



Pen Evolve

Broker Guide (Applied)

Version 1.0

11.2024

Referrals: (Monday – Friday 9am – 5pm)

Referrals: 01403 321 015

Email: evolve@penunderwriting.com

Guide Index

Pen Evolve - Introduction.....	5
1. Pen Evolve Product Range.....	5
2. Who is the Insurer?	5
3. Endorsement Library	5
4. Data Enrichment.....	5
5. Available Sections of Cover	6
6. Buildings & Contents: Sums Insured	6
7. Valuables, e.g. picture or antique furniture: Sums Insured / Single Article Limit	6
8. Personal Possessions: Sum Insured & Single Article Limit	7
9. Pedal Cycles: Sum Insured & Single Article Limit	7
10. Excesses	7
11. Unoccupied Cover	8
12. Unoccupied Definition.....	8
13. Flood Sign Posting Agreement and Flood Re	9
14. Quote Excluding Subsidence or Flood Cover.....	9
15. Claims Handling & Validation	10
16. Broker Led Renewals	10
17. Inflation / Index Linking.....	11
18. Broker Notes.....	11
19. Commission	11
20. Policy Number Format.....	11
21. Quote Guarantee Period	12
22. Authorisation Codes/ Authorisation Code Configuration Settings	12
23. Alternative Trading Option if Pen Evolve Declines – Pen Central (portal products).....	12
Pen Evolve - Risk Appetite.....	13
1. Adverse Insurance History – e.g. cancelled policy, voidance or terms applied	13
2. Age of Policyholder.....	13
3. Backdating Cover/Forward Dating a Transaction/ Quote Guarantee	13
4. Bathrooms	13
5. Bedrooms	13
6. Boarded Up.....	14
7. Building Works / Renovation/ Extension.....	14
8. Business Use	17
9. Buying a Home / Change of Address/ Exchange of Contact V Completion of Contracts	17
10. Cancellation including cooling off period	17

11.	Charitable Events.....	18
12.	Claims	18
13.	Cracking or Bulging Walls	18
14.	Criminal Convictions & Rehabilitation of Offenders Act:	19
15.	Dual Insurance	20
16.	Electric Scooter or Electric Skateboard	20
17.	Eviction Notice / Tenant defaults paying the Rent – Landlord policies.....	20
18.	Financial History: CCJ, IVA & Bankruptcy	21
19.	Flat Roof.....	21
20.	Flood Risk.....	21
21.	Foreign Nationals/ Non UK Domiciled.....	22
22.	Gap in Cover	22
23.	Geographical Location of Risk Address	22
24.	Inspection Frequency	22
25.	Insurable Interest	23
26.	Japanese Knotweed.....	23
27.	Liability.....	23
28.	Listed Properties.....	23
29.	Live-in Carers	24
30.	Lodger / Paying Guests	24
31.	Maximum Number of Tenants when Let / HMO / Bedsit	24
32.	NCD Step Up & Step Back.....	24
33.	Number of Policyholders.....	25
34.	Occupancy Status	25
35.	Occupation	26
36.	Outbuildings	26
37.	Ownership Status	26
38.	Private Individuals & Company Names	27
39.	Properties in Poor Repair	27
40.	Property Type	27
41.	Relationship to Proposer	27
42.	Roof Construction.....	28
43.	Sea Wall	28
44.	Security – Door/ Windows/Alarm/Safe/ Sold Secure / Key Safe.....	28
45.	Selective Insurance and the item(s) is not insured elsewhere.....	28
46.	Self-Contained	29
47.	Scottish Fire Safety	29

48.	Smoke Alarm	29
49.	Stairlift	29
50.	Subsidence, Landslip or Heave History or Subsidence, Landslip, Heave Claim.....	29
51.	Neighbours Home has suffered Subsidence.....	30
52.	Sum Insured Referrals – specified valuables, specified personal possessions and pedal cycles	31
53.	Underpinning.....	31
54.	Unoccupied Properties	31
55.	Wall Construction	32
56.	Weather Warnings	33
57.	Year of Build	33

Pen Evolve - Introduction

1. Pen Evolve Product Range

Pen Evolve is your one stop product for trading with Pen on Applied, with 4 separate products in the range. Each product has its own policy wording as follows:

- **Your Home** – for the policyholder’s permanent or primary residence
- **Holiday & Second Homes** – for weekend or weekday homes, second residences and holiday home inc. lets
- **Landlord** – for homes let to a variety of tenant types on a long-term basis
- **Unoccupied** – unoccupied homes

The wordings are available to download from Pen’s website. Look for Pen Evolve under the household product section. [Household \(penunderwriting.co.uk\)](https://penunderwriting.co.uk)

The occupancy status is the trigger for which product/wording is applicable - always check the endorsement section as this will confirm which Pen Evolve policy wording applies.

To ensure there is a seamless quote journey, Pen Evolve has predominantly been built on a quote or decline basis. There will be times when we need to ask for extra information, such as flood and subsidence history and our UK based underwriting team are here to help, please give them a call.

It is not possible to change between products during the policy - if occupancy status changes mid-term, you should cancel the policy and re-quote on the relevant Evolve product/wording. If a property becomes unoccupied mid-term (Your Home/Holiday & Second Homes/Landlord), the customer can choose to continue with FLEE cover only until renewal, or re-quote on the Unoccupied product for Silver level cover (see [Unoccupied Cover](#) for information).

This guide contains a summary of key product features such as sums insured, excesses, target types of business and information we need to know if there is a referral.

2. Who is the Insurer?

Full details of the insurer are applied by endorsement.

Policy Inception Date	Who is the Insurer
Policies incepting on or after 01/04/2023	Aviva

3. Endorsement Library

Applied does not allow you to view endorsement text without generating documents, you will only see the code and title. Pen Evolve has its own endorsement library which is available to view on our [website](#).

4. Data Enrichment

External data is used to help determine the pricing acceptability of a risk which is automated as part of the quotation process, and mid-term if there is a change of address. The searches do not influence a customer’s credit history, but an imprint is left confirming insurance check has taken place.

Pen Evolve uses the following data enrichment:

- 🔍 Credit check on the primary policyholder
- 🔍 Rebuilding costs
- 🔍 Address level rating (this also determines the theft, flood and subsidence scores)
- 🔍 Claims Underwriting Exchange (CUE)

5. Available Sections of Cover

- The occupancy status determines which sections of cover are available
- Pen Evolve does not offer any add on products such as legal expenses, boiler breakdown or home emergency cover

Pen Evolve Range	Buildings	Contents	Accidental Damage	Specified Valuables	Cover Away from Home, e.g. personal possessions / pedal cycles
Your Home	Available	Available	Available	Available	Available
Holiday & Second Homes	Available	Available	Available	Available	Not Available
Landlord	Available	Available	Available	Not Available	Not Available
Unoccupied	Available	Available	Not Available	Not Available	Not Available

6. Buildings & Contents: Sums Insured

- Pen Evolve is only sold on a blanket basis and it is not possible to amend the buildings or contents sums insured
- If selected specified valuables, e.g. a picture, is based on the sum insured selected by the insured
- If selected unspecified personal possessions is based on the sum insured selected by the insured
- If selected specified personal possessions is based on the sum insured selected by the insured

Pen Evolve	Buildings (blanket cover)	Contents (Blanket Cover)
Your Home	£1,000,000 Buildings sum insured includes up to £50,000 for domestic outbuildings, limited to £25,000 per outbuilding	£75,000
Holiday & Second Homes	£1,000,000 Buildings sum insured includes up to £50,000 for domestic outbuildings, limited to £25,000 per outbuilding	£40,000
Landlord	£1,000,000 Buildings sum insured includes up to £50,000 for domestic outbuildings, limited to £25,000 per outbuilding	£25,000
Unoccupied	£1,000,000 Buildings sum insured includes up to £50,000 for domestic outbuildings, limited to £25,000 per outbuilding	£25,000

7. Valuables, e.g. picture or antique furniture: Sums Insured / Single Article Limit

- Valuables cover applies within the home only
- Specified valuables are in addition to the contents sum insured
- Refer to each policy wording for the valuable definition as this does vary (Your Home has the most extensive list of items, whereas unoccupied is more restrictive)
- Specified personal possession items, e.g. jewellery / watches do not count as a valuable due to personal possessions cover being on a world-wide basis

Pen Evolve Range	Valuables Limit (included within the contents sum insured)	Single Article Limit
Your Home	£30,000 This includes up to a total maximum of £5,000 for all jewellery & watches	Items £2,000 and above to be specified
Holiday & Second Homes	£5,000	Items £1,000 and above to be specified
Landlord	£1,000	Items £500 and above to be specified
Unoccupied	£1,000	Items £500 and above to be specified

8. Personal Possessions: Sum Insured & Single Article Limit

- Cover is only available for permanent residences - i.e. on 'Your Home' policy wording
- Personal possession cover applies in the home and world-wide up to a maximum of 30 days any one trip
- Unspecified and specified personal possessions are in addition to the contents sum insured
- Refer to the 'Your Home' policy wording for the definition
- Pedal cycles are excluded from personal possessions, but can be included separately depending on the product selection
- Minimum sum insured of £1,000 for unspecified personal possessions
- Maximum sum insured of £10,000 for specified personal possessions
- Specified personal possessions are not permitted without a minimum of £1,000 of unspecified personal possessions cover
- Maximum specified personal possession sum insured is £12,000 for all specified personal possessions (individually and combined), with referral mid-term and at renewal if this is exceeded

