



## DISTRIBUTOR PRODUCT GUIDE

# Musical Insurance Music Protect

- This guide is for intermediary reference only
- This guide does not contain the full terms and conditions of the contract of insurance or replace the IPID
- You can find more information about the product within the [IPID](#) and full Terms and Conditions which [can be found here](#). Policy terms should be read in conjunction with each customer's policy schedule.

## Product Design

We've been insuring musical instruments and associated equipment against damage, theft and being accidentally lost, to individuals, groups, bands, orchestras, and businesses for over 60 years. We are part of the Allianz Insurance group, who provide products and services to a wide range of individuals and businesses throughout the UK. We are members of the Association of British Insurers and Chartered Insurance Institute.

The Allianz Musical Insurance team work with a variety of partners within the musical industry including charities, musicians groups, orchestras, retailers, repairers & manufacturers as well as a range of distributors. We continually draw upon the experience of working with these partners, using our contacts and insight as well as customer research, feedback and product data to ensure our products provide value and meet the evolving needs of our customers.

## Allianz Musical Insurance, Music Protect

Music Protect is a General Insurance product designed to cover individual musicians and groups including, bands, ensembles, orchestras and other organisations who own, or are financially responsible for, musical instruments and associated equipment.

Cover is provided against the costs of repair or replacement of insured items following accidental damage to, theft and accidental loss of insured items. It does not provide cover for buildings, household or general contents alone, legal liabilities or other insurances. Terrorism cover can be arranged where appropriate.

Cover is provided on an annual or a short term basis from 1 day to 6 months.

The product design provides value in addition to the core cover with benefits and cover extensions which enable musicians to protect their insured items and their ability to pursue their musical activities, including:

- Up to £500 of cover for unlisted accessories
- Automatic temporary uplift in sums insured for new items purchased
- Cost of depreciation to the of value of an item following repair for an insured incident, cost of transport costs of items to and from repairers and the cost of hiring an alternative instrument during repairs
- Access to a legal helpline and online legal services providing legal advice and assistance for professional and personal matters, and access free to the Allianz online risk management support
- Ability to cover non-musical general contents items & computer equipment associated with Musical Activity
- Flexibility to insure items on premises only basis, UK or Worldwide, with or without unattended vehicle cover
- Ability to purchase Music Protect cover alongside Public Liability cover and/or Personal Accident cover on one policy (please see separate Distributor Product Guides for these Allianz Musical Insurance covers)
- Administered by dedicated Allianz Musical Insurance sales and service, marketing, distribution and claims teams

## Target Market

Our Target Market for the Allianz Musical Insurance Music Protect product is any UK resident musician, DJ, band, ensemble, orchestra, recording studio, music teachers, as well as charities and schools who own, or are financially responsible for, musical instruments or equipment and use these themselves or are used by their members, pupils or beneficiaries. Our Target Market extends to vloggers, podcasters, sound engineers, sound recordists and other live performers and creative professionals such as comedians and theatre groups who use musical and sound equipment in their job or hobby and wish to protect their equipment as above.

Customers may be amateurs, collectors of instruments, semi-professional or professional.

Target Market customers wish to benefit from a specific insurance policy for their musical instruments and associated equipment instead of insuring under a wider package product such as Household Contents or a Commercial Lines policy.

They will generally have good claims experience, and typically require cover for instruments and equipment valued at £1,000 or more (though lower value policies can be arranged where customers wish).

Allianz Music Protect is not suitable for:

- Musical or other retailers, repairers or manufacturers, or those who hire equipment for reward as their main activity
- Customers not resident in the UK and items which are not normally kept in the UK, Channel Islands or Isle of Man
- Items which are left unattended in premises for more than 60 days except where we review and agree specific storage locations such as banks or dedicated storage facilities

We will not take on customers who have:

- Been previously declined or have had their insurance cancelled by Allianz or another insurer.
- A history of non-disclosure / misrepresentation or Unspent criminal convictions, unless specifically declared and agreed by us as acceptable and unrelated to the material risk covered by Allianz.
- Significantly adverse claims history for musical items

We wouldn't expect this product to provide fair value to customers who:

- Purchase a cover level unsuitable for their needs; for example a customer who purchases worldwide cover when their items do not leave their premises or do so only occasionally (this can be accommodated with a temporary uplift in cover), or a customer who purchases premises only cover, but frequently takes items outside their premises.
- Do not regularly review their sums' insured; for example those who do not maintain adequate sums insured, so are under-insured in the event of a claim, or customers who maintain excessive sums insured for their items and pay a higher premium than would be required if the true sums insured were known to Allianz.
- Are unable to provide any evidence of ownership or pre-claim condition of their items, even recent photos
- Do not make or continue with valid claims which are of lower value (where they have not selected an excess)

**It is important that our distributors regularly check that their customers are engaged with the product they are purchasing and check that the cover they are buying is suitable for their needs**

The policyholder could be conflicted if they wish to make an unusually high frequency of claims relative to the number and total sum insured of items insured, (for example an individual who insures around 5 – 10 items makes repeated claims for the same type of item or claim cause during 1 or 2 policy periods) as this may impact the terms offered at subsequent renewals

### Product Value Assessments

Our product value assessment is based on the premium we charge for the cover and the services we provide. We take a wide range of factors into consideration, such as the historical claims frequencies, incurred and projected claims costs, plus scenario analysis including likely economic and climatic trends, number of accepted and rejected or partially rejected claims, along with customer feedback, and feedback from our distributors and colleagues.

We also consider how the premium is affected by the commission or fees added by the distributing intermediary for the activities they conduct. Any additional charges within the distribution chain may potentially erode the intended value of our product. To this end we ask that You disclose the average per-policy commission and other fees you receive from customers, and the commission and fee incomes of other parties within the distribution chain, along with anything else you think might impact product value.

Product value risk is assessed on an ongoing basis, in response to internal and external factors, whenever we make a change and annually.

An annual Product Value review has been conducted into this product, which concluded in September 2023. This review has concluded that Music Protect does provide fair value by being compatible with the needs, objectives and characteristics of its target market, is delivering its intended benefits to customers and is expected to do so for the foreseeable future.

### Distribution Strategy

Our Music Protect product has been designed for distribution by insurance intermediaries who hold an Allianz Musical Insurance agency with us. They must have the appropriate level of understanding about the risks and exposures faced by their customers, present the customers' details to us accurately and without omission, and present our product to their customers clearly ensuring they are aware of the benefits and limitations of the product. They must pay due consideration to any factors which may mean their customers are likely to obtain less value from the product than we would expect.