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## 2025 Target Market Statement, Product Approval Process, & Fair Value Assessment Outcome

Park Home (Main Residence)

# Canopius Managing Agents Ltd (“Canopius”) – Park Home Product Governance & Fair Value Assessment Outcome

## Manufacturer Obligations

In order for Canopius to comply with its obligations as a manufacturer of this insurance product under the FCA’s rules<sup>1</sup> (**PROD 4.2.27 – 4.2.32**), Canopius is required to provide to distributors of this product:

- Information on the insurance product and identified target market
- Information on the product approval process
- Fair Value Assessment Outcome

## **The Park Home insurance product provides cover for physical loss or damage to Park Homes, their contents and associated liability arising out of ownership.**

- Offers cover in the event of loss/damage to a park home. Customers want assurance that they'll receive financial support to cover unplanned costs such as repair/replacement, and loss of enjoyment or increased costs if they cannot occupy the home due to the loss/damage.
- The product is only suitable to be distributed on a non-advised basis.
- The product is sold through multiple channels, such as quote and buy website, telephony, face to face, via brokers.

### **The product:**

- The Park Home policy offers the following cover:
  1. Buildings and contents including standard perils such as flood, storm, fire, theft and vandalism.
  2. Personal possessions and valuables cover away from the Park Home.
  3. Accidental damage to buildings and contents.
  4. Loss of rent or alternative accommodation.
  5. Additional expenses for debris removal and site clearance.
  6. Property owners and personal liability.

### **This Product is designed for:**

- Owners of Park Homes that are situated in the UK on a licensed Park or location that holds the necessary permissions, and who use it as a main residence for domestic purposes.
- Park home residents, typically aged 60 or over, but many parks have minimum age restrictions, often 50+, with some starting at 45+.

### **This product is not designed for:**

- Those who don't reside in the UK.
- Those looking to insure property outside the UK.
- Owners of properties used for commercial activities.
- Owners who use them for recreational and leisure purposes.
- Owners of property not sited on a licensed park or a location that has the necessary planning permissions.
- Those who rent their property on an informal basis
- Those with CCJ's, adverse credit or criminal convictions.
- Those under 25 years of age
- Those requiring cover/sums insured that exceed the maximum limits of the product (>£675,000 combined buildings and contents sums insured).

## Product Approval Information

Our products and services are designed, marketed, priced and sold to meet the needs and financial objectives of their defined target markets. Regular product reviews are undertaken to ensure that our products and services continue to provide good customer outcomes at each stage of the customer journey, and provide value to customers.

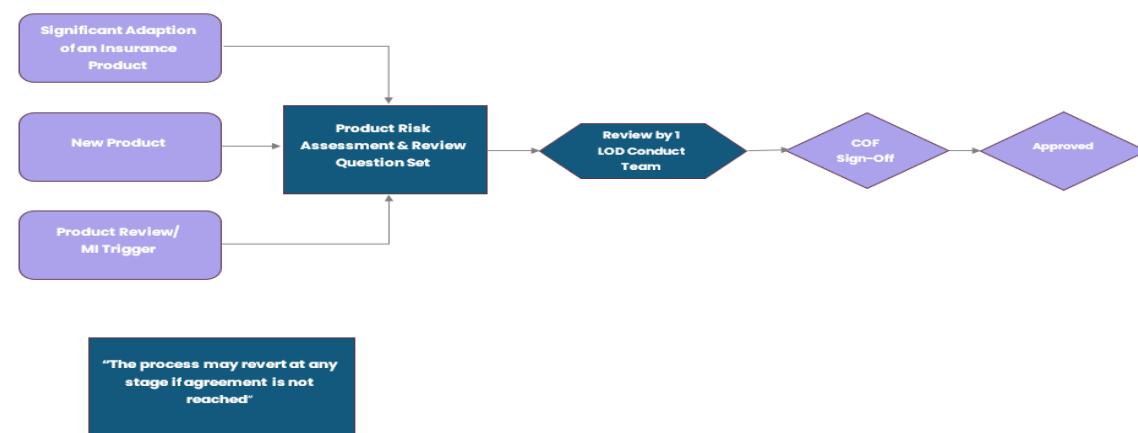
We have no appetite for new or existing products being poorly designed or offering limited value to the defined target market.

