



Product: Cloud Outage

Manufacturer Information
Product information
<p>Cloud Outage insurance provides indemnity to the policyholder per hour of cloud service provider downtime, in the event of a cloud outage.</p> <p>The product is a new to market proposition designed to bridge the gap in traditional cyber policies which have average waiting periods of 8-12 hours before the insured can seek indemnity. The product aims to provide customers with fast access to claims monies to mitigate revenue losses, SLA liabilities, employee productivity concerns, and customer / reputation related risks.</p>
Target market
<p>The product is designed to target small and medium sized enterprises and larger mid-commercial sized businesses domiciled in the United States of America.</p> <p>The product is targeted at customers who are technology driven business and rely on cloud computing for trade or day-to-day operations. This includes businesses who rely on cloud service providers, eCommerce service providers, payments service providers, CDN service providers and CRM service providers.</p> <p>The product is marketed as appropriate for customers who:</p> <ul style="list-style-type: none"> - Depend on third party IT services for critical business activities; - Have SLA commitments that depend on uptime of third party IT services; - Will incur direct revenue losses due to downtime.
Types of customer for whom the product would be unsuitable
<p>The product is not suitable for:</p> <ul style="list-style-type: none"> - Individuals / consumers; - Businesses that are not reliant on cloud related service provision and/or are not exposed to third party cloud outage related risks; - Businesses that could continue to operate without penalty/loss in the event of cloud outage; - Businesses that would otherwise be dual insured through another cyber coverage, in the instance that such coverage provided equivalent downtime cover; - Policyholders that are domiciled outside of the United States of America.
Any notable exclusions or circumstances where the product will not respond
<p>Limitations, Limits of Liability and Excesses</p> <ul style="list-style-type: none"> - A waiting period is used for each outage event which is triggered at the start of an outage event. Losses are only payable when this expires and the 'indemnity period' is triggered. - Individual outage event loss limits and aggregate loss limits are applicable as agreed with the customer within defined limits. <p>Exclusions</p> <ul style="list-style-type: none"> - Degradation in Service: degradation/latency/other interruptions to cloud services that are not defined as an outage event; - Planned maintenance: maintenance the insured was made aware of in advance by the Cloud Service Provider (CSP); - Outage events occurring prior to the policy period; - Breach of contract by the insured of their cloud services agreement; - Insolvency or bankruptcy of the CSP; - Government or regulatory action - an act by such bodies which disrupts provision of services including response to pandemic;



- Sanctions;
- Territorial Exclusion (Belarus, Russia and Ukraine) ;
- War, Cyber War and Cyber Operation - any losses directly or indirectly occasioned by war/cyber operation;
- Riot and civil disorder;
- Terrorism;
- Nuclear reaction, radiation, or other contamination;
- Worldwide cloud service failure.

Other information which may be relevant to distributors

This product is permitted for sale with up to four distributors in the chain:

- Lloyd's Broker;
- A delegated authority arrangement with Parametrix;
- Retail Brokers;
- Wholesale broker

No further distributors in the chain are permitted without TMKS' 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 can be sold without advice in line with FCA regulations or local regulations if 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 any optional elements of insurance to suit their specific demands and needs.

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.

Where necessary Conflicts of Interests including PCs should be disclosed in line with regulatory requirements in the local jurisdiction.

Commission & Fees

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

No other fees, charges or remuneration are charged to customers.

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.

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	August 2023
Expected date of next assessment	August 2024