



Non Standard and Unoccupied Residential Property Owners

Scope

This document is designed to offer a high-level overview of the intended target market for this product. It is not intended to serve as a summary of the coverage provided. For comprehensive information regarding the product's coverage, please refer to the relevant policy documentation. This document also evaluates whether the product delivers fair value to customers by assessing its features, benefits, pricing and distribution methods.

Target Market Statement

Product Type

This is an insurance product for owners of residential properties located in the United Kingdom, Channel Islands or the Isle of Man, who require cover for loss or damage to their unoccupied buildings or where the property has non-standard features 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 can be extended for contents of common parts and fixtures and fittings.

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

This product is designed for customers over the age of 18 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:

- Where the property has been unoccupied for up to 3 years.
- Where the property is used as a holiday let.
- Where the property is used as a bed-sit.
- Where the property is undergoing minor refurbishment/renovation work, such as:
 - Internal painting and decorating.
 - Replacement of the bathroom or kitchen
 - Installation or repair of the central heating system.
 - External window replacement.
- Where the property is built with aspect of non-standard construction, such as timber and timber-frame.

Customers with characteristics of vulnerability are included within the target market.



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 building and/or its contents including fixtures and fittings caused by events such as fire, explosion, impact, storm, flood, escape of water, theft, subsidence, and malicious damage, riot and civil commotion.

Customers with occupied properties 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.
- **Contents of Common Parts:** Covers the cost of repair or replacing the contents up to an agreed sum insured.
- **Malicious Damage by Tenant:** Covers the cost of repair or replacing the contents up to an agreed sum insured, as a result of malicious damage caused by a tenant.
- **Escape of Water:** Covers the cost of damage to the property caused by escape of water from a fixed water tanks, apparatus or pipes.
- **Property Owners Liability:** Covers the legal liability of the customer as owner of the property for bodily injury or property damage caused to another person or property up to a maximum limit of indemnity of £5 million.

Where requested for an unoccupied property, the product can be tailored to offer three levels of cover, as follows:

- Level 1: loss or damage arising from fire and resultant smoke damage, lightning, explosion, earthquake and aircraft and other flying devices falling from them.
- Level 2: level 1 plus loss or damage arising from storm, flood or weight of snow, collision by vehicle or animal, breakage or collapse of fixed radio & television aerials, satellite dishes and their fixtures and fittings, subsidence or heave of the site upon which the buildings stand or landslip (unless undergoing any structural refurbishment).
- Level 3: level 1 and 2, plus loss or damage arising from escape of water resulting from damage to fixed water apparatus or pipes, escape of oil from a fixed domestic oil fired heating installation and smoke damage caused by a fault in any fixed domestic heating installation, theft or attempted theft, malicious damage, falling trees, telegraph poles or lamp-posts.

Who is this product not designed for?

This product is not suitable for

- Properties located outside of the United Kingdom, Channels Islands or the Isle of Man.
- Occupied commercial properties including shops and offices.
- Owner-occupied homeowners.
- Customers with any unspent convictions and/or pending prosecution excluding any motor offences.



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.

Product Approval Process

Pen's product approval process is 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.



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Fair Value Assessment

Product Fair Value Outcome – Methodology

Pen has completed a Fair Value Assessment 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 Assessment 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



	• 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 or not they are upheld • Identification of trends and root causes • Redress payments: volume and timescales • Financial Ombudsman Service: volume and outcomes

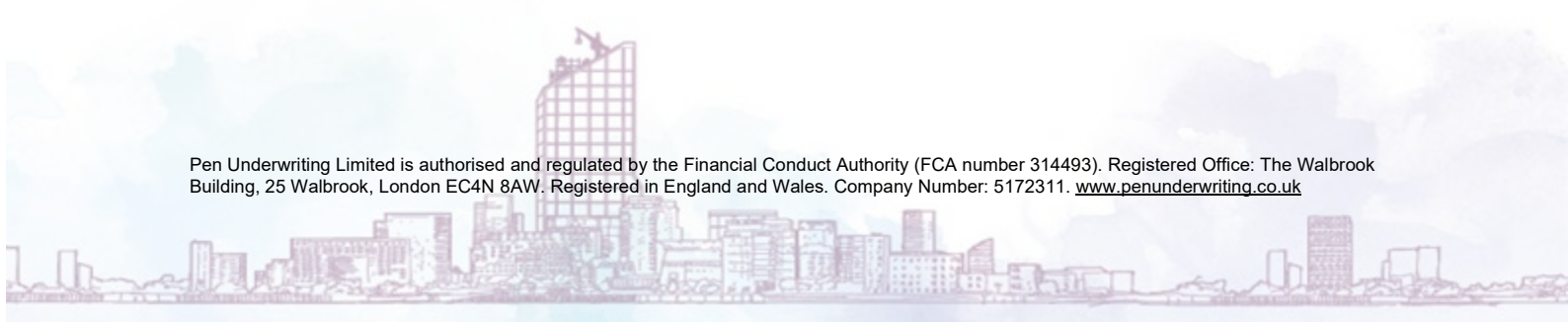
Multi-Occupancy Building Insurance

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.

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, including premium finance cover, where appropriate cover is already provided by the policy.
- Distributors should consider the Consumer Duty requirements when dealing with policyholders.





Fair Value Assessment Outcome

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

16/07/2026

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