

# Product Governance and Fair Value Assessment

Plum Underwriting is committed to conducting its business in a fair, honest and open manner and we ensure that we have appropriate product oversight and governance systems and controls in place to offer products that have been assessed as providing fair value to customers that are within the appropriate target market.

This summary document has been created to fulfil our responsibilities under fair value regulations. This document should not be used as a sales or marketing tool. The client facing broker must act in the best interests of each customer individually when deciding whether to recommend a particular policy or not.

## Product Information

<b>Product</b>	eFlex
<b>Version Number</b>	EFLX/0421/PW

## Assessment

<b>Most Recent Review</b>	October 2021
<b>Product Type</b>	Residential Household Insurance
<b>Manufacturer / Co-manufacturer</b>	Plum Underwriting Capacity Providers: Zurich plc
<b>Territorial Limits</b>	For properties situated in England, Wales, Scotland, Northern Ireland, The Isle of Man and The Channel Islands
<b>Target Market</b>	<p>UK non-standard residential homeowners</p> <p>This product is designed to provide cover for clients who require flexibility in the underwriting due to “non-standard” elements to their individual circumstances, such as:</p> <ul style="list-style-type: none"> <li>• Unoccupied homes</li> <li>• Holiday homes – including those that are commercially let (Airbnb)</li> <li>• Criminal convictions</li> <li>• Non-standard construction</li> <li>• Homes with paying guests – including Bed &amp; Breakfast</li> <li>• Businesses from home</li> </ul>
<b>Outside Target Market</b>	Customers who do not have specialist home insurance requirements that can be serviced by standard home insurance suppliers.
<b>Characteristics of the product aimed at meeting the needs of the target market</b>	<p><b>Cover Sections:</b></p> <ol style="list-style-type: none"> <li>1. Buildings</li> <li>2. Contents</li> <li>3. Accidents to Domestic Employees</li> <li>4. Legal Liability to the Public</li> <li>5. Valuables and Personal Possessions</li> </ol> <p><b>Add Ons:</b></p> <p>There are no add on covers available to purchase separately under this product.</p> <p><b>Key Exclusions</b></p> <ul style="list-style-type: none"> <li>▪ Any loss or damage that commenced before cover starts</li> <li>▪ Any loss or damage caused by wilful acts by you or any of your employees</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Any loss or damage caused by wear &amp; tear or any gradual operating cause, mechanical/electrical breakdown, or fault/failure</li> <li>▪ Subsidence/heave/landslip arising from movement of solid floors slabs, unless the foundations beneath the exterior walls of the home are damaged by the same cause and the same time</li> <li>▪ Any loss or damage caused by escape of oil from an oil tank unless you can provide evidence that the oil tank is less than 10 years old or that it is inspected annually by a qualified OFTEC engineer and certified as in good condition without the need for repair or replacement</li> <li>▪ Any amount over £50,000 for clean-up costs following an escape of oil</li> <li>▪ Storm or flood damage to contents in the open, gates and fences</li> </ul> <p><b>Key Restrictions</b></p> <ul style="list-style-type: none"> <li>▪ If the home is unoccupied for more than 30 consecutive days, we do not insure loss or damage caused by escape of water, theft, attempted theft, accidental damage to fixtures &amp; fittings, accidental damage to underground service pipes/tanks/cables</li> <li>▪ If the home is unoccupied for more than 30 consecutive days, we do not insure loss or damage from unauthorised entry into the home unless the security of the home is in good working order and in full &amp; effective operation.</li> <li>▪ We do not insure loss or damage caused by theft/attempted theft while the home is lent, let or sublet unless the loss or damage follows threat or violence against you or the occupant in the course of entry.</li> <li>▪ For valuables and personal possessions, we will not pay more than £2,500 for any one item unless otherwise specified in your schedule and/or statement of fact</li> <li>▪ For valuables and personal possessions, we will not pay more than £2,000 in total in respect of theft / disappearance of property from an unattended vehicle</li> <li>▪ For pedal cycles, we will not pay more than £500 in total per claim unless otherwise shown on your schedule and/or statement of fact</li> </ul>
<p><b>Distribution Strategy</b></p>	<p>This product is intended for distribution via FCA authorised brokers only. Brokers must be approved by us and enter into our standard format TOBA. Our preferred method of agreeing TOBAs is via REG. Brokers may access this product via an approved broking system (EDI software house).</p> <p>Sub-broking is not permitted without our express written consent as it is outside our risk appetite.</p>
<p><b>Commission</b></p>	<p>We will agree a commission rate with each distributor. All distributors should be able to demonstrate that commission received bears a reasonable relationship to the actual costs of their contribution/level of involvement or benefit added by them to the distribution arrangement. We may ask you to justify your commission rate.</p>
<p><b>Other Remuneration</b></p>	<p>We may ask you provide details of remuneration you earn in connection with the sale of our policy. This includes any fees, premium finance earnings, earning from non-insurance products or add-ons sold alongside our policy.</p> <p>You must ensure that your arrangements are consistent with FCA rules on conflicts and incentives. You should review all remuneration arrangements at least annually and share the outcome of that review with us on request.</p>
<p><b>Fair Value Review</b></p>	<p>Our product governance process requires a full review of all products at least annually to determine if the product offers fair value to the end customer. These reviews consider the target market, distribution strategy, remuneration, marketing, product information, product performance, product design and feedback from distributors and customers.</p>

EFLX/1021/PGFV v1.0

	<p>We also monitor conversion rates, renewal retention, cancellations, loss ratios, claims and complaints as part of this review process.</p> <p>We are satisfied that the product offers fair value to its intended Target Market subject to distributors</p> <ul style="list-style-type: none"> <li>• not charging customers additional amounts over and above the gross premium plus underwriting fees quoted by us without first determining that they do not have a detrimental effect on the value of the product.</li> <li>• Ensuring that no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy</li> </ul>
<b>Customers for whom the product is not expected to provide fair value</b>	This product would not be expected to provide fair value to policyholders/risks that fall outside the Target Market.
<b>Relevant documents available via our website</b>	<p>IPID</p> <p>Broker Product Summary</p> <p>Policy Wording</p>

### Providing Feedback

We welcome any feedback from our distributors on the performance of our products. All feedback will be considered in our next product review.

If you believe that your staff would benefit from additional training on this product, please let us know by contacting [bus.dev@plum-underwriting.com](mailto:bus.dev@plum-underwriting.com).