

# Home Landlords (Private)

<b>Review Type:</b>	Product Approval (Year 1)
<b>Review Completed:</b>	Q3 2022
<b>Review Period:</b>	2021/22
<b>Next Review:</b>	2023



# Product Target Market Statement

## Home Landlords (Private)

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### What is this product?

- This is a Personal Lines General Insurance product suitable for individual private landlord customers looking to insure the property let to tenants.
- The product is designed to offer customers flexibility to tailor a package of covers to meet their needs through optional cover including Contents, upgrades and add-ons.

### What customer need is met by the product?

- Home Landlords (Private) is designed to provide
  - Landlord Home Owners with financial protection for damage from unexpected events (such as escape of water, fire, storm, flood and subsidence) for the property they let.
  - Landlord Home Owners with financial protection for damage from unexpected events (such as fire, escape of water, flood, theft and malicious damage) to contents in the property they let.

### Who is the product designed for?

- Home Landlords (Private) is designed for customers letting their property, as a landlord who needs to protect it and, as an optional cover, its contents.
- Customers who own a house, bungalow or single flat.

### Who is this product not designed to support, or are there any features that you should be aware of when offering this product to your customers?

This product is not suitable for:

- Customers who do not meet our eligibility criteria.
- Tenants.
- Customers wishing to insure more than one property.
- Homes which are unoccupied or occupied solely by the home owner.
- Whole blocks of flats or multiple properties on a single policy.
- Buildings or contents that are already insured.
- Insurance cover for maintenance or warranty.
- Landlords seeking financial cover for loss of rent, void periods or similar circumstances.

### Can this product be sold with or without advice?

- Home Landlords (Private) can be sold with or without advice depending on the preference of individual distributors and in line with FCA regulations.
- The product is supported by an Insurance Product Information Document (IPID), which is in a standardised format.

### How can this product be sold?

- Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover, endorsements, excesses and configuring optional elements of insurance to suit their specific demands and needs.
- Home Landlords (Private) is designed for sale through different distribution channels suited to meet customer preference:
  - Affinity and Retail partners – could be purchased through Affinity branch, web, telephone and (by exception) price comparison websites.
  - Brokers – could be purchased through broker branch, web, telephone and (by exception) price comparison websites.

### Eligibility, conditions and exclusions that may impact the outcomes that customers may reasonably expect

- Be aged 18 or over and live at the (or one of the) home(s).
- Be a homeowner in order to buy buildings insurance.
- Have no unspent convictions apart from driving offences and never had insurance refused, cancelled or offered with terms imposed.
- Be able to insure their property and/or contents without exceeding the policy limits.
- Not have made any claims in recent years that fall outside our eligibility criteria (such as a subsidence claim). Eligibility may vary for new and existing customers.
- Customers and the property must be situated within the UK, Channel Islands or the Isle of Man.
- Please refer to the related policy documentation for all other eligibility, conditions, exclusions and excesses.

### Excesses:

- A number of excess options exist dependent on the information provided by the customer, property details and potentially customer choice. Some are compulsory and others voluntary.
- The nature of excesses are in line with the market for this product.



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### Optional additional covers/ Cover extensions which are available with this product

Optional covers vary depending on the individual policy wording. Please use standard contacts in case of any queries or clarifications.

Product Name	What customer need is met by this product?	Who is this product designed for?	Who is this product not designed for?
Optional Cover <b>Accidental Damage – Contents</b> <b>(Only some policy wordings)</b>  (Detailed features may vary by policy wording.)	This cover is designed to provide protection of the contents of the home against accidental damage, such as spilling coffee or tea on a carpet or a pet chewing the furniture. It also covers damage to mirrors, televisions and computer equipment though on some older products these may be included as standard.	<ul style="list-style-type: none"> <li>Customers who want their contents cover to include wider protection for accidents.</li> </ul>	<ul style="list-style-type: none"> <li>Customers who are not insuring contents to attach this optional cover to.</li> </ul>
Optional Cover <b>Accidental Damage – Buildings</b> <b>(Only some policy wordings)</b>  (Detailed features may vary by policy wording.)	This cover is designed to provide protection of the structure of the home for accidental damage, for example, that caused by DIY accidents. It also covers breakage of drains and damage to fixed sanitary ware, kitchen hobs or breaking a window though on some older products these may be included as standard.	<ul style="list-style-type: none"> <li>Customers who want their buildings cover to include wider protection for accidents.</li> </ul>	<ul style="list-style-type: none"> <li>Customers who are not insuring buildings to attach this optional cover to.</li> </ul>



