



# Fair Value Assessment Outcome

This document has been produced by Aviva Insurance Limited in accordance with our regulatory responsibilities as a Product Manufacturer of UK General Insurance products. It is intended for use by our Distributors and not for customers or operational staff.

For more information please speak to your usual Aviva representative.

## Product Value - Information Exchange Template<sup>1</sup>

Carrier name	Aviva Insurance Limited (Aviva)
Broker name	As set out in the TOBA with Aviva Insurance Limited
Product name	Cyber
Reference/UMR [Binder]	N/A
Reference [Class of Business]	Cyber (Speciality Lines)
Date	26/03/2024

### 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

Aviva's Product Approval Process can be found [here](#). Further information for our distributors about Aviva's Product Oversight and Governance (POG) arrangements can be found [here](#).

In accordance with the Financial Conduct Authority (FCA) regulation such as Product Intervention and Product Governance Sourcebook PROD4 and Consumer Duty rules a product review and fair value assessment has been completed for the Cyber product.

The product has been subject to Aviva's full product review process and signed off by our authorised approvers as representing fair value to customers and may continue to be marketed and distributed. The pricing structure used to price the Cyber product is fair based on the main factor taken of expected claims cost alongside the loading expenses added which are reasonable given the process necessary to provide the Cyber offering.

The Cyber product is an Aviva insurance offering which is in a stage of growth and is becoming more in demand within the insurance market as customers better understand their risk profiles. Cyber is split into 3 main sections of cover. These are:

- Cyber Liability
- Cyber Crime
- Cyber Data Loss.

Within these offerings, there are individual covers to provide customers with complete flexibility depending on their insurance requirements. Claims Handling is undertaken by Sedgwick International UK.

Aviva launched its Cyber offering in 2018 and as such is a relatively new cover where the performance is still maturing. This is reflected within the wider marketplace for Cyber. However, the product is able to meet the demands and needs of the customer where called upon.

As part of the full product review process, Aviva has also considered the add-ons/optional covers associated with this product. These include:

- Premium Finance

<sup>1</sup> This document is based on the Product Value – Information Exchange Template, version 8 November 2021 (LMA9197), developed by the following trade associations for use by all market participants to meet the requirements of the Financial Conduct Authority's product governance rules relating to information exchange: the British Insurance Brokers' Association (BIBA), the London and International Insurance Brokers' Association (LIIBA), the Lloyd's Market Association (LMA), the International Underwriting Association (IUA), the Managing General Agent's Association (MGAA) and the Association of British Insurers (ABI).

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

- Claims Acceptance Rate
- Average Claims Pay-out
- Claims Frequency
- Average Customer Settlement Lifecycle
- Average Overall Claims Lifecycle
- Total Claims Cost
- Total Sales or Service Dissatisfaction Per 1,000 PIF
- Total Number of Regulated Complaints Attributed to Issues With Sales or Service Processes Per 1,000 PIF
- Total Claims Dissatisfaction (as a % of Claims Made)
- Regulated Claims Complaints (as a % of Claims Made)
- Average Regulated Complaints Lifecycle
- Average Premium
- Claims Ratio
- Expenses Ratio
- Commission Ratio
- COR (Combined Operating ratio)
- % of Policies Cancelled Outside of Cooling Off Period (Mid Term Cancellation)

Following the review, we have concluded that the performance of the management information is within agreed tolerance levels or is accepted due to the line of business. Additionally, no material issues or actions have been raised through the review process.

#### Target market

Aviva have developed 'Target Market Statements' to provide you with information about the intended target market, who our products are designed for, who they are not intended to support and how we expect the product can be offered to customers.

You can find our Target Market Statements on our Aviva Broker site. They are held here for your reference, kept up to date when the product is changed and reviewed on an annual basis. For commercial lines they can be found [here](#), for personal lines they can be found [here](#).

Please inform us where you identify you have consistently distributed our product to customers outside of the intended target market.

#### Types of customer for whom the product would be unsuitable

As above, this information is provided in Aviva's separate Target Market Statement information.

#### Any notable exclusions or circumstances where the product will not respond

As above, this information is provided in Aviva's separate Target Market Statement information and supporting policy summaries. However, we would highlight the following circumstance which needs to be followed by the customer.

Aviva's cover is subject to an emergency patches condition which requires updates to Firmware, Operating Systems, Software and Programmes to be carried out within 14 days of an update being

released, where the update addresses vulnerability with a severity that is described as 'critical', 'important' or 'high' risk.

**Other information which may be relevant to distributors**

Please note we do not require Distributors to provide additional information on remuneration or services provided. Aviva will contact brokers separately if data is required that we do not hold.

The product adheres to the UK General Insurance Policy for the Fair Treatment of Customers in Vulnerable Circumstances and within our review we have considered needs, characteristics and objectives of customers which includes characteristics of vulnerability.

This assessment of fair value has also included a review of other key providers metrics published within the FCA Value Measures

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.

Please contact your usual Aviva representative as a matter of urgency if you have any areas of concern within your review around particular cohorts of customers (e.g. customers with characteristics of vulnerability).

Please contact your usual Aviva representative if you have any queries or concerns about the Aviva underwritten product.

Date Fair Value assessment completed	29/04/2024
Expected date of next assessment	29/04/2025

Risks situated within the UK and other countries excluding the EEA are underwritten by Aviva Insurance Limited. Registered in Scotland, No. 2116. Registered Office: Pitheavlis, Perth PH2 0NH. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and our firm's reference number is 202153.

Risks situated within the EEA are underwritten by Aviva Insurance Ireland Designated Activity Company. Aviva Insurance Ireland Designated Activity Company, trading as Aviva, is regulated by the Central Bank of Ireland. Our firm's reference number is No. C171485. A private company limited by shares. Registered in Ireland, No. 605769. Registered Office: Cherrywood Business Park, Dublin, Ireland D18 W2P5. Registered UK Branch Address: 80 Fenchurch Street, London, EC3M 4AE. UK Branch authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority (FCA reference No. 827591) and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.