

Biomedical & life sciences insurances

This guide is for intermediary reference only:

It doesn't contain the full terms and conditions of the contract of insurance.

Full terms and conditions are within the policy documents; you can request to have a copy of these.

Background

The UK has long been a world leader of innovation in biomedical and life sciences. Consider the pioneering work in immunology by Edward Jenner, the discoveries of penicillin by Alexander Fleming and the structure of DNA by Watson and Crick, and it is clear that the advance of scientific discovery in the UK has created some of the world's most exciting emerging technologies.

We recognise the challenges in finding an established insurance partner willing to support companies at the cutting edge of this sector.

From start-up, through research and development and clinical trials, to product manufacture and worldwide sales, Markel offer a comprehensive specialist product that provides for the commercial insurance needs of biomedical and life sciences companies operating in the UK.

Product design

We understand the sector-specific risks faced by those in the industry. Using this experience, we've specifically designed Biomedical & Life Sciences insurance product for Companies that design, develop, manufacture or supply products or provide supporting services to the following industries:

- ☑ Pharmaceutical
- ☑ Biotechnology
- ☑ Medical devices
- ☑ Food supplements and dietary products
- ☑ Laboratory instruments and equipment
- ☑ Cosmetics

Target market

Our coverage is tailored for UK based companies and is targeted in the following fields:

- ✕ Research and development
- ✕ Producers of medicinal products
- ✕ Producers of medical devices
- ✕ Producers of food supplements and dietary products
- ✕ Contract research organisations
- ✕ Contract manufacturing organisations
- ✕ Sponsors of UK clinical trials
- ✕ Importers / wholesalers / distributors
- ✕ Examples of risks we would write:
 - ✕ A new therapeutic drug in clinical trial
 - ✕ Contract manufacturing of drugs
- ✕ Orthopaedic implant manufacturer
- ✕ Contact lens manufacturer
- ✕ Contract manufacturer of dental implants
- ✕ Distributor of medical devices
- ✕ Raw ingredient manufacturer / processor
- ✕ Start-up research and development company
- ✕ Food for special medical purposes
- ✕ Total diet replacement for weight control
- ✕ Manufacturer of health food supplements
- ✕ Distributor of sports nutrition
- ✕ Supplier of herbal products

We're able to provide insurance solutions for a broad range of businesses and are happy to consider those that sit outside of these parameters; however, this product is not suitable for:

- businesses established and or operate outside of the UK
- companies with connections or links to sanctioned individuals or countries
- businesses lacking in, risk protection control and risk management procedures
- non-conventional insurance options, such as customers that run their own captives or require a layered insurance program
- a person acting for purposes outside their trade, business or profession

We will not look to write risks for:

- Large pharmaceutical companies

Scope of cover

Legal liabilities

- ✕ Public liability / products liability
- ✕ Professional liability and products liability (financial loss)
- ✕ Clinical trials
- ✕ Employers' liability

Management risks

- ✕ Entity defence
- ✕ Directors' and officers' liability

Protection of assets

- ✕ Property damage
- ✕ Business interruption
- ✕ Damage to portable property
- ✕ Money and personal assault
- ✕ Transit

Coverage highlights

- ✎ Failure to perform (efficacy) in products liability
- ✎ Contractual liability in professional liability and products liability (financial loss)
- ✎ No fault compensation under clinical trials cover
- ✎ Unintentional breach of copyright, trademark or registered design
- ✎ D&O cover for start-ups and companies in research and development
- ✎ Protection of research and development*
- ✎ Specialist asset protection:
 - Controlled environments
 - Contamination
 - Machinery breakdown
 - Computer breakdown
- ✎ Business interruption 'flexible first loss' available

*Includes: R&D property, R&D expenditure and R&D payments

Product value assessment

Our product value assessment includes the cost to Market of providing the product, through the distribution channel by which the product is sold, and a review of the product performance and the type and quality of services provided to the end customer.

We will take into account the nature of the product and its cover, benefits and any limitations, the price paid by the end customer together with the services we provide. A wide range of factors are considered, not exhaustive but such as, historical and expected claims frequencies, declinatures, incurred and projected claims costs, plus scenario analysis including likely economic and climatic trends, along with customer feedback and complaints.

We also consider how the premium is affected by the commission we pay the placing intermediary for the activities they conduct on our behalf together with any fees that we may pay for additional services received.

This also applies where an add-on-product (including premium finance) not manufactured by us is sold alongside, or forms a package with our products. These may affect the value to the end customer and will need to be taken into your consideration of value and must be proportionate to the benefits, cost and service provided.

We wouldn't expect this product to provide fair value to:

- non-renewable covers for less than twelve months
- Companies that are dormant or have ceased trading

Where appropriate, we will group products together for the assessment where they are intended to deliver a similar outcome and the target markets are consistent. If any of our fair value assessments result in an outcome where we believe fair value is not being provided, we will engage with the relevant distribution channels to agree appropriate actions.

Partner remuneration and costs

- Commission levels agreed prior to placement
- Fee for Service arrangements are considered should they be entered into between both parties
- No additional costs or fees applied by ourselves, except for Insurance Premium Tax at the applicable rate.
- Any additional charges within the distribution chain may potentially erode the intended value of our product

Distribution strategy

Our Professional Risk Insurance product has been designed for distribution by insurance Intermediaries that hold commercial agency facilities with us. They must have the appropriate level of understanding about the risks and exposures faced by their customers in the operation of their business.

The distribution strategy is considered appropriate for the target market with customers having the option to purchase these products through a distributor of their choice. These products are considered suitable for advised sales, by suitably skilled persons via telephone or face to face.

Conflict of interest

On the basis that we have not:

- delegated any claims handling duties to you
- delegated any underwriting authority to you
- remunerating you beyond the flat rate commission or fee for services provided agreed between parties

We confirm that the product is free from any innate conflict of interest that would compromise you from putting customers interests first.

Distributor's responsibilities

You are reminded to assess fair value to your customers where you charge additional fees or where commission rebating takes place. Distributors should consider whether their customers who are purchasing a Markel product are being charged any additional fees that are not funded by the premium paid. If customers are being charged additional fees by anyone in the distribution chain, this could impact the outcome of the fair value assessment.

If a distributor identifies that a product is not providing fair value and this has been caused by the distributor's distribution arrangements, including its remuneration arrangements, the distributor must immediately inform the Markel for appropriate action to be taken.

Markel are satisfied that the product offers fair value to its intended Target Market subject to distributors

- Not charging customers additional amounts over and above the gross premium quoted by us without first determining that they do not have a detrimental effect on the value of the product.
- Ensuring that no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy

Providing feedback

We welcome any feedback from our distributors on the performance of our products. All feedback will be considered in our next product review. Also, if you believe that your staff would benefit from additional training on this product, please let us know.

Please contact your Markel Relationship Manager.

Version control

Version	Updated By	Revision Description	Version Date
1.1	Rishi Bhanderi	Minor typo corrections.	09/08/23
1.2	Sonja Wigglesworth	Minor typo corrections.	05/08/24