Pen Evolve Range	Personal Possessions Single Article Limit
Your Home	Items £2,000 and above must be specified
Holiday & Second Homes	No cover available for personal possessions
Landlord	No cover available for personal possessions
Unoccupied	No cover available for personal possessions

9. Pedal Cycles: Sum Insured & Single Article Limit

Pen Evolve Range	Pedal Cycles Single Article Limit
Your Home	<ul style="list-style-type: none"> • No cover for pedal cycles within contents • No cover for pedal cycles within personal possessions • All pedal cycles must be specified under pedal cycle section • Pedal cycle cover applies in the home and world-wide up to a maximum of 30 days any one trip • Maximum pedal cycle sum insured is £5,000 (individually and combined), with referral mid-term and at renewal if this is exceeded
Holiday & Second Homes	<ul style="list-style-type: none"> • £1,500 included as standard for pedal cycles as part of the contents sum insured • No cover available away from the home
Landlord	No cover available for pedal cycles
Unoccupied	No cover available for pedal cycles

10. Excesses

- If a claim impacts both buildings and contents, only 1 standard excess is payable and only 1 voluntary excess is payable
- Any voluntary excess is in addition to the standard excesses, escape of water or subsidence excess
- Any voluntary excess selected under contents automatically applies to valuables, personal possessions and pedal cycles
- Subsidence, landslip & heave excess is applied via an endorsement and it only applies to buildings
- Voluntary excess options range from £0 to £500 (increasing in £50 increments)

Buildings Excesses:

Pen Evolve Wording	Standard Excess	Accidental Damage	Escape of Water	Subsidence
Your Home	£100	£100	£500	£1,000 to £5,000
Holiday & Second Homes	*£100	*£250	£500	£1,000 to £5,000
Landlord	*£100	*£250	£500	£1,000 to £5,000
Unoccupied	£250	N/A	N/A	N/A

*Holiday & Second Homes, Malicious acts by a guest or accidental damage by a guest: the excess is either the standard excess listed above or the deposit paid by the guest, whichever is higher

* Landlord, Theft by tenant, malicious acts by tenant or accidental damage by tenant: the excess is either the standard excess listed above or the deposit paid by the tenant, whichever is higher

Contents/ Valuables. Personal Possession/ Pedal Cycle Excesses:

Pen Evolve Wording	Standard Excess	Accidental Damage	Escape of Water	Personal Possessions	Pedal Cycles
Your Home	£100	£100	£500	£100	£100
Holiday & Second Homes	*£100	*£250	£500	N/A	£100 – part of contents
Landlord	*£100	*£250	£500	N/A	N/A
Unoccupied	£250	N/A	N/A	N/A	N/A

*Holiday & Second Homes, Malicious acts by a guest or accidental damage by a guest: the excess is either the standard excess listed above or the deposit paid by the guest, whichever is higher

* Landlord, Theft by tenant, malicious acts by tenant or accidental damage by tenant: the excess is either the standard excess listed above or the deposit paid by the tenant, whichever is higher

11. Unoccupied Cover

- Pen Evolve, Unoccupied policy wording contains 3 levels of cover, Bronze, Silver and Gold
- As Applied does not allow for different levels of cover, Evolve defaults to Silver level cover – **no other level of cover is available.**

Unoccupied Level of Cover	Perils
Silver	Buildings = Fire, smoke damage, lightning, explosion, earthquake, aircraft/flying devices or items dropped from them, storm, flood, escape of oil, theft/attempted theft, collision, riot, malicious acts, falling trees, selling the home, property owners’ liability and domestic employee liability Contents = Fire, smoke damage, lightning, explosion, earthquake, aircraft/flying devices or items dropped from them, storm, flood, escape of oil, theft/attempted theft, collision, riot, malicious acts, falling trees, liability as owner of contents and domestic employee liability

If a property insured becomes unoccupied mid-term, the customer has the option to continue on the existing Evolve product/wording with restricted (FLEE) cover only, or you can re-quote on Evolve Unoccupied for Silver level cover.

12. Unoccupied Definition

Each Pen Evolve policy wording contains a slightly different unoccupied definition, enabling us to make it more specific to the declared occupancy status.

Unless a property is unoccupied, Pen Evolve product range will count a home as being unoccupied if the insured / tenant / guests have not lived in the home in the last 31 days. I.e. a home can be left empty for 30 consecutive days but on day 31 it is unoccupied, and the occupancy status must be updated to reflect this.

Pen Evolve Policy Wording	Unoccupied Definition
Your Home	The HOME has not been lived in and occupied overnight by YOU for more than 30 consecutive days (the timescale commences from the date the HOME was last occupied, even if this is prior to the policy starting). If YOU are buying the HOME YOU must move in and be living in the HOME within 31 days from the date contracts complete
Holiday & Second Home	The HOME has not been lived in and occupied overnight by YOU or a GUEST(S) for more than 30 consecutive days (the timescale commences from the date the HOME was last occupied, even if this is prior to the policy starting). If YOU are buying the HOME YOU or a GUEST(S) must start using the HOME within 31 days from the date contracts complete
Landlord	The HOME has not been lived in and occupied overnight by a TENANT(S) for more than 30 consecutive days (the timescale commences from the date the HOME was last occupied, even if this is prior to the policy starting). If YOU are buying the HOME a TENANT(S) must be living in the HOME within 31 days from the date contracts complete
Unoccupied	The HOME is not live in by anyone

13. Flood Sign Posting Agreement and Flood Re

In light of the Independent Review of Flood Insurance in Doncaster and subsequent ABI Flood Signposting Agreement, Pen will be adhering to the voluntary agreement between the Association of British Insurers (ABI) and the British Insurance Brokers' Association (BIBA).

Pen Evolve will take the stance that where a risk meets [Flood Re eligibility criteria](#) we will not quote excluding flood or apply an increased flood excess. This applies to both new business and renewals, including homes that suffer a flood claim with Pen.

Pen Evolve is not currently Flood Re enabled. Therefore, risks that are suitable for Flood Re, will be a decline under Pen Evolve.

Pen do offer an offline Flood Re solution, via our portal called Pen Central. The Specialist home product enables risks to be ceded to Flood Re. Please be aware that Specialist home is a sum insured based product (not blanket cover) and it operates from a different policy wording. Please refer to our website for Specialist home cover details and you can also apply for a Pen Central agency log in. [Specialist Home \(penunderwriting.co.uk\)](https://penunderwriting.co.uk)

14. Quote Excluding Subsidence or Flood Cover

Pen might be able to quote excluding flood and or excluding subsidence cover, but this depends on the occupancy status, claims history and whether the risk is suitable for Flood Re.

For these referrals we will require a copy of the Pen Evolve quote breakdown, detailing the premium calculation steps and rating per peril. Please also supply a screen shot of the Pen Evolve referral reason(s) and a copy of the quotation statement of facts. Please call our underwriters to discuss the referral and then email the supporting details to evolve@penunderwriting.com

If we can quote excluding the peril(s), endorsements will be added upon referral to confirm this.

It is your responsibility to ensure the customer understands the implications of a peril(s) being excluded and that they consent to the policy being issued on a limited peril basis.

15. Claims Handling & Validation

Who Handles Pen Claims?

Davies Group handle claims on Pen's behalf, details are included within 'How to Make A Claim' section of each policy wording. The claim telephone number is also output on the schedule.

New claims can be notified by:

- telephone: 0345 072 9957
- email newclaims.penunderwriting@davies-group.com

How Are Claims Validated?

As Pen Evolve is traded by EDI, Pen receive daily policy records. Davies Group have access to this data which enables most claims to be validated without the need to request a copy of the schedule and statement of fact.

How will you know if there has been a claim?

Once a month Pen email details of all new claims, plus updates to existing claims (such as a change to the reserve or claim status). Please look out for the email which will come from pen.broker.claims@penunderwriting.com

16. Broker Led Renewals

- Pen Evolve is not FCEDI but it does support broker led renewals for Howden brokers only
- The existing Pen Evolve policy number will be retained each year and the policy number does not alter if the occupancy status changes
- There is no transfer agreement for risks moving from the Pen eSolutions product - cases are to be quoted at system rates and terms. If the risk does not fit Pen Evolve, it cannot be placed on this product. We might be able to consider it offline via a Pen Central portal product.
- There are no discretionary discounts available
- Some claim related product rules are more flexible at renewal than new business
- Rules related to specified valuables, specified personal possessions and pedal cycles are also more flexible at renewal, to allow for increased values of existing items due to inflation / items being revalued
- The customer must give clear instructions to renew and agree payment with you prior to the renewal date, otherwise the policy will automatically lapse at expiry.
- No Claims Discount:
 - Subject to no claims in the last 12 months, the no claim discount (NCD) can be increased by 1 year – this will be automatic for Howden brokers
 - If there has been a claim(s) in the last 12 months, the NCD for the section(s) claimed against must be stepped back by 2 years.
 - NCD is capped at 5 years - if the NCD exceed 5 years prior to the claim, at renewal the correct NCD will be 3 years

17. Inflation / Index Linking

Section of Cover	Does Index Linking Apply	Comment
Buildings	No	Cover is blanket based - customers still need to be aware of how much it would cost them to rebuild the property, and whether the policy remains suitable for their needs
Contents	No	Cover is blanket based - customers still need to be aware of how much it would cost them to replace all their contents and whether the policy remains suitable for their needs.
Specified valuables, e.g. artworks	No	Cover is based on the sum insured advised by the insured - regular reviews are required to ensure all specified items are correctly insured considering inflation and or market conditions
Specified & unspecified personal possessions	No	Cover is based on the sum insured advised by the insured. Regular reviews required to ensure the sum insured is adequate taking in account inflation
Pedal cycles	No	Cover is based on the sum insured advised by the insured - regular reviews are required to ensure all specified items are correctly insured considering inflation and or market conditions

Referrals exist mid-term and at renewal if the specified valuable sum insured, specified personal possession sum insured, or pedal cycle sum insured is higher than our new business limit. This helps Pen retain the policy and enables customers to increase sums insured due to inflation/ items being re-valued.

