



Product Oversight and Governance Policy (Distributors)

CRK Commercial Insurance Services Ltd

July 2025

Version	Commercial Combined Commercial Liability Professional Indemnity Contractors Combined Excess Liability Property Owners Management Liability (MLP) Add-Ons (Commercial Legal Expenses) Engineering Cyber Marine / Goods In Transit Premium Finance
Owner	CRK Commercial Insurance Services Ltd

1. Background and introduction

The Product Oversight and Governance Policy (POG Policy, the Policy) documents CRK Commercial Insurance Services Ltd controls in relation to the administration and distribution of insurance products that CRK Commercial Insurance Services Ltd offers.

2. Purpose

The systems and controls set out in this Policy have been designed to adhere to the FCA Product Oversight and Governance requirements for distributors as set out in Chapter 4 of the Product Intervention and Product Governance Sourcebook (PROD4) and the FCA's Consumer Duty Principle, set out in the Principles for Businesses (PRIN).

This Policy and associated processes aim to ensure that all applicable legal and regulatory requirements are met and above all, to ensure that customers receive good outcomes. It sets out product oversight and governance systems and controls to enable us to only offer products that:

- meet the needs of one more identifiable target markets;

- are sold to clients in the target markets by appropriate distribution channels' and
- deliver appropriate client outcomes.

3. Scope

This Policy applies to CRK Commercial Insurance Services Ltd's activities with respect to the administration and distribution of insurance products and any additional products with which the insurance products are distributed, except for reinsurance products or contracts of large risk and bespoke products (see definition section below)¹.

This Policy applies to all staff (including permanent and non-permanent resources), engaged by CRK Commercial Insurance Services Ltd who are involved in the ongoing management, administration, and distribution of CRK Commercial Insurance Services Ltd's insurance products.

4. Definitions

Bespoke Products:

These are products:

- which begin with a blank sheet of paper; and
- where there is no existing 'product' used as a base for the product; and
- where the customer, Distributor(s) and Manufacturer(s) actively work to construct a bespoke product.

Contract of Large Risk:

These are contracts of insurance covering risks within the following categories:

- a) railway rolling stock, aircraft, ships (sea, lake, river and canal vessels), goods in transit, aircraft liability and liability of ships (sea, lake, river and canal vessels);
- b) credit and suretyship, where the policyholder is engaged professionally in an industrial or commercial activity or in one of the liberal professions, and the risks relate to such activity;
- c) land vehicles (other than railway rolling stock), fire and natural forces, other damage to property, motor vehicle liability, general liability, and miscellaneous financial loss, in so far as the policyholder exceeds the limits of at least two of the following three criteria:
 - i. balance sheet total: €6.2 million;
 - ii. net turnover: €12.8 million;
 - iii. average number of employees during the financial year: 250.

[Note: article 13(27) of the Solvency II Directive and article 2(1)(16) of the IDD]

Contracts of Large Risk are out of scope of the POG requirements detailed in this policy.

Manufacturer:

A firm that is responsible for creating, developing, designing and/or underwriting a contract of insurance for sale to customers.

Co-Manufacturer:

A firm which creates, develops, issues and/or designs an insurance product in conjunction with a manufacturer.

Distributor:

A firm which advises on or proposes insurance products which it does not manufacture

Fair Value:

Where this is a reasonable relationship between the overall price to the customer and the quality of the product(s) and/or services provided.

Open Market Product:

Any insurance product that we are not classing as “Non-Open Market Product” or a “Co Manufactured” product

Non-Open Market Product:

Any product that involves a special arrangement such as a binder, delegated authority, scheme, product placement (solus or panel of 3 insurers or less) or is net-rated.

Co-Manufactured Product:

Any product that the firm is creating, developing, issuing and/or designing in conjunction with a manufacturer

Remuneration

It includes the different income types of the intermediary and will include commission, fees-in-lieu of commission, administrative fees, margin on premium finance, margin on add-on, profit sharing.

Significant adaptation:

A ‘significant adaptation’ in relation to an insurance product may include, but is not restricted to: a change to insurance coverage, target market, costs, exclusions, excesses, limits or conditions or any other significant change to the terms and conditions) or the review of a product where market conditions experience material and durable changes (e.g Covid-19 impact).

5. Role in the Distribution Chain

CRK Commercial Insurance Services Ltd will act only as a Distributor. It is not a manufacturer or co-manufacturer of an insurance product.

