

Excess of Loss Professional Indemnity

Target Market Statement

Product Type

This product provides top up financial protection over and above the underlying limits of the primary and / or lower layers of insurance, for liability incurred by customers who are professional individuals or businesses domiciled in the UK, Channel Islands or Isle of Man, in respect of civil liability arising from their professional services.

Excess of Loss policies are purchased when a customer needs a higher level of insurance than that provided by the primary insurance and requires more than one policy to achieve the level of indemnity required.

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

This product is designed for the following customer groups:

- Customers providing professional services such as solicitors, accountants, architects, engineers, design and build contractors, surveyors, IT & Media companies.
- Customers in the UK, Channel Islands or the Isle of Man, other than solicitors, regulated by The Solicitors Regulatory Authority, in England and Wales only.
- Customers of a varying size of business from micro SMEs to those with an income up to £10 million per annum.

This product may be sold to vulnerable customers.

Features and benefits of the product

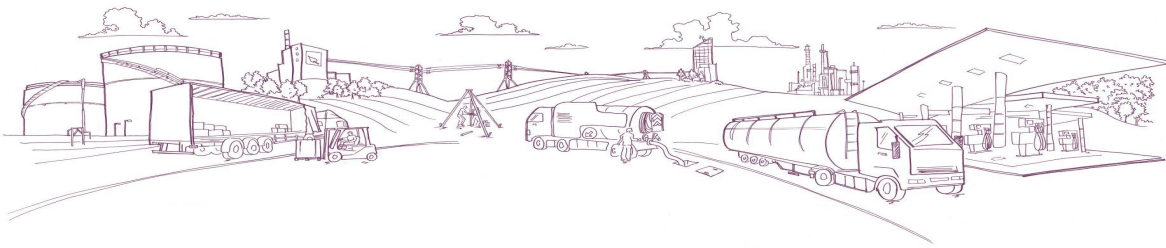
The product will follow the same terms and conditions of the policy wording offered by the underlying insurer(s) and offers cover in excess of the underlying policy limit of indemnity in respect of third-party claims arising from professional services.

The basis of the limit of liability will follow that of the underlying policy, whether this be all claims in the aggregate, or on an any one claim basis.

Who is this product not designed for?

This product would not be appropriate for customers who are:

- Domiciled outside the UK, Channel Islands or the Isle of Man.
- Non-professional individuals or businesses who do not provide any professional services including the provision of advice, design and consultancy.



- Looking to buy excess of loss insurance over and above any underlying product which is not offering professional indemnity insurance.

How do we expect this product to be distributed?

This product should be sold with the active assistance and guidance of an insurance intermediary to select the appropriate level of cover. The product will only be distributed through brokers to customers with whom Pen has an agency and not 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 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:

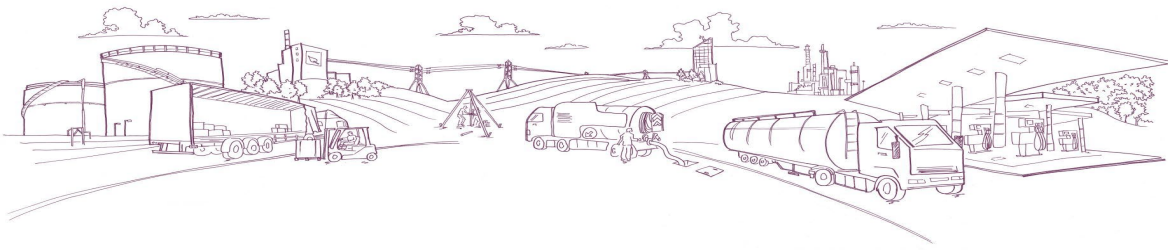
- The impact on product value of offering other products alongside this one, especially those with proportionally greater remuneration. For example, an ancillary product, elements of which may duplicate existing cover, or premium finance charged at an elevated rate of APR.
- Additional commission, fees 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 should consider the Consumer Duty requirements when dealing with policyholders.
- Distributors must provide full details on all risks submitted on a suitable proposal form.
- Distributors should fully consider the demands & 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 your 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.

Valid From

13/11/2024

Next Review Date

On or before 13/11/2025