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This document describes Home & Legacy's approach to product design, approval, monitoring and review.

## Our role

We are a (co)manufacturer and/or a distributor of Home & Legacy's products and, describe in this document the governance processes we use to oversee the design, approval and review of our products during their lifecycle.

We use these processes in the design of new products and in the monitoring and change of our existing products to ensure that they continue to meet insurance needs of our target market and provide value for our customers.

## Target market identification

Our products are suitable for customers who own and/or live in high-value homes and/or who own expensive items. They typically require high levels of service and have busy lifestyles. Their insurance needs are such that their homes and lifestyles can have more complex risks with insurance needs that are often not met by the standard market products.

You will find more details in our [Target Market Statements on our website](#).

## Distribution

The main channel for the distribution of our products to customers is via a network of general insurance brokers/intermediaries we have appointed as our sub-agents authorised to carry out general insurance distribution in the UK, the Isle of Man or the Channel Islands.

The firms we have appointed as our distributors have access to all of our insurance products for their customers who fall within our identified target market(s).

To assist the distributors of our products to understand our target market(s) and products and to help them to determine suitability for their customers' needs when they undertake analysis of our product(s) we provide information on our products and on our product oversight and governance procedures in a number of ways including:

- **Our website** - [Home & Legacy Broker Insurance \(homeandlegacy.co.uk\)](#). Product information pages and documentation to download including:
  - Target Market Statements
  - Insurance Product Information Documents
  - Policy Wordings
  - Notices to Policyholders (where applicable)
- **Our interactive broker website** - [Home and Legacy online](#)
- **Email, phone and Business Development Managers**

## Product design and development

The product governance procedures we operate are intended to ensure that all products we sell (whether newly developed or existing) are:

- Designed to meet the needs and objectives of the customers in our target market(s).
- Sold through appropriate "distribution channels"
- Designed to deliver "fair value\*" and appropriate outcomes for customers in our target market(s).
- Monitored on an ongoing basis to ensure the products over their lifetime will continue to meet the needs, objectives and characteristics of the target market(s) for the reasonably foreseeable future.
- Monitored post-sale to validate performance and customer value.

*\* Fair value is the relationship between the overall price to the customer and the quality of the product(s) and/or services provided.*

Our product governance is owned and driven by our Underwriting and Markets Director and can involve the insurers, underwriters and providers, our customers, our distributors, and our staff.

All of our staff who are involved in the design and development of the products and/or involved with sales process/and or claims are trained to ensure they have the necessary knowledge to be able to give guidance, advice to our distributors and/or customers.

We work with the insurers/underwriters and providers to develop and/or design our insurance products and have written agreements outlining the parties' responsibilities.

## **Product assessment/approval**

We carry out product assessments for new product developments and when there are significant changes proposed for existing products. The process includes a value assessment to validate that our products deliver fair value to customers including for the reasonably foreseeable future.

We ask distributors for information to assist us with our “value assessments” (a regulatory requirement). This information assists us to validate that:

- Our products are being offered and sold to customers in our intended target market(s).
- The overall cost to customers offers value for money.
- Any fees or charges applied by a distributor in relation to our products reflects the work and costs of the distributor and do not reduce the overall value for the customer.
- The arrangements that are made by distributors are in the best interests and suitable for our target customers, and there are no conflicts of interest.

The information we ask distributors for includes a request for price information about any additional products they may offer/sell to their customers alongside our products, such as the cost of any premium finance arranged (including APR %).

If any assessment we carry out identifies that “fair value” is not being delivered for customers, we will take appropriate remedial action, to prevent harm to customers.

Any concerns we have related to a product/product component for which we do not play a part in manufacture are informed to the manufacturer promptly. We detail the actions we are taking or require them to take to address the issues.

## **Product documentation**

We take care to create appropriate “Product documentation” which is fair, clear and not misleading and is in comprehensible form to ensure customers can make informed decisions. This documentation includes:

- The terms and conditions of the insurance products (the Policy wordings).
- Other contractual documentation (the Statement of Facts, and the Policy Schedule, which includes any endorsements to the Policy terms and conditions).
- Sales and promotional documentation (the Insurance Product Information Document (IPID) and any marketing information/materials we produce).

