

TARGET MARKET STATEMENT

Real Estate



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

As standard, the Real Estate policy will provide cover for:

- Buildings including any accidental cause
- Glass
- Loss of rent and alternative accommodation in respect of residential buildings only – up to 20% of Buildings sum insured
- Landlord Contents of Residential Accommodation – £25,000 anyone premise with the option to increase
- Property Owners' Liability £2,000,000 with the option to increase

The following optional covers are also available:

- Landlords Contents
- Loss of Rent for non-residential buildings
- Employers' Liability

Target market

Our Real Estate product is designed to specifically meet the insurance needs of commercial property owners and covers a wide range of customers, including companies with single premise risks to organisations with large mixed asset portfolios.

The Real Estate policy is designed to enable such businesses to minimise disruption and continue to trade following impact from insured perils such as theft, flood, fire or legal action.

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

- Non-commercial customers
- Smaller risks that would be better suited to our e-traded property products

Any notable exclusions or circumstances where the product will not respond

None – standard policy terms applicable.

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.

Our annual review process and assessment of fair value

As part of the annual review process and fair value assessment of our Real Estate 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 Real Estate review and fair value assessment process was completed during Q2 2024. The assessment has shown that our Real Estate product meets the fair value requirements under PROD 4.3, however we have identified some required product and wording enhancements which will be delivered over the course of the next review period.

Please see below for the outcome of the review.

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.

Product Review and Fair Value Assessment Outcome (continued)

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 declinature 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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