



# Product Statement

## Fair Value Assessment Outcome & Target Market Information

This document<sup>1</sup> has been produced by Travelers Europe in accordance with our regulatory responsibilities as a Product Manufacturer of UK General Insurance products. It is intended for use by our Distributors and not for customers or operational staff.

For more information, please speak to your usual Travelers representative.

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<sup>1</sup> This document is based on the Product Value – Information Exchange Template, version 8 November 2021 (LMA9197), developed by the following trade associations for use by all market participants to meet the requirements of the Financial Conduct Authority's product governance rules relating to information exchange: the British Insurance Brokers' Association (BIBA), the London and International Insurance Brokers' Association (LIIBA), the Lloyd's Market Association (LMA), the International Underwriting Association (IUA), the Managing General Agent's Association (MGAA) and the Association of British Insurers (ABI).

## Product Value - Information Exchange Template

Carrier name	Travelers Insurance Company Limited (TICL)/ Travelers Insurance Designated Activity Company UK Branch (TIDAC UK Branch)
Broker name	As stated in TOBA
Product name	CyberRisk Insurance
Reference/UMR [Binder]	n/a
Reference [Class of Business]	TICL: TRV2870 10.23 TIDAC UK Branch:
Date	Qtr 3 2024

Manufacturer Information
<p><b>Product information</b></p> <p>CyberRisk coverage is specifically designed to help in the event of a cyber breach. It is available either as a stand-alone policy or as part of a management liability suite of coverages. CyberRisk provides coverage for forensic investigations, litigation expenses associated with the breach, regulatory defence expenses/fines, crisis management expenses, business interruption and cyber extortion.</p> <p>This product provides the following features and cover:</p> <ul style="list-style-type: none"> <li>• Privacy and security liability</li> <li>• Media liability</li> <li>• Regulatory proceedings</li> <li>• Privacy breach notification</li> <li>• Computer and legal experts</li> <li>• Public relations</li> <li>• Data restoration</li> <li>• Cyber extortion</li> <li>• Betterment</li> <li>• Rewards</li> <li>• Computer fraud</li> <li>• Funds transfer fraud</li> <li>• Telecom fraud</li> <li>• Business interruption</li> <li>• Reputation harm</li> <li>• Dependent business interruption – IT provider</li> <li>• Dependent business interruption – Outsource provider</li> </ul> <p>Product benefits also include:</p> <ul style="list-style-type: none"> <li>• Cyber risk management</li> <li>• Access to a breach coach 24/7 to assist in the event of a cyber incident</li> <li>• Access to the Cyber eRisk hub</li> </ul> <p>This product does not include any optional covers.</p> <p>Please refer to the policy documentation for full details of cover and exclusions.</p> <p>In accordance with the FCA PROD4 rules, a product review and fair value assessment has been completed for this product.</p> <p>The product has been subject to Travelers' product review process and signed off by our authorised approvers as representing fair value to customers and may continue to be marketed and distributed.</p> <p>This product meets the needs detailed within the Target Market Statement.</p>

The product provides fair value to customers and is working as designed. Key metrics on usage and product value are monitored. The product is suitable for use and we have not identified any barriers to claims.

Our assessment of fair value includes review of the following management information (where available – not all data will be available for new products) as well as any other relevant insight:

- Average Premium
- Average Claims Pay-out
- Loss Ratio
- Policy Cancellations
- Claim Declinatures as % of Total Claims
- Claims Acceptance Rate
- Number of Complaints
- Complaints as % of Claims

#### Target market

This product is suitable for UK domiciled:

- Sole traders
- Micro enterprises
- Small and medium enterprises
- Incorporated (Limited companies) and unincorporated businesses
- Large businesses

Customer target revenue is up to GBP1billion, however larger revenue firms can be considered.

#### Types of customer for whom the product would be unsuitable

This product is not suitable for:

- Non-UK domiciled entities
- Entities who fail to come up to the standard of cyber security controls we require to be a Travelers Cyber insured.

#### Any notable exclusions or circumstances where the product will not respond

Applicable significant limitations include but are not limited to:

##### Exclusions

- Criminal or Deliberate Acts
- Unsolicited communication
- Utilities
- Contractual liability
- Infrastructure
- Intellectual property
- Intended failure to provide access
- USA claims
- War

##### Sub-limits

- Business Interruption Maximum Indemnity Period
- Betterment
- Rewards
- Computer Fraud
- Funds Transfer Fraud
- Telecom Fraud

- Reputation Harm
- Dependent Business Interruption – IT Provider
- Dependent Business Interruption – Outsource Provider

Excess

- An excess applies to each and every claim\*
- Betterment Coinsurance
- Business Interruption Waiting Period

\* Customers with turnover below 50million will not have to pay the policy excess if notice is given to Travelers within 72 hours following the discovery of a cyber event.

Other section specific limits and exclusions will apply, please refer to the policy documentation for full details. This product statement does not alter, in any way, the cover under the policy.

Other information which may be relevant to distributors

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. This product may be sold by suitably skilled authorised persons:

- On an advised basis
- face-to-face
- via telephone
- online

To ensure the customer receives fair value for this product and that they are able to make an informed choice:

- The customer’s demand and needs must be assessed to ensure the product is appropriate,
- significant or unusual exclusions should be highlighted,
- care must be taken to ensure no duplicate cover exists or is created by an add-on,
- available add-ons and optional extras should be highlighted with the same emphasis as the main sections of cover,
- commission, fees or charges passed onto the customer must be proportionate to the service provided.

Date fair value assessment completed	<b>Quarter 3 2024</b>
Expected date of next assessment	<b>Quarter 3 2025</b>