

Target Market and Value Statement for Household Insurance Products

This document is only intended for insurance intermediaries distributing our products. It must not be provided to any customer either in its original form, or any reproduction. We have designed this document to ensure our distributors understand how our products can offer value. It explains the types of customers the products have been designed and are suitable for considering their characteristics, needs and objectives, who they are not suitable for and the approach we have taken to ensure the products will continue to provide fair value for customers for the foreseeable future. It also identifies how the actions taken by distributors could impact on the overall value of the products for customers.

Our Role

Home & Legacy is a co-manufacturer and a distributor of the household products described in this document. We have grouped our household products together as they are intended to deliver a similar outcome and the target markets are consistent. Working together with insurers who underwrite the cover we ensure these products offer value and are appropriate for the insurance needs of the target market customers.

Who is the target market for our Household Products?

Our Household Products are suitable for a wide range of individuals whose homes are in Great Britain, the Isle of Man or the Channel Islands. Typically, these individuals are mid/high net-worth consumers requiring exceptional service, who own and/or live in high-value homes and/or who own expensive items. These individuals' likely insurance needs, and objectives include:

- An insurance contract tailored to meet their requirements including generous and flexible limits with fewer exclusions and limitations than standard home insurance contracts.
- An insurance contract that offers worldwide cover to give them financial protection for all risks of accidental loss or damage (subject to policy terms and conditions) and other benefits to provide protection against the risks they face.
- Insurance cover for their holiday homes (occupied part-time) or their second homes.
- Fast payment.

What are our Household Products' main features and benefits?

We offer customers who fall within our identified target market (who meet the required underwriting acceptance criteria) tiered levels of household cover to provide options to meet their insurance needs and objectives. The products we have designed provide a comprehensive bundled package of covers and services. These include worldwide all-risks buildings and/or contents cover (furnishings and possessions such as art, antiques, jewellery and watches); their liabilities; and legal expenses cover to provide legal advice, costs, and expenses for disputes against a range of contractual or employment disputes; home emergency assistance; and identity fraud protection and assistance.

Prestige Home	Ultimate Home
Minimum contents sum insured - £75,000	Minimum contents sum insured - £250,000
High level of claims service	High level of claims service
Cover for second/holiday homes (UK excluding Northern Ireland)	Cover for second/holiday homes (UK excluding Northern Ireland)
Flood Re access - for homes at risk	Flood Re access - for homes at risk
Worldwide, all-risks cover (warranty free option available subject to qualifying criteria)	Worldwide, all-risks cover (warranty free)
Alternative accommodation up to 2 years	Alternative accommodation up to 5 years
Business contents up to £10,000	Business contents up to £20,000
New acquisitions/additions 20% of contents sum insured for 60 days	New acquisitions/additions 25% of contents sum insured for 90 days
Unspecified article limit: <ul style="list-style-type: none"> • Fine art, antiques, collectables - £15,000 • Jewellery and watches - £5,000 	Unspecified article limit: <ul style="list-style-type: none"> • Fine art, antiques, collectables - £25,000 • Jewellery and watches - £25,000
Guests personal effects - £5,000	Guests' personal effects - unlimited
Other benefits automatically included: <ul style="list-style-type: none"> • Legal service and legal expenses cover • Identity fraud detection and assistance • Home emergencies (24-hours) - £500 	Other benefits automatically included: <ul style="list-style-type: none"> • Legal service and legal expenses cover • Identity fraud detection and assistance • Home emergencies (24-hours) - £1,000
Also: <ul style="list-style-type: none"> • Voluntary additional excesses available • No cancellation or adjustment fees • Option for premium finance 10 payments 15.45 APR % (variable) 	Also: <ul style="list-style-type: none"> • Voluntary additional excesses available • No cancellation or adjustment fees • Option for premium finance 10 payments 15.45 APR % (variable)

Our [Insurance Product Information Documents \(IPIDs\)](#) produced in standardised format are easily understood and detail the benefits, features and services provided. The [Policy wordings](#) provide full details.

