall
- Professional Liability
- Terrorism Liability

**(ia) Exclusions (general)**

- Deliberate, conscious or intentional disregard of the insured, and/or failure to take steps to prevent injury/damage;
- Injury to any person under a contract of employment with the insured;
- Liability arising out of liquidated damages clauses, penalty clauses or performance warranties;
- War, invasion act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection and military/usurped power;
- Liability arising from radiation, contamination, nuclear waste, nuclear combustion;
- Liabilities covered under another contract of insurance held by the insured;
- Punitive or exemplary awards / damages.

**(ii) Limits of liability:**
Each section of cover, additional extra(s) and/or extension(s) will be offered with their own limit of liability (and sub-limits where applicable), as requested by the customer to reflect their exposure to risk, and as stated in the policy schedule.

**(iii) Excesses**
Each section of cover, additional extra(s) and/or extension(s) will be offered with their own applicable excesses and stated in the policy schedule.

## Other information which may be relevant to distributors

This product should be sold in line with FCA regulations and can only be sold by a regulated insurance distributor.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegations or sub-broking), 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 charge to the customer by other distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full.

Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs.

This product can be sold face to face, via telephone, electronic communications 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.

This product can be sold with or without advice in line with FCA regulations or local regulations if the distributor is regulated outside of the UK.

**Commission & Fees**

If there is a coverholder in the chain, they are expected to ensure that maximum commission rates do not exceed those stipulated within the Binding Authority Agreement.

The coverholder is expected to maintain oversight of all broker commissions (where applicable) and, where there may be a risk to product value, remedial action should be taken immediately 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.

Where there are any fees charged by any member of the distribution chain these should be:

- commensurate with the service provided by the distribution.
- not have an adverse impact on customer value; and
- distributor should ensure that TMKS is made aware of the fee amount and/ or method of calculation.

Coverholders are expected to ensure that maximum commission rates do not exceed those stipulated within the Binding Authority Agreement. In addition, the combined distribution costs associated with the product, including commission, brokerage, fees and any other distributor remuneration or charges applied throughout the distribution chain, must not equal or exceed 50% of the gross written premium. This requirement is intended to support fair value considerations and ensure customers receive appropriate value from the product.

**How value is assessed**

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| Value is assessed based on a number of metrics, including underwriting, claims and complaints information as well as through broker and coverholder engagement.<br><br>Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.<br><br>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.<br><br>Further information on our product approval processes can be obtained on request. | |
| Date Fair Value assessment completed | October 2026 |
| Expected date of next assessment | October 2027 |