18. Broker Notes

Pen have created broker notes to aid the referral journey. The note may:

- detail extra information that is required prior to the quote being referred to underwriters
- reference a single article limit
- remind you to check a policy definition
- confirm that a section of cover is not available
- suggest an alternative way to input the risk data, if there is a clash in responses to questions
- advise that a quote is only available excluding a major peril, such as subsidence

19. Commission

- Pen Evolve is a gross rated product and the commission paid to you is built into the price shown on screen
- Commission amounts will be agreed in advanced as part of the product activation process
- No Pen administration fees
- Cases will be included on a monthly broker statement issued by Pen accounts team, based in Glasgow

20. Policy Number Format

- As part of the product activation process Pen will supply a new policy number range specific to each Pen Evolve product
- For ease, Pen Evolve policy numbers ends with 'IHP', then with letters to indicate the product/wording:

Product	Example
Your Home	APPABC000001IHPYH
Landlord	APPABC000001IHPLET
Holiday Home	APPABC000001IHPHOL
Unoccupied	APPABC000001IHPUNS

21. Quote Guarantee Period

- All transactions can be quoted a maximum of 30 days in advance
- To ensure rates and terms are guaranteed for 30 days per the guarantee period, please save the quote for acceptance later. Any change to the risk information will replace the previous quote with a revised one on the live rates and terms

22. Authorisation Codes/ Authorisation Code Configuration Settings

- All referrals must be authorised by Pen
- The Pen Evolve product range is supported by a UK based trading team (Crawley and Liphook), both telephone and email referrals accepted – telephone is the preferred method
- The underwriting team will provide a unique authorisation code to be used to clear the referral if required
- Authorisation codes are not transferrable from year to year
- An authorisation code report is produced every week for audit purposes, any codes that have not been provided by Pen will be followed up with the placing broker.

23. Alternative Trading Option if Pen Evolve Declines – Pen Central (portal products)

If the risk is not suitable for Pen Evolve, we may be able to offer a quotation via an alternative trading method.

Our portal (not linked to any software house) is called Pen Central. This gives brokers access to a number of additional products, such as mid net worth household and Specialist home, including Flood Re.

Pen Central mid net worth and Specialist home products are sum insured based and they operate from different policy wordings compared to Pen Evolve. Please ensure you quote based on the rebuilding cost and replacement cost for contents.

If you are not registered for Pen Central and are interested in accessing these products, please contact central@penunderwriting.com

Pen Evolve - Risk Appetite

1. Adverse Insurance History – e.g. cancelled policy, voidance or terms applied

- 📘 Pen only need to know about adverse insurance history within the last 10 years
- ✖ Decline adverse history related to fraud

Before referral - establish:

- 🔍 When was the adverse event?
- 🔍 Transaction type? was it a quote, mid-term adjustment or renewal
- 🔍 Did the insurer:
 - Refuse to quote e.g. risk unacceptable such as too many bedrooms
 - Increase the excess
 - Increase the premium
 - Apply extra precautions, e.g. security condition
 - Apply endorsements to restrict cover, e.g. exclude subsidence
 - Cancel cover mid term
 - Void the policy
- 🔍 What was the reason? E.g. non-disclosure/ change to the risk and it was unacceptable/ claim history / default on direct debit payments
- 🔍 Was the action due to a particular policyholder? E.g., joint policyholder had non-declared a conviction and if so is that same policyholder included on the Pen Evolve quote
- 🔍 Has the policyholder held insurance continuously since the adverse event occurred, or has there been a gap in cover?

2. Age of Policyholder

- 📘 All policyholders, whether primary or a joint policyholder must be at least 18 years old

3. Backdating Cover/Forward Dating a Transaction/ Quote Guarantee

- 📘 All transactions can only be processed a maximum of 30 days in advance
- ✖ Applied does not allow brokers to backdate a transaction

4. Bathrooms

All Pen Evolve policy wordings contain a bathroom definition, example below

BATHROOM(S)	A room containing a bath and/or a separate shower unit. If the HOME has an annex, the number of BATHROOM(S) declared must include the annex.
-------------	---

- 🔍 Maximum of 5 bathrooms acceptable
- ✖ 0 bathrooms is a decline

5. Bedrooms

All Pen Evolve policy wordings contain a bedroom definition, example below

BEDROOM(S)	A room originally designed as a bedroom even if it is now used for other purposes. If the HOME has an annex, the number of BEDROOM(S) declared must include the annex.
------------	---

- ✖ Greater than 5 bedrooms is a decline
- ✖ 0 bedrooms for buildings is a decline
- 🔍 0 bedrooms for contents is a refer – establish that the property is not a bedsit

6. Boarded Up

- Each Pen Evolve policy wording references boarded up as part of the policy condition 1 'Important Information and Changes We Need to Know About'. Example from Your Home - **If circumstances change YOU must tell US immediately if:**

any part of the HOME is boarded up (any external doors and/or any windows which are boarded up with wood, plastic, metal or other similar materials to prevent unauthorised access to the HOME and or to secure the HOME)

Before referral - establish:

- What part of the home is boarded up
- Why is it boarded up (is it short term e.g. window replacement / long term e.g. due to building works)
- How long has it been boarded up for
- When is the boarding expected to be removed
- Occupancy status
- Sections on cover
- Transaction type

7. Building Works / Renovation/ Extension

- We have updated the type and value of building works that need to be referred
- In each Pen Evolve policy wording, see Policy Condition 1 'Information and Changes We need to Know About' for full details relating to building works / renovations etc. Example below.

IMPORTANT INFORMATION

- YOU must tell US at least 7 days before any building work/ renovation/ extension/ conversion starts if:
 - the expected total value of work exceeds £75,000 inclusive of VAT (if the project is being completed in stages, the cost of all work (including any work already completed) must not exceed £75,000)
 - the work is to create a basement or to convert a basement or cellar, regardless of the cost of works
 - the work is expected to take longer than 6 months to complete (if the project is being completed in stages, the timescale must take into account work already completed)
 - there will be a Joint Contracts Tribunal contract (JCT)
 - if the number of BEDROOM(S) and or BATHROOM(S) will change, regardless of the cost of work

Please refer to policy exclusion 1 for details of restrictions that apply when any building work/ renovation/ extension/ conversion is occurring.

Please ensure that the wall and roof construction, along with the flat roof percentage, as stated on the statement of facts is still correct following the completion of any building work/ renovation/ extension/conversion. WE also recommend YOU review the SUM(S) INSURED.

Coverage:

- ✓ No cover for tools/ plant machinery owned or hired by contractors – the insured is not the owner or legally responsible for these items. They also do not comply with the definition of Contents.
- Unfixed materials or contents in the open are only covered if the insured purchased the materials, refer to the relevant wording for inner limits / exclusions. Cover depends on the section of cover selected and the occupancy status.
- If buildings are insured and Pen can accept the works, the buildings policy will continue to cover the existing structure and also insure the new part of the home whilst it is being built – e.g. if an extension is part built and there is a fire that causes damage to the incomplete extension, we will repair the incomplete extension to the state it was in immediately prior to the loss
- Always check if any buildings works will alter the occupancy status

Decline Types of Works:

- ✘ From the outset projects costing greater than £75,000 (inclusive of VAT)
(If costs increase mid-term taking the work over £75,000 refer to Pen)
- ✘ From the outset projects estimated to take longer than 6 months to complete
(If delays are incurred mid-term taking the work over 6 months refer to Pen)
- ✘ JCT contract
- ✘ Property will be demolished
- ✘ Any work on a basement or cellar or to create a basement or cellar
- ✘ If there will be more than 5 bedrooms once the project is completed
- ✘ Contractors do not have public liability
- ✘ Self-builds / self-projects if the insured is not in the building trade
E.g., insured is a builder and is undertaking a kitchen extension can be considered, but an insured who is a DIY enthusiast is a decline

Additional Actions:

- 📌 If selected, delete accidental damage cover (this can be added once all work is complete)
- 📌 Check that the sums insured will still be adequate considering the new rebuild cost/ extra furniture that may be purchased
- 📌 Update flat roof percentage, wall / roof construction materials and percentages if required
- 📌 Diary the case to ensure the works are completed on time (within 6 months) and within budget (within £75,000)
- 📌 Advise the insured of policy exclusion 1, example below for Your Home policy wording

Policy Exclusions

The following policy exclusions apply to all sections of the policy

1. Building Work/ Renovation/ Extension/ Conversion

Contractors Exclusion Clause:

There is no cover under this policy for loss, damage or liability caused by or arising from any activities of contractors or sub-contractors. There is also no cover for contractors, or sub-contractors tools, plant or machinery.

