

# DUAL OLIVA Aviation Products Insurance

## Fair Value Assessment

### Target Market and Product Information

This information is for **broker use only** and **not intended for customer use**

<b>Product Name:</b>	AVIATION PRODUCTS	
<b>Status:</b>	New Product Development	<input type="checkbox"/>
	Existing Product Refresh	<input checked="" type="checkbox"/>
	Product Change	<input type="checkbox"/>
	Other	<input type="checkbox"/>

**Live Date:** This product is an existing DUAL Oliva product, available for new business and renewals.

**Product Type Description:** Placing products liability cover for companies manufacturing for the aerospace and aviation sector can be difficult. DUAL Oliva has worked with a leading aerospace insurance specialist and created a standalone products liability policy

### Key features

#### Characteristics and features of the product:

- Aviation liability wording
- Specialist knowledge of the industry
- Standalone product, so no requirement to additionally insure the commercial combined covers
- Ability to write in conjunction with our Engineering or Manufacturing products
- Grounding liability included as standard (covering financial compensation and investigation costs for airline operators following any occurrence due to the product manufactured)
- Working parties liability cover providing cover for the public liability risk associated with 'airside' work
- High limits of indemnity available
- Working parties liability can be extended to cover 'Personal Injury' covering any damages awarded to a third party following the action of the policyholder or their employee whilst working airside or on an aircraft.

### **What is the cover?**

The product protects the Insured against liability they may incur should an accident arise to an aircraft, where the product that they manufacture was found to have contributed to the cause of the loss. It is also a requirement of some primary product manufacturers that their suppliers have products liability coverage in place. The coverage is based on the Products section of AVN98A.

### **Benefits**

The Product offers the Insured liability protection should a product that they manufacture potentially be a contributory factor to an aviation accident. Legal and defence costs are also included within coverage.

Further benefits include Grounding Liability Coverage; Personal Injury coverage extension; Corporate Defence Cost extension and Writeback of certain War and Allied Perils.

### **Limitations**

The Policy is subject to an overall limit, per occurrence & in the aggregate, as purchased by the Insured. Certain extensions to coverage, as detailed above, are sub limited to a defined amount or, if lower, the Policy limit.

### **Main Policy Exclusions**

Any obligation the Insured may be held liable under any

- Employers Liability or Workmen's Compensation Law, arising in the course of their employment by the Insured.
- Property Damage to property belonging to the Insured or in their care, custody or control.
- To the loss of use of tangible property which has not been physically damaged or destroyed, resulting from a delay in or lack of performance by the Insured, or the failure of the products or work performed to meet the level of performance, quality, fitness or durability warranted or represented by the Insured.
- Claims arising from noise and pollution.
- Claims arising from nuclear risks.
- Claims arising from asbestos.
- Claims arising from an Electronic Data Event

## **Target Market:**

### **Who is this product designed for?**

Small/medium-sized businesses that manufacture products/component parts that are destined to be utilised in the aviation sector:

- Products for civil
- Products for military
- General aviation products
- Aerospace products

### **Who is this product not designed for?**

- This product is not aimed at larger corporations with high turnover (>USD50m) and liability limit requirements and who manufacture primary aviation products. Eg. Aircraft, Engines, Landings Gear.

<b>Vulnerable Customers:</b>  <i>Broker Guidance: You should also ensure that you assess the presence of vulnerable customer characteristics and verify the suitability of the product, should they arise.</i>	<b>Did any vulnerable customer characteristics present themselves as risks during the development of the product?</b>  <b>Health</b> – Conditions that affect ability to carry out day-to-day tasks <input type="checkbox"/> <b>Life events</b> - Such as bereavement, job loss or relationship breakdown <input type="checkbox"/> <b>Resilience</b> – Low ability to withstand financial or emotional shocks <input type="checkbox"/> <b>Capability</b> –Low knowledge of financial matters or low confidence <input type="checkbox"/> <b>None of the Above</b> <input checked="" type="checkbox"/>
--	--

<b>DUAL’s Role:</b>	Manufacturer <input type="checkbox"/> Co Manufacturer <input type="checkbox"/> Distributer <input checked="" type="checkbox"/>
---------------------	--