Our new products, existing products, and significant changes to products are all subject to a robust risk assessment, approval, review, testing, and oversight process. Risks to customers are also assessed if a product is terminated. The assessments consider a range of information and MI from the perspectives of the customer outcomes for product/service, price/value, customer understanding, customer support, and any risk of foreseeable harm to customers.

### Product Risk Assessment & Approval, Testing and Ongoing Product Review

All our products go through an initial risk assessment of the level of inherent conduct risk. The risk rating assigned will ensure that the product is subject to an appropriate level of due diligence as well as relevant product design, development, and target market determination. The risk assessment will also ensure that the control framework and the appropriate level of MI is being produced for ongoing monitoring.

Regular MI is assessed against risk appetite thresholds which are set by the relevant business owners. If there are issues identified in the MI and/or the risk appetite thresholds are breached, it may prompt a review of the product to assess whether it continues to provide value for its defined target market. Please see below the process for a product rated "high".



ILOD Conduct Team; First-line of Defense, Conduct Team

COF; Conduct Oversight Forum

## Value Assessment Outcome

**Following the completion of our product review process, we are comfortable that the Park Home product remains suitable for the target market and that it provides fair value.**

In reaching this conclusion, we have considered:

### ***Total price paid by the customer***

Canopius has assessed the price paid by the customer and considers it fair and reasonable for the coverage provided.

### ***Product value over time***

The policy is annually renewable, and customers can decide upon whether to keep the policy at renewal, and also whether coverage or sums insured need reviewing to reflect current values.

### ***Loss ratio***

Loss ratios showing a good degree of value in regards of claims monies paid vs premiums charged.

### ***Policy cancellation metrics***

Both early and standard cancellation rates are good, inferring good levels of customer understanding & satisfaction with the product.

### ***Claims Acceptance Rate***

The claims acceptance rate for this product was 63% in the 2023 Year of Account, increasing slightly to 66% in the 2024 Year of Account. Current performance is lower than we would like to see, and our analysis has provided valuable insights into changes we are making to improve customer understanding of excesses and a key exclusion.

### ***Claims frequency***

The claims frequency was 6.98% on the 2023 Year of Account, and is at 3.50% on the 2024 Year of Account. This performance demonstrates good awareness and utilisation of the product by customers.

### ***Average claims pay-out***

The average payout (incl fees) on the 2023 Year of Account for this product was £3549.17, and £3194.25 on the 2024 Year of Account.

### ***Claims complaints as % of claims***

This metric is currently higher than we would like to see, and our analysis has provided valuable insights into changes we are making to improve customer understanding of excesses and a key exclusion

### ***Claims withdrawn and walk-aways***

This metric is currently higher than we would like to see, and our analysis has provided valuable insights into changes we are making to improve customer understanding of excesses and a key exclusion.

### ***Remuneration level, and its justification for the services provided***

Based on the costs associated with the sales and distribution model for this product, as well as those associated with ongoing policy administration, we consider that the agreed levels of commission are justified.

### ***Vulnerable Customers***

Vulnerable customers may be present within the target market, primarily due to factors such as age, and potentially levels of financial resilience. However, the product is designed in a way that doesn't adversely impacts customers with characteristics of vulnerability. With appropriate consideration and support applied consistently across the customer journey, outcomes for vulnerable customers are expected to be equivalent to those achieved by customers without vulnerability characteristics. Regular reviews of complaints, staff training, and competence ensure ongoing commitment to the fair treatment of vulnerable customers.