

Target Market Statement & Fair Value Assessment Outcome

Nexus Underwriting Limited has undertaken a Fair Value Assessment in accordance with our product governance obligations. This document is intended to provide a summary of the target market & fair value assessment only, please refer to the policy documentation for full details of the coverage provided by the product.

For use by distributors, not intended to be circulated to customers.

Product name	Warranty & Indemnity
Manufacturer	Nexus Underwriting Limited acting on behalf of certain underwriters, details of which will be provided at the time of quotation.

What is this product

W&I protects either the buyer or seller of companies against breach of warranties &/or indemnities provided by the seller to the buyer as part of the purchase process.

What customer need is met by this product?

This is a commercial product is designed to allow sellers and buyers to move on from M&A transactions without worrying about breaches of warranty post-transaction.

This is a bespoke policy structured to meet defined exposures in the M&A process.

Who is this product designed for?

- The buyer or seller of companies in an M&A transaction
- SME transactions from £10m per transaction up to £100m enterprise value.
- A broad range of industry sectors can be covered including: Construction, Financial Services, Health Care, Leisure, Manufacturing, Miscellaneous, Professional Services, Real Estate, Renewable Energy, Retail, Technology, Media and/or Telecommunication.
- Commercial customers based in the United Kingdom.

Who is this product not designed to support, or are there any features that you should be aware of when offering this product to your customers?

This product is not suitable for:

- Deals over £100m
- Transactions outside of the United Kingdom
- Consumers (as defined by the FCA).

The limit and excess are always in the aggregate, with a separate de minimis to cater for small matters.

The policy period matches those in the sale agreement and is non-renewable.

Standard exclusions apply, including fraud or fraudulent misrepresentation by the insured or any deal team member, forward-looking risk, and matters known at inception. Specific exclusions are set out in a warranty spreadsheet addendum.

How is this product sold?

This product is intended to be distributed face to face on an advised basis by FCA regulated brokers.

Claims & Complaints procedures

Claims are referred to and handled by the insurer. Any Claim, Circumstance or any other notifiable matter must be made in writing and as soon as practicable either by letter or email to the email address in the policy wording.

Complaints are handled by the insurer in accordance with the details in the Policyholder Complaints section attached to the back of the policy wording. Financial Ombudsman Service (FOS) rights apply to certain firm types.

We will acknowledge the complaint within 5 business days of receiving it, keep the Policyholder informed of progress and do our best to resolve matters to the Policyholder's satisfaction within 8 weeks.

We make the Policyholder aware that if we are unable to do this, they may be entitled to refer their complaint to the FOS who will review the case.

Fair Value Review

This product has been subject to our product review process and signed off as representing fair value to customers.

- When carrying out our review we have assessed at a minimum;
- That the insurance product remains consistent with the needs of the identified target market;
- That the intended distribution strategy remains appropriate;

That the remuneration does not have a negative impact on the value of the product.

When assessing value, we have considered appropriate available information including data in respect of; claims and product performance, complaints, remuneration, service levels and the outputs of monitoring checks.

Our product governance and oversight arrangements require all insurance products that we manufacture to be reviewed at least every 12 months and more frequently where the potential risk associated with the product makes it appropriate to do so. The risk rating will determine the product approval and review procedure that is followed, as well as the minimum management information collected to ensure appropriate oversight of how the product is performing.

Other information which may be relevant to distributors

Underwriting focuses on the disclosure exercise and due diligence process undertaken in the M&A transaction, with clear initial and specific Q&A a requirement.

No underwriting or policy fees are levied in addition to the premium.

We require distributors to provide additional information on remuneration or services on an annual basis. You should consider the impact of any additional remuneration and services on the value of the product, including:

- Any additional fees that you charge a customer;

<ul style="list-style-type: none"> Any ancillary products sold alongside the product which may affect the product's value; or Any duplicate cover. 	
Additional Policy Documentation	<p>This document is to be read in conjunction with the following product documentation:</p> <ul style="list-style-type: none"> Policy Wording Policy Summary
Fair Value Assessment Outcome	
<p>Following our product value assessment, we consider that this product remains suitable for the target market and provides fair value.</p> <p>Where individual distribution arrangements have been identified that could mean customers are at a greater risk of not receiving fair value from the insurance product, distributors have been contacted directly.</p>	
Date Fair Value assessment completed	September 2022
Expected date of next assessment	Within 12 months of this assessment