



ACRISURE®

# **NON STANDARD HOUSEHOLD**

## Fair Value & Target Market Assessment

This document is designed to explain the identified target market and the expected distribution strategy for each Insurance product distributed or co-manufactured by AUK a trading style of Acrisure UK MGA Ltd (AUK).

It also outlines our approach to demonstrate how we monitor and review our products to ensure they continue to provide fair value and meet the needs characteristics and objectives of the target market including vulnerable customers.

**This document is to be read in conjunction with the appropriate policy documents including the policy wording and schedule.**

Target Market Statements provide information about all of the AUK products distributed which include:

- The main features and optional covers associated with our products.
- Who our products are designed for and who they are not designed for.
- How our products are distributed.
- How we ensure that our products provide fair value to customers as intended.

AUK's fair value assessment considers a non-exhaustive range of MI inclusive of: claims & loss ratio's, cancellations & complaints records as well as commission and fees data. Additional considerations such as the distribution method's, market trends and facilitation costs may also be reviewed however will not be referenced within this document.

It should be noted that AUK is an MGA whom wholesale through other insurance intermediaries and do not have direct contact with consumers. Our customer base is made up of wholesale or retail brokers seeking insurance on behalf of their direct customers.

## Product details

**Standard & Non Standard Household Insurance**

**Pen Underwriting Limited (Zurich & Hiscox)**

**AUK is deemed a Co Manufacturer of this product**

**Product is accessed via Pen Portal, brokers are provided with individual log ins to access the platform**

**Change in capacity – new product April 2026**

**FVA published April 2026**

**Next assessment to be made within 12 months \*\*** We continuously monitor our products and apply a risk-based approach to our product governance; the next review and assessment may take place before this date and this document updated accordingly

## Product Description

An insurance product suitable for Standard & Non-Standard household premises to cover loss or damage to the buildings and or contents caused by a range of perils such as fire, explosion, impact, storm, flood, escape of water, theft or subsidence.

The product can cater for risks of Non-Standard Construction, properties with previous Subsidence history, Customers with Criminal Convictions, Unoccupied Properties, Homes which include elements of part let & risks can ceded directly to Flood RE.

The Standard & Non-Standard product is designed for individuals with buildings sum insured over £50,000 and/or contents sum insured over £15,000 but below a total sum insured of £1,500,000.

## Product Features

**Mandatory product features that will meet the needs, characteristics and goals of the target market**

- Buildings – The costs of repairing, replacing or rebuilding a home up to an agreed sum insured and temporary accommodation costs.
- Contents – The cost of repairing or replacing the contents of plus property in the open. Temporary removal of your contents to other premises plus loss or rent and temporary accommodation costs.
- Valuables and/or Personal possessions: The cost of repairing or replacing valuables and personal possessions lost or damaged away from the home.
- Domestic Freezer – Coverage for damage sustained to contents of Domestic Freezer
- Pedal Cycles – Coverage for Pedal Cycles away from the home
- Money & Credit Cards – Coverage for insurable losses to Money &/or Credit Cards
- Trace and Access – covers the cost to identify leaks causing damage to the home or its contents.
- Oil and Metered Water- covers the cost of replacing lost oil or metered water at the home.
- Legal Liability: covers the legal liability as a private individual and as owner or occupier of the home for bodily injury or property damage caused to another person or property.
- Accidents to Domestic Staff – covers legal liability for bodily injury to domestic staff arising out of and in the course of their employment.

Cover's may be included for perils including fire, explosion, impact, storm, flood, escape of water, theft or subsidence. The cover depends on the occupancy status.

<b>Optional Covers available with this product</b>	None
<b>Key Exclusions/Conditions</b>	<p>General Exclusions The policy does not insure, apply to or include any cover for any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:</p> <ul style="list-style-type: none"> <li>• Asbestos</li> <li>• Cyber terrorism</li> <li>• Date recognition</li> <li>• Excess</li> <li>• Northern Ireland - civil commotion</li> <li>• Radioactive contamination</li> <li>• Terrorism</li> <li>• War</li> <li>• Virus Disease Epidemic and Pandemic</li> </ul> <p>Some of the above exclusions do not apply to some of the covers (for instance, Employers' Liability), as further specified in the wording.</p> <p><u>Key Exclusions</u></p> <ul style="list-style-type: none"> <li>• Wear and tear or any other gradually operating cause (for example, damp formed over a period of time due to blocked or poorly maintained guttering, or the mechanical or electrical failure of a television).</li> <li>• Damage occurring before the beginning of the period of insurance or caused deliberately by the policyholder.</li> <li>• Loss or damage that is not directly associated with the incident that caused the policyholder to claim, except where that loss or damage is expressly included within this insurance.</li> <li>• Any reduction in market value of any property following its repair, replacement or reinstatement, unless expressly included within this insurance.</li> <li>• Loss, damage, liability, cost or expense of any kind caused by or resulting from poor or faulty design, defective or faulty materials or faulty workmanship</li> </ul> <p>In addition, there are exclusions applicable to each of the cover provided, as further specified in the wording.</p>
<b>Restrictions</b>	As per supporting policy documents inclusive of the policy wording and schedule
<b>Additional Cover(s)</b>	As per supporting policy documents inclusive of the policy wording and schedule
<b>Policy length</b>	Variable but usually annual with ability to extend up to 12 months as required

