



Blocks of Flats - Transactional

Target Market Statement

Product Type

This is an insurance product offering insurance protection for blocks of flats. The product is designed for purpose-built and converted blocks of flats occupied by leaseholders or let to tenants and covers Material Damage, Loss of Rental Income, Property Owner's Liability, Employers Liability and Alternative Accommodation.

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

This product is targeted at residential management companies, freehold management companies, managing agents and private owners of purpose built or converted blocks of flats. It is also designed for both owners/managers of single risks (individual properties) or portfolios (multiple properties).

This product is designed for UK customers only and the maximum total sum insured is £90m any one location.

The product is not sold to vulnerable customers but the beneficiaries of the policy will include leaseholders which may include vulnerable customers. This product should only be distributed via an intermediary who can provide any additional support and advice required.

The product is suitable for residential multi-occupancy buildings as defined by the FCA and where these form part of the risk or portfolio Pen will provide the required disclosure information.

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

This product provide cover for residential blocks of flats buildings and contents of common parts and can include the following features and benefits up to the agreed specified limits:

- Buildings reinstatement cover for loss or damage caused by a range of perils including:
 - fire, explosion, lightning, earthquake.
 - smoke.
 - storm or flood.
 - escape of water from water tanks, pipes or apparatus or fixed heating installations.
 - freezing of water in tanks, apparatus or pipes.
 - theft or attempted theft.
 - riot, civil commotion, strikers or persons taking part in labour and political disturbances.
 - malicious persons or vandals.
 - leakage of oil from a fixed heating installation.
 - impact by aircraft or other aerial devices or articles falling from them.



- impact by any road vehicle or animal or by goods falling from them.
 - falling radio and television receiving aerials including satellite dishes, their fittings and masts.
 - falling trees (in part or otherwise), telegraph poles or lighting standards.
 - subsidence and/or heave of any part of the site on which the building(s) stands and/or landslip.
 - accidental damage.
- Cover for contents of common parts can be set at levels to meet customers' needs upon request from the broker.
 - Contents reinstatement cover for loss or damage caused by a range of perils including Fire, Theft, Accidental Damage and Subsidence.
 - Cover for Loss of Rent/Alternative Accommodation Expenses automatically provided up to a limit of 33.33% of the Building Sum Insured.
 - Property Owners liability for Bodily injury or Damage up to a limit of indemnity of £10m. Terrorism cover is available upon request from the broker.

Who is this product not designed for?

This product would not be suitable for non-UK customers or owners of "Buy to Let" houses, private householders or non-residential buildings owners.

This product is not designed for customers who require sums insured limits which exceed those provided by the policy.

This product is not designed for customers who require short-term non-renewable cover.

The product would also not usually be suitable for customers with the following feature: Blocks of flats:

- Which are situated in areas identified as having an increased risk of flooding.
- Where there is a material level of combustible cladding. What is material will depend on the construction and size of the property.
- Where the predominant construction is not standard (meaning brick, stone or concrete and roofed entirely with slates, tiles, metal or concrete or flat roofed with asphalt, bitumen, concrete or felt on timber).

How do we expect this product to be distributed?

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 by a FCA authorised Intermediary. Consideration should be given to the vulnerability of customers by the Intermediary and provide any appropriate support they may need.



The product will not be distributed directly by Pen to customers.

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 must 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 the 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

28/10/2024



Next Review Date

On or before 28/10/2025