<b>Distribution Channel(s):</b>	Broker (Open Market) <input checked="" type="checkbox"/> Broker (Single broker or Platform) <input type="checkbox"/> Direct to Commercial Client (define size of client) <input type="checkbox"/> Direct to Consumer <input type="checkbox"/> Other <input type="checkbox"/>
---------------------------------	--

<b>Distribution Method(s):</b>	Face-to-Face [‘F2F’] <input type="checkbox"/> Telephone <input type="checkbox"/> Online Journey <input type="checkbox"/> Webchat <input type="checkbox"/> Postal <input type="checkbox"/> Email <input type="checkbox"/> <b>Advised Sale</b> <input type="checkbox"/> <b>OR Non-Advised Sale</b> <input checked="" type="checkbox"/>
--------------------------------	--

<b>Summary of Product Testing:</b>	This product has been tested in the existing Aviation Products market. This is an established product with a long history of demand, and as such, is deemed to meet the needs of this particular market
------------------------------------	---

<b>Product Review Process:</b>	This product was last reviewed and approved through DUAL’s Product Oversight and Governance [POG] arrangements on <b>year-end 2023</b>  This product is next due for review through DUAL’s POG in <b>year-end 2024</b> , unless there is a significant change to the product.
--------------------------------	---

<b>Risks and Cost:</b>	The <b>risks</b> and <b>costs</b> has been reviewed through DUAL’s POG process, as part of the product development process. You should ensure that, in assessing the suitability of the product, that you identify the risks posed to the insured, and that all costs associated are appropriate to their needs.
------------------------	---

<b>Product Value:</b>	Product Value is the relationship between the overall price to the customer and the quality of the product(s) and or services provided.
-----------------------	---

**DUAL considers that this product provides fair value to customers in the target market considering all the data available to us, including the pricing model used to calculate the risk. We consider this product to be fair value for the foreseeable future.**

You should be satisfied that, in offering this product, it meets the fair value expectations. Should you become aware of any information that leads you to believe the product is not offering fair value, please contact DUAL without delay.

---

**Conflicts of Interest:**

DUAL has identified no conflicts of interest in the manufacture, underwriting and distribution of this product. On occasions where a conflict of interest is identified, they are properly disclosed, managed and reported. Should you become aware of any information that leads you to believe a conflict of interest may be present, please contact DUAL without delay.

---

## DUAL Product Oversight and Governance Arrangements

Following the implementation of the Insurance Distribution Directive [‘IDD’] on 1st October 2018 and the Pricing Practices changes from 1<sup>st</sup> October 2021 and 1<sup>st</sup> January 2022, this document outlines DUAL’s approach to Product Oversight and Governance to demonstrate the way we design, monitor, review and distribute our insurance products.

### Why are we telling you this?

As part of the regulatory framework DUAL adheres to, we are informing you of the product governance arrangements we have in place for designing, monitoring, reviewing, and distributing of this product. The key areas outlined cover the various processes we have in place to monitor our products as well as the information we may require from brokers/coverholders (distributors) throughout the lifecycle of a product.

### Product Development Process

The product development process has been designed to ensure that we have a consistent approach to the development of new products, or significant revisions to existing products.

### Product Review Process

The product review process ensures that those already within the market continue to be designed in a way that meets the needs of the target market and offers fair value to consumers.

This document confirms the target market, product information and has been assessed as having Fair Value using MI relating to the following:

- Nature of the product and the coverage provided
- Cancellation rates
- Claims volumes, declinature rates and average claims pay out
- Loss ratios
- Customer feedback including complaint volumes and root cause analysis
- Pricing model and the total acquisition costs including commissions and other distributor remuneration

- The reasonableness of any admin and/or cancellation fees
- Suitability of the distribution strategy

**Information for brokers and other distribution partners**

As we carry out these reviews, we may request information from brokers/coverholders to be able to evidence that our products are being distributed as intended - examples of this could be evidence that the product has been sold to the right target market or complaints received relating to the product. In most instances we will hold this data already on our systems, but there will be occasions when we may request it from relevant brokers. We will endeavour to provide adequate notice where we seek this information from you.

**Further Information**

If you have any questions, please contact your DUAL representative.