Application of Heat Clause:

Loss or damage by fire is excluded if caused by or attributable to the use of welding, cutting equipment, blow lamps, blow torches or any type of heat gun unless:

- adequate and suitable portable fire extinguishers complying with BSEN3 are in full working order and are kept in the HOME
- the area in the immediate vicinity to the work is cleared of all moveable combustible material. Any combustible materials which cannot be removed must be covered and protected by overlapping sheets or screens of a non-combustible material.
- a fire safety inspection of the working area to check for smoke, smouldering or flames (including the spaces behind walls, screens or partitions and above false ceilings) must be made at regular intervals during the work and 30 minutes after completion of each period of work. Immediate steps must be taken to extinguish any smouldering or flames when discovered (provided it is safe to do so)
- heat equipment is not left unattended whilst hot, lit or when switched on
- the heating of asphalt, bitumen, tar or pitch is carried out in the open, in a vessel designed for that purpose and it must be placed on a non-combustible surface

Roofing Work:

Loss or damage by STORM is excluded whilst any work is taking place to the roof.

Theft Restriction:

Loss of damage by theft or attempted theft is excluded for the duration of the building work/ renovation/ extension/ conversion project, unless there is evidence of a violent and or forcible entry or exit from the HOME.

Buildings Works Questionnaire to be completed prior to referral:

Building Works Questions	Action
Has the building work already started?	If yes, when did it begin & if Pen already hold a policy why was this not disclosed previously
Is it a self-build property? i.e., a new home being built by the insured or an extension being built by the insured	New home, Decline (no cover available until the home is completed and has been issued with a habitation certificate) Self-built extension – decline unless the insureds occupation is a builder
What is the total expected cost of the works, including VAT? (if the project is being completed in stages & or it crosses into different policy years, please declare the total project cost, including costs for works already completed)	Decline if the initial total project cost (inc. VAT) exceeds £75,000 Mid-term - if costs increase establish what the new total project cost inc. VAT is, why costs have increased & check if all other areas of works are still acceptable and refer to Pen
How long is the works expected to take? (if the project is being completed in stages & or crosses into different policy years, please declare the total project time, including any time already taken for completed aspects)	Decline if the initial total expected project time exceeds 6 months Mid-term - if the project length increases establish what the new completion date is, how long in total the project will now take (from the start), and why the project has overrun. Check if all other areas of the works are still acceptable and refer to Pen
Is any of the property boarded up / or going to be boarded up?	Obtain full details and refer to Pen – see boarded up section of this guide
Please provide details of the works including if any load bearing walls are being removed?	
How many bedrooms will there be upon completion?	Ensure quote reflects the total number of bedrooms that will exist once all the work is completed
How many bathrooms will there be upon completion?	If YES = or issue cancellation notice
Are any works being done to an existing basement, cellar or to add a basement or cellar?	If YES = Decline / issue cancellation notice
Will any roof work take place? E.g. complete new roof, re-pointing a chimney or replacing slipped tiles	Full details to be provided to Pen Underwriting
Is there a JCT (joint contracts tribunal)?	If YES, Decline / issue cancellation notice
Do the contractors/ sub-contractors have public liability cover?	If NO, Decline / issue cancellation notice
Has accidental damage cover been requested?	If YES, and Silver/Gold product - remove from quote (it can be added via MTA once all work is completed)
Will the works alter the flat roof percentage?	If YES = ensure quote includes the flat roof % that will exist once all work is completed
Sections of cover required?	Buildings / Contents / Personal Possessions
Occupancy Status:	
Is the rebuild cost (taking into account the works) still within the product maximum of £1,000,000?	
Is the contents (taking into account the works and any new items that might be purchased) still within the product limits? (£75,000 for main residence, £40,000 for holiday & second homes, £20,000 for landlord or unoccupied)	If NO = Decline / issue cancellation notice

8. Business Use

- ✓ Pen Evolve does not require clerical business use to be declared
- ✓ No upper limit in relation to the number of business visitors permitted each day / week / month
- ✓ No upper limit in relation to the number of employees – there is no cover for employers’ liability
- ✓ Home office, refer to buildings definition to see if cover is available. If the office is used solely by the insured, it counts as domestic use and is included as an outbuilding
- i Consider outbuilding limits – maximum of £50,000 in total and limited to £25,000 per outbuilding
- ✗ Home office used by the insured & any employees, counts as a commercial premises and is excluded
- ✗ There is no cover for business stock, business tools, business equipment, business cash, commercial premises or liability for staff

9. Buying a Home / Change of Address/ Exchange of Contact V Completion of Contracts

- i When purchasing a home, the purchaser has a legal interest in the property from the date contracts are exchanged. In the UK, it is common for the current owner and the purchaser to both insure buildings, resulting in an overlap of cover. In the event of a claim as there is dual insurance, both insurers will contribute towards any claim.
- i Contents insurance is not required from exchange of contracts, only from the completion date or the date insured moves into the property
- i With Pen the purchaser needs to declare the occupancy status based on the intended occupancy of the property. The length of time from contracts completing to the time the home will be occupied by the insured / guests/ tenants determines if it needs to be quoted from the outset as unoccupied.

Intended Occupancy	The Home be occupied within 31 days of completion	Quote on Basis of
Permanent residence	Yes	Permanent residence
Permanent residence	No	Unoccupied
Holiday home / Let holiday home/ second home / weekend home / weekday home	Yes	Holiday home / Let holiday home/ second home / weekend home / weekday home
Holiday home / Let holiday home/ second home / weekend home / weekday home	No	Unoccupied
Landlord	Yes	Let property – input future tenant type
Landlord	No	Unoccupied

- ✓ Change of Address: Only insure 1 address per Pen Evolve policy is allowed. If cover is required at the current address for buildings and contents, but buildings is also required for the new address, the only way to do this is to set up a new business policy for the new address.

10. Cancellation including cooling off period

- i Pen Evolve allows pro-rata cancellations, subject to no claims in the current policy term
- i If a claim has been paid or is pending, the full annual premium must be paid and there is £0.00 refund
- i Cancellation schedule is produced
- i 14 day cooling off period – this runs from the policy inception date/ renewal or the date policy documents are received (whichever is the later)
- i Subject to no non-disclosure issues, insurers are required to give 7 days’ notice (in writing) if we wish to cancel the policy, e.g. risk becomes unacceptable midterm such as £150,000 building works. Pen will issue a cancellation letter, enabling you to email and post this to the insured, recorded delivery preferred but not essential
- i If there are any non-disclosure / misrepresentation issues, Pen have the right to void the policy, or backdate the cancellation to the date the non-disclosure/ misrepresentation occurred from

11. Charitable Events

- ✓ For permanent homes only, if the insured intends to host a charitable event such as opening the garden to the public, this can be considered upon referral.

Before referral - establish:

- ? How many days will the event be over/ planned to be held?
- ? Are there any hazards? E.g. pond / swimming pool / bouncy castle
- ? What is the maximum number of guests attending?
- ? Does the insured have a separate liability insurance in place for the event?

12. Claims

- i Claims to be declared within the last 60 months (5 years)
- i Claims to be declared in relation to the property being insured, e.g. permanent residence 1 Red Road does not require holiday home claims at 5 Blue Street to be declared
- i Quotes are automatically enriched with claims data from CUE (claims underwriting exchange) – this may trigger a referral (DE##) if the information declared does not match the information on CUE – the Pen referral team have access to check this, the broker note will indicate a reason for the referral
- i Acceptance of the risk will depend on the peril type, number of claims, the total costs, cover requested & transaction type
- i NCD is automatically amended at renewal for Howden branches only, as broker led renewals supported
- i NCD should be amended for all claims, including those pending
- i Pen Evolve has greater flexibility at renewal to aid Pen handled claims to continue to be quoted
- i Pending claims can be considered on referral at both new business and renewal, due to CUE data enrichment
- ✗ New business, decline if an individual claim is greater than £30,000
- ✗ New business, decline if the total of all claims in 60 months is greater than £30,000
- ✗ New Business, decline more than 3 claims of any peril and any claims status in the last 60 months
- ✗ New Business, decline more than one claim of the same type
- i Theft claims: please check if there have been any security improvements
- i Fire, flood and large losses (£50,000 and above) – if the claim resulted in the insured requiring alternative accommodation, please ensure the renewal reflects the current occupancy status

13. Cracking or Bulging Walls

- i Policy Conditions (point 1) requires declaration of 'any diagonal cracks to internal or external walls, cracking to solid slab floors or any other structural defects at the HOME'
- i Applied does not ask if there are any diagonal cracks or bulges in the internal or external walls of the building - where identified, please refer to Pen with the quote breakdown and details of circumstances.

