



# Closure of Contractors Choice policy

## Policy migration programme

We wrote to you in March 2023 about our plans to review some of our older contracts to ensure that our customers are offered the most modern product to meet their needs.

### What are we planning?

As part of this wider review of products, we're now reissuing the policies of customers on our previous Contractors Choice (CCH) policy to our 'Contractors Combined' (CMC) product. The migration will take effect for renewals from 20 November 2024.

### Why?

To ensure that all our customers benefit from the most up to date policy wording we currently offer, with the additional benefit of a wording written in simpler and clearer language.

Where there's any material difference between the old and new policy coverage, we'll flag this to the Policyholder through a document enclosed with the renewal of each affected policy.

These documents will also be available on the [legacy webpage](#) and will be included with the renewal of each affected policy.

If any bespoke endorsements have been applied to their previous policy, our team will ensure that each endorsement is redrafted, so it's still appropriate for their replacement policy.

### Request for updated estimates of Wages, Payments to BFSC, Hired in Plant fees and Turnover

The CCH policy was originally based on normal rating factors, but renewals and adjustments thereafter have been largely based only on Turnover.

We therefore don't have current estimates for Wages, Payments to Bona Fide Subcontractors and Hired in Plant charges which will be needed to set up the replacement policy.

We'll therefore be approaching you 12 weeks prior to renewal to request the above information alongside validating to enable renewal on the new product. While we're doing this, in view of the age of the policies we'll also take this opportunity to validate the estimated turnover with you.

If we don't hear from you, we'll send reminders to you to help us send you proposed terms in good time for the customer's renewal. However, if we're unable to obtain the above information, we sadly won't be able to offer renewal.



## To help this transition

The previous policy and the new policy have differences in cover, conditions and exclusions but overall, the new policy provides cover more aligned to today's customer needs.

- New helpline numbers have been added to provide additional guidance on key topics.
- Our new cancellation condition provides you with a 14-day cooling off period at both inception and at each subsequent renewal.
- Some long-standing Contractors Choice (CCH) policies didn't incorporate an Exclusion of Liability arising out of Asbestos under the Public Liability section. Where this is the case, we've included an endorsement extending the PL section to include £1m of cover for Liability arising out of Accidental Release of Asbestos on a 'Claims Made' basis.
- We've identified that a small number of long-standing policies still had a £1m Limit of Indemnity under the Public Liability/Public and Products Liability sections. As part of this exercise, we've made the decision to automatically increase the Limit to £2m with effect from renewal but haven't applied any additional premium for this change.

## Commissions

- To ensure that we continue to provide value to customers through our products and how they're distributed as per Consumer Duty requirements, with effect from the renewal date we have applied the new Contractors Combined commissions and have also taken the opportunity to harmonise the commissions in line with the current TOBA/Agency Agreement. However, commissions will remain unaltered where we've previously agreed nil or reduced commissions in return for a reduction in the premium charged.
- This may result in minor changes to commission from renewal. The Contractors Choice product was based on a single commission rate whereas Contractors Combined has a split commission with a lower rate applicable to Employers Liability.
- Please discuss any queries you may have with your Business Development Manager.

## How will I know which customers are affected?

This will apply to all Contractors Choice (CCH) policies - although it has been identified that a small number of cases would be better served on our Business Combined (CMB) policy. We'll inform you individually where this is the case.

### For more information

Please [visit our website](#) where you can get further information, access [Frequently Asked Questions](#) and view documents that will be issued to customers at renewal.

If you have any further queries, please get in touch with your Business Development Manager or [email us](#).

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