

Product Governance and Fair Value Statement

SEPT 2023



Financial & Legal Insurance Company Limited

Product Value Document

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| Carrier name | Financial & Legal Insurance Company Limited (F&L) |
| Product name | Parametric Luggage Cover |
| Product Reference No (if applicable) | N/A |
| Class of Business | Miscellaneous Financial Loss |
| Roles and Responsibilities | Manufacturer - Financial & Legal Insurance Company Limited |

MANUFACTURER INFORMATION

Financial & Legal Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under firm reference number 202915. You can check this on the Financial Services Register by visiting <https://register.fca.org.uk/>. Registered in England under Company No. 03034220.

PRODUCT INFORMATION

This product has been subject to F&L's Product Oversight and Governance process and has been reviewed and signed off by F&L's Management Committee as representing fair value to customers.

The review included but is not limited to:

- Claims and complaints volumes and frequencies.
- Declinature rates.
- Loss ratios.
- Wordings review (technical and Plain English).
- Average claims pay out value.

All F&L products are subject to an annual review.

Parametric Luggage Cover is intended for customers wishing to have more immediate financial compensation for baggage either lost or delayed by an airport / airline than that usually offered by a travel insurance policy.

The policy is offered as an add-on to travel insurance policies or can be embedded into the policy, with distribution limited to Just Travel Cover and Just Travel Cover's distribution partners.

The product duration varies with cover provided on a single trip and an annual multi-trip basis.

Policies can be cancelled by customers within 14 days without any premium charge, providing that customers have not travelled or registered a flight. There is no entitlement to a refund of premium for policies cancelled outside of this period.

This is a parametric insurance policy, which means that any claims processing time is drastically reduced by using automated technology to validate and pay claims. All flights must be registered by customers on the app in advance of travelling. This is necessary to enable the parametric technology to track flights and baggage

Parametric luggage cover provides cover if a customer's checked luggage is delayed or lost as a result of an airline or airport's mishandling of it and the following represents the benefits, maximum sums payable and number of claims allowable per policyholder and per covered person per trip.

Checked Luggage Benefit

- £50 for checked luggage that is delayed and cannot be located on the carousel within the waiting period at the destination airport by the Customer Services desk or Luggage Handling desk on arrival at that airport.
- £500 for checked luggage that is deemed lost and cannot be located by the Customer Services desk or Luggage Handling desk at the destination airport after 48 hours from the time it was registered with www.smartluggage.io as delayed or missing.
- On a single trip policy, the policyholder and each covered person can claim for one item of checked luggage on each leg of a trip ie; both outbound and inbound.
- On an annual multi trip policy, the policyholder and each covered person on your policy can claim for one item of checked luggage on each leg of a trip ie; both outbound and inbound up to a maximum of 3 trips each, within the period of insurance for the policy.

Payment is made immediately to the customer's account should any of the above issues arise.

DISTRIBUTION METHOD(S)

Product can be sold:

- By insurance brokers and other Financial Conduct Authority regulated entities.
- Packaged with a travel insurance product or as an add-on.
- Advised or non-advised.
- Face to face / Online / Telephone.

TARGET MARKET

The target market for this product is customers wishing to have more immediate financial compensation for baggage either lost or delayed by an airport / airline than that usually offered by a travel insurance policy.

TYPES OF CUSTOMER FOR WHOM THE PRODUCT WOULD BE UNSUITABLE

This product is not designed for:

- Customers who live outside of the UK.

ANY NOTABLE EXCLUSIONS OR CIRCUMSTANCES WHERE THE PRODUCT WILL NOT RESPOND

All flights must be registered on the app in advance of travelling. This is necessary to enable the parametric technology to track flights and baggage.

Full policy terms and exclusions can be found in the policy wording. Notable exclusions include:

- Any carry-on luggage or hand luggage of any type.
- Any luggage not checked in to the hold of an aircraft.
- Loss solely of items forming the contents of the checked luggage.
- Damage solely to the items of checked luggage themselves.

- Loss or delay of checked luggage due to confiscation or damage by order of any government or public authority, or due to illegal transportation or trade, war, demonstration or insurrection or hostilities between nations whether or not war is declared.
- Any loss or delay that does not occur between checking luggage in at a departure airport and collecting it from the checked luggage carousel at the destination airport.
- Theft of checked luggage before check-in at the departure airport, from the checked luggage carousel or from an unattended trolley at the destination airport.

OTHER INFORMATION WHICH MAY BE RELEVANT TO DISTRIBUTORS

- All distributors should assess any impact their distribution, including commissions and fees, may have on the value of the product.

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| Date Fair Value assessment completed | 24/08/2023 |
| Expected date of next assessment | Aug 2024 |