



Real Estate – Housing Association Property

Target Market Statement

Product Type

This is an insurance product for Housing Associations and similar organisations covering loss or damage to buildings and contents, loss of rental income and property owners' liability.

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

This product is targeted at Housing Associations and similar organisations such as housing co-operatives, housing trusts, housing charities, housing partnerships, arms-length management organisations (ALMOs), friendly societies, industrial and provincial societies, DIY shared ownership, housing private finance initiatives (PFI) and housing joint venture initiatives.

Whilst the policy will be purchased by one of the corporate entities above it will also, where applicable, be for the benefit of individuals who own the leasehold in the properties.

The product is designed for UK customers only including both SME customers (non-large risks) and large customers.

There is no minimum or maximum limit to the number of units per policy.

The product is not sold to vulnerable customers but the beneficiaries of the policy could include leaseholders which may include vulnerable customers. This product should only be distributed via an intermediary that can provide any additional support and advice required.

The product is suitable for residential multi-occupancy buildings as defined by the FCA and where these form part of the risk or portfolio Pen will provide the required disclosure information.

Objectives, needs and interests of the target market (considering the key features and benefits of the product)

This product provides cover for portfolios of residential and commercial buildings offering the following benefits:

- Reinstatement cover as standard for loss or damage caused by a range of perils including:
 - Fire, smoke, lightning, explosion, earthquake, subterranean fire.
 - Storm or flood.
 - Freezing water in fixed water or fixed heating systems.
 - Water escaping from washing machines, dishwashers, fixed water or fixed heating systems.
 - Oil escaping from a fixed heating system.
 - Riot, civil commotion, strike, labour or political disturbance.
 - Malicious damage.
 - Theft or attempted theft.
 - Subsidence, heave or landslide.



- Falling trees or branches, including the cost of removing the fallen part of the tree or the complete tree if totally uprooted.
 - Falling aerials or satellite receiving equipment, their fittings or masts.
 - Impact by flying objects, vehicles, trains animals or aircraft or anything dropped from them.
 - Accidental damage.
 - Accidental damage to drains, pipes, cables and underground tanks.
 - Accidental breakage of glass in doors or windows, ceramic hobs if fitted, sanitary ware & solar heating panels.
- Loss of Rent and Alternative Accommodation Expenses up to 25% of the Building's Sum Insured covered as standard.
 - Reinstatement cover for Landlord's Contents available.
 - Property Owner's Liability for Bodily injury or Damage up to a limit of indemnity of £5m.
 - Buildings with a Sum Insured of less than £1m added mid-term are automatically covered upon notification under the Capital Additions Clause for no additional premium.
 - Inflation protection by index-linking Buildings and Landlord's Contents during time required to repair or replace.

Who is this product not designed for?

This product would not be suitable for non-UK customers and customers that are not Housing Associations or similar organisations as set out above.

The product would also not usually be suitable for customers with the following features:

- Portfolios where there is a material level of flood exposure. What is material will depend on the size of the portfolio and the number / concentration of properties exposed.
- Portfolios with material levels of clad properties where there are no acceptable remediation plans in place. What is material will depend on the size of the portfolio.

How do we expect this product to be distributed?

This product should be sold with the active assistance and guidance of an insurance intermediary with whom Pen has an agency to select the appropriate level of cover. Pen recommends this product is not sold directly to customers without this assistance.

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 insurance intermediary.

The product will not be distributed directly by Pen to customers.



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 where appropriate cover is already provided by the policy.
- Distributors must consider the demands and needs of the customers and the Consumer Duty requirements when dealing with customers.

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	
Pen has considered all relevant factors, including the total price paid by the customer, value MI, distribution and other considerations in this product design.	
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.	

Valid From

31/03/2025

Next Review Date

On or before 31/03/2026

(ID ref: 70)