

Product Information Exchange Pack

Munich Re Specialty Insurance (UK) Limited

Product Name	Construction
Class of business	Engineering
Carrier name	MRS 457
Date	Q3 2025

1 Manufacturer Information

Munich Re Syndicate Limited and Munich Re Specialty Insurance (UK) Limited 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	Munich Re Syndicate Limited and Munich Re Specialty Insurance (UK) Limited
Target Market	Munich Re Specialty Insurance (UK) Limited
Product Testing	Munich Re Specialty Insurance (UK) Limited
Product Monitoring & Review	Munich Re Syndicate Limited and Munich Re Specialty Insurance (UK) Limited
Distribution Channels	Munich Re Syndicate Limited and Munich Re Specialty Insurance (UK) Limited
IPID Development	The activity of IPID development is not required for UK Commercial Risks

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

This product is designed to provide all risks cover for physical loss of or damage to construction and engineering projects being the permanent and temporary works including but not limited to the construction of new build, refurbishments and extensions to commercial, industrial and residential properties, installation of machinery and equipment, including the storage and transit of materials for incorporation therein.

1.2 Target Market and identified demand for this product

- **Target Market:** This product is suitable for businesses involved in small to medium sized construction and engineering projects including main contractors and sub-contractors and consumers where they have a contractual responsibility to insure under the terms of the contract with a main contractor
- **Not intended for:** This product is not suitable for consumers undertaking self-build projects, businesses involved with heavy civil engineering or industrial projects and projects in excess of £20 Million.
- **Territorial Reach:** United Kingdom including the Channel Islands and Isle of Man. Cover extends for work undertaken internationally and cover may also be available for subsidiary companies domiciled outside the above territories subject to internal underwriting guidelines, risk appetite, licensing requirements and sanction regulations.
- **Demands & needs:** This cover has specified limits based on each individual exposure presented including maximum contract values and maximum contract periods. Cover also includes inner limits for extensions to cover including but not limited to; testing and commissioning period maintenance and defects liability period, offsite storage, showhouse contents, speculative developments, contract price escalator, debris removal, plans and documents and expediting expenses.

A full list of exclusions is provided in the policy documentation but the key exclusions for this product include;

- Property and structures that were in existing prior to the project commencing
- Any work in, or over water,
- Any work involving bridges in excess of £250,000
- Any work involving subways, tunnels, breakwaters, undersea pipelines motorways dams, or nuclear installations
- Any work involving the excavation of trenches in excess of 2km in length
- Projects with a depth excavation exceeding 5 metres,
- Loss or damage to property existing prior to the commencement of the contract,
- Loss or damage which the insured is relieved of responsibility for under contract
- Defective design and workmanship DE4 and
- Other standard market exclusions apply.

There are optional additional covers/extensions which the customer is able to select in order to meet their needs. Information on our optional additional cover/extensions is provided below.

- **Construction Plant and Temporary Buildings:** This extension provides cover for physical loss or damage to construction plant and temporary buildings including fixture and fittings owned by the Insured for use in connection with the insureds business.
- **Hired in Plant Property:** This extension provides liability cover for construction plant and temporary buildings hired in under hire conditions for use in connection with the insureds business.
- **Employees' Personal Effects:** This extension provides cover for physical loss or damage to employees' tools and effects whilst on sites of the contracts, in vehicles owned or operated by the insured and within hotel rooms whilst engaged on business.

1.3 Distribution strategy for this product

- **Sales method:** This product is sold as a standalone product.
- **Advised or non-advised sales:** All our products are sold through Brokers and therefore we expect Brokers to provide the advice to the end customer
- **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 this product only where it is appropriate for the customer's stated demands and needs.
- **Commission:** An assessment of the commission structure for brokers has been carried out and it is deemed to be appropriate and reasonable.

1.4 Manufacturer product reviews

Date Fair Value assessment completed	Q3 2025
Expected date of next assessment	Q3 2026

In accordance with the FCA's Product Intervention and Product Governance Sourcebook ('PROD') rules, we have completed product reviews and fair value assessments across all of our products. The fair value assessments considered product performance against a number of areas including, but not limited to:

- Conduct Risk MI
- Complaints Data
- Commission Ranges
- Loss Ratios
- Broker Surveys
- Customer Understanding & Support Reviews

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.

As a result of the product governance activities undertaken across this product, we can confirm the following:

- The product remains consistent with the needs of the identified target market
- The product continues to provide fair value
- The intended distribution strategy remains appropriate