



Park Commercial Combined Insurance Fair Value Assessment

Distributor Information Pack

September 2023



Introduction

You are receiving or viewing this document because you are involved in the distribution of an insurance product manufactured by a Bspoke Group business. In accordance with PROD 4.2.29 to 4.2.32 this document provides:

1. all appropriate information on the insurance product
2. all appropriate information on the product approval process; and
3. the identified target market of the insurance product.

It includes

1. all appropriate information to enable you to understand the intended value of the insurance product established by us.
2. any effect you may have on the intended value that has not been fully taken into account by us when assessing value, and therefore which you should take into account; and
3. the intended target market for the product and any type of customer for whom the insurance product is unlikely to provide fair value.

Product Oversight and Governance

This section contains important information about the manufacturer, product and associated product approval process and fair value assessment.

Manufacturer

Bspoke Insurance Group comprises regulated entities as detailed below who manufacture general insurance products in conjunction with various insurers and insurance undertakings as Co-Manufacturers. Details of each regulated entity and insurance undertaking will be listed in each Fair Value Assessment.

Registered Company Name	Registered Office	Company No.	FRN
Bspoke Lifestyle Limited	7 Pullman Court, Great Western Road, Gloucester, GL1 3ND	11429456	820727
Bspoke Underwriting Limited	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	04506493	310101
Bspoke Commercial Limited	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	09284678	709456
Bspoke Private Clients ¹	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	NA	709456
Bspoke Sports and Leisure ¹	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	NA	709456
Provego Underwriting ²	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	09366935	671437

1 = Trading name of Bspoke Commercial Limited

2 = AR of Bspoke Commercial Limited

Product Review and Approval Process

In line with the FCA regulations outlined in PROD 4 Bspoke Group operates a Product Oversight and Governance (POG) process. In accordance with this process the product detailed in this document has been reviewed and approved by the firm's Product Forum, and is subject to ongoing monitoring and formal periodic review.

Any significant changes or adaptations to the product are subject to review and approval before being distributed to customers.

Fair Value Assessment

In accordance with the requirements in PROD 4.2 we have defined what value means for Bspoke in the context of our business model, and have taken into account a range of factors in our assessment including :

- Target market characteristics and needs
- Potential customer vulnerability and any impact or mitigation
- Value measures and KPIs
- Distribution methods and remuneration
- Product risk ratings
- Operational and claims service levels and outcomes

The fair value assessment is conducted as part of the periodic product review with KPIs and metrics monitored on an ongoing basis.

Product Review and Fair Value Assessment

The following section contains information on the insurance product, details of the review and our assessment of value.

Product Manufacturer Name	Bspoke Lifestyle Limited
Product name	Park Business Combined
Product type	Commercial / SME
Class of business	Property and Casualty
Insurer / Co-Manufacturer	Accelerant Insurance Limited
Date of Review	September 2023
Period of Review	October 2022 to September 2023
Type of Review	Periodic
Approved by	Bspoke Group Product Manager
Date of next Review	August 2024

Target market

The target market for this product are Holiday, Residential or mixed Park businesses in the UK who have a range of buildings, structures, activities and employees and need to insure them against loss or damage or their legal liability to the public. These businesses can be small single site parks to large multi-site businesses. The product is also suitable for caravan dealers and storage businesses.

Types of customers for whom the product would be unsuitable

- Leisure businesses who do not have the majority of their business in the Park sector
- Businesses with Park locations outside the UK
- Businesses domiciled outside the UK
- Owners of multi occupancy buildings
- Caravan manufacturers
- Private individuals or consumers

Cover information

The Park Business Commercial policy offers the following cover:

1. Buildings and contents including standard perils such as flood, storm, fire, theft and vandalism
2. Unspecified sales stock or hire fleet
3. Loss or damage to Park Machines
4. Loss of Money
5. Computer all risks cover including accidental damage and loss of data
6. Business interruption as a result of material damage
7. Business interruption due to loss of key or nominated person(s)
8. Loss of revenue due to foot and mouth outbreaks within a 5 mile radius
9. Employers' Liability limit of £10m
10. Public and products liability £5m standard cover; £10m available as an option
11. Personal accident cover for directors, managers or owners.
12. Cover for the private residence buildings, contents and public liability of the Park owner