We document and maintain records of all decisions we make that impact customers in relation to our product

developments and related process changes to evidence that customer needs have been considered/regulatory requirements met.

## **Product testing**

Before launching a product development and on an ongoing basis we consider the potential of poor outcomes for customers.

## **Conflicts of interest**

We have procedures and arrangements in place to ensure that any conflicts of interest that might arise in the product development process are properly managed.

We consider remuneration arrangements in relation to products including that derived from our premium finance arrangements. Customers will be made aware that cheaper alternatives could be available that are better aligned to their interests.

We do not remunerate our staff by volume of sales, so the sales environment is not pressurised.

## **Servicing of products**

We ensure our distributors and customers are able to speak to knowledgeable staff who take the time to understand customers’ requirements and give a fair and honest assessment of their insurance needs with appropriate explanation of complex terms.

We provide our contact details clearly within our documentation and on our websites. We ensure the information provided to distributors and customers on our websites is up to date. We do not insist on written communication.

## **Vulnerable customers**

We operate procedures to accommodate vulnerable customers at all stages throughout the product lifecycle. We know that vulnerability can be a transitional stage in an individual’s life, a point at which they may require further support than at other times.

## **Mid-term changes and renewals**

We make it easy for our distributors and customers to request and make changes throughout the life of the policy with us. We do not charge any fees.

At renewal, we consider changes in customers’ circumstances as informed to us, to ensure that the insurance product they have purchased is still the most suitable for their needs.

The renewal prices for an existing customer will not be greater than the equivalent new business price (ENBP) for a new customer with the same risk profile,

(including the price of any additional products, which form a component part of the products we sell as an unbreakable bundle).

The cost of any additional products that a customer can choose to select at their choice alongside their insurance product, e.g. we factor premium finance into the overall cost. We provide clear information on the cost of the premium finance arrangements.

The ENBP will reflect the risk at renewal (at the point when the renewal notice is prepared).

### **Claims**

We know that making a claim is the most important contact any customer will have with us, as it is when customers discover whether the commitments made by their insurance policy are fulfilled.

We make it clear who a customer should contact in the event of an incident that might give rise to a claim. We provide claims information prominently within our product documentation and on our websites to clearly identify the process that the customer should follow to make a claim.

We aim to deal with claims quickly and do not look to repudiate or decline them unreasonably.

We consider customers' varying needs when paying claims and offer different ways for settlement.

We manage customers' expectations from the first notification to completion. If the process will take some time, the customer will be informed of this and kept up to date regularly.

Customers are clearly told what information they need to provide and at the earliest opportunity. We accept that we cannot always rely on information being provided at the time of a claim. When we are developing our insurance products, we consider what proof would be best provided at the underwriting stage, rather than at the point of claim.

Where services are being offered from/provided by third parties we make this clear. We monitor third parties to ensure level of service meets the expectations of the target customers.

### **Product monitoring and reviewing**

We closely monitor the usage of our products and any component products we have included within our insurance products (where designed as unbreakable bundles) and services to ensure customers have a genuine need for them.

We meet regularly with the insurers and providers. We take on board their feedback and challenge.

We undertake regular sales calls monitoring.

Our routine monitoring of customer complaints and the feedback or complaints we receive from distributors and customers helps to assist us to ensure appropriate remedial action is taken.

Customer and broker feedback including complaint findings are recorded and considered for future product development.

We will reconsider our specified target market for a product or service if we become aware we have incorrectly identified the target market or if the product or service no longer meets the circumstances of the identified target market. Where we consider an issue material, we will take prompt remedial action.

We produce Management Information to assist us to assess the effectiveness of our product governance procedures.

We have a process in place to ensure that all products are reviewed at least every 12 months.

Our products were all manufactured before 1st October 2018 so must be fully assessed by our latest product approval/assessment process, which includes a "value assessment".

All products will be assessed before the end of the FCA's transitional period, 30th September 2022 to demonstrate that the overall cost to the customer for our products offers value for money, with the cost reflecting the nature and level of the cover provided, level of underwriting risk, the cost of manufacture and reasonable distribution costs.

We provide [Target Market Statements](#) for our products, to enable our distributors to understand the rationale and outcome of our value assessments.