



## Holiday Home / Second Home (Evolve - IHP)

### Target Market Statement

#### Product Type

This is an insurance product for consumer customers who require cover for loss of or damage to their holiday home, weekday or weekend home, or second homes ('home') that is located in the United Kingdom, Channel Islands or the Isle of Man.

Cover can be extended for contents contained within the home and also to cover the customer's legal liability for bodily injury or damage to the property, arising out of their ownership, possession or use of the holiday home.

#### Characteristics of the target market (who is this product designed for?)

This product is designed for customers over the age of 18 who require insurance for their holiday home for either personal use or rental, located in the United Kingdom, Channel Islands or the Isle of Man.

The product can provide cover where there are non-standard elements, such as:

- The property has suffered a subsidence, landslip or heave loss in the last 25 years.
- The property is built of non-standard construction such as a timber-frame.
- The property has Grade 2(B) listed building status.
- The property has minor buildings works which have commenced or are planned, such as rewiring, plumbing, replacement kitchen and small extensions.
- The property is shared with lodgers.

Customers with characteristics of vulnerability are included within the target market.

#### Objectives, needs and interests of the target market (considering the key features and benefits of the product)

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

Customers will benefit from the following features and benefits:

- **Buildings:** Covers the cost of repairing, replacing or rebuilding the home up to the blanket sum insured limits.
- **Contents:** Covers the cost of repair or replacing the contents of the home.
- **Valuables:** Covers the cost of repair or replacing valuables within the home.
- **Pedal Cycles:** Covers the cost of repair or replacing pedal cycles within the home.



- **Legal Liability:** Covers the legal liability as a private individual and as owner of the home and its contents for bodily injury or property damage caused to another person or property.
- **Accidents to Domestic Staff:** Covers legal liability for bodily injury to domestic employees arising out of and in the course of their employment.

Cover can also be extended to include:

- Accidental damage to buildings.
- Accidental damage to contents.
- Personal belongings away from the home.
- Pedal cycles away from the home.

### Who is this product not designed for?

This product is not suitable for:

- Homes located outside of United Kingdom, Channels Islands or the Isle of Man.
- Customers with more than two losses within the last 5 years that would have been covered by this product or a similar home product.
- Customers with more than one unspent conviction and/or pending prosecutions excluding any motor offences.
- Buildings with an insured value of more than £1,000,000.
- Contents with an insured value over £75,000.
- Homes containing more than 5 bedrooms.
- Homes with Grade 1 listed building status.
- Homes that cannot be inspected every 30 days.
- Customers who require short term non-renewable cover.
- Customers who cannot afford the annual or monthly premiums.

### How do we expect this product to be distributed?

This product should be sold with the active assistance and guidance of an insurance intermediary to select the appropriate level of cover. The product will only be distributed through scheme brokers to customers with whom Pen has an agency and not directly by Pen to customers.

This product is suitable to be distributed via a variety of intermediated sales channels, such as face to face, telephone, email, or by postal application by an intermediary with whom Pen has an agency.

Consideration should be given to the vulnerability of customers by the intermediary who should provide any support they may need.

### 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 Annual Percentage Rate (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 where appropriate cover is already provided by the policy.
- Distributors must familiarise themselves with the product options and extensions available and consider these when selling Pen's products to customers.
- Distributors should consider the demands and needs of the customer and the Consumer Duty requirements when dealing with customers.

### **Pen has a Product Approval Process**

Pen has a product approval process in place to ensure that there is appropriate oversight of all products where Pen is either a co-manufacturer or a distributor. The process includes a risk assessment process where due consideration is given to the impact of the product on the target market and the value of the product.

A diagram of Pen's product approval process can be found on the Pen website [here](#).

### **Important Information**

This target market statement should be used by all (co-)manufacturers and distributors of this product. (Co-)manufacturers and distributors should not create their own variation of this document. Where any party using this document has concerns about the accuracy or completeness of the information included, this should be raised to Pen urgently for discussion.





### Product Fair Value Outcome – Methodology

Pen has completed Fair Value Assessment work on products we co-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.

### 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 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 following areas:

Target market	<ul style="list-style-type: none"> <li>• Target market reviewed to ensure the product meets the needs of the customer and will continue to do so for the life of the product</li> <li>• Identify the impact on vulnerable customers where applicable</li> </ul>
Distribution strategy	<ul style="list-style-type: none"> <li>• Appropriateness of the distribution channel, services offered and remuneration</li> <li>• Remuneration does not negatively impact the overall value offered by the product</li> </ul>
Market assessment	<ul style="list-style-type: none"> <li>• Market scrutiny to ensure the product aligns with current market trends</li> </ul>
Product design/lifecycle	<ul style="list-style-type: none"> <li>• Pricing</li> <li>• Regulatory requirements</li> <li>• Fees and charges</li> <li>• Product documentation</li> <li>• Performance of the product</li> <li>• Product changes</li> </ul>





Customer journey	<ul style="list-style-type: none"> <li>• Quality Assurance</li> <li>• Feedback from distribution</li> </ul>
Claims	<ul style="list-style-type: none"> <li>• Frequency and trends</li> <li>• Loss ratio trends</li> </ul>
Complaints	<ul style="list-style-type: none"> <li>• Feedback is reviewed to ensure the product continues to offer good benefit for customers</li> <li>• Reasons for complaints and volumes</li> <li>• Outcomes of complaints: whether they are upheld, not upheld</li> <li>• Identification of trends and root causes</li> <li>• Redress payments: volume and timescales</li> <li>• Financial Ombudsman Service: volume and outcomes</li> </ul>
<b>Fair Value Summary</b>	
<p>Pen has considered all relevant factors, including the total price paid by the customer, value MI, distribution and other considerations in this product design.</p> <p>Pen is satisfied that the product continues to provide fair value to customers and is suitable to continue to be distributed to the identified target market.</p>	

<b>Valid From</b>	23/09/2025
<b>Next Review Date</b>	On or before 23/09/2026

(Id ref: 12)

