



## Unoccupied Homes

### Target Market Statement

#### **Product Type**

This is an insurance product for consumer customers who require cover for loss or damage to their home, whilst the home is unoccupied.

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

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

The product is designed for customers over the age of 18 who own a home which is unoccupied, located in the UK, Channel Islands or the Isle of Man.

This product can provide cover where there are non-standard elements, such as:

- The property has suffered a subsidence, landslip or heave loss in the last 25 years.
- The property is located in an area identified as having a high risk of flooding and/or has suffered from a previous flood loss in the last 25 years (providing the home is for personal use only and acceptable under the eligibility rules of Flood Re\*).
- The property is built of non-standard construction, such as timber or timber framed.
- The property has minor buildings works commencing or planned (such as rewiring, plumbing, replacement kitchen and small extensions).
- Properties with Grade 2 or B listed building status.

\*Flood Re – Flood Re is a scheme set up by the UK Government and insurers that provides flood cover as part of a home insurance policy more widely available and affordable where a property is located in an area identified as having a high risk of flooding. More information can be found out about the scheme at [www.floodre.co.uk](http://www.floodre.co.uk)

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 unoccupied home and/or contents caused by events such as fire, explosion, impact, storm, flood, escape of water, theft and subsidence.

Customers will benefit from the following features and benefits:



- **Buildings:** Covers the cost of repairing, replacing or rebuilding the unoccupied home up to an agreed sum insured.
- **Contents:** Covers the cost of repair or replacing the contents of the home, plus property in the open, including temporary removal of the contents to other premises.
- **Legal Liability:** Covers the legal liability as a private individual and as owner of the unoccupied home for bodily injury or property damage caused to another person or property.
- **Accidents to Domestic Staff:** Liability for bodily injury to domestic staff arising out of and in the course of their employment.

*We can tailor bespoke where requested with cover available on a fire, smoke damage, lightning & explosion only basis for both buildings and contents.*

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

The product is not designed for:

- Commercial customers.
- Unoccupied properties outside of the UK, Channels Islands or the Isle of Man.
- Customers with more than two losses within the last 5 years that would have been covered by this product or a similar home product.
- Customers with more than one unspent conviction and/or pending prosecutions excluding any motor offences.
- Total sum insured values of more than £3,000,000.
- Properties with Grade 1 listed building status.
- Unoccupied properties that cannot be inspected every 30 days.
- Unoccupied properties that have been unoccupied for more than 4 years.
- Unoccupied properties where the intention is for the buildings to be demolished.
- Customers who require escape of water cover but cannot comply with the central heating clause.
- Customers who require cover for contents items such as:
  - gold, silver, other precious metals.
  - clothing and luggage.
  - sports, musical, camping and photographic equipment.
  - valuables, jewellery and furs.
  - collection's (paintings, works of art, stamps etc.).
  - money and credit cards.
  - pedal cycles.
- Customers who cannot afford the annual or monthly premiums.

### **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 partners 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.

### **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 Pens 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**

11/11/2024

### **Next Review Date**

11/11/2024