14. Criminal Convictions & Rehabilitation of Offenders Act:

- i All policyholders are required to declare if they, or anyone living with them have been charged or convicted of a criminal offence, even if this happens mid-term. Refer to policy wording, Condition 1 'Information and Changes We Need to Know About' – e.g. insured has 0 convictions but their adult child living with them does have a conviction. That conviction must be declared, as the adult child falls under Pen's definition of YOU.
- i Convictions that are not spent must be declared regardless of what the sentence type was (community service, suspended sentence, fine or custodial sentence)
- ✓ Spent convictions do not need to be declared and neither do convictions which resulted in a fixed penalty notice, e.g. speeding fine, or COVID fine
- ? Applied has an extensive list of conviction types and most quote or decline
- x Decline if there is more than 1 unspent conviction per policy

Information about the Rehabilitation of Offenders Act (1974): For custodial sentences – England & Wales

Sentence length	Persons under 18	Persons over 18
0 – 6 months	Spent after 18 months from date of conviction	Spent after sentence + 2 years
6 – 2 ½ years	Spent after sentence + 2 years	Spent after sentence + 4 years
2 ½ years – 4 years	Spent after sentence + 3.5 years	Spent after sentence + 7 years
Over 4 years	Never spent	Never spent

Information about the Rehabilitation of Offenders Act (1974): For custodial sentences – Scotland

Sentence length	Persons over 18
12 months or less	Spent after sentence + 2 years
More than 12 months and up to 30 months	Spent after sentence + 4 years
More than 30 months and up to 48 months	Spent after sentence + 6 years
48 months or more	Never spent

For non-custodial sentences – England, Wales & Scotland

Sentence length	Persons under 18	Persons over 18
Community order (& Youth Rehabilitation Order)	Spent after sentence + 6 months	Spent after sentence + 1 year
Fine	Spent after 6 months from date of conviction	Spent after 1 year from date of conviction
Absolute discharge	None	None
Conditional discharge, referral order, reparation order, action plan order, supervision order, bind over order, hospital order	Spent after period of order	Spent after period of order

Pending Conviction: This must always be referred to Pen

- ? What is the charge
- ? Is the charge for an individual act or part of a group
- ? Is it the policyholder or someone who lives with them that's been charged? - If the later, is the person still living in the home?
- ? When is the case expected to go to court

Convicted of an offence that refers:

- ? Date of conviction
- ? Sentence received
- ? Was the conviction for an individual act or part of a group
- ? Is it the policyholder or someone who lives with them that's been charged? - If the later, is the person still living in the home?

15. Dual Insurance

- i Dual Insurance occurs when the policyholder has 2 or more policies in force at the same time, covering the same Home. Refer to Pen for review:

Before referral - establish:

- ? Dates when dual insurance occurred
- ? No claims have been made or reported under the other policy
- ? Which policy (if any) is to remain in force
- ? Background as to how the dual insurance occurred
- i Obtain a copy of the other documents – schedule and statement of facts

16. Electric Scooter or Electric Skateboard

- i Unlike an electric pedal cycle it is illegal to use a privately owned electric scooter or electric skateboard on a pavement or public road – they can only be used on private land
- x There is no liability cover available and neither item falls within personal possessions definition description of a pedal cycle

17. Eviction Notice / Tenant defaults paying the Rent – Landlord policies

Policy condition 1 of the Landlord policy wording requires a policyholder to notify Pen if a tenant defaults paying the rent or if an eviction notice is served.

- if a TENANT(S) defaults on paying the rent
- if YOU or an authorised representative have:
 - given the TENANT(S) a section 8 notice (YOU wish to terminate the tenancy due to a breach of tenancy terms)
 - have applied to court for either a standard or accelerated possession order or a warrant for possession
 - have applied for an eviction order from First-tier Tribunal for Scotland (Housing and Property Chamber)

Before referral - establish:

- ? Circumstances that resulted in the payment defaulting
- ? How many payments have been missed and is a new payment arrangement in place
- ? Does the tenant have a history of missing payments
- ? If a section 8 notice has been served / or an application has been made for either a standard or accelerated possession order / warrant of possession or eviction order from first tier tribunal for Scotland, what are the circumstances that lead to this. E.g. is it because the insured wishes to sell the property and needs to end the tenancy early, is it due to anti-social actions by the tenant or due to the tenant not adhering to the tenancy agreement? Is it known when the eviction date will be?
- x If this is ongoing and unresolved prior to inception, please decline to quote.

18. Financial History: CCJ, IVA & Bankruptcy

- ❗ Data enrichment is used to determine the credit score for the main proposer only
- ❗ Within each Pen Evolve policy wording, Condition 1 'Information and Changes We Need to Know About' it does not reference to need to disclose financial history mid-term. This is because Pen only check this at new business / renewal
- ❗ Regardless of the result of the credit check, the policyholder(s) needs to declare their financial history in accordance with the questions asked when buying the policy. These will be output on the SOF.

County Court Judgement (CCJ): Typically a CCJ will remain on an insured's credit history for 6 years, from the date the debt is paid off. If the CCJ is outstanding, it will always remain on the credit history.

Bankruptcy and IVA: Typically this will remain on an insured's credit history for 6 years, from the date the bankruptcy is discharged. Pen are only interested in personal bankruptcy, not commercial bankruptcy.

- ❗ Pen require to know about all CCJ's regardless of whether its outstanding or paid off, if the CCJ is within the last 6 years
- ❗ Pen require to know about personal IVA and personal Bankruptcy within the last 6 years

19. Flat Roof

- ❗ If any part of the home including a garage or outbuilding e.g. home office, has a flat roof this must be declared
- ✅ Pen can accept up to 100% flat roof
- ❗ Endorsement 4012 Flat Roof will automatically apply if 50% or more of the roof is flat

4012: Flat Roof

If the flat roof at the HOME is more than 15 years old it must be inspected by a roofing contractor within 60 days of the policy starting. Any remedial work is to be completed within 60 days of the inspection date.

Subsequently the flat roof is to be inspected every 10 years by a roofing contractor and remedial work to be completed within 60 days of the inspection date. YOU must retain evidence of the inspection(s) and repairs.

In the event of a claim if YOU cannot evidence the inspections STORM will be excluded.

20. Flood Risk

Area has Flooded, but Home is Flood Free

- ❗ Pen require all flooding to be declared if the incident occurred within the last 25 years
- ❗ If any part of the boundary of the home has flooded, e.g. the garden, but the home was not affected, this must be declared as not being free from flooding
- ❗ If the area flooded but the boundary and the home (including the garden) were not affected, Pen deem the risk to be free from flooding
- ❗ Each UK address is allocated a flood score by Pen, Pen Evolve uses address level rating – this, combined with the occupancy status determine if we can provide flood cover. We may quote excluding flood or decline to quote due to Flood Sign Posting Agreement.
- ❗ If there has been a flood claim within the last 5 years, please ensure that the flood history question is also updated

Flood Referrals & Flood Claims – Holiday & Second Homes, Landlord & Unoccupied

- ❗ If the home has flooded and or it's located in a high flood area, Pen will not be able to provide flood cover. We can consider quote excluding flood only if the risk is not suitable for Flood Re.
- ❗ Please include with your referral a copy of the full quote breakdown as Pen need to see the premium calculation steps, a screen shot of the referral reason and the Statement of Facts.

Flood Claims – Permanent Residence

- ✘ Previous flood history and flood claims (even those with Pen) is currently a decline.
- ℹ You may wish to consider a quote via our portal, Pen Central, Specialist home product which can cede to Flood Re. See [Flood Signposting Agreement](#).

21. Foreign Nationals/ Non UK Domiciled

- ℹ There is no system generated referral for overseas based clients
- ℹ Following Brexit the rules surrounding foreign nationals / non domiciled in the UK altered
- ℹ If the insured is not domiciled in the UK, but is domiciled outside of Europe, e.g. Australia, America, Singapore, Pen can quote as Brexit does not affect trading.
- 🔍 Any quote is subject to:
 - 1) the insured being aware that any claim will be settled in pounds sterling
 - 2) there being a UK key holder / UK based person to check the property
 - 3) the insured is not based in a sanctioned country and or a sanctioned entity
- ✘ If the insured is not domiciled in the UK, but is domiciled in Europe, due to Brexit, decline to quote.

