



Product name: Commercial Property Owners

Target Market statements and Fair Value Assessment

This document has been designed to support distributors in understanding the target markets for our products. Distributors should consider this information when deciding whether the product is suitable for their clients. It is important to be aware that underwriting and risk acceptance criteria will be applied during the quote process, this may result in some customers within the target market not being eligible for a quote.

Important product information

Full information on product features and significant exclusions can be found in the Policy Summary and Policy Wording documents which should be read in conjunction with the Policy or Quote Schedule.

Customer needs and objectives

The customer has a need to insure their portfolio of properties on an all-risks basis as part of a single policy that includes buildings and engineer breakdown cover and can also encompass contents, loss of rent, legal expenses, property owners liability and terrorism. In addition, customers may also purchase EL, D&O and cyber insurance.

There are other policy stakeholders such as residential leaseholders who also have needs and objectives met by this product. These include the need to insure their element of the property, generally their portion of the buildings exposure.

Product design

Following the latest product review and fair value assessment the product has been approved as providing the expected value to customers. The metrics and other insight reviewed suggest the product is understood and well utilised by customers. For information on the key benefits and any notable exclusions please see the relevant policy summary, or contact your local Hiscox underwriter.

Eligibility

- Policyholder should be SME or mid-market business, based in the United Kingdom.
- Policyholder should not have had insurance previously refused, declined or cancelled.

Target market

Commercial property owners insurance is a commercial product designed for clients with medium-to-large portfolios of mainly commercial property in the UK. The target market remains owners of commercial property in the UK, however, must also acknowledge the residential leaseholders who own or reside within the buildings we insure.

Non-target market

This product is not designed to support customers who are not renting or leasing single or portfolios of property. The stakeholders mentioned in the target market above to do not include renters or tenants that do not hold a lease. It is also not designed for abattoirs, slaughterhouses, amusement arcades, piers or nightclubs.

Recommended distribution strategy

This product is only available via a select panel of brokers.



Fair value assessment

Date of last fair value assessment: June 2024

Expected date of next assessment: within 12 months of the above date

As a result of our fair value assessment, we have concluded our commercial property owners product is providing the expected value to customers.

1. The product is compatible with the needs of the target market.
2. The distribution and remuneration strategy remains appropriate, we are not aware of any distribution and remuneration arrangements having a detrimental effect on the overall value of the product.
3. The quality of the service provides the expected value.

When completing our fair value assessments, we consider all information that is available and relevant including information provided by our distributors. We also continually monitor key metrics throughout the year to give us ongoing assurance that products are providing the value expected. Where information is outside of our tolerance levels, we may review the product outside of the scheduled timeline.

Assessment	Indicators and measures	Assessment
Product overview	<ul style="list-style-type: none"> • Product summary. • Target market. • Vulnerable customers. • Competitor analysis/external benchmarking. • Product research. 	<p>The range of metrics reviewed demonstrate the cover purchased is offering the expected value.</p> <p>The distribution of this product remains aligned with our broader distribution strategy. The distribution metrics reviewed do not indicate any concerns or areas for investigation. It is worth noting that new regulation from the FCA will be live from 31st December 2023 on the insurance arrangements for multi-occupancy buildings. This will impact the responsibilities of brokers and property management firms. It will have a small impact on the information we include in our documentation.</p> <p>The service level metrics reviewed for this product show no negative impact on the ability of the customer to utilise the product. There are opportunities for continuous improvement, and these are being considered.</p>
Product design/performance	<ul style="list-style-type: none"> • Average premium. • Persistency. • Claims analysis. • Tenure. • Price walking. 	
Remuneration and distribution arrangements	<ul style="list-style-type: none"> • Distribution chain. • Distribution strategy. • Commission, fees and any other remuneration arrangements. • Add-ons. • Premium finance. 	
Service	<ul style="list-style-type: none"> • Key indicators. • Complaints analysis + RCA. • Training. 	