



## Caravans (Tourers)

Date Fair Value Outcome Completed	Quarter 4 2024
Expected Date of Next Assessment	Quarter 4 2025

### Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product we can confirm:

1. The outcome of the fair value assessment found that this product provides fair value, which is based on Pen’s review of information related to sales practices and services, claims, complaints and market intelligence.
2. There is no evidence that the product is not suitable for the customers it is intended to be distributed to.
3. The intended distribution strategy remains appropriate, subject to distributors not charging customers additional fees that bear no reasonable relationship to the service(s) provided, or the overall cost of the product.





## Fair Value Outcome Statement

### Product Fair Value Outcome – Methodology

Pen has completed Fair Value Assessment work on products we 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.

### Product Information

The product is designed for owners of caravan tourers requiring cover for loss or damage to the caravan (including standard manufacturers fixtures, fittings, furnishings and furniture) and its contents caused by events such as fire, explosion, impact, storm, flood, escape of water, theft and subsidence.

#### Product benefits:

- Loss or damage to the caravan and its contents which occurs within the geographical limits (Standard cover includes UK although can be extended to European cover)
- Emergency removal: costs of protecting and removing the caravan following loss or damage, storage costs and re-delivery to policyholder's home address or storage address
- Getting the caravan home: costs to return the caravan home if the policyholder becomes unwell or injured and is unable to drive and no one can take over the towing of the caravan
- Loss of use: hire of another caravan/alternative accommodation or travel expenses to travel home following loss or damage to the caravan
- Additional Contents cover for outside furniture kept in an awning (up to £200 as standard but can be extended up to £500 for an additional premium)
- Friend and family use
- Personal Accident cover

#### Product limitations:

- Public Liability up to £2m
- Risks with a total sum insured value more than £75,000
- High flood exposed risk's (which is provided at quote stage by Pen)
- Caravans over 30 years old

#### Key exclusions:

- Theft cover is restricted to theft as a result of forcible or violent entry to or exit from the caravan
- Loss or damage if the caravan is used as the policyholder's main residence or being used for business purposes
- Loss or damage if the caravan is used by anyone other than the policyholder, the policyholder's family or friends

Policy excesses as per the policy schedule.

### Optional Products

No products are sold alongside this core product by Pen.

Further details can be found in our policy wordings available to brokers/ cover holders.



### 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.

### 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"> <li>• 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</li> <li>• Identify the impact on vulnerable customers where applicable</li> </ul>
Distribution strategy	<ul style="list-style-type: none"> <li>• Appropriateness of the distribution channel, services offered and remuneration</li> <li>• Remuneration does not negatively impact the overall value offered by the product</li> </ul>
Market assessment	<ul style="list-style-type: none"> <li>• Market scrutiny to ensure the product aligns with current market trends</li> </ul>
Product design/lifecycle	<ul style="list-style-type: none"> <li>• Pricing</li> <li>• Regulatory requirements</li> <li>• Fees and charges</li> <li>• Product documentation</li> <li>• Performance of the product</li> <li>• Product changes</li> </ul>
Customer journey	<ul style="list-style-type: none"> <li>• Quality Assurance</li> <li>• Feedback from distribution</li> </ul>
Claims	<ul style="list-style-type: none"> <li>• Frequency and trends</li> <li>• Loss ratio trends</li> </ul>
Complaints	<ul style="list-style-type: none"> <li>• Feedback is reviewed to ensure the product continues to offer good benefit for customers</li> <li>• Reasons for complaints and volumes</li> <li>• Outcomes of complaints: whether they are upheld, not upheld</li> <li>• Identification of trends and root causes</li> <li>• Redress payments: volume and timescales</li> <li>• Financial Ombudsman Service: volume and outcomes</li> </ul>

