



## Residential Property Owners

### Delegated Underwriting (Coverholder) Business

#### Target Market Statement

##### **Product Type**

This is an insurance product for customers who require insurance protection for Residential Let properties which includes residential houses, bungalows, maisonettes and blocks of flats across the UK for Material Damage, Loss of Rental Income, Property Owners Liability and Employers Liability.

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

This product is designed for UK customers only who are owners of Residential Let properties which includes residential houses, bungalows, maisonettes, and blocks of flats also located in the UK.

The product is suitable for a range of occupancy groups including, but not limited to, working professionals and students as well as holiday homes.

The maximum sum total insured is £90m per single location.

The product could be sold to property owners who may be vulnerable customers. This product should be distributed via an intermediary who can provide any additional support and advice required.

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

This product provides cover for Residential Let properties and Landlords contents which can include the following features and benefits:

- Reinstatement cover for loss or damage caused by:
  - Fire, explosion, lightning, earthquake.
  - Smoke.
  - Riot, civil commotion, strikes or political disturbances.
  - Malicious acts or vandalism.
  - Storm or flood.
  - Water or oil escaping from any fixed domestic appliance or system.
  - Frost damage to fixed water or heating systems.
  - Theft or attempted theft.
  - The building being hit by aircraft, other flying devices or anything dropped or falling from them, animals, falling trees, branches, telegraph poles, lamp posts, pylons, falling aerials or vehicles.
  - Subsidence or heave of the site the buildings stand on or landslip.
  - Accidental damage.



- Cover for Landlord's Contents which can be set at levels to meet customers' needs.
- Cover for Loss of Rent/Alternative Accommodation Expenses automatically covered up to a limit of 33.33% of the Building Sum Insured.
- Property Owner's Liability for Bodily injury or Damage up to a limit of indemnity of £10m.

### **Who is this product not designed for?**

This product is not suitable for non-UK customers or Residential Management Companies, Freehold Management Companies, Managing Agents and Private Owners of purpose built or converted blocks of flats. It is also not appropriate for private householders.

The product would not typically be suitable for customers with the following features – Residential Let properties:

- Which are situated in areas identified as having an increased risk of flooding.
- Where there is a material level of combustible cladding. What is material will depend on the construction and size of the property.
- Where the predominant construction is not standard (meaning brick, stone or concrete and roofed entirely with slates, tiles, metal or concrete or flat roofed with asphalt, bitumen, concrete or felt on timber).
- Where a tenancy agreement is not in place.
- Where the tenancy agreement is not entered into independently and privately between the landlord and tenant for a period of at least 6 months.
- Where the property is pending sale, is unoccupied with no prospect of becoming occupied in the short term or where we are not insuring the entire property.

### **How do we expect this product to be distributed?**

This product should be sold with the active assistance and guidance of an insurance intermediary with whom Pen has an agency to select the appropriate level of cover. Pen recommends this product is not sold directly to customers without this assistance.

This product is suitable to be distributed via our Pen appointed Coverholder and can be sold via a variety of intermediated sales channels, such as face to face, telephone, email, or by postal application by a FCA authorised Intermediary. Consideration should be given to the vulnerability of customers by the Coverholder and Intermediary and provide any appropriate support they may need.

The product will not be distributed directly by Pen to customers.

### **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 consider the demands and needs of customers 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.

### **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 risks 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**

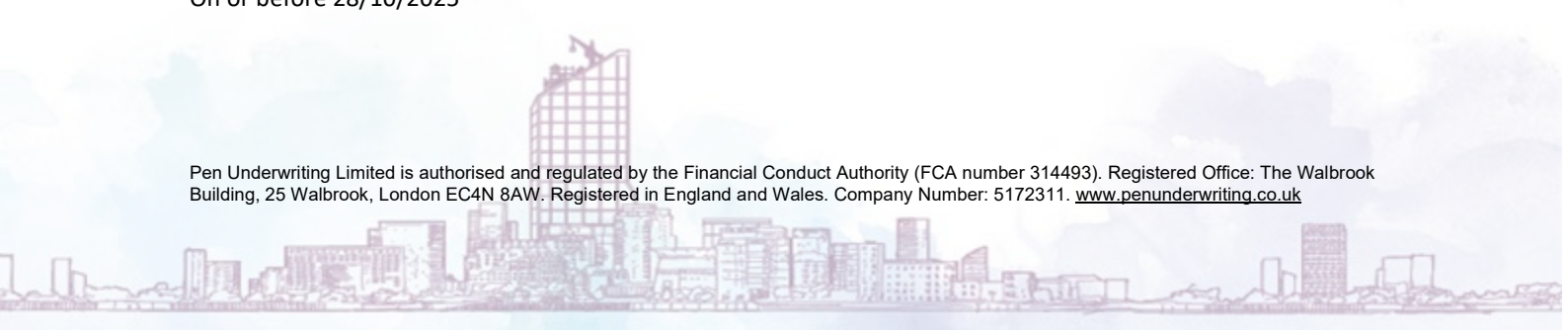
This target market statement should be used by all (co-)manufacturers and distributors of this product. (Co-)manufacturers and distributors should not create their own variation of this document. Where any party using this document has concerns about the accuracy or completeness of the information included,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

### **Valid From**

28/10/2024

### **Next Review Date**

On or before 28/10/2025





**Pen**  
underwriting

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