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### Add-ons which may be available with this product

Add-ons vary depending on the individual policy wording. Please use standard contacts in case of any queries or clarifications.

Product Name	What customer need is met by this product?	Who is this product designed for?	Who is this product not designed for?
<b>Add-on Home Legal Expenses (Only some policy wordings)</b>  (Naming convention and detailed features may vary by policy wording.)	This is an optional add-on cover which is suitable for individual customers looking to cover the cost of legal disputes.	<ul style="list-style-type: none"><li>• See Home Legal Expenses Target Market Statement.</li></ul>	<ul style="list-style-type: none"><li>• See Home Legal Expenses Target Market Statement.</li></ul>
<b>Add-on Home Emergency (Only some policy wordings)</b>  (Naming convention and detailed features may vary by policy wording.)	This is an optional add-on cover which is suitable for homeowners to cover the cost of a home emergency situation, such as a burst pipe or breakdown of the boiler.	<ul style="list-style-type: none"><li>• See Home Emergency Target Market Statement.</li></ul>	<ul style="list-style-type: none"><li>• See Home Emergency Target Market Statement.</li></ul>

### How is the value of this product assessed?

We assess the value of our products using quantitative (e.g., metrics) and qualitative information (e.g., processes and controls), including data from our distributors relating to service and remuneration, as appropriate.

This product is in scope for RSA's product governance processes, which includes consideration of:

- Value of RSA product: This includes: (i) Cover – whether the level of benefits and relevant exclusions offers value to customers, (ii) Utility – whether the product is being used by the customers of the intended target market, and (iii) RSA service – whether the type and quality of services being provided is reasonable for customers.
- Impact of distribution on value: This includes whether distributor remuneration is appropriate and bears a reasonable relationship to the services provided to our customers. If there are concerns, RSA will follow up with the relevant distributors to agree remedial action.

Based on the assessment performed, we have established that the product is compatible with the objectives, interests and characteristics of customers of the intended target market and that the distribution strategy is not detrimentally impacting overall product value. We have therefore concluded that this product provides fair value to customers.

### What are the obligations of our distributors?

- Manufacturer notification – all intermediaries must review their product distribution arrangements at least every 12 months and consider the impact of remuneration against the intended value of their products. Distributors must notify the Manufacturer as soon as practically possible if there are any value concerns for which remedial action is required.
- Remuneration – Distributors must ensure that any remuneration received for an insurance product would not result in the product ceasing to provide fair value to the customer.
- Provision of information – if so requested, Distributors must provide the Manufacturer with: (i) information on the Distributor's remuneration in connection with distribution of the insurance product; (ii) information on ancillary products or services that may impact the intended value of the Manufacturer's primary insurance product; and (iii) confirmation that the distribution arrangements are consistent with the obligations of the firm under the FCA handbook including SYSC 10 (Conflicts of Interest) and SYSC 19F.2 (IDD Remuneration).
- Price optimisation – if the Distributor is a price-setting intermediary, unless there is a reasonable basis, firms should not increase the price of the insurance product based on: (i) policies being subject to auto renewal compared to policies that are not subject to auto renewal; (ii) the customer's vulnerability or any protected characteristics (unless the firm can rely on them under the Equality Act 2010); and (iii) where customers purchase the policy using retail premium finance.