



# Product Statement

## Fair Value Assessment Outcome & Target Market Information

This document<sup>1</sup> has been produced by Travelers Europe in accordance with our regulatory responsibilities as a Product Manufacturer of UK General Insurance products. It is intended for use by our Distributors and not for customers or operational staff.

For more information, please speak to your usual Travelers representative.

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<sup>1</sup> This document is based on the Product Value – Information Exchange Template, version 8 November 2021 (LMA9197), developed by the following trade associations for use by all market participants to meet the requirements of the Financial Conduct Authority's product governance rules relating to information exchange: the British Insurance Brokers' Association (BIBA), the London and International Insurance Brokers' Association (LIIBA), the Lloyd's Market Association (LMA), the International Underwriting Association (IUA), the Managing General Agent's Association (MGAA) and the Association of British Insurers (ABI).

## Product Value - Information Exchange Template

Carrier name	Travelers Insurance Company Limited / TIDAC UK Branch
Broker name	As stated in TOBA
Product name	Aviation Loss of Licence – Individual
Reference/UMR [Binder]	n/a
Reference [Class of Business]	TRV 5000 LOL IND
Date	Qtr 3 2023

Manufacturer Information
Product information
<p>Individual Aviation Loss of Licence provides insurance coverage for Pilots, Cabin crew, air traffic controllers, maintenance staff and other individuals who work within the Aviation industry who require a qualified licence to fulfil their occupation.</p> <p>This insurance coverage will provide a lump sum benefit that is payable to the customer if they were to suffer from a long-term disability or illness that would lead to them either permanently losing their licence or temporarily.</p> <p>The product provides the following covers:</p> <ul style="list-style-type: none"> <li>• Permanent Loss of Licence due to long term disability or illness</li> <li>• Temporary Loss of Licence due to Temporary Total Disability</li> </ul> <p>The permanent loss of licence is usually the most popular product that the consumer will opt for in for and the temporary is usually in addition which comes with an additional premium to the pre-agreed rates. This product provides the insurance coverage needed for all consumers if they were to be part of an unfortunate event that would lead to them not being able to fulfil their occupation.</p> <p>All sums insured and rates are pre-agreed before the policy is bound, as this part of a group policy there is also an option for members to join and leave the policy throughout the period of insurance. The premium for these additions and deletions are then pro-rated.</p> <p>Optional coverage is also available which must be pre-agreed which includes psychological cover and classified illness cover. All of these conditions must be confirmed/signed off by a medical practitioner if a claim were to be made.</p> <p>This product includes the following optional covers:</p> <p>These additional optional covers are charged with an additional rate in addition to the pre-agreed age rates</p> <ul style="list-style-type: none"> <li>• Psychological cover ranging from 33% to 100% coverage</li> <li>• Classified illness cover ranging from 25% to 100% coverage</li> </ul> <p>Temporary Loss of Licence cover in addition to Permanent Loss of Licence cover – payable up to a maximum of 104 weeks, XS ranging from 30 to 180 days, sum insured payable is generally 2% of the monthly sum insured</p> <p>In accordance with the FCA PROD4 rules, a product review and fair value assessment has been completed for this product.</p> <p>The product has been subject to Travelers’s full product review process and signed off by our authorised approvers as representing fair value to customers and may continue to be marketed and distributed.</p> <p>This product meets the needs detailed within the Target Market Statement.</p> <p>The product provides fair value to customers and is working as designed. Key metrics on usage and product value are monitored and there are no concerns that the product cannot be used or that there are any barriers to claim.</p> <p>Our assessment of fair value includes review of the following management information (where available – not all data will</p>

be available for new products) as well as any other relevant insight:

- Average Premium
- Average Claims Pay-out
- Loss Ratio
- Policy Cancellations
- Claim Declinatures as % of Total Claims
- Claims Acceptance Rate
- Ex gratia Payments Made
- Number of Complaints
- Complaints as % of Claims

#### Target market

The target market for this product is pilots, cabin crew, air traffic controllers and maintenance staff who work in a technical capacity. All customers must require a licence in some sort of capacity in order to fulfil their occupation and who are looking for additional coverage other than a death benefit.

This product is sold to smaller airlines/private charter jet pilots that require the same coverage as a Group policy but this tailored most towards smaller companies and individuals that may request a higher sum insured compared to what we normally provide.

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

This product is not aimed at members of staff that carry out general duties that do not require a licence to fulfil their occupation. This is also not suitable for consumers who require a death benefit.

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

Applicable significant limits include but are not limited to:

General exclusions:

- Death benefit
- Pre-existing conditions within a limited time period
- Bodily injury resulting from drugs or alcohol
- War, Terror and Mass destruction clause
- Cyber risks
- Terrorism
- Illness following a person's 60th birthday (this is limited to accidental body injury only up to the max age of 64)
- Infectious or Contagious Disease Exclusion during a PHEIC – LMA5500

Other section specific limits and exclusions will apply, please refer to the policy documentation for full details.

#### Other information which may be relevant to distributors

This document is to be read in conjunction with the full policy wording.

The distribution strategy is considered appropriate for the target market with customers having the option to purchase these products through a distributor of their choice. This product may be sold by suitably skilled agents/sub-delegates:

- on an advised basis

To ensure the customer receives fair value for this product and that they are able to make an informed choice:

- The customer's demand and needs must be assessed to ensure the product is appropriate,
- significant or unusual exclusions should be highlighted,
- care must be taken to ensure no duplicate cover exists or is created by an add-on,
- available add-ons and optional extras should be highlighted with the same emphasis as the main sections of cover,
- commission, fees or charges passed onto the customer must be proportionate to the service provided.

Date Fair Value assessment completed	<b>Quarter 3 2023</b>
Expected date of next assessment	<b>Quarter 3 2024</b>