



Intellectual Property

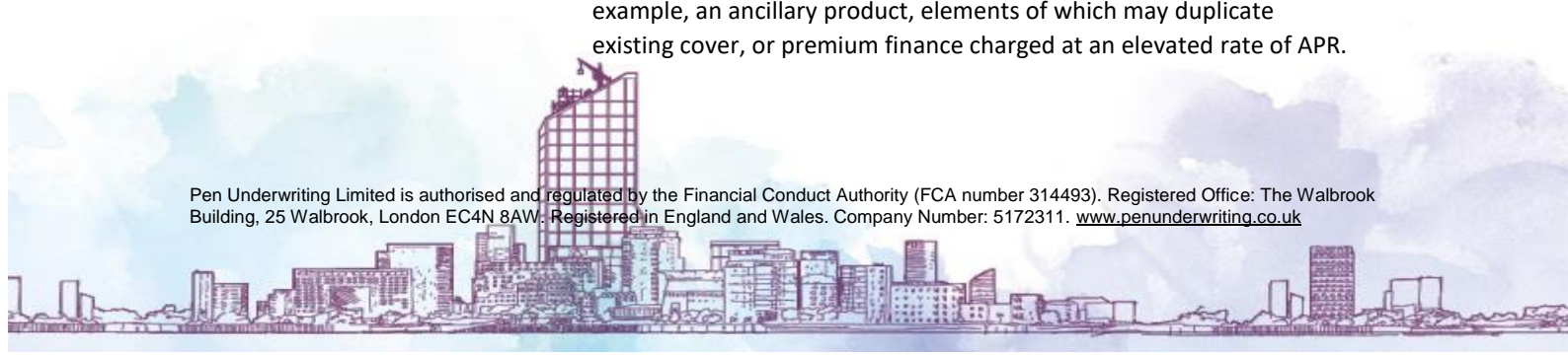
Date Fair Value Outcome Completed	August 2023
Expected Date of Next Assessment	August 2024

Outcome of the Product Review and Fair Value Assessment

This product fair value assessment has been completed by the insurer providing capacity for the product. Pen has reviewed the information provided by the insurer and can confirm that the assessment meets Pen fair value requirements.

Target Market Statement

Product Type	Intellectual property insurance helps commercial entities defend against allegations of Intellectual Property (IP) infringement, directly or via contractual indemnities. It can also assist with pursuing parties who are infringing a commercial entity's Intellectual Property, or with challenges to the rights, title or validity of the Insured's IP.
What demands and needs are met by this product?	This product is designed for customers who require intellectual property insurance.
Who is this product designed for?	This product is suitable for the commercial entities; those that do not have any intellectual property and are concerned in respect of alleged infringement allegations in respect of their product and service offering, and also those that have intellectual property to protect. The customer types the product is suitable for is Micro Enterprise, Small Business, Mid and Large Commercial.
Who is this product not suitable for?	This product would not be suitable for individuals or clients seeking to secure cover on a direct basis or without a broker.
How do we expect this product to be distributed?	This product is suitable to be distributed via a variety of sales channels, such as face to face, via telephone, email, or by postal application by a Broker.
What are the distributor value considerations?	We expect all distributors in the chain to consider the following when selling this product: <ul style="list-style-type: none">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, including premium finance cover, where appropriate cover is already provided by the policy.
- Distributors should consider the Consumer Duty requirements when dealing with policyholders.

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.





Fair Value Outcome Statement

Product Information

Intellectual property insurance helps commercial entities defend against allegations of Intellectual Property (IP) infringement, directly or via contractual indemnities. It can also assist with pursuing parties who are infringing a commercial entity's Intellectual Property, or with challenges to the rights, title or validity of the Insured's IP.

Coverage available includes:

- **Infringement Defence Insurance** (covering products, services & processes against claims that the Insured has infringed upon the IP rights of a third party)
- **Enforcement/Pursuit Insurance** (covering the legal fees and expenses incurred when pursuing an infringer of the Insured's own IP rights)
- **Invalidation** (covering the legal fees and expenses incurred when defending a challenge to the ownership or validity of the Insured's own IP rights)
- **Contractual Disputes** (covering the defence of contractual disputes regarding the IP)

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 Mitigates Risks to Product Fair Value

Pen's commission structure is intended to ensure that it reflects product features and benefits and the services we provide, which support product fair value. Pen does not benefit from distributors increasing or decreasing their own commissions/fees.

Pen has taken steps to validate that distributor commissions/fees charged are within a reasonable range and in line with usual market practice, in order to ensure the value of our products is not diluted.

