



## Mid Net Worth

Date Fair Value Outcome Completed	Quarter 4 2023
Expected Date of Next Assessment	Quarter 4 2024

### Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product we can confirm:

1. The outcome of the fair value assessment found that this product provides fair value, which is based on Pen's review of information related to sales practices and services, claims, complaints and market intelligence.
2. There is no evidence that the product is not suitable for the customers it is intended to be distributed to.
3. The intended distribution strategy remains appropriate, subject to distributors not charging customers additional fees that bear no reasonable relationship to the service(s) provided, or the overall cost of the product.

### Target Market Statement

<b>Product Type</b>	An insurance product for personal lines policyholders who require Household insurance (Buildings and Contents) for properties in the UK (excluding Northern Ireland).
<b>What demands and needs are met by this product?</b>	This product is designed for personal lines policyholders who require Household insurance (Buildings and Contents) for properties in the UK (excluding Northern Ireland).
<b>Who is this product designed for?</b>	This product is designed for personal lines policyholders who require cover for loss or damage to their home and/or contents.
<b>Who is this product not suitable for?</b>	This product is not suitable for standard residential homes, commercial customers or premises outside of UK, Channels Islands and the Isle of Man.
<b>How do we expect this product to be distributed?</b>	This product is suitable to be distributed via a variety of sales channels, such as face to face, via telephone, email, or by postal application by a Broker.





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**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, including premium finance cover, where appropriate cover is already provided by the policy.
- Distributors should consider the Consumer Duty requirements when dealing with policyholders.

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**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 your product.

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## Fair Value Outcome Statement

### Product Fair Value Outcome – Methodology

Pen has completed Fair Value Assessment work on products we 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.

### Product Information

This is a household insurance policy to cover loss or damage to the home and/or contents and to

#### The product can provide cover for:

- Buildings: physical loss or damage to the buildings (this includes the main domestic structure, outbuildings, permanent fixtures and fittings, domestic fixed fuel tanks).
- Contents: household goods, valuables and personal belongings within the home.
- Worldwide cover for Contents, fine art antiques and valuables.
- Alternative accommodation if the home cannot be lived in following insured damage up to 36 months.
- Damage caused by domestic pets up to £2,500.
- Sourcing domestic water which causes damage to the home or Contents, up to the Buildings sum insured.
- Loss of oil, metered water or LPG.
- Public Liability.
- Legal Expenses (limitations apply).

Additional cover available.

#### Limitations (but not limited to):

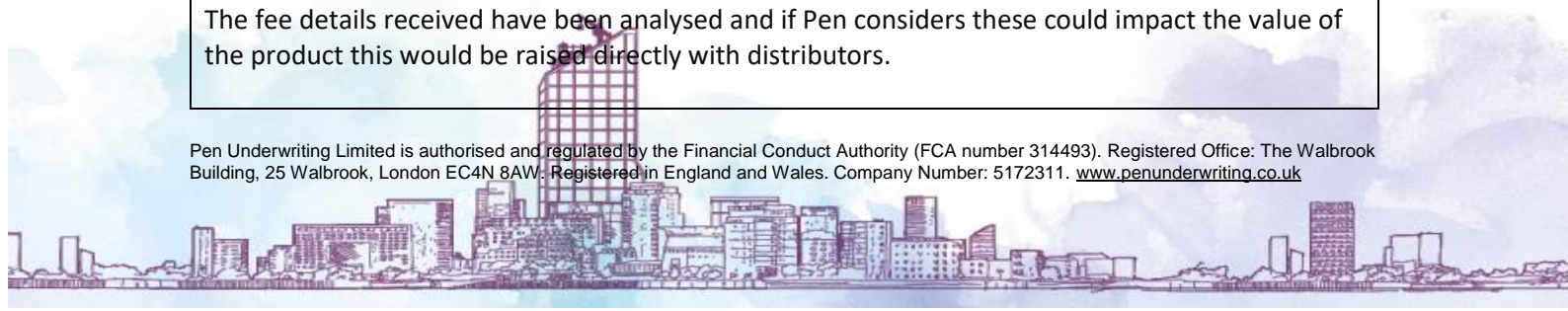
- Wear and tear or any other gradually operating cause.
- Loss or damage resulting from any work to the home where the cost of the works exceeds a total contract value of £75,000 unless the work has been agreed by us.
- Loss or damage caused by theft, vandalism, malicious damage or accidental damage while the home is unoccupied for more than 60 consecutive days unless we agree cover.
- Damage occurring before the beginning of the period of insurance or caused deliberately by the policyholder

### Optional Products

No products are sold alongside this core product by Pen.

### 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 Mitigates Risks to Product Fair Value

Pen's commission structure is intended to ensure that it reflects product features and benefits and the services we provide, which support product fair value. Pen does not benefit from distributors increasing or decreasing their own commissions/fees.

Pen has taken steps to validate that distributor commissions/fees charged are within a reasonable range and in line with usual market practice, in order to ensure the value of our products is not diluted.

#### 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 target market, distribution strategy, remuneration, marketing, product information, product performance, product design (including wordings), and any feedback received from distributors or customers. We also consider sales, claims and complaints data, and risk metrics related to these factors.

