



## Residential Property Owners

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>	Insurance products for owners of residential property, including freeholders and/or leaseholders of flats, with various tenant types.
<b>What demands and needs are met by this product?</b>	These products are designed for residential property owners with an insurable interest in UK let residential property, including flats, against physical damage and loss.
<b>Who is this product designed for?</b>	These products are designed for owners of residential property.
<b>Who is this product not suitable for?</b>	These products are not suitable for owner occupancy.
<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

Residential landlords Insurance (Buildings and Contents) for properties in the UK (excluding Northern Ireland).

Private individuals, management companies or companies with an insurable interest in UK residential property on a let, unoccupied or holiday let basis.

#### Cover is available for:

- Perils such as fire, flood, storm, theft and subsidence.
- Material Damage
- Rent Receivable
- Property Owners Liability
- Employers Liability
- Legal Expenses
- Terrorism Cover

The available cover depends on the occupancy status and tenant type.

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

- Maximum sums insured for various sections
- Sub limits according to tenant types
- Policy Excesses (as shown within the Policy Schedule)

### 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.

