

TARGET MARKET STATEMENT



Property Owners

Introduction

The purpose of our Target Market Statement is to provide clear information about who our products are designed for and how they should be distributed.

Product Information

The core Property Owners policy provides cover for:

- Property Damage
- Property Owners Liability
- Loss of Rent (Residential)

The following optional covers are also available:

- Contents
- Employers Liability
- Legal Expenses
- Terrorism
- Loss of Rent (Commercial)

The product limits are detailed in this table:

Cover	Limit
Property Damage including Loss of Rent	Maximum £5,000,000
Buildings	£1,000,000 (can be increased)
Property Owners Liability	£5,000,000
Loss of Rent - Residential	33.3% of building sum insured
Contents (optional)	£250,000 (can be increased)
Employers Liability (optional)	£10,000,000
Legal Expenses (optional)	£100,000

Target market

The Property Owners product is designed to specifically meet the insurance needs of landlords who have up to a maximum portfolio of 10 commercial or residential properties.

The target market remains the owners of commercial property, however, we also acknowledge the residential leaseholders who own or reside within the buildings insured by Covéa Insurance.

Types of customers for whom the product would be unsuitable

- Customers with more than 10 properties who would be better suited to our regionally traded Real Estate product.

Any notable exclusions or circumstances where the product will not respond

None – standard policy exclusions apply.

Information for our distributors

Distributors are expected to have considered the customer's needs and characteristics to ensure that the product and coverage selected meet their requirements. They should also consider any aspects that may make the customer be deemed vulnerable, such as poor health, resilience, or capability.

Any commission, fees or charges passed onto the customer must be proportionate to the service provided and provide fair value to the customer.

You will need to ensure you are meeting the Multi-Occupancy Building Insurance requirements.

We provide you with the necessary information you require from us, such as policy wordings, summaries and policy premiums at address level.

You are required to provide the relevant disclosure information to the policyholder after the conclusion of the contract, and upon any subsequent renewal.

The policyholder should be advised to pass this to any residential leaseholder in a timely manner.

Our annual review process and assessment of fair value

As part of the annual review process and fair value assessment of our Commercial Property Owners product we ensure that:

- We understand the value to customers in providing the products and the impact of vulnerability
- The products provide value for money within the market they support
- The products deliver high quality service and customer experience
- The level of sales, renewals and cancellations are in line with expectations, with no adverse trends identified
- Our products remain in line with market benchmarking and target market suitability
- Product performance is analysed, including claims and complaints data
- There are no barriers to making a claim

Our robust process identifies any improvements and follows a rigorous sign off process. Further information regarding our product approval process can be found [here](#)

Product Review and Fair Value Assessment Outcome

Our Property Owners review and fair value assessment process was completed during Q2 2024. The assessment has shown that our Property Owners product meets the fair value requirements under PROD 4.3.

Please see below for the outcome of the review.

VALUE PRINCIPLE	MEASUREMENTS
Understand the value to customers in providing the product	<ul style="list-style-type: none">• This product continues to address customer needs in provision of all risks, modular cover, in line with target market expectations and market benchmarking
Ensure product delivers high quality service and customer experience	<ul style="list-style-type: none">• A comprehensive review of annual claims and declination data was analysed which indicated that performance and service were as expected with no barriers to claim• Consistent claims levels against cover sections and perils indicating key cover areas in place• Complaints analysis completed with no trends or issues identified
Ensure level of sales are in line with our & customer expectations	<ul style="list-style-type: none">• Sales of our products continue to fall in line with sales expectations with no issues highlighted• Our products demonstrate high retention rates and low cancellation rates which indicates ongoing customer satisfaction
Provide a product that offers cover that is in line with target market suitability	<ul style="list-style-type: none">• A full market comparison exercise was completed to benchmark our products and that we continue to offer market comparable cover and services

ASSESSMENT DATE: Q2 2024

NEXT ASSESSMENT DATE: Q2 2025

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