22. Gap in Cover

Before referral - establish:

- 🔍 Why is there a gap in cover? - E.g. did the insured overlook the renewal date? Did the insured let cover lapse for financial reasons? Has the insured been unable to obtain quotes?
- 🔍 length of time since last policy
- 🔍 why is insurance now being requested – consider if there have been any published events in the media such as imminent storms
- 🔍 NCD before the gap in cover compared to NCD now being declared (0 NCD if the gap in exceeds 90 days)

23. Geographical Location of Risk Address

- ✔ Pen Evolve will quote for properties located in England, Wales & Scotland
- ✘ Pen Evolve is not suitable for Northern Ireland, Channel Island, Isle of Man or overseas properties

24. Inspection Frequency

Occupancy Type	Inspection Frequency	Comments
Unoccupied / Unoccupied occupant Deceased	7 days Home must be inspected internally and externally at least once every 7 days by the insured/ authorised representative	This requirement is applied by endorsement. It is also stipulated in the policy conditions section of the Pen Evolve Unoccupied policy wording. If an insured cannot comply, the risk is unacceptable and needs to be declined. An inspection record is included at the back of the policy wording & in the event of any claim, we may ask to see evidence of the inspections
Holiday Home / Let Holiday Home/ Secondary Residence/ Weekend Home/ Weekday Home	No inspection required – however if the home is not occupied overnight every 30 days, as per the definition, the home is then unoccupied	Pen recommend the insured make arrangements for the home to be checked regularly - i.e. every 14 days, but this is not a policy condition. However, if there is an issue at the home, it is in the insured's interest to know about it and deal with it quickly
Landlord	Endorsement 4018 Let Property Condition stipulates that the home must be inspected internally and externally (including any loft areas) at least once every 12 months by the insured / authorised representative	Inspection record can be requested if there is a claim

25. Insurable Interest

- i To insure buildings, the policyholder must have a legal interest in the home – i.e. a financial reason such as the freeholder /owner or a leaseholder and the contract states they are responsible for insurance.
- i To insure contents, the insured must have a legal interest in the property
- x Decline to quote contents if the contents are not owned by the proposer

26. Japanese Knotweed

- i Applied does not ask if the home has Japanese Knotweed but if this is declared, refer to Pen.
- i Referral required even if the plant has been removed and there is a guarantee certificate
- i This plant can grow 10cm per day and it can cause foundation issues, damage to drains, boundary walls and driveways
- i Japanese knotweed is notifiable under the Consumer Protection Regulations when a home is sold
- ? Are there any reports available to confirm when and how the issue was dealt with?

27. Liability

Cover	Information
Property Owners Liability	<ul style="list-style-type: none"> • Provided under buildings section • Provides cover if the policyholder is found to be negligent for bodily injury or illness to a 3rd party and the cause is connected to the structure of the Home. E.g.: policyholder knew a roof tile was loose, no action taken to fix this and in high winds someone is injured • No cover for any business use, other than clerical business use
Occupiers Liability / Personal Liability	<ul style="list-style-type: none"> • Provided under contents section • Provides cover if the policyholder is found to be negligent for accidental bodily injury, illness or damage to property. The cause would be something the policyholder has done, or something which has happened resulting from their contents • Occupier’s liability relates to incidents in the home • Personal liability is generally for incidents outside the home, anywhere in the British Isle and up to a maximum of 30 days per trip World-Wide - e.g. policyholder playing golf and the ball hits a passer-by • No cover for mechanically propelled vehicles, other than: <ol style="list-style-type: none"> 1. domestic garden machinery 2. electric wheelchairs & registered disabled persons buggies (must not be road licensed or exceed 8mph) 3. electric pedal cycles (rider must be 14yrs old or older and assisted speed limited to 15.5mph) • No cover for any business use, other than clerical business use
Domestic Employee Liability	<ul style="list-style-type: none"> • Provided under contents • Provides cover for incidents which happen at the home which cause injury or illness to the policyholder’s domestic help, e.g. gardener, cleaner etc. • The cover does not relate to any employees the policyholder has in relation to their business or anyone they employ under a separate contract, e.g. nanny or home help are excluded. Separate employers’ liability cover required.

- i **Liability for Public Footpath:** Sometimes a public footpath crosses the insured’s land and if the path is on the deeds the insured could be held liable. If buildings are insured, the path counts as part of the home and property owner’s liability applies. The insured must maintain the path and resolve any issues immediately.
- x Decline if asked to insure a private road or lane. The risk of a vehicle accident compared to someone injuring themselves on a footpath is higher. Separate public liability is required.

28. Listed Properties

- x Grade 1 or Grade A are a decline for both buildings and contents
- ✓ All other listed status - e.g. Grade 2, preservation order etc. are acceptable and quote without referral

29. Live-in Carers

- ❗ This is not on the question-set, so product/endorsement rules cannot be programmed for this situation - The quote will need to be referred to Pen for correct terms
- ❓ Do not key as a lodger, unless there are lodgers in addition to the carer – this will increase premium which is not required

30. Lodger / Paying Guests

- ✅ Pen can accommodate lodgers/paying guests, provided the insured is living at the property insured. This can be quoted as a permanent residence but ensure all questions relevant questions are also answered
- ✅ Maximum of 3 bedrooms can be used by a lodger
- ✅ Maximum of 3 adult lodgers acceptable (there are no limits on the number of minors sharing a room with an adult) - endorsement 4008 applies

31. Maximum Number of Tenants when Let / HMO / Bedsit

- ✅ Up to 4 unrelated adult tenants allowed (there is no limit on the number of minors living with their family)
- ❌ HMO's (House of Multiple Occupancy) are a decline
- ❌ Property must not be divided into bedsits – please decline to quote this situation
- ❗ There is no limit on the number of guests permitted to stay in a let holiday home – this may be stipulated by the local authority when agreeing that the home complies with health & safety regulations

32. NCD Step Up & Step Back

- ❗ NCD is taken on trust from the insured, as there is no mechanism to validate the bonus level. Each insurer steps back / steps up differently and there is no industry agreed standard.
- ❗ NCD is to step back by 2 years if there has been a claim
- ❗ NCD is to step up by 1 year from each claim free year (discount capped at 5 years)

New Business:

- ❗ If there has been a claim in the last 5 years, the NCD may not be 0 years.
- ❗ NCD is permitted even if there has been a claim - Pen's claim rating will load independently based on the date of claim / peril / value of claim.
- ❗ Multiple claims also may not result in 0 NCD
- ❗ Pen's maximum NCD discount is 5 years - if the NCD is greater than 5 years and there has been a claim, set NCD to be 3 yrs.

Renewal:

- ❗ If a claim(s) has been made under the Pen Evolve policy, NCD is to be stepped back 2 years for each section claimed against. (For Howden brokers this will already be done as part of the renewal process)
- ❗ Each year claim free with Pen, 1 extra year NCD is added (capped at 5 years)
- ❗ Multiple claims also may not result in 0 NCD
- ❗ Pen's maximum NCD discount is 5 years – if the NCD is greater than 5 years and there has been a claim, set NCD to be 3 yrs.

NCD Examples:

Type Of Policy	Section Claimed Against In Last 12 Months	NCD Before The Loss	NCD To Apply
Contents only	Contents	2yrs	0 yrs
Buildings only	Buildings	9yrs	3yrs
Buildings and contents	Buildings	Buildings 5 yrs Contents 3 yrs	Buildings 3yrs Contents 4 yrs

33. Number of Policyholders

If there are more policyholders than the software house allows, additional policyholder's details cannot be endorsed, and the quote is to be declined

Software House	Maximum Number of Policyholders
Applied	2

34. Occupancy Status

Pen Evolve Occupancy Types V Policy Wording:

Occupancy Status	Policy Wording	Product Outcome	Comments
Holiday Home	Holiday & Second Home	Auto quotes	This is for use by the insured only. If used by friends / family / 3 rd parties input as let holiday home
Let – benefits assisted	Landlord	Auto quotes	
Let – family members only	Landlord	Auto quotes	Tenancy agreement not required
Let – holiday home	Landlord	Auto quotes	Includes Airbnb usage
Let - mixed tenant types	Landlord	Refer to Pen	<ul style="list-style-type: none"> 🔍 Establish what the tenant types are ✖ Decline if any tenants are asylum seekers
Let – professional	Landlord	Auto quotes	
Let – retired persons only	Landlord	Auto quotes	
Let – students	Landlord	Auto quotes	
Let – unemployed but not benefit assisted	Landlord	Auto quotes	
Multi – unit (2 dwellings)	N/A	Decline	
Multi – unit (3 dwellings)	N/A	Decline	
Other	TBA	Refer to Pen	<ul style="list-style-type: none"> 🔍 Establish what the Home is used for E.g. main residence with an outbuilding used for B&B purposes, rate as permanent residence with paying guests and business use to be B&B ✖ Decline if occupancy is split, e.g. home is let to students but an outbuilding is used as a holiday home
Permanent Home	Your Home	Auto quotes	
Primary Residence	Your Home	Auto quotes	
Secondary Residence	Holiday & Second Home	Auto quotes	
Unoccupied	Unoccupied	Auto quotes	📘 Silver cover level only
Unoccupied occupant deceased	Unoccupied	Auto quotes	📘 Silver cover level only
Weekday or Weekend home	Holiday & Second Home	Auto quotes	

- ✔ Pen Evolve will quote for the majority of occupancy types
- ✖ Pen Evolve is not designed for multi usage - e.g. main residence with a self-contained annex which is let to a professional tenant = decline risk
- 📘 Let properties (ex. let holiday homes) require a minimum 6-month tenancy agreement, unless let to family
- 📘 Occupancy status is linked to ownership type and if there is a clash in responses, the quote will refer with a broker note. Review the responses and update the quote as required.