Who are our Household Products not suitable for?

- Customers whose contents sums insured are below our minimum sums insured, which are based on our target market demographic. Mass-market customers will be better suited to a standard household insurance product.
- Customers who have purchased legal expenses and/or household emergency assistance covers elsewhere. Our products automatically include these covers as standard.

What is the distribution strategy for our Household Products?

Our Household Products are distributed and sold in line with our distribution strategy, to target market customers who are eligible for the cover in accordance with our application acceptance and/or renewal acceptance criteria.

- By insurance intermediaries/brokers (distributors) authorised by the FCA to carry out insurance distribution activities, who we have approved and monitor on an ongoing basis. They have entered into a Terms of Business Agreement with us. For our target market customers with busy lifestyles and more complex/varied insurance risks, our assessment determines this to be their preferred distribution channel.
- Products can be purchased online via [Home and Legacy Online](#), our interactive website for distributors, coupled with our telephone advice/support, as required; or by email and/or telephone.
- Sales by distributors can be on an advised or a non-advised sale basis. The products are relatively straightforward, and the target market customers are generally familiar with household insurance products.
- We also sell directly to customers on an advised basis.

What distributors should do to ensure our Household Products offer fair value?

- Inform us if they have any concerns about the value of our products or receive any complaints from customers about the products.
- Ensure that sales of our Household Products are only made to target market customers and they have provided the customer with all necessary information to enable informed choices/decisions.
- Ensure that there is no duplication of cover for customers when selling any additional products. Our Household Products are bundled packages.
- If selling premium finance, not sourced from us, they should consider how charges that are higher when compared with other arrangements that may be available adds value for customers and whether this is consistent with the duty that is required under the 'customers' best interest rule. Our premium finance may be a suitable alternative to recommend. For further information download our [Close Brothers Premium Finance Retail Premium Finance - Loan Information](#).
- Understand that fees/charges can impede the value of products. We do not charge fees.
- Ensure that any fees/charges applied that are linked to our Household Products do not have a detrimental effect on their value.

Our Household Products Value Statement

Our Household Products are reviewed annually, and we monitor them on an ongoing basis, in accordance our Product Oversight and Governance Framework (POG), to determine that they offer and will continue to deliver fair value to customers for the reasonably foreseeable future. For further information download a summary of our [Product Oversight and Governance Arrangements](#).

We have assessed our Household Products to ensure they offer fair value. Our assessment considered:

- The characteristics, needs and objectives of the target market customers.
- Similar products available in the market, by carrying out a comparison of covers.
- Whether our products perform as intended, by using information held internally (e.g., sales and servicing performance, claims performance, claims and complaints analysis and outcomes) and public information or information that can be obtained from external sources.
- Customers experience with the claim's processes/service.
- The overall price customers pay (including the impact of remuneration associated with distribution and the sale of additional products).

To help us to ensure that the arrangements made by our distributors are in the best interests of customers, we asked them to tell us about any fees charged or other remuneration they receive that is linked to our products. We also asked for information about any additional products that they might offer alongside our products. For retail premium finance that they arrange (but not provided by us), we asked them for the cost charged. **We are satisfied following our review of distribution arrangements that they do not detract from the overall value for the customer purchasing our Household Products.**

Fair value assessments for the ancillary covers included with our Household Products (e.g., legal expenses) are completed by the insurer providers of those products. We have shared our review findings, related to the distribution arrangements for fairness, with them to assist with their reviews. **The insurers have given us reassurance that they have no concerns in relation to the products they provide not offering fair value for customers.**

Our Household products were reviewed in August 2022 and have been assessed as offering fair value for the target market customers including the commission, and allowing for the fees that are charged by our distributors. The total benefits are proportionate to the total cost and there is significant benefit for customers who need to make a claim.