<b>Target Market</b>	
<b>Product Design for distributions</b>	Designed for Retail Brokers to retrieve quotations via Pens quote system for risks which fit the Standard/Non-Standard product.
<b>Target market description</b>	<p>The Pen Standard/Non-Standard product is designed for:</p> <ul style="list-style-type: none"> <li>• Customers who own a property which they use as their main residence located in the UK, Channel Islands or the Isle of Man and where the buildings sum insured is more than £50,000 or the contents sum insured is more than £15,000</li> <li>• Customers who own a property which is used as their main residence, and whose properties need to be insured (inclusive buildings and contents) for up to £1,500,000</li> </ul>
<b>Who is this product unsuitable for?</b>	<p>The Pen Standard/Non-Standard product is not targeted towards.</p> <ul style="list-style-type: none"> <li>• Residential homes with a total sum insured of more than £1,500,000</li> <li>• Homes outside of United Kingdom, Channel Islands and Isle of Man.</li> <li>• Properties which include Commercial Occupancy</li> <li>• Properties which need to be insured in a company name</li> <li>• Properties which have been long-term unoccupied (over 12 months)</li> </ul>

<b>Commissions and Fees Analysis</b>	<p>AUK's commission from the underlying Insurer is capped, as per their agreement.  The commission paid away to the brokers placing via our MGA may vary, however these are agreed with each individual broker based on their business.  AUK do not apply any fees on the household product as agreed with the carrier.  AUK do not charge fee's in lieu of commission.</p>
<b>Distribution of Product</b>	<p>This product is distributed via Pens quote system for use by distributing retail brokers on behalf of their clients.</p>
<b>Distribution chain value</b>	<p>AUK have taken reasonable steps to validate the earnings (commission &amp; fees) charged by those within the distribution chain are fair value to the end customer and in line with usual market practice.</p> <p>AUK do not permit placing brokers to deal with other intermediaries' and create a chain beyond themselves once placed via AUK on this product.</p>
<b>Distributor Remunerations</b>	<ul style="list-style-type: none"> <li>• AUK agrees commission rates with each distributing broker.</li> <li>• Brokerage is variable to a selected group of distributing brokers who are onboarded individually.</li> <li>• Distributors are required to provide update on fee's they may be applying to any products placed via AUK, noting AUK do not apply any fees in lieu of commission.</li> </ul> <p>All cover holders are sent an annual fair value questionnaire and must evidence their fee matrix when requested by AUK. AUK have taken reasonable steps to validate the earnings (commission &amp; fees) charged by themselves and those within the distribution chain are fair value to the end customer and in line with usual market practice.</p>
<b>Actions expected from those involved in the distribution chain</b>	<p>AUK expect those involved with the distribution chain to:</p> <ul style="list-style-type: none"> <li>• Make sure all Commission, fees or charges passed onto the customer must be proportionate to the service provided and provide fair value.</li> <li>• Ensure that care is taken to ensure no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy.</li> <li>• Provide clear Instruction to the end client to read all documentation provided to them.</li> <li>• Notify AUK of any complaints or customer vulnerabilities they are made aware of so that AUK and Pen can assist as best as possible.</li> </ul> <p>The distribution strategy currently represents value for money, commissions, and fees reflect services provided and there are no unnecessary intermediaries in the chain.</p>

### Claims and Loss Information

Claims handling is undertaken by a third party appointed directly by the underlying insurer.

Given this is a new capacity implemented by the carrier we are unable to provide Claims and Loss Ratio's at this time (launched April 2026).

### Cancellations

Cancellations and the reasons for these are continually monitored by AUK and the underlying insurer in order to monitor trends and to ensure the needs of the customers are being met as well as product value continuing to be provided.

Given this is a new capacity implemented by the carrier we are unable to provide cancellations data at this time (launched April 2026).

## Vulnerable Clients

AUK, expect all parts of the distribution chain to support and accommodate any vulnerabilities they are made aware of. And to share this information up the distribution chain. AUK will always work to the best of their ability to support any vulnerable customers inclusive of and not limited to requesting information/documentation as per the client's requirements, ensuring the distribution channel is accessible and ensuring that the products we distribute meet the needs of clients.

AUK require all insurance intermediaries to have a vulnerable customer policy and training in place to assist with their staff identifying and supporting any vulnerable customers they liaise with.

Whilst AUK are currently unaware of any areas of our product which could exploit a customer in a vulnerable circumstance at present, we continue to review and monitor any changes on an ongoing basis.

## Customer Service & Complaints

AUK provide a high level of customer service to their broking intermediaries, inclusive of a key point of contact to offer support in using the systems and risk placement. Intern AUK expect this to be relayed throughout the distribution chain to the end customer.

AUK have 0 complaints reported to them since this product launch.

Any complaints received by the distributing intermediaries must be passed onto AUK to share with the underlying capacity provider.

AUK's contact details are present in the Policy Wording, and online enabling customers to get in touch directly with us however we are heavily reliant upon our distributing brokers to notify us of any complaints reported to them.

## Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product we can confirm:

- 1. The product remains consistent with the needs of the identified target market**
- 2. The product remains consistent with the fair value assessment**
- 3. The intended distribution strategy remains appropriate**

**\*\* New underlying capacity behind this product – launched April 2026.**