Product: Forestry

Manufacturer Information

Product information

Forestry is a product which covers physical damage to standing timber (trees) as a result of named perils for private individuals, micro-enterprises and Small Businesses.

Core cover:
The product can have a range of coverages which the customer can choose to cover their standing timber requirements which could include the below.

Property Damage: Physical damage to property covered by the policy by named perils. Named perils can include;

- Fire
- Explosion
- Lightning
- Landslip
- Malicious Damage
- Earthquake
- Aircraft Impact
- Strike, Riot & Civil Commotion
- Volcanic Eruption

Optional cover:
Customers may consider purchasing additional optional coverages which can include but is not limited to the following;

- Windstorm
- Snow & Ice
- Re-establishment costs
- Firefighting costs
- Debris Removal

Optional coverage purchased may be subject to sub-limits which differ from the main cover.

Target market

The Forestry product is designed for customers who own or manage standing timber and require protection against physical damage caused by named perils. It is suitable for a broad range of customer types across multiple jurisdictions where Lloyd's is licensed to write direct forestry business.

Target Market Characteristics

1. Customer Types:

- Individual private consumers who own trees, timber, or woodland.
- Micro-enterprises and small businesses engaged in forestry-related activities.
- Mid to large commercial entities, including those involved in lumber, pulp, paper production, or carbon credit schemes.
- The product is also suitable for customers who are unable to obtain cover in local markets due to: High exposure to catastrophe risks (e.g. wildfire, earthquake).

2. Geographic Scope:

- The product may be distributed in EEA, Australia/New Zealand, and Rest of World (excluding UK) territories.

3. Risk Profile & Coverage Needs:

- This product is suitable for customers looking for cover for physical damage from named perils such as fire, lightning, landslip, and volcanic eruption.
- Optional extensions available to bespoke to the insurance needs of the customer include windstorm, snow & ice, debris removal, and firefighting costs.
- Policies are tailored with variable limits of liability and deductibles, agreed per customer needs.

4. Sophistication:

- The product is distributed via an advised and non-advised sales process with a broker in the chain, ensuring suitability and understanding.

5. Vulnerability Exposure:

- The product has negligible exposure to vulnerable customers, and is not specifically targeted at individuals with characteristics of vulnerability however suitable adaptations will be made in the event a Vulnerable Customer is identified.

Types of customer for whom the product would be unsuitable

This product is **not appropriate** for the following customer types and scenarios:

1. UK-Domiciled Customers

- The product is not authorised for distribution to policyholders or risks located in the United Kingdom.
- This includes both individual and commercial entities operating within the UK.
- The product is not structured to meet the regulatory requirements or consumer protection standards applicable to UK retail insurance products.

2. Customers Without Insurable Interest in Standing Timber

- The product is designed specifically to cover physical damage to standing timber.
- Customers who do not own or manage trees, woodland, or forestry assets, such as general landowners, agricultural businesses without timber exposure, or non-forestry commercial entities, are outside the scope of this product.

4. Customers Seeking Cover for Excluded Perils

- The product excludes cover for risks such as pest and disease, drought, subterranean fire, tsunami, cyber events, and terrorism.
- Customers whose primary exposure relates to these perils may find the product unsuitable for their needs.

Any notable exclusions or circumstances where the product will not respond

(i) Exclusions

Standard exclusions include but are not limited to "as a result of";

- Pest and Disease
- Drought
- Stunted growth
- Crops produced by a tree
- Subterranean fire or tsunami
- Nuclear/Biological/Radiation Contamination
- War - any loss caused by war
- Infectious diseases
- Cyber - any physical or non-physical damage loss caused by any cyber-attack whether malicious or not.
- Terrorism - any physical or non-physical damage or loss caused by acts of terrorism.
  Limitations:
- Polices may be subject to Deductibles or Excesses where Insurers are not liable for the amount of claims up to the deductible or excess values. Claims that are submitted that fall below the deductible or excess value will not be paid.

Depending on the needs of the client, there may be sub-limits within the policy for certain extensions of coverages or perils. Claims made under optional extensions of cover purchased or perils subject to sub-limits which are above those sub-limits will not be paid.

If agreed terms and conditions (including warranties and conditions precedent) that were agreed with the customer when the policy was placed have not been adhered to, it could mean the claim will not be paid. For example, if fire breaks are to be maintained within a forested area and they are not maintained when a loss occurs, then the claim may not be paid.

(ii) Limits of liability:

Limits will be the agreed limits for each section of the policy and can differ for each defined peril and defined coverage item. This will be agreed with the policyholder and be stated in the policy documentation

(iii) Excesses & deductibles

Excesses/deductibles are agreed with the customer and stated clearly in the policy schedule based on their particular needs.

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 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.

How value is assessed

Value is assessed based on a number of metrics, including underwriting, claims and complaints information 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	November 2025
Expected date of next assessment	November 2026