

# Fair Value Assessment and Target Market Statement

Distributor Information Pack

May 2025



## Product Review and Fair Value Assessment

This has been completed using the Pen Underwriting Mid Net Worth Product Review and Fair Value Assessment outcomes.

<b>Product Manufacturer Name</b>	Pen Underwriting
<b>Product name</b>	Premier Home (mid-net worth)
<b>Product type</b>	Retail
<b>Class of business</b>	Property/Liability
<b>Insurer</b>	Pen Underwriting
<b>Date of Review</b>	May 2025
<b>Period of Review</b>	April 2024 to May 2025
<b>Type of Review</b>	Periodic
<b>Approved by</b>	Bspoke Private Clients Product Forum
<b>Date of next Review</b>	May 2026

### Target market statement

This Target Market Statement explains the types of customers the product is designed for, types of customers it is not suitable for and how we expect it to be distributed. This document is not intended for customers or operational sales staff.

In many instances, customers may have need for more than one product and they may then be offered a combination that would be compatible with those needs, subject to the eligibility criteria for each product. They should not be offered combinations of products that do not provide fair value.

Risks of customer harm can be avoided by ensuring the customer's needs, objectives, interests and characteristics are met by the product and coverage selected, taking into account and adjusting for any aspects that may make them vulnerable customers (e.g. poor health, resilience or capability).

<b>Target market</b>
Mid-net-worth individuals who require worldwide, all risks insurance cover with a minimum buildings sum insured of £350,000 or a minimum contents sum insured of £75,000 and which includes Home Emergency and Legal protection as standard. These individuals and their families must be domiciled in Great Britain, the Isle of Man and the Channel Islands, excluding Northern Ireland.
<b>Type of customer the product would be suitable for</b>
Customers with sums insured below the product minimum that do not have the same requirements for higher cover limits who would be better suited to a standard household product. Customers who require cover exceeding £3,500,000 total sums insured. Customers who have separate Home Emergency and Legal Expenses policies in place.

### Types of customer for whom the product would be unsuitable

The product is unsuitable for individuals and families who:

- are not domiciled in Great Britain, the Isle of Man and the Channel Islands excluding Northern Ireland
- do not have contents valued at least £75,000.
- do not require cover for fine art, antiques or valuables.
- Those mid-net worth customers who do not require individual underwriting.

### Available Covers

The cover provided by the product gives customers protection against loss or damage against a range of perils in the following sections:

- • Buildings
- • Contents, Fine Art & Antiques and Valuables.
- • Liabilities
- • Home Emergency
- • Family Legal Protection

In addition to the standard 'all risks' cover there are specific extensions that are tailored to the needs of the target market.

### Any notable exclusions or circumstances where the product will not respond

1. The excess (if any) applicable to each section.
2. Radioactive contamination and Nuclear Assemblies Exclusion
3. War Exclusion
4. Existing and deliberate damage
5. Pollution and Contamination Clause
6. Electronic Data Exclusion
7. Terrorism
8. Loss, damage or liability occasioned by or happening through confiscation or detention by customs or other officials or authorities.
9. Reduction in market value of any property following its repair, replacement or reinstatement, unless expressly included within this insurance.
10. Wear and Tear
11. Moths, insects, vermin or infestation.
12. Dryness or humidity, being exposed to light or extreme temperatures, unless the loss or damage is caused by storm, frost or fire.
13. We will not pay for the following while your home is unoccupied:
  - Escape of water from or frost damage to fixed water tanks, apparatus or pipes, during the period 1st November to 28th February unless you comply with one of the following:
    - i. Where the entire home has the benefit of a gas or oil-fired central heating system, the system must be set to operate continuously for 24 hours each day at not less than 12 degrees Celsius or 54 degrees Fahrenheit; or
    - ii. All water supplies to the home are turned off at the mains and the entire water system is drained of all water.

**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 broker, in line with FCA regulation on an advised or non-advised basis. 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 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 or renewal you should ensure this does not erode the value of the product and is commensurate with the work done in the Distribution chain.

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.

**Value Assessment**

The outcome of Pen Underwriting fair value assessment, completed in Quarter 4 2024 found that this product provides fair value, which is based on Pen Underwriting’s review of information related to sales practices and services, claims, complaints and market intelligence.

We are satisfied that the product meets the needs of the target market and that and the distribution methods we have chosen result in a product that represents fair value to our end customers.

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

- The Product Manufacturers Fair Value Assessment
- Our pay-aways and the general distribution costs of our broker panel as disclosed to us.
- Customer needs and any changes in the last 12 months

**Statement of Demands and Needs**

This product meets the needs of customers who own a property that has a rebuild value of more than £350,000 and wish to protect it from loss or damage from a range of incidents or perils as well as their legal liability to the public.

**Conclusion of our fair value assessment**

Last fair value assessment outcome	The product has been approved as providing fair value for target market customers and continued distribution	Yes
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