



# **Property Owner Home Emergency Insurance Fair Value Assessment**

Distributor Information Pack

February 2025



## Introduction

You are receiving or viewing this document because you are involved in the distribution of an insurance product manufactured by a Bspoke Group business. In accordance with PROD 4.2.29 to 4.2.32 this document provides:

1. all appropriate information on the insurance product
2. all appropriate information on the product approval process; and
3. the identified target market of the insurance product.

It includes

1. all appropriate information to enable you to understand the intended value of the insurance product established by us.
2. any effect you may have on the intended value that has not been fully taken into account by us when assessing value, and therefore which you should take into account; and
3. the intended target market for the product and any type of customer for whom the insurance product is unlikely to provide fair value.

## Product Oversight and Governance

This section contains important information about the manufacturer, product and associated product approval process and fair value assessment.

### Manufacturer

Bspoke Insurance Group comprises regulated entities as detailed below who manufacture general insurance products in conjunction with various insurers and insurance undertakings as Co-Manufacturers. Details of each regulated entity and insurance undertaking will be listed in each Fair Value Assessment.

Registered Company Name	Registered Office	Company No.	FRN
Bspoke Lifestyle	7 Pullman Court, Great Western Road, Gloucester, GL1 3ND	11429456	820727
Bspoke Underwriting Limited	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	04506493	310101
Bspoke Commercial Limited	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	09284678	709456
Bspoke Private Clients <sup>1</sup>	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	NA	709456
Bspoke Sports and Leisure <sup>1</sup>	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	NA	709456
Provego Underwriting <sup>2</sup>	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	09366935	671437

1 = Trading name of Bspoke Commercial Limited

2 = AR of Bspoke Commercial Limited

### Product Review and Approval Process

In line with the FCA regulations outlined in PROD 4 Bspoke Group operates a Product Oversight and Governance (POG) process. In accordance with this process the product detailed in this document has been reviewed and approved by the firm's Product Forum, and is subject to ongoing monitoring and formal periodic review.

Any significant changes or adaptations to the product are subject to review and approval before being distributed to customers.

### Fair Value Assessment

In accordance with the requirements in PROD 4.2 we have defined what value means for Bspoke in the context of our business model, and have taken into account a range of factors in our assessment including:

- Target market characteristics and needs
- Potential customer vulnerability and any impact or mitigation
- Value measures and KPIs
- Distribution methods and remuneration
- Product risk ratings
- Operational and claims service levels and outcomes

The fair value assessment is conducted as part of the periodic product review with KPIs and metrics monitored on an ongoing basis.

## Product Review and Fair Value Assessment

The following section contains information on the insurance product, details of the review and our assessment of value.

<b>Product Manufacturer Name</b>	Bspoke Underwriting Limited
<b>Product name</b>	Property Owner Home Emergency
<b>Product type</b>	Retail
<b>Class of business</b>	Property
<b>Insurer / Co-Manufacturer</b>	Watford Insurance Company Europe
<b>Date of Review</b>	February 2025
<b>Period of Review</b>	December 2023 – December 2024
<b>Type of Review</b>	Periodic
<b>Approved by</b>	Draft
<b>Date of next Review</b>	January 2026

<b>Target market</b>
<p>The target market for this product are individual Landlords or Property Owners who let or rent their property through a formal tenancy agreement and who have a main Landlord or Let Property insurance product in place that covers loss or damage to buildings and any liability to the public. The target market will be purchasing their let property policy/policies through a mortgage broker or IFA or an insurance broker.</p>
<b>Types of customer for whom the product would be unsuitable</b>
<ul style="list-style-type: none"> <li>• Commercial landlords or owners of commercial property that is let to businesses or trades</li> <li>• Owners of property outside the territorial limits of the UK</li> <li>• Owner occupiers of residential property</li> <li>• Holiday or second home owners who occasionally rent or let their property</li> </ul>
<b>Cover information</b>
<p>This insurance will cover the insured for the cost of an approved contractor to respond to a sudden and unexpected event occurring in the insured property that is occupied by a tenant under a tenancy agreement. The nature of the assistance will be a temporary repair to make the damage safe, or to limit further damage. Cover includes:</p> <ol style="list-style-type: none"> <li>1. Plumbing &amp; Drainage</li> <li>2. Electricity Supply</li> <li>3. Primary Heating System</li> <li>4. Water Supply</li> <li>5. Emergency Gas Supply</li> <li>6. Inoperable Toilet</li> <li>7. Security</li> <li>8. Roofing</li> <li>9. Alternative Accommodation</li> <li>10. Pest Control</li> </ol>