35. Occupation

- There are no occupation referrals, Pen Evolve will quote or decline
- Any occupation that is high profile/ in the public eye is a decline - e.g. sportsman, newsreader, model
- Occupation rules apply to all policyholders in respect of their primary occupation
- Second jobs are not taken into consideration
- If an occupation is not contained within the drop-down list, the product will decline to quote

36. Outbuildings

- All 4 Pen Evolve wordings contain a definition for outbuildings, example below

OUTBUILDING(S)	<p>Home office, home gym, garden sheds, summer houses, greenhouses and other similar structures which are on a permanent foundation, for YOUR domestic use and are located at the address shown on the SCHEDULE.</p> <p>OUTBUILDING(S) does not include:</p> <ul style="list-style-type: none">Stables or any other equine facilitiesTree housesInflatable structures or any structure made of canvasOutbuildings that are portable, such as Shepherds HutCommercial premisesHome office if it is used by anyone other than YOUHome gym if it is used by anyone other than YOUStructures that are open on more than 1 side <p>OUTBUILDING(S) limits:</p> <p>Up to a maximum of £50,000 for all OUTBUILDING(S), limited to £25,000 per OUTBUILDING(S)</p>
----------------	---

- Outbuildings are included within the £1,000,000 buildings sum insured
- Outbuildings are limited to £50,000 in total, with a maximum limit of £25,000 per outbuilding (these limits cannot be amended)
- Outbuildings must be located at the risk address
- Outbuildings must be for domestic use only - e.g. home office used by the insured and staff is excluded as it counts as commercial premises
- Outbuildings must be on a permanent foundation
- Outbuilding types that are excluded cannot be endorsed back in, not even upon referral, e.g. stable cannot be insured

37. Ownership Status

- Pen Evolve will refer buildings or contents if the ownership is:
 - Owned On Mortgage By Proposer - Sometimes Let Furnished
 - Owned On Mortgage By Proposer - Sometimes Let Unfurnished
 - Owned Outright By Proposer - Sometimes Let Furnished
 - Owned Outright By Proposer - Sometimes Let Unfurnished

Before Referral, establish:

- Why is the home is sometimes let – e.g. is it a main home 9 months of the year and let out for 3 months as a holiday home?
- To ensure there are no clashes in responses between various questions, referrals have been created to warn of any clashes in responses, with a broker note being output - e.g. if ownership status is Owned by proposer- let professional, but the occupancy status question is not let professional there is a conflict. Review outputs, update and re-quote.

Applied: Referrals due to clash in response related to Ownership:

Rule Ref	Area	Reason	Rule Criteria	Outcome	Broker Note
IHP14a	Clash in responses	Ownership V Lodgers	1) Ownership status is Owned On A Mortgage By Proposer - Lodgers or Owned Outright By Proposer - Lodgers AND 2) Is the property occupied solely by the proposers and members of their family is Yes	Refer	Review responses to ownership status & sole occupancy by family, clash in answers
IHP15a	Clash in responses	Ownership V Sole Occupancy	1) Ownership status is Owned On Mortgage By Proposer - Sharing, Owned Outright By Proposer - Sharing, Rented From Housing Association - Sharing, Rented From Local Authority - Sharing or Rented From Private Landlord - Sharing AND 2) Is the property occupied solely by the proposers and members of their family is Yes	Refer	Review responses to ownership status & sole occupancy by family as there is a clash in answers
IHP21	Clash in responses	Ownership V Section of Cover	Ownership status is Rented From Housing Association - Furnished, Rented From Housing Association - Sharing, Rented From Housing Association - Unfurnished, Rented From Local Authority - Furnished, Rented From Local Authority - Sharing, Rented From Local Authority - Unfurnished, Rented From Private Landlord - Furnished, Rented From Private Landlord - Sharing or Rented From Private Landlord - Unfurnished	Decline	Buildings cover requested but ownership status is rented
IHP54b	Clash in responses	Number of days unoccupied	1) What is the maximum number of consecutive days that the property will be unoccupied for is >30 days AND 2) Occupancy status is not unoccupied or unoccupied occupant deceased	Refer	When Unoccupied wider cover might be available under Pen Evolve Unoccupied Silver product

38. Private Individuals & Company Names

- i The policy must be in an individual’s name, Executors or Trustees
- x Pen Evolve is not suitable for company names

39. Properties in Poor Repair

- ? There is no definition in policy wording for good state of repair. Pen consider good state of repair to be a property that is wind and weather tight, has running utilities, is secure, decorated to a basic standard, is habitable, does not have damp or mould issues, is not subject to a demolition order, is not boarded up, is not subject to vermin infestations and each room is useable (for example not subject to hoarding)
- x Properties in poor repair are an automatic decline

40. Property Type

- i All property types have been mapped to quote or decline, there are no referrals
- x Pen will not quote for buildings or contents cover for a flat or maisonette
- x Log cabin / wooden chalet/ leisure lodge/ static caravan / park homes: No cover is available for buildings or contents if the home is not built on foundations and/or if the home is not secured to the foundations, or it is located within a park

Examples of unacceptable property types: Static Caravans, Leisure lodge, Static home, wooden cabins, Leisure lodges or Park homes.



Cheshire Park Homes ...



Static Caravans, Holiday Homes and ...



Residential Park Homes

41. Relationship to Proposer

- ? If ‘unrelated’ is input as the relationship to proposer status, this will refer
- ? Establish what the relationship is and refer to Pen

42. Roof Construction

- 🔍 Applied holds an extensive list of roof constructions and the majority will quote
- 🔍 Where multiple materials are declared, use the highest percentage material for rating - e.g. 70% tile, 30% glass = rate as tile
- ✖ Pen Evolve will not quote thatch – even if this is a minority material, decline to quote
- ✖ **Decline Roof Constructions** (where present in **any** part of the property):
 - Stramit
 - Thatch – Fibre
 - Thatch – Reed
 - ZZ – Not Covered By any Other Item On The List
- 🔍 **Asbestos – before referral, establish:**
 - Percentage of the construction material
 - Are there any visible signs of damage or degrading materials? Decline if yes
 - Where is the asbestos i.e. main home, extension, garage, outbuilding?
 - Has the home been surveyed for any reason in the last 10 years, e.g. home buyer, re-mortgage etc.
 - if yes was there any mention of the condition of the asbestos

43. Sea Wall

- ✖ Sea wall is excluded under the buildings definition and no cover is available

44. Security – Door/ Windows/Alarm/Safe/ Sold Secure / Key Safe

- 🔍 Security requirements depend on the theft area associated with the postcode, the occupancy status and the theft claims history
- 🔍 All unoccupied homes must have window and door locks for a quote to be given
- 🔍 Reference to security relates to external doors, i.e. front & back door, patio and French doors. If the home does not have French / patio doors and the input is answered as not applicable, this counts as approved in Pen's product rules
- 🔍 Reference to security relates to windows, including skylights
- 🔍 Safe: depending on the value of the item of jewellery or the total value of all specified items, the quote may be endorsed to confirm items are only insured when being worn/ under the insured's personal supervision/ or locked in a safe with a suitable cash rating
- 🔍 Pen Evolve does not give a security discount if a customer has security which is not required by Pen
- 🔍 Key Safe: No question set asks about key safe, if it is disclosed no extra terms required but consider why a key safe exists - e.g. is there a domestic employee such as a cleaner or a carer? Or due to building works to allow trades access
- 🔍 Sold Secure Locks are an approved trademark / logo that is used on packaging for certain padlocks. Locks which have the below logo will be rated bronze, silver or gold – packaging will display the rating. The rating determines the quality of the padlock and the theft protection it gives. Typically used for pedal cycle and motorcycles locks but very common on everyday padlocks, available to buy in any hardware store e.g. B&Q.



45. Selective Insurance and the item(s) is not insured elsewhere

- 🔍 Pen do not allow a customer to exclude items from cover, if they are not insured more specifically elsewhere – this is a decline
- 🔍 All Pen Evolve policy wordings require customers to insure for the full replacement value of all items
- ✖ Excluding items is not acceptable as:
 - Why would a customer wish to exclude an item and be uninsured (moral hazard)
 - there is an increased risk - e.g. if there is something valuable in the home, increased theft risk

46. Self-Contained

- ❗ The risk address must be self-contained

47. Scottish Fire Safety

- ❗ From February 2022 homes in Scotland are required to have interlinked alarms. All homes need to have one smoke alarm in the most frequently used room, one in every circulation space on each storey and a heat alarm in the kitchen
- ❗ Alarms should be ceiling mounted
- ❗ Where there is a carbon-fuelled appliance, such as a boiler, fire or flue, a carbon monoxide detector is also required, although this does not need to be linked to the fire alarms
- ❗ New build and rented properties are already subject to these rules but this is now extended to existing private residences
- ❗ If there is a claim and the insured does not have smoke alarms, Pen will not reject to claim solely because of this. The law does not contain any penalties for non-compliance. Following a claim Pen will not pay the cost to install alarms. If they did not exist prior to the loss it would count as betterment. Therefore, smoke alarms would not be part of the claim.

48. Smoke Alarm

- ❗ Pen do not have any requirements around the number of smoke alarms or the type - i.e. battery or hard wired.
- ❗ There are also separate fire safety laws in Scotland (see above).