Any notable exclusions or circumstances where the product will not respond

1. The excess (if any) applicable to each section.
2. Loss or damage from wear and tear or anything that happens gradually
3. Theft, riot, Malicious Event, Storm or Flood, Escape of Water from fixed water apparatus, accidental Damage (if insured) and Damage to glass when the Premises are Unoccupied for 30 or more consecutive days
4. Liability arising solely under contract in respect of products supplied.
5. Pollution and contamination unless caused by a sudden, unexpected or unintended event.
6. There is no cover under any section other than the Employers' liability section for claims due to Coronaviruses or any infectious disease designated or treated as a pandemic by the World Health Organisation.

Features you should be aware of when considering this product

Your sales journey should identify the eligibility of customers and ensure that information is presented to them in a way that supports them through the process and enables them to make an informed decision whether the product meets their needs.

Where there are different underwriting and cover options available for this product customers should consider which option best suits their needs and circumstances.

Your customer journey and interactions should highlight and identify any customers with potential areas of vulnerability and address them accordingly.

Intended method of Distribution

The product should be sold by an authorised insurance intermediary, in line with FCA regulation and has been approved for retail distribution whether advised or non-advised. The sale of the product can be via online, telephone or face-to-face channels.

If the product is distributed to the customer via more than one broker (including ARs) then the second tier broker:

1. should not have their own agency with any Bspoke entity.
2. Must hold the appropriate client money permissions.
3. must deal directly with the end customer rather than through a third-tier broker.

Distribution costs, fees and remuneration

The product supports the payment of commission to distributors within the ranges detailed in your Agreement with Bspoke (or our approved representative). If fees are charged to the customer for new business, renewals, mid term changes or cancellations they should be at a level that ensures the total remuneration is less than 50% of the overall price the customer pays.

Where a policy is cancelled mid term and outside the cooling off period the return premium to the customer must be at a gross level and include the proportion of commission paid.

Other information which may be relevant to distributors

We are satisfied that the pricing, the cover, the design of the product, the claims settlement process, and the distribution methods we have chosen result in a product that represents fair value to our end customers.

We have noted the impact of weather events in the last 12 months and the challenges this has created in the claims management and supply chain, in particular relating to UK property. We have action plans in place with our claims service providers to ensure that customer outcomes and value are being protected and the impact of delays are being minimised.

As part of the process of assessment, we have reviewed, amongst other things:

- General market pricing
- Our pricing in relation to the product loss ratio
- Product value over a reasonably foreseeable future period
- Renewal retention
- Mid-term cancellations rates
- Customer complaints
- Distributor feedback
- The commission we pay to distributors and the general distribution costs of our broker panel as disclosed to us.
- Customer needs and any changes in the last 12 months

We have also considered the pricing and premiums in relation to FCA regulations in PS21/5 and PROD and are satisfied we comply with the necessary requirements.

This product does not adversely impact vulnerable customers and delivers outcomes that are the same as those for customers with no characteristics of vulnerability.

As part of our assessment, we concluded that time will not diminish the value of the product to the end customer. The customer may report a claim on the last day of the policy period and receive a settlement that would not be distinctly different to the settlement he would have received had he reported the claim on the first day of the period of insurance. The product also contains provisions to protect against the erosion of value over subsequent renewals and policy periods.

Where this product is sold alongside another insurance product that we do not manufacture (for example Commercial Legal Expenses) you should consider the overall value of the package to the customer as well as the individual component parts as per PROD 4.3.6 A, B and E.

Where this product is provided with the option to pay the premium using Premium Finance arrangements you should ensure that this is taken into account in your own assessment of value as per PROD 4.3.6 A and C.

As part of our assessment, we have not considered the specific distribution costs of any one firm. You should therefore assure yourself that your own fee structure is compliant with your regulatory obligations.

If you have any concerns over the impact that your fee structure, Premium Finance arrangements or other products sold as a package may have on our products, then please contact us.

This document should be read in conjunction with the Policy Wording and Insurance Product Information Document (IPID) for the product.

Statement of Demands and Needs

This product meets the demands and needs of Holiday, Residential or mixed Park businesses in the UK who have a range of buildings, structures, activities and employees and need to insure them against loss or damage or their legal liability to the public. The product is also suitable for caravan dealers and storage businesses.