



Property Owners (Risk Managed)

Target Market Statement

1. Product Type

This is an insurance product for commercial and residential property owners domiciled in the UK, Channel Islands or Isle of Man, who require property and liability coverage for their properties based in the UK, Channel Islands or Isle of Man, which are let to third parties.

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

This product is targeted to UK Property Owners with properties tenanted by the following business sectors:

- Manufacturing.
- Wholesale and Distribution.
- Retail.
- Professional Services Providers.
- Leisure, Health and Wellbeing.
- Contracting.

In addition, this product is suitable for property owners of buildings occupied by residential tenants with lease durations of 12 months or more.

This product is suitable for vulnerable customers, but it should be distributed via an intermediary that can provide any additional support needed.

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

This product provides customers with the following features and benefits where selected:

- **Material Damage:** Cover for accidental loss or damage to buildings and landlords' fixtures and fittings and other property insured at the premises.
- **Loss of Rental Income:** Cover for loss of rental income helping to protect against financial losses from unexpected events.
- **Employers' Liability:** Cover for legal liability to pay compensatory damages, including fees and expenses, for injuries to employees during their employment.
- **Property Owners' Liability:** Cover for legal liability arising from accidental injury or damage to third-parties or third-party property.
- **Legal Expenses:** Cover for the costs of legal action or advice for a range of situations such as employment disputes, criminal prosecutions, contract disputes and tenancy disputes.
- **Terrorism:** Cover for accidental loss or damage to buildings and landlords' fixtures and fittings and other property insured at the premises or loss of rental income due to acts of terrorism.



Specifically, customers will benefit from the following:

- Modular sections to meet their specific needs.
- Access to an online risk management portal called Pen Risk Solutions.
- 24/7/365 environmental helpline.
- Legal Advice, tax advice and counselling helplines.

Plus, where selected, cover is provided for:

- Pollution clean-up costs up to £100,000 for a sudden and unforeseen event.
- Loss of rental income extensions up to £100,000 for a bomb scare or unlawful occupation of the premises by members of a terrorist or criminal organisation or other unlawful occupants.
- Failure of public electricity supply extension.
- Denial of access to the customer's premises due to damage in the vicinity.

4. Who is this product not designed for?

This product would not be suitable for property owners of buildings involved in the following industries:

- Asbestos product manufacture and removers.
- Mining.
- Nuclear & oil and gas extraction.
- Petro-chemical.
- Primary and secondary education.
- Prisons and detention centres.
- Waste & recycling.

In addition, this product is not be suitable for properties or property owners registered or domiciled outside of the UK, Channel Islands or Isle of Man.

5. 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 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.

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

6. 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 should consider the demands and needs and Consumer Duty requirements when dealing with customers.

7. 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.

8. 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](#).

9. 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.



Product Fair Value Outcome – Methodology

Pen has completed Fair Value Assessment work on products we co-manufacture. This is based on groupings of products which may be similar in features and are intended to be distributed to similar target markets.

This Product Fair Value Outcome Statement is not intended to replicate our Fair Value Assessments but sets out the approach taken and the outcome of the assessment.

Distributor Remuneration

Pen agrees commission rates with each distributor and as part of the fair value assessment process has requested details of any additional fees that may be added in the distribution chain. The fee details received have been analysed and if Pen considers these could impact the value of the product this would be raised directly with distributors.

All distributors should be able to:

- Confirm annually that the commissions and fees they charge are reasonable relative to the service(s) they provide and the total cost of the product to the customer; and
- Justify that commissions and fees they charge are fair and support the intended value of the product.

How Pen Assesses Value

Pen’s product governance and oversight process requires a full review of all product groups at least annually to determine if the product offers fair value to the customer.

These reviews consider the following areas:

Target market	<ul style="list-style-type: none"> • Target market reviewed to ensure the product meets the needs of the customer and will continue to do so for the life of the product • Identify the impact on vulnerable customers where applicable
Distribution strategy	<ul style="list-style-type: none"> • Appropriateness of the distribution channel, services offered and remuneration • Remuneration does not negatively impact the overall value offered by the product
Market assessment	<ul style="list-style-type: none"> • Market scrutiny to ensure the product aligns with current market trends
Product design/lifecycle	<ul style="list-style-type: none"> • Pricing • Regulatory requirements • Fees and charges • Product documentation • Performance of the product • Product changes



Customer journey	<ul style="list-style-type: none"> • Quality Assurance • Feedback from distribution
Claims	<ul style="list-style-type: none"> • Frequency and trends • Loss ratio trends
Complaints	<ul style="list-style-type: none"> • Feedback is reviewed to ensure the product continues to offer good benefit for customers • Reasons for complaints and volumes • Outcomes of complaints: whether they are upheld, not upheld • Identification of trends and root causes • Redress payments: volume and timescales • Financial Ombudsman Service: volume and outcomes
Fair Value Summary	
<p>Pen has considered all relevant factors, including the total price paid by the customer, value MI, distribution and other considerations in this product design.</p> <p>Pen is satisfied that the product continues to provide fair value to customers and is suitable to continue to be distributed to the identified target market.</p>	

Valid From
31/03/2025

Next Review Date
On or before 31/03/2026

(ID ref: 75 & 206)

