**Acquisition Costs V5.0**

***To be completed by the managing agent***

|  |  |  |  |
| --- | --- | --- | --- |
| **Managing Agent:** |  | **Policyholder type:** |  |
| **Broker:** |  | **Product type:** |  |
| **Coverholder:** |  | **Risk Code:** |  |
| **UMR:** |  | **Territory:** |  |
| **Coverholder PIN:** |  | **Product Risk Rating:** |  |
| **Placement Method:** |  | **Total Acquisition %:** |  |
| **Has this arrangement been referred to us before?  If so, please provide the date of referral?** |  | **Proposed Inception Date / Renewal Date:** |  |

*Guidance: Please provide sufficient detail when entering product type e.g. homeowners or HNW homeowners not just property, extended warranty for household whiteware not just extended warranty.*

*Policyholder type should be individuals, microenterprises, SMEs, large commercial or insurer or a combination thereof.*

***Product overview***

Please provide an overview of the product and its key features, as well as a description of the target market:

|  |
| --- |
|  |

***Distribution model and remuneration***

Please provide a description of the distribution chain including the roles and responsibilities of each party, how they are remunerated and your assessment of the appropriateness of the remuneration and any other fees and charges. In providing your response please include the following areas:

* What is the benefit of having each party in the distribution chain?
* Breakdown of remuneration and any other fees or charges (e.g. cancellations, mid-term adjustments) for each party
* How remuneration is commensurate with the services each party provides

|  |
| --- |
|  |

Please provide your assessment of why the proposed distribution methods are suitable for the target market and of how the distribution strategy affects the value and final price of the insurance product:

|  |
| --- |
|  |

Are there any remuneration arrangements that could conflict with the customer’s best interest? Please provide your analysis and justification for these arrangements. Please specifically address any cases where there is a profit commission in place:

|  |
| --- |
|  |

***Pricing***

Please provide your analysis of how the pricing supports fair customer outcomes. In providing your response please include the following areas:

* What price comparison has been done to similar products?
* How is the price presented to customers e.g. monthly / annual?
* How remuneration affects the value and final price of the product
* If net pricing is used please explain the steps you have taken to ensure that the final product price for the customer is appropriate and provides value

|  |
| --- |
|  |

|  |  |
| --- | --- |
| **Completed by:** |  |
| **Date:** |  |

Please submit this form by email to your Customer Oversight Manager with a copy to [fairvalue@lloyds.com](mailto:fairvalue@lloyds.com)

V3.0