

Contractors' combined insurance

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

Markel Construction is a specialist underwriting division of Markel UK with all its business being written on Markel paper. Our underwriting and claims teams bring over 40 years' sector-specific experience to Markel's clients.

We offer comprehensive specialist products that provide for the commercial insurance needs of certain specialist construction companies operating in the UK.

Product design

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 in the following construction industry sectors:

- ☑ Electrical contractors
- ☑ Heating, ventilation & air conditioning contractors
- ☑ Renewable energy contractors
- ☑ NFRC roofing contractors
- ☑ General building contractors & specialist interior fit-out contractors

Target market

Our coverage is tailored for UK-based companies and is targeted at businesses with the following positive risk factors:

- Contracts size up to £5m
- Member of a trade association
- Direct labour with percentage of payment to BFSC <50%
- Established 5+ years, using well practiced techniques
- Height work up to 15m
- Evidenced H&S Programme
- Turnover between £1m-£50m
- Work on domestic/commercial/light industrial

We are able to provide insurance solutions for a broad range of contractors and are happy to consider those that sit outside of these parameters; however, this product 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

We do not look to write risks:

- For civil engineering, including heavy construction related activities
- Which have been previously declined or insurer cancelled or have a history of non-disclosure/misrepresentation

Scope of cover

Legal liabilities

- ☑ Employers' liability
- ☑ Public liability/products liability
- ☑ Professional liability

Protection of assets

- ☑ Contractors All Risks
- ☑ All Risks Property
- ☑ All Risks Business interruption
- ☑ Damage to portable property
- ☑ Money and personal assault
- ☑ Goods in transit
- ☑ Personal accident
- ☑ Legal expenses

Management risks

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

Coverage highlights (dependent on trade)

- ☑ Failure to perform (efficacy) cover
- ☑ Professional negligence
- ☑ Financial loss extension
- ☑ Defective work & damage to products extension
- ☑ Property worked upon extension
- ☑ Legal helpline
- ☑ Interest-free instalment facility

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
- Consumer Customers

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 Contractors' Combined 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.

Conflict of interest

On the basis that we have not:

- delegated any claims handling duties to you
- delegated any underwriting authority to you
- remunerated 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 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
1.0	Viren Joshi	Minor corrections.	15/08/24