The following table sets out for each product CRK Commercial Insurance Services Ltd’s role in the Distribution Chain:

Product	Role in Distribution Chain
Commercial Combined Commercial Combined	<i>Distributor</i>
Commercial Liability	<i>No manufacturing responsibilities acting as agent of the Insurer and Distributor</i>
Professional Indemnity	
Contractors Combined	<i>Distributor acting as agent of the customer</i>
Excess Liability	
Property Owners	<i>CRK responsible for collating information, underwriting and producing documentation via a bespoke underwriting platform</i>
Management Liability (MLP)	
Add-Ons (Commercial Legal Expenses)	
Engineering	

Cyber Marine / Goods In Transit Premium Finance	

6. Product Governance Approach

The policy and related processes cover:

- the development and launch of any new insurance products;
- significant adaptations to existing insurance products or packages;
- changes to the distribution channel (including the addition of a new channel);
- the sale of existing products; and
- the ongoing review and maintenance of all existing insurance products.

As is detailed above, CRK Commercial Insurance Services Ltd acts as a Distributor only

The role that CRK Commercial Insurance Services Ltd undertakes for each product will determine which product governance activities are undertaken.

- The activities referred to in Section 8 apply to any products for which CRK Commercial Insurance Services Ltd undertakes Distributor only activities.
- The requirements detailed in Section 10 apply to all products (but will vary according to the distribution role undertaken).
- All other sections of this Policy are relevant to the product oversight and governance of all products.

If applicable, All CRK Commercial Insurance Services Ltd staff and the staff of any third parties acting on CRK Commercial Insurance Services Ltd's behalf who are involved in designing and co-manufacturing products should be trained to ensure they have the necessary skills and knowledge to undertake their roles.

All CRK Commercial Insurance Services Ltd staff and the staff of any third parties acting on CRK Commercial Insurance Services Ltd's behalf who are involved in product governance and oversight processes for products distributed by CRK Commercial Insurance Services Ltd should be trained to ensure they have the necessary skills and knowledge to undertake their roles.

All staff involved in the distribution of insurance products should be trained to ensure they have sufficient information about the product.

CRK Commercial Insurance Services Ltd operates procedures to ensure that the needs of vulnerable customers are considered at all stages throughout the design, approval, and review of the insurance products.

CRK Commercial Insurance Services Ltd has adequate systems and controls to prevent and mitigate customer detriment including the proper management of conflicts of interest.

7. Remuneration

The distribution and remuneration strategy for all in-scope products must comply with CRK Commercial Insurance Services Ltd's Distribution and Remuneration Policy (DRP) which sets out the requirements to ensure that the price paid by the customer and remuneration received is commensurate with the distribution services we provide.

8. Product Distribution

The purpose of the product oversight and governance arrangements in a distribution role is to ensure that the interests of and outcomes for our customers are appropriately considered. The arrangements also support the proper management of conflicts of interest.

The products for which we act as a distributor are available on request. Any member of staff wishing to distribute products that are not on the approved list should refer to the Product team. Any addition to the list should meet the requirements below, in particular we should have sufficient information to understand the product and be satisfied about the impact of our remuneration arrangements and any add-on or premium finance on the fair value of the product.

9. Information to obtain from Manufacturers

When CRK Commercial Insurance Services Ltd intends to distribute and not co-manufacture a product it should ensure that it obtains from the manufacturer for each insurance product:

- the characteristics of the product
- the identified target market of the product
- the outcome of the value assessment conducted by the manufacturer
- any identified group of customers for whom the product is not expected to provide fair value.

If there is a distribution chain and CRK Commercial Insurance Services Ltd is not the Distributor in direct contact with the manufacturer, the above information may be fed to CRK Commercial Insurance Services Ltd from another Distributor. Distributor 1 should be the Distributor in direct contact with the Manufacturer and the highest Distributor number should be the Distributor in direct contact with the customer.

If CRK Commercial Insurance Services Ltd has sub distributors, it should feed the information it receives from or via the manufacturer to its sub distributors.

10. Product and fair value assessment

CRK Commercial Insurance Services Ltd will consider:

- Whether it has received sufficient information from the manufacturer to understand the product
- Whether additional information or training is required from the manufacturer
- The value that the product is intended to provide to the customer and any impact to that value over a reasonably foreseeable period
- The impact that the distribution arrangements (including any remuneration it, or another person in the distribution chain, receives) has on the overall value of the insurance product to the customer – this includes any premium finance costs
- Whether any remuneration it receives would result in the product ceasing to provide fair value
- Any potential detrimental effect on the intended value when sold as part of a package with another product e.g. an add-on which may provide cover in respect of the same risk and subject matter which could result in duplicate cover that could detrimentally affect the intended value of each individual product
- Any potential impact on the fair value of the product if CRK Commercial Insurance Services Ltd is offering payment via premium finance (taking into account costs including charges and interest)

The review will be undertaken at an appropriate product grouping level on a proportionate basis (i.e. not on all the products we distribute).

