



## Commercial Property Owners – Online

### Target Market Statement

#### **Product Type**

This is an insurance product for commercial property owners and landlords who require cover for loss or damage to their buildings 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.

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

This product is designed for commercial customers who own either a single property or a portfolio of properties, located in the UK, Channel Islands or the Isle of Man.

The product can provide cover where there are the features such as:

- Commercial property owners with a single property or with a portfolio of up to 10 properties.
- Properties where there is a mix of commercial and residential tenants, such as a shop with a flat above.
- Properties undergoing minor non-structural development (such as rewiring, plumbing, replacement internal fittings).
- Commercial property owners with a property portfolio including an element of unoccupied properties, where future occupancy plans are known.
- Properties built with aspects of non-standard construction, such as a 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 insured property and/or its contents caused by events such as fire, explosion, impact, storm, flood, escape of water, theft, subsidence, heave and landslip.

Customers 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 costs of repair or replacing the contents up to an agreed sum insured.
- **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 limit of indemnity of £2 million.
- **Trace & Access:** Covers the costs, up to £25,000 to identify the source and repair the damage resulting from a water leak at the property.

Cover can also be extended to include:

- Property Owners Liability up to a limit of indemnity of £10 million.
- Accidental damage to both buildings and contents of common parts.
- Malicious damage by a tenant.
- Loss of Rent and alternative accommodation.
- Employers' Liability up to limit of indemnity of £10 million.
- Legal Expenses cover.
- Terrorism buy back cover.

### **Who is this product not designed for?**

This product would not be suitable for:

- Owner-occupied homeowners.
- Properties located outside the UK, Channel Islands or the Isle of Man.
- Properties with Grade 1,2\* or Grade A building status.
- Commercial properties with a building, with a declared sum insured over £3 million.
- Customers with any unspent convictions and/or pending prosecutions 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 to select the appropriate level of cover. The product will only be distributed through brokers to customers and not directly by Pen to customers.

This product is suitable to be distributed by Pen's coverholders and insurance brokers 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 and provide any appropriate 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 must familiarise themselves with the product options and extensions available and consider these when selling Pen's products to customers.
- Distributors should consider the demands and needs of the customer 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 the product.

## **Pen has a 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.

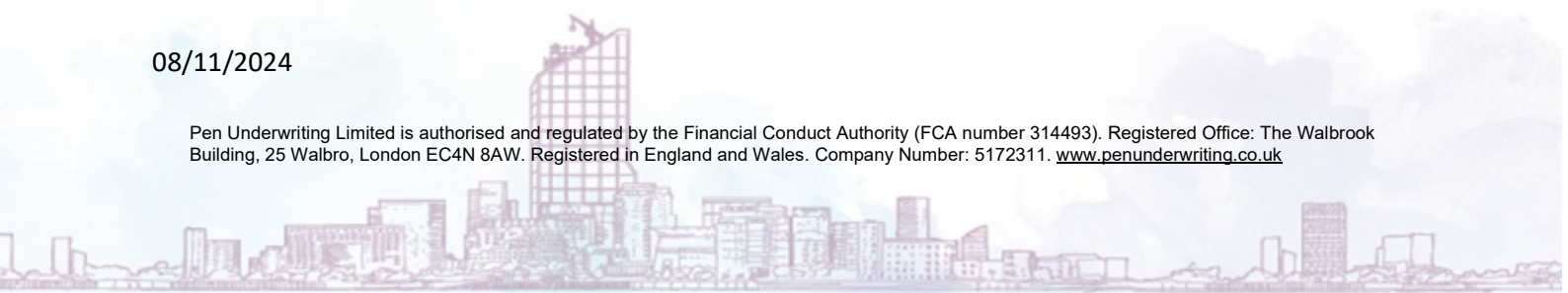
A diagram of Pen's product approval process can be found on the Pen website [here](#).

## **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**

08/11/2024





**Next Review Date**

On or before 08/11/2025

