

# 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>	Retreat
<b>Version Number</b>	RET/0421/PW

## Assessment

<b>Most Recent Review</b>	October 2021
<b>Product Type</b>	Residential Household Insurance for UK holiday homes/holiday let properties
<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>This product is designed to provide flexible underwriting for all holiday home risks from a clean risk, to a risk requiring specialist underwriting due to its "non-standard" nature.</p> <ul style="list-style-type: none"> <li>• Clean or Non-Standard Risks</li> <li>• Standalone holiday homes</li> <li>• Own use/Friends &amp; Family</li> <li>• Short term commercial holiday letting/Air BnB</li> <li>• Non-Standard Construction</li> <li>• Adverse claims/Subsidence</li> <li>• Portfolios</li> <li>• Risks up to £15m Total Sum Insured</li> </ul>
<b>Outside Target Market</b>	Customers who do not have specialist holiday home/holiday let 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. Legal Expenses</li> </ol> <p><b>Add Ons:</b> 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 caused by escape of water due to the failure or lack of grouting or sealant</li> <li>▪ Any loss or damage caused by wilful acts by you or any of your employees</li> <li>▪ Any loss or damage caused by wear &amp; tear or any gradual operating cause, mechanical/electrical breakdown, or fault/failure</li> <li>▪ Storm or flood damage to contents in the open, gates and fences</li> </ul>

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	<ul style="list-style-type: none"> <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 loss of rent/alternative accommodation costs incurred without our agreement to pay</li> <li>▪ Any loss or damage that commenced before cover starts</li> </ul> <p><b>Key Restrictions</b></p> <ul style="list-style-type: none"> <li>▪ If the holiday home is unfurnished, we do not insure loss or damage caused by escape of water, theft or attempted theft.</li> <li>▪ We do not insure loss or damage caused by theft/attempted theft from the holiday home unless as a result of violent and forcible entry or exit other than loss or damage which is covered under additional cover P/J – Theft/Attempted Theft by Guests/Tenants(s)</li> <li>▪ We do not insure loss or damage caused by escape of water while the holiday home is unoccupied unless you or a responsible adult representative of yours turns off the water at the mains stopcock.</li> <li>▪ We will not pay any claim for loss or damage resulting from unauthorised entry into the holiday home when the premises are unoccupied or unfurnished unless the security of the holiday home is in full &amp; effective operation and the premises are inspected internally &amp; externally every 30 days</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 our online portal.</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 will charge an Underwriting Fee on any new business or renewal policy taken up. We will also charge a fee if your customer requests to cancel the policy during its term (other than in the cooling off period). Full details regarding our fees can be found within the quote and issue cover Schedule Statement of Fact. We review our fees annually to ensure that they remain appropriate.</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>

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	<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).