

Markel construction

This guide is for intermediary reference only:

It does not 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

Markel Construction is an insurance provider for electrical and other UK specialist building services contractors and trade association affinity groups. Originally established by the Electrical Contractors' Association in 1976 to provide products and services for its members, ECIC was acquired by the Markel group in 2017 and is now a specialist underwriting division of Markel UK with all its business being written on Markel paper. ECIC's underwriting and claims team continue to bring over 40 years sector specific experience to Markel's clients.

Markel Construction offers comprehensive specialist products that provide for the commercial insurance needs of certain specialist construction companies operating in the UK.

Product design

Markel products go through a Product Design and Approval process to ensure products are able to meet the needs and objectives of the target market. This product has undergone testing, including industry benchmarking as part of this approval process.

We understand the sector-specific risks faced by those in the construction industry. Using this experience, we've specifically designed our contractors' combined insurance product for construction companies that design, install or maintain products

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

Target market

The Target Market for Markel Construction is UK based companies with the following positive risk factors:

- Contract size up to £2.5M
- Member of trade association
- Direct labour with percentage of payment to BFSC <25%
- Established 5 + years using well practised techniques
- Height work up to 15m
- Turnover between £1M - £25M
- Work on domestic/commercial/light industrial

This Policy is not suitable for:

- Businesses domiciled outside the UK
- Companies with connections or links to sanctioned individuals or countries
- Businesses lacking in risk management procedures
- Companies only requiring cover for run-off exposures
- A person acting for purposes outside their trade, business or profession.

Scope of cover

We have developed a specific charities and community group policy that incorporates the core sections of cover with flexibility to choose levels of indemnity and sums insured:

We can cover for

- ☒ Employers' liability
- ☒ Public liability / products liability
- ☒ Professional indemnity
- ☒ Directors' and officers' liability
- ☒ All risks property
- ☒ Business interruption
- ☒ Money and personal assault
- ☒ Goods in transit
- ☒ Personal accident
- ☒ Legal expenses

Coverage highlights (dependent on trade)

- ☒ Failure to perform (efficacy) cover
- ☒ Financial loss extension
- ☒ Defective work and damage to products extension
- ☒ Legal helpline
- ☒ Interest-free instalment facility

Product value assessment

We have taken into account the cost to Markel to provide the product, the chosen distribution channel and, the key features and benefits, alongside anticipated product performance and customer services to undertake a Fair Value Assessment. The product is a recommended sale by a solicitor, as they do not have a financial incentive to recommend this to their client they benchmark our products against our competitors. If we were too expensive or did not provide the necessary cover then we would not have anyone recommending us and we would get feedback that the product was not fit for purpose.

Following our assessment of Markel Construction, the product as presented provides Fair Value to the intended Target Market, which has been assessed through the Management Information available to us on the products performance, evidencing the value to Policyholders overall. We have determined that the features, benefits and distribution strategy remain consistent with the needs of the Target Market, and provide suitable coverage. The defined distribution strategy is appropriate for this product, and provides the value intended through the policy lifecycle.

We continuously speak with law firms to understand what is required from our product as well as keeping up to date with case law in case cover or terms need to change.

Distribution strategy

Our Contractors' Combined 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 based upon their expertise in the field. These products are considered suitable for advised and non-advised sales by suitably skilled persons.

Distributor / partner remuneration and costs

We expect the following to be agreed, prior to any placements being made:

- Commission levels
- Fee for Service arrangements, should they be entered into between both parties

Distributors / partners responsibilities

You are reminded to assess fair value to your customers where you charge additional fees, charges or where commission rebating takes place. Distributors / partners should consider whether their customers who are purchasing a Markel UK Limited product are being charged any additional fees that are not funded by the premium paid.

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

Providing feedback

We welcome any feedback from our distributors / partners on the performance of our products. All feedback will be considered in our next product review. We shall host regular touchpoints with you to discuss the product offering and any support required.