CRK Commercial Insurance Services Ltd's Product Governance team will consider the appropriate product groupings, based on various criteria including:

- Similar class and cover same risk and subject matter
- Consistent target market (i.e. consistent characteristics, needs and objectives)_Similar distribution chain
- Whether or not there is a consistent average premium.

Higher level product groupings are more likely for Open Market Products than Non-Open Market Products, given the more bespoke nature of the latter.

We will review our distribution arrangements regularly, and at least annually, to ensure that products continue to be distributed to the identified target market and our distribution arrangements remain appropriate.

If as a result of our review we identify that the product or element of a package is not providing fair value or our remuneration arrangements may mean that the customer is not receiving fair value, we will take mitigating action which may include:

- amending our remuneration structures or distribution arrangements;
- making changes to any service or benefits we provide;
- renegotiating the terms of the current arrangements relating to add-ons or seeking alternative providers
- ceasing to distribute certain insurance products (or where relevant, packages), or ceasing to use certain distribution channels;
- contacting existing customers to inform them of the issues and of the measures being taken to rectify them;
- providing redress to customers.

11. Information to provide to Manufacturers

CRK Commercial Insurance Services Ltd must provide (on request) information to a (co-)manufacturer confirming that it understands any information provided by the (co-)manufacturer and that that the remuneration earned by CRK Commercial Insurance Services Ltd for that product or any associated sales (e.g. Add-on products, premium finance) does not negatively impact on the value of the product.

Any more specific enquiries should be directed to CRK Commercial Insurance Services Ltd who will coordinate responses.

If there is a distribution chain and CRK Commercial Insurance Services Ltd is not the Distributor in direct contact with the Manufacturer, the above information may be fed to CRK Commercial Insurance Services Ltd from another Distributor. Distributor 1 should be the Distributor in direct contact with the Manufacturer and the highest Distributor number should be the Distributor in direct contact with the customer. If CRK Commercial Insurance Services Ltd has sub distributors, it should feed the information it receives from its sub distributors to the Manufacturer.

It is recognised that there may be limitations on the data that distributors can provide, particularly where there are non-UK distributors in the chain due to local legal restrictions, type of distribution chain, etc. Therefore, it is accepted that Distributor 1 will provide the data after taking reasonable steps to obtain full information. Where not all information is available, Distributor 1 should assist the Manufacturer by providing an explanation as to the limitations on the information available.

12.Product Review

Prior to approving any new insurance product for launch, and prior to making any significant adaptations to an existing product, CRK Commercial Insurance Services Ltd must review and approve the product. The reviews are undertaken to ensure that the core insurance product and any additional products sold alongside the insurance product provide fair value and identify any potential for customer harm or in using the product(s) as reasonably anticipated.

CRK Commercial Insurance Services Ltd is also required to regularly review each of its existing in-scope insurance products, on at least an annual basis. The frequency of the reviews will take into account the size,

complexity, contractual duration of the product and its distribution channels. Where appropriate, products with similar characteristics and the same identified target market may be reviewed together.

The format of the review for new and adapted products will cover similar elements as are covered in an annual review. The reviews will be conducted by senior management at CRK Commercial Insurance Services by completing a Distributor Product and Fair Value Review Template.

Where issues or concerns are highlighted, corrective actions will be recommended. Should the review indicate that the product is not providing fair value to customers the review findings should highlight this and recommend either:

- a plan for changes to make it compliant with this requirement or
- agreement that the product should be removed from sale for both new and existing customers or
- offering customer's the ability to cancel without fee or
- contacting customers and offering redress to represent the loss in value or
- offering the customer a product that may redress the issue
- if CRK Commercial Insurance Services Ltd is acting as distributor amending remuneration or distribution arrangements or
- any combination of the above

The completed review will be presented to the Consumer Duty Committee, who will assess the review and propose recommendations and actions.

13.Approval Considerations

When considering the granting of approval, the Consumer Duty Committee, will consider whether the product:

- takes into account the objectives, interests and characteristics of customers in the target market;
- does not adversely affect customer;
- prevents or mitigates customer detriment;
- provides "Fair value" to customers in the target market both for the initial term and at renewal for a reasonably foreseeable period and
- any identified group of customers for whom the product is not expected to provide fair value.

The overriding aim of each product review is to determine whether the product offers fair value to the end customer.

The Consumer Duty Committee will confirm whether the product has passed the review and what remedial action(s) if any are required.

If a product review concludes that a product is not offering fair value for customer or that the distribution arrangements may mean that the product is not being distributed to the target market or bot providing with fair value, action should be taken to mitigate the situation and prevent further occurrences of any possible harm to customers. This could include:

- making changes to the product (such as amending policy terms or applying them more favourably to customers in the event of a claim);
- offering existing customers the option to cancel or providing customers with a refund of the difference between the premium paid for the non-investment insurance contract and the premium for a fair value version of that product;
- proposing an alternative insurance product; or
- withdrawing the insurance product from continued marketing or distribution.

