



Beach Huts

Target Market Statement

Product Type

This is an insurance product for consumer customers who require cover for loss or damage to beach huts, chalets, shepherd huts or other huts of similar construction.

Cover can be extended to include contents contained within the hut and also to cover the customer's legal liability for bodily injury or damage to property, arising out of their ownership, possession or use of the hut.

Characteristics of the target market (who is this product designed for?)

This product is designed for customers who are over the age 18 and who own or rent a beach hut, chalet, shepherd hut or an equivalent structure, located in the UK, Channel Islands or the Isle of Man.

This product can also cater for beach huts, chalets and shepherd huts where there are elements of non-standard construction (such as timber and pre-cast concrete).

Cover can be provided for huts/structures located at:-

- Coastal locations.
- Within the boundaries of a customer's main residence.
- Inland areas (such as woodland locations).

Customers with characteristics of vulnerability are included within the target market.

Objectives, needs and interests of the target market (considering the key features and benefits of the product)

The product provides cover for loss or damage to the property and/or its contents caused by events such as fire, explosion, impact, storm, flood, escape of water, theft and subsidence.

Customers are covered for the following features and benefits:

- **Buildings:** Cover for the costs of repairing, replacing or rebuilding the hut up to an agreed sum insured.
- **Contents:** Cover for the cost of repair or replacement of the contents, up to 20% of the sum insured of the building(s), including surf boards, water-skis and wakeboards.
- **Loss of Rent and/or Licence Fee:** Cover for up to 20% of the building(s) sum insured.



- **Third Party Use:** Cover whilst the hut is let to third parties.
- **Emergency Travel Expenses:** Cover for up to £100 to travel to the hut to secure the building(s) or limit further loss or damage, where the total cost of the claim exceeds £1,500.
- **Underground Pipes:** Cover for accidental damage to underground pipes serving the building.
- **Public Liability:** Covers legal liability for bodily injury or damage to property arising as a private individual out of ownership, possession or use of the hut.

Who is this product not designed for?

This product is not suitable for:

- Huts located outside of UK, Channels Islands or the Isle of Man.
- Customers who cannot afford the annual or monthly premiums.
- Customers who require short term non-renewable cover.
- Total sum insured values of more than £120,000.
- Customers with more than two losses within the last 5 years that would have been covered by this product or a similar product.
- Customers with more than one unspent conviction and/or pending prosecutions excluding any motor offences.

How do we expect this product to be distributed?

This product should be sold with the active assistance and guidance of an insurance intermediary to select the appropriate level of cover. The product will only be distributed through brokers to customers and not directly by Pen to customers.

This product is suitable to be distributed by Pen's coverholder broker partner(s) and insurance brokers and can be sold via a variety of intermediated sales channels, such as face to face, telephone, email, or by postal application.

Consideration should be given to the vulnerability of customers by the intermediary and provide any appropriate support they may need.

This product can be sold without financial advice.

What are the distributor value considerations?

We expect all distributors in the chain to consider the following when selling Pen's products:

- The impact on product value of offering other products alongside this one, especially those with proportionally greater remuneration. For example, an ancillary product, elements of which may duplicate existing cover, or premium finance charged at an elevated rate of APR.



- Additional commission, fees or charges added as part of distribution processes must be proportionate to the service provided, in line with those charged elsewhere, and not affect the overall value offered by the product.
- Distributors must ensure there is no duplication of cover as a result of any add-on products sold where appropriate cover is already provided by the policy.
- Distributors must familiarise themselves with the product options and extensions available and consider these when selling Pen's products to customers.
- Distributors should consider the demands and needs of the customer and the Consumer Duty requirements when dealing with customers.

Scope

This document is intended to provide an indicative summary of the target market for this product and is not a summary of coverage. Please refer to separate policy documentation for full details of the coverage provided by the product.

Pen has a Product Approval Process

Pen has a product approval process in place to ensure that there is appropriate oversight of all products where Pen is either a co-manufacturer or a distributor. The process includes a risk assessment process where due consideration is given to the impact of the product on the target market and the value of the product.

A diagram of Pen's product approval process can be found on the Pen website [here](#)

Important Information

This target market statement should be used by all (co-)manufacturers and distributors of this product. (Co-)manufacturers and distributors should not create their own variation of this document. Where any party using this document has concerns about the accuracy or completeness of the information included, this should be raised to Pen urgently for discussion.

Valid From

01/11/2024

Next Review Date

By or before 01/11/2025

