

SCHENGEN TRAVEL FAIR VALUE ASSESSMENT

This document is for reference only and does not contain the full terms and conditions of the product, which can be found in the Policy Summary and Keyfacts documents on our website: <https://uk.cntaiping.com/documents-commercial/>

Target Market

We have been providing Schengen Travel insurance in the UK, with a special focus on the Chinese community for years. For this product design, we have drawn upon past experience in underwriting this trade, detailed analysis of its typical claims patterns, always with an eye to the market needs and business requirements of our target clients, so as to ensure our products add value and deliver a relevant, bespoke peace of mind and legislation compliance insurance solution to our target market.

Schengen travel is a personal line insurance product designed for Chinese or overseas individuals who need to comply with the Schengen rules on insurance in order to travel to Schengen countries.

Our target market is UK based Chinese community, especially student population.

The product is not suitable for:

- UK or European passport holders, as they benefit from a EU health card
- Journeys longer than 90 days in the policy year
- Individual travelling to engage in high Risk activities or professional sports, as described in the wording

Product Design

The product has been designed to provide value to our customers. To ensure we relate to all our customers and our product is clear, we have also designed supporting documents, including IPID, and continue to run a triple English, Mandarin and Cantonese language claim and underwriting service during working hours, so as to allow our customers to speak the language they are most comfortable with in particular during what can be the stressful process of making a claim. For emergency medical services or repatriation outside the UK, we partner with an expert third party medical services provider who has access to and knowledge of Schengen area hospitals and medical facilities.

Fair Value Assessment

We would envisage that fair value may not be provided through this product outside the target market as outlined above.

The product is distributed directly by us and through a third party platform.



We have assessed the Schengen Travel product through an analysis of cover and services provided in combination with the premium charged for the insurance, all whilst continuously benchmarking our offering against competitors and both brokers and customer feedback.

The pricing of this product has been derived from a range of factors such as an analysis on own past claims, the past and expected targeted loss ratio, the fixed and variable costs involved in, for example, the provision of the medical services outside the UK, reinsurance, claim and underwriting services as well as infrastructure and IT services, inflation changes and a desired target profit margin. There are no disguised charges within the product and China Taiping itself does not charge any admin fees or provides any product add-ons at a charge or any premium finance services.

We confirm that the product is not automatically offered on an auto renewal basis, unless the insured selects for this to be their preference, our price does not change as a result and there is no difference in premium for any protected characteristic(s) or vulnerable customers.

We have undertaken a product review and assessed the balance of the product costs, price and value as 'Good' and we have concluded that this product remains consistent with both the fair value assessment and the needs of the target market and that the intended distribution strategy remains appropriate for a reasonably foreseeable period.