



Recruitment Agency

Commercial Combined

Target Market Statement

Product Type

This product is specifically designed for Recruitment Agencies domiciled in the UK.

The core covers provided are Combined Liability and Professional Indemnity with the options to add Driver Negligence, Fidelity Bonding, Material Damage/Business Interruption, Directors & Officers, Cyber, Personal Accident and Legal Expenses.

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

This product is designed for UK domiciled recruitment agencies, ranging from sole traders to large agencies with a turnover up to £1.5 billion, and involvement in both permanent and temporary placements. Cover can be provided for overseas placements where UK residents are temporarily placed outside the UK.

Cover can also be provided for ancillary services where a recruitment agency may offer:

- Training.
- Human Resource consultancy.
- Marketing Services.
- Payroll Services (excluding Business to Business payroll services).

Such ancillary services cannot exceed 50% of the overall business turnover.

Upon request, this product can offer cover for workers who reside outside of the UK and placed with an overseas firm.

This product may be sold to vulnerable customers.

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

Customers will benefit from the following policy features:

- Combined Liability for both the customer and the placed personnel.
- Professional Indemnity cover that includes dishonesty of placed personnel.
- Fidelity Bonding cover designed for theft of stock/goods by a placed worker whilst on site.
- Material Damage/Business Interruption cover.
- Directors & Officers cover.
- Cyber cover.



- Personal Accident cover.
- Legal Expenses cover.
- Drivers' Negligence.

Who is this product not designed for?

This product is not suitable for businesses:

- Domiciled outside the United Kingdom, Channel Islands and the Isle of Man. That is not a Recruitment Agency.
- That is established as an umbrella company of another firm.

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 application by an intermediary with whom Pen have an agency.

Consideration should be given to the vulnerability of customers by the intermediary who should provide any 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 because of any add-on products sold, where appropriate cover is already provided by the policy.
- Distributors should consider the demands and needs of customers and the Consumer Duty requirements when dealing with customers.
- Distributors must provide full details on all risks submitted on a suitable proposal form.



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 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.





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: 78)

