



## Terrorism – Stand alone

### Target Market Statement

#### Product Type

This is an insurance product for commercial property owners, commercial business owners and residential property owners who require physical and consequential loss or damage cover for their buildings and other physical assets, as a result of an act of sabotage or terrorism.

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

This product is designed for customers who own either a single property or a portfolio of properties, located in the UK, Channel Islands or the Isle of Man.

This product is suitable for customers who are looking for an alternative terrorism product to the UK Government's Pool Re scheme. The product is appropriate for the following types of property owner:

- Commercial property owners.
- Commercial business owners.
- Residential property owners.

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 property resulting from acts of sabotage or terrorism.

Customers will benefit from the following features and benefits:

- 1. Property Damage:** Covers the costs of repairing or replacing buildings, equipment, and other physical assets damaged or destroyed due to acts of sabotage or terrorist.
- 2. Business Interruption:** Covers lost income and additional expenses incurred due to the disruption of business operations following a sabotage or terrorist event.
- 3. Liability Coverage:** Covers claims made by third parties for bodily injury or property damage resulting from sabotage or terrorist acts.



Cover can also be extended to include:

- Chemical, Biological, Radiological and Nuclear (CBRN) related terrorism.

It is a requirement that the customer has an associated insurance policy in force which covers the buildings and other physical assets insured. It is not a requirement that the associated insurance is provided by Pen Underwriting.

The product will follow the terms and conditions of the associated insurance policy it attaches to, unless stated otherwise.

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

- This is a commercial product and is unsuitable for consumers.
- Properties located outside of the UK, Channel Islands or the Isle of Man.
- Customers who don't have an associated insurance policy in force covering the buildings and other physical assets of the business.

#### **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 with whom Pen has an agency and not directly by Pen to customers.

This product is suitable to be distributed via a variety of intermediated sales channels, such as face to face, telephone, email, or by postal.

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 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

11/11/2024

## Next Review Date

By or before 11/11/2025