

Target Market Statement

This document was prepared by ERGO UK Specialty Limited ('ERGO') in accordance with regulatory responsibilities under PROD 4.2 as the manufacturer of this product.

The purpose of this Target Market Statement is to provide clear information about who ERGO's products are designed for, who they are not intended to support and how ERGO expects the product should be distributed.

Carrier name	Great Lakes Insurance UK Ltd
Product name	Residential Property Owners
Date of most recent Target Market Statement	September 2024
Product Review and Target Market Assessment frequency ¹	Every 12 months

Product summary

This is a commercial insurance product designed for customers who wish to protect their property and legal liabilities as a property owner.

Who is the target market of this product?

This product is designed for commercial customers who:

- Are over the age of 18.
- Are commercial or residential landlords with property situated in the United Kingdom (England, Scotland, Wales, Northern Ireland), the Isle of Man or the Channel Islands and are looking to insure the business against property related losses.
- Require cover for single or multiple properties.
- Who have no unspent (non-motoring) criminal convictions, or prosecutions pending.

¹ In line with PROD 4.2.34R and PROD 4.2.34B R, ERGO will undertake a review every 12 months or more frequently where the potential risk associated with the product makes it appropriate to do so. ERGO will apply a risk-based approach to product governance and continuously review products to ensure ongoing fair value for customers in the target market.

Are there any specific characteristics, including customer vulnerability, that you should be aware of?
<p>We understand there will always be an element of vulnerability within a customer base, however we have not identified a specific customer demographic in which we would automatically treat as vulnerable.</p> <p>ERGO has in place a Vulnerable Customers Policy, and relevant staff receive training. ERGO maintain oversight across the distribution, requiring all product distributors to also maintain a customer centric culture and provide relevant training in line with FCA expectations and proportional to product requirements.</p>
Who is the product not designed to support?
<p>This product is not designed for customers:</p> <ul style="list-style-type: none"> • Who are under the age of 18. • Who have unspent criminal convictions. • Whose property has flooded or is at high risk of flooding. • Who are seeking insurance for a property situated outside the United Kingdom, the Isle of Man or the Channel Islands. • Who are seeking to purchase a personal lines product such as household insurance. • Who are subject to any economic, financial or trade sanctions. • Customers with non-residential properties • Customers whose properties are unoccupied.
What are the key value elements of the product that are important for the target market?
<p>The key value elements of cover are noted below:</p> <ul style="list-style-type: none"> • Loss or damage caused by fire, theft, vandalism, storm and flood to their property. • Public Liability. • Employers Liability.
What customer need is met by this product?
<p>Clients owning dwellings occupied by third party occupiers will want to protect these property assets from damage and protect themselves from any property owner's liability arising from such ownership.</p> <p>Buildings section: Cover for buildings owned by the property owner or for which they are legally responsible against a wide range of insurable events.</p> <p>Including:</p> <ul style="list-style-type: none"> • Loss of rent (or alternative accommodation cost for tenants) where dwellings become uninhabitable following insured damage. • Property Owner's Liability. <p>Contents section: Cover for household goods, furniture and furnishings owned by the property owner.</p> <p>Terrorism: Damage to Property and other losses and costs, resulting from an Act of Terrorism.</p>

Does this product include optional covers?
Customers are able to select the elements of cover that are suitable for their business. Terrorism cover may be included.
Can this product be sold without advice?
This product can be sold with or without advice from an insurance intermediary.
How is value assessed?
<p>ERGO continually monitors our product performance in line with the Financial Conduct Authority (FCA) Product Intervention and Product Governance Sourcebook (PROD) rules.</p> <p>Value is assessed using both quantitative and qualitative metrics covering a number of areas such as product performance (Loss Ratio and Claims Frequency), customer complaints, customer feedback, coverage, and market dynamics.</p>
How should this product be distributed?
<p>The product will be distributed via selected coverholders, who will be accessed by selected wholesale and retail insurance brokers, acting for target market customers who are eligible for the cover in accordance with our new business / renewal acceptance criteria.</p> <p>The distribution strategy is considered appropriate for the target market, with customers able to purchase the product through a distributor of their choice.</p>
Other information which may be relevant to distributors
This document should be read in conjunction with the policy wording and IPID or summary document.

Product Review and Fair Value Assessment

This document was prepared by ERGO UK Specialty Limited ('ERGO UK') in accordance with regulatory responsibilities under PROD 4.2 as the manufacturer of this product.

Carrier name	Great Lakes Insurance UK Ltd
Product name	Residential Property Owners
Date of most recent Fair Value Assessment	September 2024
Product Review and Fair Value Assessment Frequency ¹	Every 12 months

Outcome of the Product Review and Fair Value Assessment

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

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

Product Information and Approval Process

In accordance with the FCA's Product Intervention and Product Governance Sourcebook ('PROD') rules ERGO UK has completed product review and fair value assessments ('FVAs') across all its products. ERGO UK FVAs considered the performance of products against a number of areas including, but not limited to:

- Product Oversight and Governance Arrangements
- Target Market
- Pricing
- Distributor Oversight
- Remuneration

In considering and assessing fair value ERGO UK analysed all appropriate and necessary management information ('MI'). ²

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² The MI used to assess fair value are classed as commercially sensitive to ERGO UK and have therefore not been disclosed in this Assessment.

All products have been subject to full review, the FVA shows that this product meets the target market needs and continues to provide fair value to customers in the target market and will continue to do so for a reasonably foreseeable period (including following renewal). The FVA results were satisfactory and aligned with ERGO UK's expectations of its products.

Product Features and Characteristics

This product provides the following cover, up to agreed specified limits:

- Material Damage, glass, loss of rent, employer's liability and property owners liability;
- Customers are able to select the elements of cover that are appropriate for their business;
- Terrorism cover may be included.

Target Market

This product is designed for customers who:

- are over the age of 18;
- are residential landlords with property situated in the United Kingdom (England, Scotland, Wales, Northern Ireland), the Isle of Man or the Channel Islands and are looking to insure their property against property related losses.
- Require cover for single or multiple properties.
- Who have no unspent (non-motoring) criminal convictions, or prosecutions pending.

The customer's demands and needs are assessed at the time of acceptance by their insurance broker. ERGO UK's assessment of M.I, including renewal retention, cancellations, claims and complaints indicates the target markets needs have been met.

Type of Customer for Whom the Product Would be Unsuitable

This product is not designed for customers:

- Who are under the age of 18;
- Who have unspent criminal convictions;
- Whose property has flooded or is at high risk of flooding
- Who are seeking insurance for a property situated outside the United Kingdom, the Isle of Man or the Channel Islands;
- Who are seeking to purchase a personal lines product such as household insurance.
- Who are subject to any economic, financial or trade sanctions.

Distribution Strategy
<p>The product will be distributed via selected coverholders, who will be accessed by selected wholesale and retail insurance brokers, acting for target market customers who are eligible for the cover in accordance with our new business / renewal acceptance criteria.</p> <p>The insurance broker will review the customer's demands and needs to ensure that the product is distributed to the identified target market.</p> <p>The distribution strategy is considered appropriate for the target market, with customers able to purchase the product through a distributor of their choice.</p> <p>Additional commission, fees and charges added by a distributor as part of the distribution process must be proportionate to the service provided, aligned to those charged elsewhere, and not affect the overall value offered by the product.</p>
Commission and Other Remuneration
<p>A full assessment of the commission structure for agents and sub-agents has been carried out and it is deemed to be appropriate and reasonable. Any fees or charges passed onto the customer are proportionate to the type of product offered and provide fair value.</p>