

Target Market and Value Statement for Landlord Insurance Products



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This document is only intended for insurance intermediaries. 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

Following the announcement in May 2023 of Allianz’s intention to close the Home & Legacy business and the subsequent ratification of that decision in June 2023, the Home & Legacy business is now in run-off. Our Landlord Products are now ‘closed’ products. They are no longer marketed or distributed or open for new business or renewal.

Home & Legacy are committed to fulfilling our regulatory and contractual obligations during the run-off period. We will continue to support existing policyholders with mid-term changes, cancellations and any ongoing or new claims that are made throughout the run-off period. Please note that we can no longer provide cover for changes of address or for any additional properties, nor can we provide any optional Rent protection or Emergency property assistance covers with the Ultra Landlord Product.

Home & Legacy is a co-manufacturer and a distributor of the Landlord Products described in this document. We have grouped our Landlord 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 needs of the target market customers.

Who is the target market for our Landlord Insurance Products?

Our Landlord Products are suitable for owners of residentially let property in Great Britain, the Isle of Man and the Channel Islands. These may be same target market customers as our Household Insurance Products (typically those considered to be mid/high net worth consumers) but these products are also suitable for other property owners. Customers may own residential investment property or be letting their own residential home under a written tenancy agreement. Their likely insurance needs and objectives include:

- Insurance cover for their buildings and/or the contents they leave for use by the tenant(s) at their property.
- Legal expenses cover (including cost of litigation) for property disputes, disputes over terms of the tenancy agreement.
- Cover for rent arrears.

What are our Landlord Insurance Products key features and benefits?

Our products provide specialist cover to meet the varying needs and objectives of the target market customers. Their likely insurance needs, and objectives include:

- Buildings and/or contents cover for furnished and partially furnished properties (**Prestige Landlord and Ultra Landlord**) with optional cover for theft and malicious damage caused by the tenant(s) (**Ultra Landlord**) and/or accidental damage caused by the tenant(s). (**Prestige Landlord and Ultra Landlord**)
- Landlord legal expenses cover included as standard. (**Ultra Landlord**)
- Optional cover to provide rent protection. (**Ultra Landlord**)

The Landlord’s Legal Expenses and Landlord’s Rent & Legal Protection standalone products may be suited to customers whose buildings and/or contents insurance is arranged with another provider.

| Prestige Landlord* | Ultra Landlord | Legal Expenses | Rent & Legal Protection |
|---|---|---|---|
| Buildings and/or contents (loss, damage, legal liabilities) | Buildings and/or contents (loss, damage, legal liabilities) | X | X |
| Loss of rent up to 20% of Buildings SI (following an insured event) | Loss of rent up to 25% of Buildings SI (following an insured event) | X | X |
| X | Landlord’s legal expenses (including litigation costs) | Landlord’s legal expenses (including litigation costs) | Landlord’s legal expenses (including litigation costs) |
| X | Access to legal helpline 24/7 | Access to legal helpline 24/7 | Access to legal helpline 24/7 |
| Optional cover: Accidental damage by tenant | Optional covers: Accidental damage by tenant | X | X |
| X | Theft or malicious damage by tenant | X | X |
| X | Emergency property assistance | X | X |
| X | Rent arrears (while obtaining repossession) | X | Rent arrears (while obtaining repossession) |
| Also: <ul style="list-style-type: none"> • No cancellation or adjustment fees • Option for premium finance 12 monthly payments 12.54 APR % (variable) | Also: <ul style="list-style-type: none"> • No cancellation or adjustment fees • Option for premium finance 12 monthly payments 12.54 APR % (variable) | Also: <ul style="list-style-type: none"> • No cancellation or adjustment fees • Option for premium finance 12 monthly payments 12.54 APR % (variable) | Also: <ul style="list-style-type: none"> • No cancellation or adjustment fees • Option for premium finance 12 monthly payments 12.54 APR % (variable) |

*The Prestige Landlord Product was withdrawn 31st December 2022.

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

Our Premium Finance product which was available as an additional product remains available for customers who had chosen to pay their annual premium by this method up until the expiry of their policy including for any adjustment in premium following a mid-term alteration.

Who are our Landlord Insurance Products not suitable for?

- Property let for commercial reasons other than for residential rental purposes.
- For Landlord Legal Expenses and Landlords Rent & Legal Protection covers:
 - Property let to tenant(s) in receipt of Universal Credit
 - Property let to tenant(s) who have not been referenced to a standard that meets underwriting acceptance criteria.
 - Property where the monthly rent is more than £6,000.
- Existing customers who are changing address or wishing to add any additional property to their policy.

What is the distribution strategy for our Landlord Insurance Products?

Our Landlord Products are no longer sold. They were distributed to our target market customers who were 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 have entered into a Terms of Business Agreement with us.
- Sales by distributors are on an advised or a non-advised sale basis. The products are relatively straightforward.
- By us directly to customers on an advised basis, or from December 2022 on a non-advised basis.

What distributors should do to ensure our Landlord 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 customers have all necessary information to enable informed decisions.
- Understand and ensure that any fees/charges made and any additional products sold (including premium finance) alongside our products have not affected the value of our product for customers. Our Ultra Landlord Product is a bundled package.

Our Landlord Products Value Statement

Our Landlord Products are reviewed annually to determine that they offer and will continue to deliver fair value to customers. They will be continuing to be monitored during their run-off period in accordance with our Product Oversight and Governance Framework (POG). For further information download our [Product Oversight and Governance Overview](#).

Our latest Landlord Products annual product review and fair value assessment was completed in August 2023. Our assessments 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., operational servicing performance, claims performance, claims and complaints analysis and outcomes).
- 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 remain in the best interests of customers, we asked them to confirm their current fees charged and for details about any additional products that they may offer or have sold alongside our products including retail premium finance. **We are satisfied following our review of distribution arrangements that they do not detract from the overall value for customers.**

Fair value assessments for the ancillary/additional covers for Ultra Landlord (e.g., legal expenses, rent protection) are completed by the insurers of those products. **These insurers have given us reassurance that they have no concerns in relation to the products they provide not offering fair value for customers.**

Our landlord products were reviewed in August 2023 and have been assessed as offering fair value for the target market customers who are existing policyholders 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.