



Miscellaneous Professions - Professional Indemnity

Target Market Statement

Product Type

This insurance product provides financial protection to customers who are professional individuals and businesses who provide specialist advice, design, management, consultancy, or other professional services in their areas of expertise.

The product protects a customer's business and reputation from claims made against them arising from their negligence and/or alleged negligent acts or omissions, including costs incurred in defending a third-party claim. In addition, the product includes cover for Ombudsman Awards, arising from complaints made to an Ombudsman regarding a customers' professional services.

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

This product is designed for a very broad range of professions, as shown in the list below which is not exhaustive, for customers domiciled in the United Kingdom, Channel Islands or the Isle of Man who require Professional Indemnity insurance.

- Accident Investigators
- Acoustic Consultant
- Agricultural Consultant
- Arbitrator
- Art Directors
- Auctioneers
- Author
- Bailiff
- Business Coaching
- Careers Advisory Services
- Change Management Consultants
- Charity
- Community Action Groups
- Company Registrar
- Company Search Agent
- Conference Organiser
- Consulting Chemist
- Counselling Services
- Court Reporter
- Ecologist
- Education Advisory Service
- Employment/Recruitment Agent
- Energy Assessors
- Enquiry Agent
- Literary Agent
- Loss Adjuster/Assessor
- Magistrate and Clerk of Justice
- Management Consultant
- Map Drawer
- Marine Surveyors
- Motor Engineer
- Museum
- Non-Destructive Tester
- Pharmaceutical Consultant
- Portable Appliance Tester
- Product Designers
- Quality Assurance Consultant
- Records Manager
- Relocation Agent
- Renewable Energy Consultant
- Research Association
- Residential Managing/Letting Agents
- Safety Consultant/Officer/Group
- Scene Examinations
- Secretarial Service



- Event Organiser
- Expert Witness
- Healthcare sector (non invasive procedures only)
- Export Consultant
- Food Industry
- Forensic Accountant
- Forestry Consultant
- Freight Forwarder
- Funeral Director
- Genealogist
- Horticultural Consultant
- Human Resource Consultants
- Information Bureau
- Interior Designer
- Investigator
- Land Agent
- Law Centres
- Law Costs Draughtsman
- Law Search Agent
- Lifting Equipment Tester
- Security Consultant
- Shipbroker
- Shipping and Forwarding Agent
- Small Business Advisory Service
- Statistician
- Statutory Body
- Stock taker
- Strategic Management Consultant
- Surface Coatings Consultant
- Timber Treatment Consultant
- Tourist Association
- Town Planner
- Trade Associations
- Traffic Consultant
- Training Consultants
- Translator
- VAT Consultant
- Wedding Planner
- Wildlife Consultants
- Yacht Broker

The product is suitable for a varying size of professional business from micro SMEs to larger customers with incomes up to £10 million per annum.

This product is suitable for vulnerable customers when distributed via an intermediary who can provide the additional support needed.

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:

- **Civil Liability:** Cover for claims made against the insured for civil liability arising from their professional services. This includes negligence, breach of contract, and breach of fiduciary duty.
- **Liability for Loss of Documents:** Cover for physical loss of or damage to documents suffered in connection with the Insured's professional business, for the reasonable costs and expenses incurred in replacing or restoring documents owned by any third party but which at the time of loss were the insured's responsibility.
- **Ombudsman Award:** Cover for any final and binding compensatory awards (including an award of costs) made against the insured by any Ombudsman under any recognised scheme applicable to the insured's Professional Business.
- **Legal Representation Costs:** Cover for legal costs incurred with our prior written consent to enable the insured to be represented at any inquiry or other type of proceeding.



- **Defence Costs and Expenses:** Cover for costs incurred in defending a claim made against the insured
- **Own Copyright Protection:** Cover for any legal costs incurred with pursuing a claim for infringement of copyright.
- **Court Attendance Expenses:** Cover for the insured and their employees to attend any court or other judicial tribunal.
- **Run-off Cover:** Provides protection after a firm ceases trading, covers claims made during a specific period after closure.

Who is this product not designed for?

This product is not appropriate for customers or businesses:

- Domiciled outside the United Kingdom, Channel Islands or the Isle of Man.
- Involved in the provision of any financial or insurance advice.
- Involved in the provision of any invasive treatments.
- Customers who require professional indemnity cover where their own governing/regulatory body has minimum terms and conditions.

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 has 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 Annual Percentage Rate (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.
- 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>	

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