

Social welfare 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

We have extensive experience of the UK social welfare sector, which includes charitable and commercial organisations who provide care, support and advice for disadvantaged or vulnerable people. Our comprehensive and flexible approach to underwriting enables us to cater for a wide variety of risks.

Product design

We understand the sector-specific risks faced by those in the industry. Using this experience, we've specifically designed our social welfare product to protect against the unique risks that care organisations face, including protection against possible claims of abuse. Markel Care can also be customised to suit your organisation's specific needs, which generally fall into the three areas of risk below:

- ☑ Responsibilities to third parties
- ☑ Responsibility as an employer
- ☑ Protection of assets

Target market

We target those organisations who are service provision orientated, are well managed and appreciate the importance of appropriate risk management. Those organisations include:

- ✧ Adult placements / assisted living
- ✧ Care and day centres
- ✧ Care providers
- ✧ Charities, not-for-profit and voluntary organisations
- ✧ Children's homes
- ✧ Community action groups, programmes, centres and services
- ✧ Counselling and therapy services
- ✧ Domiciliary care
- ✧ Drug and alcohol rehabilitation
- ✧ Education, literacy and training services (not 'conventional' schools and colleges)
- ✧ Foster care
- ✧ Hospices
- ✧ Mental health support
- ✧ Nurseries, playgroups and out-of-school clubs
- ✧ Rehabilitation and halfway houses
- ✧ Respite care providers
- ✧ Sheltered workshops and vocational training
- ✧ Shelters and refuges
- ✧ Supported living
- ✧ Youth centres and organisations

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

Bespoke solutions

This diverse and far-reaching sector demands a specialist approach from an insurer who has experience of the unique risks presented. Our award-winning underwriting team take the time to understand each organisation to provide bespoke cover solutions that cater for specific needs. We provide the full range of third party and management liability covers needed in one single policy, minimising the chance of claims falling between (rather than within) insuring clauses. Our 'menu' offering is very extensive and can accommodate the vast majority of risks operating within the sector. Examples of potentially 'grey' areas which we address include:

- Abuse – Breach of professional duty – Medical malpractice.

Scope of cover

Using long established underwriting and claims expertise, our cover is regularly reviewed to keep abreast of regulatory and market changes. We provide ongoing support through our range of policyholder services. Our comprehensive social welfare policy covers three main areas of risk:

Responsibility to third parties

- ☒ Public and products liability
- ☒ Professional liability
- ☒ Management liability (executive liability)
- ☒ Entity defence
- ☒ Cyber and data risks

Responsibility as an employer

- ☒ Employers' liability
- ☒ Employment law protection
- ☒ Personal accident

Protection of assets

- ☒ Fidelity
- ☒ Property damage
- ☒ Business interruption
- ☒ Damage to portable property
- ☒ Money and personal assault
- ☒ Transit
- ☒ Refrigerated stock

Professional liability, management liability, entity defence, fidelity, data liability and cyber liability covers are on a 'claims made' basis which provides cover for claims which are made and notified to us during the Period of Insurance Data loss, cyber loss and network interruption are on a 'first discovered' basis which provides cover for losses which are first discovered by you and notified to us during the period of insurance.

Policyholder services

Markel offer a range of exclusive benefits and services for policyholders, providing practical advice and professional help from industry experts:

- ☒ Care and health consultancy (available exclusively with the Markel Care policy)
- ☒ Employer helpline and assistance (available with employment law protection)
- ☒ PR crisis management (available with public and products liability, professional liability and entity defence)

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 Social Welfare 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 fee's 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 |