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Product Value - Information Exchange

Carrier name	HSB Engineering Insurance Limited
Broker name	
Product name	HSB Annual Construction Insurance (e-trade)
Reference/UMR (Binder)	POL-UKG-CIA-002-ETR POL-ROI-CIA-003-ETR
Reference (class of business)	Construction including Contract Works, Contractors Plant and Employees Tools.
Date	Completed August 2022

Carrier information
The fields below should be completed by the carrier. The information provided should be sufficient for distributors in the chain to understand the value of the product, the intended target market and those to whom the product should not be marketed. Other information should be included (if relevant) to advise distributors of how their known or expected actions might affect the value of the product.
Product information
Product oversight and governance HSB Engineering Insurance Limited has an established Product Approval Process that covers the entire product lifecycle, from new product development to product review. The following elements are included within the process. • Extensive research of the product concept is undertaken to identify an appropriate target market. • Customer type, distribution channel, charging structure as well as the wider market and legal developments are identified and considered. • Risk assessments and regulatory reviews are undertaken to ensure fairness to customers and that any risks to the identified target market are appropriately managed. • Product marketing, training and technical support ensures knowledge of the product is properly assessed and competence is evidenced prior to distribution of the product.

- Post launch, the overall product performance is interrogated and reviewed. This includes claims reports, systems reviews and customer feedback being processed to identify on-going product and market suitability.

Product summary

A commercial product designed to cater for the specific requirements of customers ranging from small-end building and machinery installation contractors through to large scale civil engineering contractors. The policy provides cover for:

- materials from the commencement of loading for despatch to site (including transit and incidental storage);
- contract works during the construction period (including automatic continuation of cover for ongoing contracts that increase in contract price; up to 125% of the sum insured);
- maintenance and defective design;
- free issue materials where these are included in the declared values; and
- private dwelling houses and commercial buildings during the construction period, once completed and also pending sale.

Cover can be extended to include damage to owned and hired in contractors' plant and for loss of or damage to the customer's employees' tools and personal effects (ETPE).

All four sections of cover are available to the customer however in order to have the cover provided by section 2 (Contractors' plant – owned), section 3 (Contractors' plant – hired in) or section 4 (ETPE), the customer must have first selected cover under section 1 (Contract works). The policy offers flexibility so that different levels of cover can be selected within the four sections.

By offering a standalone Annual Construction Insurance product our customers have the additional market choice of separating out the casualty sections (public liability and employers liability) and exploring different price and cover options for their construction risks rather than packaging all covers into a contractors combined product.

Other information

Territorial limits – the product is available only to customers domiciled in the UK and Republic of Ireland (ROI).

Policy renewal – policy renewal is not automatic but renewal is normally requested by the distributor as a policy approaches the end of the current period of cover.

Claims notification – all claims are notified to the carrier whose claims team manages the lifecycle of each claim in line with corporate claims handling procedures.

Complaints notification – all complaints are notified to the carrier whose complaints team manages the lifecycle of each complaint in line with corporate complaints handling procedures.

Carrier fees – None.

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Target market
Broad target market from micro and SME building contractors and machinery installers to large national contractors including light civil engineers.
Types of customer for whom the product would be unsuitable
The product is not suitable for consumers or retail customers.
Any notable exclusions or circumstances where the product will not respond

Section 1 – Contract works

Restrictions

A condition of cover under section 1 is that there are specific precautions which must be taken by the customer (or contractors and/or sub-contractors) when open heat sources or naked flames are used during the course of the contract works.

Exclusions (what is not insured)

- Damage to contract works for any contract which exceeds the maximum contract price or maximum contract period specified by the customer.
- Loss or damage to any part of the contract works which is in a defective condition following defective design, plan, specification, materials or workmanship; or damage to any part of the contract works damaged to enable repair or rectification of this defective condition.
- The cost of repairing damage covered by any manufacturer's warranty or maintenance contract.
- Damage to any property which forms part of a structure that existed on the contract site prior to commencement of the project.

Section 2 – Contractors' plant - owned

Restrictions

A condition of this cover where the insured plant is hired out is that it must be hired out under conditions no less onerous than the standard conditions of the Construction Plant-hire Association (or equivalent in ROI).

Exclusions (what is not insured)

- Excluded equipment types (see below).
- Cyber-attack damage resulting from an external network failure.
- Damage to consumable parts.

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Section 3 – Contractors' plant – hired in

Restrictions

Cover under this section is conditional upon the following:

- The insured hired in plant must be hired in under conditions no more onerous than the standard conditions of the Construction Plant-hire Association (or equivalent in ROI).
- Where the insured hired in plant is then hired out by the insured customer it must be hired out under conditions no less onerous than the standard conditions of the Construction Plant-hire Association (or equivalent in ROI).

Exclusions (what is not insured)

- Excluded equipment types (see below).
- Damage to consumable parts.
- Damage to any plant or equipment on a hire purchase lease agreement or which is on free loan.

Both Contractors' plant sections (2 and 3) – excluded equipment types

- Agricultural machinery, tractors, combine harvesters, balers and conveyors.
- Scrap metal processing machinery, shredders, balers, fragmentisers and compactors.
- Timber and forestry equipment, harvesters and forwarders.
- Combustible waste processing machinery.
- Wood shredders.
- Quad bikes.

Section 4 – Employees' tools and personal effects

Restrictions

There is a maximum claim amount we will pay per employee.

Exclusions (what is not insured)

Loss of or damage to gold or silver articles, jewellery or watches.

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Other information which may be relevant to distributors	
Cover under this product may be affected where: • a fair presentation of the risk is not provided to the carrier; • a delay in the notification of a claim prejudices the position of the carrier; the requirements of any condition precedent (an important term which sets out a step or action that the customer must take) are not met.	
Date fair value assessment completed	14/06/22
Expected date of next assessment	14/06/23
The following should only be completed after the 'distributor information' section below has been completed and provided by Distributor 1.	
Total commissions	
Total fees	
Total other Distributor remuneration	

HSB Engineering Insurance Limited, registered in England and Wales: 02396114, Chancery Place, 50 Brown Street, Manchester M2 2JT. Registered as a branch in Ireland: 906020, 28 Windsor Place, Lower Pembroke Street, Dublin 2. HSB Engineering Insurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, and is authorised and regulated by the Central Bank of Ireland as a third country branch in the Republic of Ireland.