



Landlord

Date Fair Value Outcome Completed	Quarter 4 2023
Expected Date of Next Assessment	Quarter 4 2024

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.

Target Market Statement

Product Type	An insurance product suitable for policyholders who are owners of residential, commercial or mixed portfolios of property.
What demands and needs are met by this product?	This product is designed for policyholders who own and rent out residential, commercial or mixed portfolios of property and who require cover for buildings, contents, and loss or rent following
Who is this product designed for?	This product is designed for property owners who rent out their property.
Who is this product not suitable for?	This product is not suitable for consumers who wish to insure their own permanent residential home.
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 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, 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 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

An insurance product suitable for policyholders who are owners of residential, commercial or mixed portfolios of property.

This product is designed for policyholders who own and rent out residential, commercial or mixed portfolios of property and who require cover for buildings, contents or loss of rent following insured damage.

The product provides cover for loss or damage to the property and/or contents caused by events such as fire, explosion, storm, flood, escape of water, theft, impact with the building, and subsidence.

Limitations to cover (but not limited to):

- Any loss or damage for a number of events if the property is left unoccupied for more than 60 consecutive days.
- Restricted/excluded cover for various perils, i.e.:
 - Malicious damage, storm damage to fences, hedges and gates, collision damage, subsidence damage to fixed structures
- Any damage caused by wear and tear, or any other gradually operating cause.
- Any loss or damage caused by chewing, tearing, scratching or fouling by domestic pets.

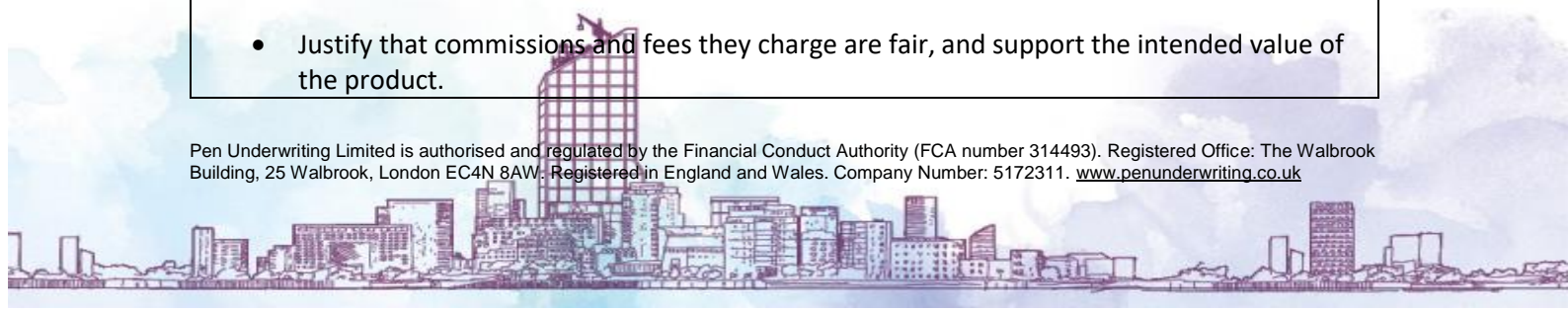
This product is not suitable for consumers who wish to insure their own permanent residential home and it is not suitable for overseas properties outside of the UK, Channel Islands and Isle of Man.

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 target market, distribution strategy, remuneration, marketing, product information, product performance, product design (including wordings), and any feedback received from distributors or customers. We also consider sales, claims and complaints data, and risk metrics related to these factors.