14.Provision of Information to Distributors

CRK Commercial Insurance Services can provide distributors with product information setting out:

- the characteristics of the product
- the identified target market of the product
- The outcome of the value assessment conducted by the manufacturer
- any identified group of customers for whom the product is not expected to provide fair value

Any more specific enquiries should be directed to the Consumer Duty team who will co-ordinate responses.

15.Ongoing Product Monitoring, Reporting and Escalation

In addition to undertaking product reviews, CRK Commercial Insurance Services Ltd will produce and review good quality Management information (MI) to:

- enable it to ensure that scheduled product reviews have been undertaken and to track their completion by CRK Commercial Insurance Services Ltd or relevant Product Manufacturer; and
- properly understand how the insurance product is performing and to monitor the product.

The applicable MI will vary according to the distribution role CRK Commercial Insurance Services Ltd adopts with regard to the product and according to any agreements with (Co-) manufacturers.

Analysis of MI will enable CRK Commercial Insurance Services Ltd to identify any potential areas of concern. Where applicable, variances across different distribution channels will be tracked. MI on all insurance products will be reported to the Consumer Duty Committee on a regular basis (e.g. quarterly).

If CRK Commercial Insurance Services Ltd becomes aware that another firm in the distribution chain is not complying with the rules it will notify the firm and if the issue is not promptly remedied, the FCA.

16.Governance

The Acrisure / CRK Commercial Insurance Services Ltd's Board is ultimately responsible for endorsing and establishing an effective product governance and product approval process and for verifying compliance with the process on an ongoing basis. This responsibility has been delegated to the Consumer Duty Committee.

The Consumer Duty Committee is responsible for approving the reviews of all new or significantly amended insurance plan products and all annual product reviews. If the Committee determines that the distribution of their insurance plans is not in accordance with the objectives of their product governance process, it will agree appropriate remedial action and track the completion of this.

The Consumer Duty Committee is also responsible for scheduling dates for ongoing reviews of the product. Most insurance products will be subject to an annual review. However, in certain circumstances, if a product is considered to potentially bring greater risk of not providing Fair Value, the Committee may require Product Reviews to be undertaken more regularly, for instance due to:

- Product complexity.
- Findings from previous reviews.
- The nature of its customer base and the number of vulnerable customers.
- Specific indicators seen in the product's fair value assessment.

- The nature of the distribution arrangements.
- Any indicators of customer harm emerging from the performance of the product.
- Any changes to external factors such as legal or regulatory rules, technological developments or changes to the market.

The Consumer Duty Committee is responsible for periodically reviewing ongoing MI on **all** in-scope insurance products. Analysis of MI will enable CRK Commercial Insurance Services Ltd to identify any potential areas of concern and could trigger the Committee to schedule an earlier product review.

Darren Wills has been designated the responsibility under CRK Commercial Insurance Services Ltd's SMCR framework with designated responsibility to: "ensure that the firm has in place an adequate product governance framework". This responsibility includes taking responsibility for the adequacy of the POG Policy and ensuring that all applicable Co- Manufacturer and Distributor responsibilities are met.

Ian Studley is responsible for conducting the insurance product reviews according to the requirements of this Policy and as stipulated in the Distributor Product and Fair Value Template. Ian Studley is also responsible for reviewing managing information for the insurance products on an ongoing basis and for escalating any concerns highlighted from reviewing the MI to the Board or Committee acting on its behalf.

If the Board (or Committee acting on its behalf) determines that the distribution of their insurance products is not in accordance with the objectives of their product governance process, it will take appropriate remedial action.

17.Product Termination

From time-to-time CRK Commercial Insurance Services Ltd may decide to stop selling a product or to terminate an agreement to sell a product via a distributor. This may be for commercial reasons or for other reasons such as regulatory compliance.

It is essential that where such a decision is reached, that customers' interests is considered and protected. A formal exit plan should be formulated, documented and reviewed and the exit process should be appropriately monitored.

18.Policy Ownership and Review

This policy will be reviewed, as a minimum, on an annual basis by CRK Commercial Insurance Services and as required by changes to regulation and in response to any changes identified for example, because of issues/opportunities identified through monitoring.

If the policy or related processes are identified to be no longer appropriate, in addition to amending the policy and/or related processes, the Board (or Committee acting on the Board's behalf) must ensure that it reviews any products or distribution arrangements approved since the approval process was last deemed to be appropriate to:

- ensure these products were correctly approved for marketing and/or distribution; and
- take all necessary steps for the mitigation and remediation of any actual or potential harm to customers.

Appendices

Vulnerable Customers Policy

Conflicts of Interest Policy

Distribution & remuneration Policy

Product review and fair Value Template