

**Geo Underwriting Services Limited**  
**Target Market Statement & Fair Value Assessment**

Geo Underwriting Services Limited (GUSL) is a Managing General Agent (MGA) and predominantly a manufacturer or lead co-manufacturer of the products it distributes. GUSL acts at all times as agent of the Insurer in accordance with the terms of our delegated underwriting authority agreements.

GUSL has undertaken a Fair Value Assessment (FVA) in accordance with the enhanced product governance requirements introduced by the FCA through their General Insurance Pricing Principles (GIPP) market study PS21/5.

This document is intended to provide a summary of the Fair Value Assessment outcome as well as pertinent information relating to the identified Target Market. It Is Intended for use by our distributors, not for customers.

<b>Product</b>	<b>Flexilet</b>
<b>Class of Business</b>	<b>Property Owners</b>
<b>Capacity</b>	<b>Axa Insurance UK plc</b>
<b>Geo's Role</b>	<b>Lead Co-Manufacturer</b>
<b>Date of FVA</b>	<b>Oct-25</b>

#### Fair Value Assessment Output

As per our regulatory responsibilities under PROD 4.2 , this product has been subject to our Product Governance Process and has been approved by our Product Governance Committee as offering Fair Value both now and in the foreseeable future.

In undertaking the Fair Value Assessment, a wide range of factors were considered including, but not limited to, the following;

- The complexity of the insurance product.
- The nature of the product including key benefits and any limitations
- The characteristics of the target market including policy stakeholders and consideration of customers with vulnerable characteristics.
- The type and quality of services provided to customers.
- The distribution channel including any remuneration information and the expected total price to be paid.
- Appropriate data including claims frequencies, claim acceptance rates, average claim pay outs, loss ratio, customer tenure, cancellation rates and complaints data.
- The likelihood of customers not receiving good outcomes / fair value
- any conflicts of interest and where they arise how they are mitigated

#### Product Features

The Flexilet product has been designed for Landlords to provide cover for the loss or damage to the buildings and their contents caused by insured perils including; fire, explosion, lightning, earthquake, malicious damage up to £5,000, storm, flood, Escape of water or oil from any fixed water

or heating installation, theft or attempted theft and subsidence up to the buildings sum insured.

Flexilet also extends to provide Property Owners Liability up to £2,000,000, as well as Employer's Liability for Domestic Employees up to £10,000,000.

### The Customer need which is met by this Product

Flexilet is a commercial insurance product intended for landlords who own and let their property as an investment for rental income. This insurance provides cover for Buildings, landlord's contents and liabilities.

Cover Includes Malicious Damage by Tenant up to £5,000. Whilst offering optional cover for Accidental Damage and Theft by Tenant thus allowing the Landlord to determine which covers they require for the price they wish to pay.

### Target Market - Customer whom the Product has been designed for

Flexilet is a commercial insurance product intended for landlords who own and let their property as an investment for rental income. Flexilet has been designed to cater for all types of residentially let properties, however, Flexilet is predominantly aimed at commercially let residential properties occupied by professional lets.

However, Flexilet can cater for commercial let properties with the following risk features: -

- All tenant types, including benefit assisted, housing association, students, asylum seekers
- Unoccupied pending let
- Individual and family lets, shared accommodation, multiple occupancy
- HMO's and bedsits (Subject to acceptance criteria)
- Single risks or multi property portfolios
- Non-standard Construction
- Properties undergoing renovation, where the intention is to let
- Blocks of flats (up to 10)
- Listed properties

### Customers for whom this product is unsuitable or would not provide the intended value

The Flexilet product is unsuitable for the following risks: -

- Landlords who are not acting in or the purposes of their trade or profession.
- Where a Tenant is carrying out business use at the property.
- Bedsits (more than 10 bedsits)
- Metal Wall Construction
- Thatch Roof
- Unspent Criminal Convictions
- Standard family accommodation/owner occupied

### Notable Exclusions or Circumstances where the Product will not respond

The Flexilet product does not provide cover for the loss or damage resulting from: -

- Wear and tear, settlement, shrinkage, depreciation, wet or dry rot, fungus, damp, beetles, moths, insects, vermin, infestation, rust, mildew, atmospheric or climatic conditions, the effect of light or other gradually operating cause;
- Faulty materials, design or workmanship;
- Building renovations, alterations, extensions or repairs
- Malicious acts caused by persons other than the tenant lawfully in the Property
- Damage to the water / oil / heating appliance itself
- Theft or Attempted theft occurring whilst the property is unoccupied.
- Malicious Acts occurring whilst the property is unoccupied.

We recommend that all policy wordings are carefully checked by both the broker and the client to ensure the cover meets the client's requirements and to allow the client to make an informed decision on whether the product is suitable for them.

Copies of our Policy Wordings and Summaries/ IPID's are available upon request. Additionally, we are happy to provide additional training on the product if required

### Distribution Strategy

Our Distribution Strategy, approved by the Executive Committee & Board, is to wholesale products through third party insurance brokers & intermediaries. It is a core part of the MGA strategy to ensure our complex products are sold via regulated intermediaries who provide advised sales. The distribution chain can involve the use of sub delegated authority agreements, panel arrangements, aggregators and any other channels provided these are contractually authorised by capacity and risk assessed as part of our product approval process.

Risk based due diligence is completed on all third parties in line with our Agents and Third-Party agency process. All intermediaries who transact business with us must meet a minimum level of due diligence and financial checks to maintain an ongoing terms of business agreement (TOBA).

Those who distribute products on our behalf must act in accordance with the customers demands and needs to ensure the product is distributed to the intended target market.

All intermediaries who distribute our products are reminded of their regulatory responsibilities to assess fair value to customers where separate fees are charged and/or premium finance is arranged. This also applies where an add-on product (not manufactured by us) is sold alongside the core product.

If a distributor identifies a product is not providing fair value as a result of the distributor's own arrangements, including remuneration, the distributor is obliged to notify Geo immediately. Geo will then assess the circumstances and take action as appropriate.

Commission, fees or charges passed onto the customer must be proportionate to the service provided and provide fair value.

We will from time to time request additional management information from our distributors to support the fair value assessment process. This may include;

- The type and amount of remuneration of each member in the distribution arrangement in relation to the core insurance product including commissions, fees and premium finance charges paid by customers and details of any additional products sold alongside it.
- An explanation of the services provided by each member of the distribution arrangement.
- Confirmation from distributors that remuneration is consistent with their regulatory obligations.

Where information is not provided by a distributor, within a reasonable period of time, Geo Underwriting Services Limited reserves its rights to notify Insurers and/ or the FCA.

#### Product Approval Process

Product oversight and governance controls are in place for the design, approval, distribution, and ongoing management of products throughout their lifecycle.

Our approach to manufacturing, co-manufacturing, and distributing insurance products is underpinned by a set of internal frameworks and controls to ensure we are;

- Providing customers with products and services that deliver fair value and are in their best interests both now, and in the reasonably foreseeable future.
- Adhering to regulatory and legislative requirements
- Delivering commercially viable, competitive, and sustainable products.

We maintain and operate an approval process for all of our insurance products, which is proportionate and appropriate to the nature of the insurance product, its complexities, value and associated conduct risk. Significant alterations to our existing products are also subject to the approval process.

#### Product Feedback

We strongly encourage feedback from distributors on our products, services and distribution methods to help ensure they continue to deliver value now and for the foreseeable future. If you do have any feedback or concerns regarding this product and it's value please contact us via your usual GUSL representative.

Date of Next Assessment

Sep-26