#### **Any notable exclusions or circumstances where the product will not respond**

1. A maximum of 5 claims per period of insurance. If the scheme limit is reached the policyholder can use the pay-on-use service.
2. The limit for each section is £500 per claim
3. The property must have no more than 6 bedrooms.
4. The property must be no more than 3 storeys high.
5. Boilers must be less than 10 years old and serviced on an annual basis. £65 payable by Insured towards claim if boiler hasn't been serviced in last 12 months.
6. Cover for heating excludes any form of solar or warm air heating system and non-domestic central boiler or source.
7. The property must be kept in a good state of maintenance.
8. Property cannot be unoccupied for more than 30 days.

#### **Intended method of Distribution**

The product is designed to be sold alongside a let property insurance policy and within the same transaction provided that core product does not contain any element of emergency assistance cover.

The product should be sold by an authorised insurance intermediary, in line with FCA regulation and has been approved for retail distribution whether advised or non-advised. The sale of the product can be via online, telephone or face-to-face channels.

If the product is distributed to the customer via more than one broker (including ARs) then the second tier broker:

1. should not have their own agency with any Bspoke entity.
2. must deal direct with the end customer rather than through a third-tier broker.

#### **Distribution costs, fees and remuneration**

The product supports the payment of commission to distributors within the ranges detailed in your Agreement with Bspoke (or our approved representative). If fees are charged to the customer for new business or renewal they should be at a level that ensures the total remuneration is less than 50% of the overall price the customer pays. Where fees are charged that take the overall % above this level you should ensure this does not erode the value of the product and is commensurate with the work done in the Distribution chain.

Where a policy is cancelled mid term and outside the cooling off period the return premium to the customer must be at a gross level and include the proportion of commission paid.

#### **Other information which may be relevant to distributors**

We are satisfied that the pricing, the cover, the design of the product, the claims settlement process and the distribution methods we have chosen result in a product that represents fair value to our end customers.

As part of the process of assessment, we have reviewed, amongst other things:

- General market pricing
- Our pricing in relation to the product loss ratio
- Product value over a reasonably foreseeable future period
- Renewal retention
- Mid-term cancellations rates
- Customer complaints
- Distributor feedback
- The commission we pay to distributors and the general distribution costs of our broker panel as disclosed to us.



- Customer needs and any changes in the last 12 months

We have also considered the pricing and premiums in relation to FCA regulations in PS21/5, ICOBS 6B and Consumer Duty and are satisfied we comply with the necessary requirements.

As part of our assessment, we concluded that time will not diminish the value of the product to the end customer. The customer may report a claim on the last day of the policy period and receive a settlement that would not be distinctly different to the settlement he would have received had he reported the claim on the first day of the period of insurance. The product also contains provisions to protect against the erosion of value over subsequent renewals and policy periods.

Where this product is sold alongside another insurance product that we do not manufacture you should consider the overall value of the package to the customer as well as the individual component parts as per PROD 4.3.6 A, B and E.

Where this product is provided with the option to pay the premium using Premium Finance arrangements you should ensure that this is taken into account in your own assessment of value as per PROD 4.3.6 A and C.

As part of our assessment, we have not considered the specific distribution costs of any one broking firm. You should therefore assure yourself that your own fee structure is compliant with your regulatory obligations. If you have any concerns over the impact that your fee structure may have on our products, then please contact us.

This document should be read in conjunction with the Policy Wording and Insurance Product Information Document (IPID) for the product.

#### **Statement of Demands and Needs**

This product meets the needs of residential landlords and property owners wishing to insure their property against the costs of assistance and response (temporary repair to make the damage safe, or to limit further damage) to a sudden and unexpected even occurring at a property they own and is let to a tenant under a formal tenancy agreement.