



## Unoccupied Commercial Property Owners

### Target Market Statement

#### **Product Type**

This is a commercial insurance product for commercial property owners who require cover for loss or damage to their unoccupied 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 and fixtures and fittings.

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

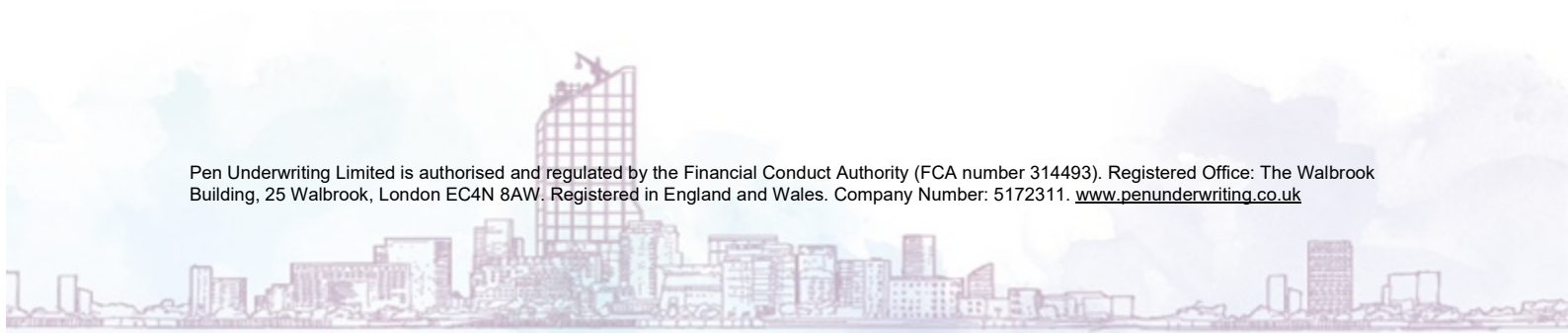
This product is designed for commercial customers who own either a single property or a portfolio of properties, located in the UK, Channel Islands and the Isle of Man.

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

- The property has been unoccupied for up to 3 years.
- The property is undergoing minor refurbishment/renovation work, such as:
  - Internal painting and decorating.
  - Replacement of a bathroom or kitchen.
  - Installation or repair of the central heating system.
  - External window replacement.
- The unoccupied property is built with aspects of non-standard construction, such as timber and timber-frame.

This product is suitable for commercial property owners that require a policy for 3, 6 or 12 months.

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, lightning, explosion and aircraft.

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 maximum limit of indemnity of £5 million.

Where requested for an unoccupied property the product can be tailored to offer two levels of cover, as follows:

- Level 1: fire, lightning, explosion, earthquake, aircraft (FLEEA)
- Level 2: fire, smoke, lightning, explosion, earthquake, aircraft, heave, subsidence or landslip, falling television and radio aerial, theft or attempted theft, malicious persons and tenants, riot and civil commotion, storm or flood, escape of water, impact, leakage of oil, falling trees.

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

This product is not suitable for

- Properties located outside of the UK, Channels Islands or the Isle of Man.
- Property developers.
- Occupied buildings.
- Residential property landlords.
- Owner-occupied homeowners.

## **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 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**

15/11/2024

**Next Review Date**

On or before 15/11/2025

