Product: Employers Liability & Workers Compensation

Manufacturer Information

Product information

A commercial policy designed to:

- safeguards businesses against legal and compensation expenses from employees and ex-employees for work related illness or injury claims; and/or
- provide coverage for medical expenses and lost wages for employees or their beneficiaries when an employee is injured, falls sick, or is killed as a result of their job.

Employers' Liability and Worker's Compensation may be purchased separately or together.

Coverage can include:

- Liability to employees and volunteers for death, injury, or disease occurring as a result of their employment with the insured firm.
- Claims against customers where the insured entity is providing services under contract and the insured firm is liable for the claim.
- Costs incurred with TMKs prior consent to defend criminal proceedings relating to an actual or potential claim covered under this section of the policy.
- Unsatisfied court judgments where employees obtain damages for bodily injury against another individual or company that arises out of and in the course of the employee's employment in the insured business.

Target market

The Employers' Liability & Workers' Compensation product is specifically designed for commercial entities that employ staff and need protection against legal liabilities arising from workplace injury or illness. It targets businesses seeking compliance with statutory requirements and financial security against employee claims. Key characteristics include:

(1) Business Size & Type

- Micro enterprises, small businesses, mid-sized commercial entities, and large corporates operating across a wide range of industries.
- Includes FCA Large Risks and reinsurance structures where appropriate.

(2) Insurance Profile

- Designed for businesses that require:
  a) Employers' Liability insurance to cover legal costs and compensation for work-related injury or illness claims.
  b) Workers' Compensation insurance to cover medical expenses and lost wages for employees or their beneficiaries.
- Coverage can be purchased separately or combined.
- Policies typically written on a claims occurring basis, ensuring protection for incidents during the insured period even if claims arise later.

(3) Customer Needs & Behaviours

- Likely to value:
  a) Compliance with legal obligations (mandatory in some jurisdictions, e.g., UK).
  b) Financial protection against potentially significant compensation claims.
  c) Certainty and clarity in coverage for employee-related liabilities.
- Businesses that want:
  a) Coverage for liabilities to employees and volunteers for death, injury, or disease.
  b) Support for defending criminal proceedings related to covered claims.
  c) Protection against unsatisfied court judgments arising from employment-related incidents.

(4) Geographic Scope

- Distributed globally in territories where Lloyd's is licensed, minimal appetite for United States Workers' Compensation.
- Underwriting appetite may limit distribution in certain jurisdictions.

(5) Distribution Channel
- Sold via coverholders, lineslips, and open market placements.
- Both advised and non-advised sales process, typically through regulated brokers with expertise in commercial liability.
- Distribution chain is small (up to 4 entities), ensuring efficient placement and compliance.

(6) Circumstances Where Product Delivers Greatest Value
- When businesses face:
  a) Employee injury or illness claims, including legal costs and compensation.
  b) Statutory requirements for employers' liability coverage.
- Particularly valuable for:
  a) Firms operating in higher-risk sectors or jurisdictions with strict employment liability laws.
  b) Businesses seeking long-tail protection for claims that may arise years after the incident.

This product appeals to commercial entities of all sizes seeking robust protection against employee-related liabilities, ensuring compliance with legal requirements and financial security against unforeseen workplace incidents.

Types of customers for whom the product would be unsuitable

The Employers' Liability & Workers' Compensation 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 Without Employees or Volunteers
- Companies with no staff or employment relationships will not derive any benefit from this coverage.

(3) Commercial Entities in the United States Seeking Workers' Compensation
- The product specifically excludes U.S. Workers' Compensation due to underwriting appetite.

(4) Organisations Operating in Territories Where Lloyd's Is Not Licensed
- The product cannot be distributed in jurisdictions where Lloyd's does not have the necessary regulatory permissions.

(5) Businesses Seeking Coverage for Non-Employment-Related Liabilities
- The product does not cover general liability, property damage, or other non-employment risks.

This product is unsuitable for individuals, businesses without employees, U.S. entities requiring workers' compensation, and organisations outside Lloyd's licensed territories. It is also not appropriate for customers seeking broader general liability or property coverage.

Any notable exclusions or circumstances where the product will not respond

Limitations:

- The insured firm must take reasonable care to minimise any loss or liability.
- The insured firm must tell TMK promptly about any claim or loss or anything which is likely to give rise to a claim.
- The insured firm must tell TMK as soon as practicable of any threatened criminal action.
- Insured firm not to admit liability make or any offer of settlement unless in receipt of prior written agreement.

Exclusions include but not limited to:

- Deliberate or reckless acts insured firms commit, condone, or ignore.
- Injury to employees while they are offshore or in, entering or alighting a vehicle.
- Claims brought outside of the countries listed in the schedule under applicable courts or for work undertaken outside of the countries listed in the schedule under geographical limits.
- Nuclear
- Fines and penalties
- War

Limits of Liability:

- Stated in the schedule and/or policy documentation.
- As a minimum on primary business, limits will reflect insurance needs as per legislative requirements in the local jurisdiction.

Excesses

- Deductibles stated in the schedule.

Other information which may be relevant to distributors

This product is permitted for sale with up to 3 distributors in the chain.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegation or sub-broking), it is their responsibility to ensure all distributors have been provided with 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.

The product may be sold as a stand-alone product;

No further distributors in the chain are permitted without TMKS' approval. Any such approval will include consideration of their impact on product value.

This product can be sold with or without advice in line with FCA regulations or local regulations if the distributor is not regulated by the FCA.

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

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, online rating engine or electronic communication or a mix of these methods, if customers are provided with sufficient information to make an informed decision regarding the suitability of the product.

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	October 2026
Expected date of next assessment	October 2027