

Renovation Underwriting Ltd

Target Market Statement & Fair Value Assessment

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

Renovation Underwriting Ltd 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.

Product	Renovation 500 & Renovation 950
Class of Business	Renovation & Contract Works
Capacity	HSB Engineering Insurance Ltd
Role	Lead Co-Manufacturer
Date of FVA	Feb-25

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 500 and 950 products are 'All Risks' single period contract works solutions for mid net worth retail customers who value peace of mind and wide coverage and full control over project insurances. These products ensure that renovators do not need to rely on the insurances of others to fully insure their assets during the period of works.

These products are 'packaged' with 'Up To' sum insured limits, a fixed policy duration and a fixed price. They are non-renewable, but can be adjusted and extended if required.

The Customer need which is met by this Product

These products offer peace of mind to mid net worth domestic renovators, ensuring the widest possible cover in a contract works situation. They are fixed price products designed to compete not only on cover, but on price at the lower end of our target market. The 'All Risks' coverage ensures that not only the risk arising from the works themselves are covered, but also all standard risks, for example, Flood, Malicious Damage, Subsidence and Storm.

Target Market - Customer whom the Product has been designed for

For UK homeowners within the Mid Net-Worth/ emerging wealth segment with domestic renovators and new builders planning building works and extensions. The product is suitable for properties with rebuilds costing up to £450,000 and works valued at up to £250,000, with a project duration of less than 6 or 12 months.

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

Customers who are engaged in pure 'self-build' projects (where they are physically undertaking the works themselves).

Customers who's projects are not due to start within 60 days.

Notable Exclusions or Circumstances where the Product will not respond

These products are provided on an All Risks basis and, as such, at product level the only notable exclusions are market exclusions. We may impose additional exclusions and restrictions at policy level based on the risk profile disclosed to us at quotation stage.

In certain cases, it will be a requirement of the cover we grant that certain conditions should be satisfied. For example, we may require the submission of a Fire Risk Management Plan, or a Scope Of Works document. In these circumstances the quotation and policy schedules will be endorsed to this effect and the endorsements will detail timescales for compliance and the consequences of non-compliance.

These products will not operate in situations where works are not underway within 60 days of inception unless we are notified that this grace period will be exceeded and we agree to extend the period by special exception.

These products will not operate in situations where there is a cessation of works on site for a period of 90 days or more unless we are notified that this grace period will be exceeded and we agree to extend the period by special exception.

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.

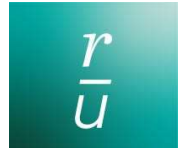
If a distributor identifies a product is not providing fair value as a result of the distributor's own arrangements, including remuneration, the distributor is obliged to notify Renovation immediately. Renovation will then assess the circumstances and take action as appropriate.

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, Renovation Underwriting Ltd reserves its rights to notify Insurers and/ or the FCA.



Product Approval Process	
<p>Product oversight and governance controls are in place for the design, approval, distribution, and ongoing management of products throughout their lifecycle.</p> <p>Our approach to manufacturing, co-manufacturing, and distributing insurance products is underpinned by a set of internal frameworks and controls to ensure we are;</p> <ul style="list-style-type: none">•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. <p>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.</p>	
Product Feedback	
<p>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 Renovon representative.</p>	
Date of Next Assessment	Jan-26