

Product Information Exchange Pack
Munich Re Syndicate Limited

Product Name:	Aquaculture Stock Mortality Insurance
Class of business:	Special Risks
Carrier name:	MRS 457
Date:	Q3 2023

1 Manufacturer Information

Munich Re Syndicate Limited (MRS�) and Alwen Hough Johnson Limited – “Global Aquaculture Insurance Consortium” (GAIC) are the joint manufacturers for this product as set out in our binding authority agreement, and the manufacturer activities are allocated as follows:

Activity	Party Responsible
Product Approval Process	Lead Underwriter and Coverholder
Target Market	Lead Underwriter and Coverholder
Product Testing	Lead Underwriter and Coverholder
Product Monitoring & Review	Lead Underwriter and Coverholder
Distribution Channels	Lead Underwriter and Coverholder
IPID Development	N/A

This document is intended to provide a summary of the product, intended target market, product distribution strategy, and the product approval process. It also sets out the outcome of the annual product review and fair value assessment. This document is intended to be used by distributors and not provided to the end customer.

1.1 Product description

Global Aquaculture Insurance Consortium is designed to provide indemnity for deceased or lost aquaculture stock.

1.2 Target Market and identified demand for this product

- **Target Market:** Commercial customers who are producers of fish/shellfish for human consumption. The envisaged size of commercial business targeted by this product ranges from small and medium sized enterprises and upwards to large corporates.
- **Not intended for:** Consumers, individuals or micro-enterprises.
- **Demands & needs:** This product is intended to provide risk transfer in the event of deceased or lost aquaculture stock, and can include the following package of covers:

Offshore perils:

1. Storm (including suspended inorganic particles resulting from storm), lightning, volcano, tsunami, earthquake, collision (excluding collision with ice or objects carried by ice), sudden and unforeseen structural failure of equipment.
2. Theft and malicious acts (including malicious acts of environmental or animal rights groups).
3. Predation or physical damage caused by predators or other aquatic organisms (but not sea lice or other ectoparasites).
4. Freezing, supercooling, ice damage (including collision with ice or objects carried by ice).
5. Pollution and Plankton Bloom as

Product Information Exchange Pack
Munich Re Syndicate Limited

defined herein, deoxygenation due to competing biological activity or to changes in the physical or chemical conditions of the water, including upwelling and high water temperature but excluding suspended inorganic particles resulting from storm. 6. Any other change in concentration of the normal chemical constituents of the water, including change in pH or salinity. 7. Disease as defined herein and in accordance with the disease event clause

Onshore perils:

1. Pollution as defined herein but excluding losses directly or indirectly attributable to plankton bloom or suspended inorganic particles. 2. Malicious acts (including malicious acts of environmental or animal rights groups), theft, predators. 3. Flood (including suspended inorganic particles resulting from flood), 4. Storm damage, subsidence, landslip, structural failure, breakage or blockage of any part of the water supply system. 5. Drought, fire, lightning, explosion, earthquake, tsunami, volcano. 6. Freezing, frost damage. 7. Mechanical or electrical breakdown or accidental damage to machinery and other installations, failure or interruption of the electricity supply, electrocution. 8. Plankton Bloom as defined herein, deoxygenation due to vegetation, competing biological activity or high water temperature but excluding losses directly or indirectly attributable to suspended inorganic particles 9. Any other change in concentration of the normal chemical constituents of the water, including supersaturation with dissolved gases and change in pH or salinity but excluding losses directly or indirectly attributable to plankton bloom or suspended inorganic particles. 10. Disease as defined herein and in accordance with the disease event clause.

Stock are covered in situ, and cover ceases upon the harvesting of fish.

- **Additional coverages:**
 - “All risks” cover, in accordance with our corresponding policy wording
 - Transit cover - moving the live stock
- **Customer Eligibility:** Commercial customers whose business supports indemnity cover. With minimum premium of \$10,000.

1.3 Distribution strategy for this product

- **Sales method:** The approved distribution strategy is via the coverholder who distributes through wholesale brokers and, in rare cases, retail brokers. Not direct to the end customer/insured.
- **Advised or non-advised sales:** We expect this product to be sold on an advised basis by the customer-facing distributor.
- **Assessment of customer demands and needs:** We expect distributors to have effective assessment processes in place for establishing the customer’s eligibility and demands and needs, and offering the product only where it is appropriate for the customer’s stated demands and needs. This is the responsibility of the distributor.

Product Information Exchange Pack
Munich Re Syndicate Limited

- **Territorial reach:** Risks located worldwide (excluding EEA) within Lloyd’s jurisdictions and territories, subject to financial crime requirements. We do not write EEA risks placed by Lloyd’s Insurance Company.

1.4 Manufacturer product reviews

Date Fair Value assessment completed	<u>Q3 2023</u>
Expected date of next assessment	<u>Q3 2024</u>

MRSL and Alwen Hough Johnson Ltd have established Product Approval and Product Oversight and Governance (POG) processes.

In accordance with the FCA PROD Product Intervention and Product Governance Sourcebook PROD 4 Product governance rules, a product review and fair value assessment has been completed for this product. The product has been found as representing fair value to customers and may continue to be marketed and distributed. We will undertake ongoing product reviews on a yearly basis and any significant or material changes to this product will go through the product approval process again.

The assessment of fair value included review of the following management information as well as other insights:

- Loss Ratios and Premium Adequacy
- Commission Ranges
- Conduct Risk MI
- Complaints Data

The following is excluded from the review and as a distributor you must consider:

- any additional fees that you charge a customer / client and the effect on the value of the product.
- any ancillary products sold alongside the product which may affect the product’s value or duplicate cover provided with our product.