Residential Property Owners (Open Market)

Target Market Statement

Product Type

This is an insurance product for residential property owners and landlords who require cover for loss or damage to buildings and cover for their legal liability for bodily injury or damage to property, arising out of their ownership, possession or use of the buildings.

Cover is extended for contents of common parts and fixtures & fittings.

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

This product is designed for customers who own either a single residential property or a portfolio of properties, located in the United Kingdom, Channel Islands or the Isle of Man.

The product can provide cover where there are features such as:

- Residential property owners and landlords with a single property or with a portfolio of properties.
- Residential property owners in individual names where a house has been split into multiple flats and are let out to tenants.
- Residential property owners where a single risk or some of the risks within a portfolio of properties are unoccupied (up to a maximum of 3 years), where the future intention is known and does not include demolition

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

The product provides cover for loss or damage to the property and/or its contents and fixtures and fittings caused by events such as fire, explosion, impact, storm, flood, escape of water, theft and subsidence.

Customers will benefit from the following features and benefits:

- **Buildings**: Covers the costs of repairing, replacing or rebuilding the property up to an agreed sum insured.
- **Property Owners Liability**: Covers the legal liability of the customer as owner or occupier of the property for bodily injury or property damage caused to another person or property.
- **Trace & Access**: Covers the costs, , to identify the source and repair the damage resulting from a water leak at the property.

- **Loss of Rent**: Covers loss of rent receivable up to an agreed sum insured and alternative accommodation up to of the buildings sum insured.
- **Replacement of Keys and Resetting of Digital Locks**: Up to £2,500 for replacement of locks any one claim following loss of keys by theft or attempted theft
- Loss of metered water, gas, oil or electricity up to £25,000
- Removal of debris following a loss.
- Unauthorised use of Electricity, Gas, Oil, Water of Telecommunications up to £25,000

  Where the property has been professionally valued within the last three years by a qualified RICS (Royal Institute of Chartered Surveyors) the policy will be issued with a Condition of Average (underinsurance) waiver and any amount payable for loss or damage will not be proportionately reduced in the event of the sum insureds being inadequate.

Cover can also be extended to include:

- Property Owners Liability up to a limit of indemnity of £10 million
- Accidental Damage: Covers the costs of repairing and/or replacing any damage to the buildings or contents up to the sum insured, as a result of accidental damage.
- Malicious Damage by Tenant: Covers the costs of repair or replacing the contents as a result of malicious damage caused by a tenant.
- Legal Expenses: Covers legal costs and advice in relation to the residential occupied property.
- An increased sum insured for malicious damage by a tenant.
- An increased sum insured for contents

Who is this product not designed for?

This product would not be suitable for:

- Properties located outside the United Kingdom, Channel Islands or the Isle of Man.
- Properties that are unoccupied and due to be demolished
- Commercial properties including shops, offices.
- Owner-occupied homeowners.

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. The product will only be distributed through brokers who have an agency agreement with Pen, and it will not be distributed directly by Pen to customers.

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.

Consideration should be given to the vulnerability of customers by the intermediary who should provide any appropriate support they may need.

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 Annual Percentage Rate (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 familiarise themselves with the product options and extensions available and consider these when selling Pen's products to customers.
- Distributors should consider the demands and needs of the customer 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.

Pen has a 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 Pens 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	• 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	• Appropriateness of the distribution channel, services offered and remuneration • Remuneration does not negatively impact the overall value offered by the product
Market assessment	• Market scrutiny to ensure the product aligns with current market trends
Product design/lifecycle	• Pricing • Regulatory requirements • Fees and charges • Product documentation • Performance of the product • Product changes

Customer journey	• Quality Assurance • Feedback from distribution
Claims	• Frequency and trends • Loss ratio trends
Complaints	• 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.

Multi-Occupancy Building Insurance
Where it has been identified that this product applies to residential multi-occupancy buildings, Pen will provide the required disclosure information to the Intermediary for passing onto the policy stakeholder (Residential Leaseholders) via the insured.

Valid From	12/11/2025
Next Review Date	On or before 12/11/2026

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