49. Stairlift

- ✔ If the home has a stairlift, as it is fitted to the structure of the property, it is considered a fixture and fitting which is part of buildings

50. Subsidence, Landslip or Heave History or Subsidence, Landslip, Heave Claim

- ❗ Applied question set requires all subsidence, landslip and heave to be declared regardless of when the incident occurred. Pen's strategy is to only apply terms if subsidence, landslip and heave incident occurred in the last 25 years
- ❗ As there is not have a question for date of subsidence, all SLH will refer regardless of the date the subsidence occurred (even if the home has been underpinned). This is to enable Pen to review the risk and determine if a quote can be given including or excluding the peril.
- ❗ Pen will require to see the full quote breakdown document detailing the calculation steps, along with the Statement of Fact and a screen shot of the referral reasons if the subsidence, landslip, heave is within the last 25 years.
- ❗ If there has been a subsidence claim in the last 5 years please check that all subsidence / cracking/ underpinning questions have been updated
- ❗ If there has ever been more than 2 occurrences of subsidence at the home, Pen can only consider quoting excluding the peril

Subsidence/Landslip/Heave Questions:

Question	Action / Considerations
Current Occupancy status	
Are there any plans in the next 12 months for the occupancy status to change?	
Have Pen handled a subsidence or heave claim?	If yes, please advise the claim number (if known)
Is subsidence, landslip and heave cover provided by the insured's current insurer?	
Landslide claim made in the last 25 years, regardless of who the insurer is	<ul style="list-style-type: none"> ✖ Subsidence, landslide and heave cover will not be available <ul style="list-style-type: none"> - Pen can consider quoting excluding this cover but reports to confirm the stability of land are required – this is due to the liability risk & potential for media coverage if there is an incident ✖ Decline if the claim is in the last 5 years & it was not with Pen
Obtain Background Details & Reports:	<p>Obtain full details:</p> <ul style="list-style-type: none"> - date of loss/ cause of damage / remedial action - peril, i.e. subsidence/landslip//heave - did the insured make the claim/own the home at the time - is the home still being monitored / when did monitoring end - are there any signs of current damage, e.g. cracking, bulging walls, uneven floors, windows/doors sticking - CSA, obtain a copy (available if damage is post 1994) - What other reports are available? E.g. CCTV inspection, arboriculture's report, structural engineers report, homebuyers report– obtain copies <p>If the cause was not on the insured's land & the cause has not been removed, has a letter re future liability been given to that landowner? E.g. if the tree is on council land, have the council been served notice. Obtain a copy of the letter.</p> <ul style="list-style-type: none"> - area(s) of home damaged - rough cost of the claim - were neighbouring homes affected by the incident?

51. Neighbours Home has suffered Subsidence

- i** If a neighbour's home has suffered subsidence and this information is declared – refer to Pen.

Before referral, establish:

- ?** What type of property is the neighbour's property?
 - If the home is not detached, there is a risk that the property we insure could be affected.
 - E.g. if 1 semi-detached house has failing foundations this could easily cause wall distortions to our property, leading to a subsidence claim.
- ?** Does our property have any signs of subsidence, e.g. cracks, uneven floors, bulging walls, doors/windows that do not close properly?
- ?** Are any party walls affected?
- ?** What was the cause of the neighbour's subsidence, what part of the home was affected, when did the subsidence occur, what action has been taken?
- ?** Is there a survey report available for the home we are being asked to quote on?

52. Sum Insured Referrals – specified valuables, specified personal possessions and pedal cycles

- i All specified items are based on the sum insured to replace the item. Due to this its possible values will be requested to be amended midterm or at renewal. E.g. insured obtains a professional valuation or requests to increase cover due to publicised inflation or market fluctuations in gold prices.
- i Pen Evolve has more flexible rules for the maximum sum insured for specified valuables (i.e. items in the home - e.g. picture, antique furniture), specified personal possessions (e.g. watch or camera), and pedal cycles for mid-term adjustments and renewals.
- ? Refer to Pen advising why the value is to be increased, e.g. has the item been re-valued, being increased due to inflation, new item purchased, inherited items and whether any existing items are to be deleted

53. Underpinning

- i All underpinning must be declared even if this is not related to subsidence, e.g. it may be necessary to underpin the foundations if an extension is being built, or when converting a barn to a dwelling

54. Unoccupied Properties

- i Each Pen Evolve policy wording contains a slightly different unoccupied definition to enable Pen to make it more specific to the declared occupancy status.
- i Pen Evolve product range will count a home as being unoccupied if the insured / tenant / guests has not lived in the home in the last 31 days - i.e. a home can be left empty for 30 consecutive days but on day 31 it is unoccupied the occupancy status must be updated to reflect this.
- i Unoccupied homes must be inspected internally and externally at least once every 7 days by the insured or an authorised representation (this is both endorsed, and contained in the Unoccupied policy conditions
- i Applied does not capture how long a home has been unoccupied - if a quote refers, please provide this information when contacting the Pen Underwriting team
- i Applied captures unoccupancy as part of the occupancy status
- x Decline if the home has been unoccupied more than 5 years - Pen do not want to insure long term unoccupied homes

Applied rules relating to unoccupied homes:






Rule Ref	Summary of Rule	Product Outcome	Establish:	Product(s) Applicable
IHP54b	Consecutive days unoccupied >30 days but the occupancy status hasn't been declared as unoccupied or unoccupied owner deceased	Refer to Pen	<ul style="list-style-type: none"> • Why will the home be unoccupied for greater than 30 days when the occupancy status has not been declared as unoccupied? E.g. renovation works, extended holiday etc. • Consider if this should be placed on the Evolve Unoccupied wording 	Your Home Holiday & Second Home Landlord
IHP91a	High theft area, minimum security requirements are not met	Decline	<ul style="list-style-type: none"> • Unoccupancy combined with high theft area cannot be covered unless minimum requirements are met 	Unoccupied (Silver)
IHP95b	Length of time unoccupied so far is >1 month, but the occupancy status hasn't been declared as unoccupied or unoccupied owner deceased Min security requirements not met	Decline with broker note (NB/RNL)	<ul style="list-style-type: none"> • Occupancy status to be reviewed due to clash in responses – product selection review • Unable to offer cover for unoccupied property in high theft area without minimum securities 	Your Home Holiday & Second Home Landlord

Rule Ref	Summary of Rule	Product Outcome	Establish:	Product(s) Applicable
IHP95c	Per IHP95b	Refer (MTA)	<ul style="list-style-type: none"> Check securities, and refer to Pen with details Check product selection – would it be appropriate to cancel and replace on unoccupied product? 	Your Home Holiday & Second Home Landlord
IHP135a	Occupancy status is unoccupied or unoccupied occupant deceased and/or all risk, pedal cycle cover is selected	Decline	<ul style="list-style-type: none"> Unable to cover items away or pedal cycles for unoccupied property Check product selection, due to unoccupancy 	Your Home
IHP203	Occupancy status is unoccupied or unoccupied occupant deceased, property is in a high theft area, with theft claim(s) within 24 months at the risk address	Refer	<ul style="list-style-type: none"> Did the claim occur whilst the property was unoccupied? Is the property unoccupied due to the claim? 	Unoccupied (Silver)
IHP203a	Property is in a high theft area, with theft claim(s) within 24 months at the risk address	Refer	<ul style="list-style-type: none"> Did the claim occur whilst the property was unoccupied? Is the property unoccupied due to the claim? 	Unoccupied (Silver)





55. Wall Construction

- 📌 Applied holds an extensive list of wall constructions, and the majority will quote
- 📌 Where multiple materials are declared please use the highest percentage material for rating, e.g. 70% brick, 30% glass = rates as brick
- ✖ **Decline Wall Constructions** (where present in **any** part of the property):
 - Mundic Block
 - Prefabricated Building – Combustible Materials
 - Stramit Construction
 - Straw Bale
 - ZZ – Not Covered By any Other Item On The List
- 🔍 **Refer Wall Constructions** (refer to Pen where present in **any** part of the property):
 - Asbestos
 - Bungaroosh
- 🔍 **Before Referral, Establish:**
 - Percentage of the construction material
 - Is there any visible signs of damage of degrading materials? Decline if yes
 - Where is the asbestos / bungaroosh, i.e. main home, garage, boundary wall?
 - Has the home been surveyed for any reason in the last 10 years, e.g. home buyer, re-mortgage etc.
 - if yes was there any mention of the condition of the asbestos or bungaroosh




56. Weather Warnings

-  During periods of extreme weather, warning may be in place advising of increased risks of flood or storm. Risk should be reviewed accordingly.
-  Where there are storm or flood alerts in place, please refer to Pen
-  If the risk is currently uninsured –decline to quote with Pen
-  For flood warnings – where a property is [Flood Re eligible](#), cover should be declined
-  For ineligible properties, Pen may be able to quote excluding Flood cover on referral

Before referral, establish:

-  Type of warning, and expected duration
-  Is this a Pen renewal or new business?
-  If new-business - is the property currently insured? – i.e. is the customer looking to obtain insurance due to the increased risk?
-  Date cover required (is this within the warning period)?

57. Year of Build

-  Year of build is not relevant to contents only policies
-  If a home is a conversion, the declared year of build must be the original construction date, not the date the conversion occurred
-  Properties built before 1601 are a decline where buildings cover is required

Version Control

Date	Version	Information	Updated By
30.08.2024	1.0	Guide created	James Downing