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

Static Caravan & Leisure Homes

# Canopius Managing Agents Ltd (“Canopius”) – Static Caravan & Leisure 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 Static Caravan & Leisure Homes insurance product provides cover to private owners whilst using it for personal holiday use or rented to paying guests for holiday use.**

- Offers cover for physical loss or damage to a static or leisure caravan and its contents and associated liability arising out of ownership for personal holiday use.
- The product is only suitable to be distributed on a non-advised basis.
- The product is sold through multiple channels such as face to face or via brokers.

### **The product:**

- The Static caravan & Leisure Homes policy offers the following cover:
  1. Physical loss or damage to a Leisure Home or Static caravan, contents and personal effects including standard perils such as flood, storm, fire, explosion, lightning, theft, collision, impact and vandalism.
  2. Accidental damage.
  3. Debris removal and re-siting.
  4. Loss of use and hiring charges.
  5. Property owners liability.
  6. Locks and keys cover.
  7. Vermin cover.
  8. Freezer food cover.
  9. Personal accident cover.
- Excludes cover for:-
  - loss or damage from wear and tear or anything that happens gradually.
  - the excess (if any) applicable to each section.
  - liability arising or any loss or damage that occurs whilst your caravan is being used for anything other than for social, domestic and pleasure purposes and holiday lets.
  - any existing and deliberate damage
  - theft cover is restricted to theft as a result of forcible or violent entry to or exit from the caravan when let.

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

- Owners of static or leisure caravans kept on licensed holiday parks in the UK (or additionally in some overseas countries where we agree for some distributors).
- Singles/couples through to families, to retired customers and covers the whole age spectrum.

## This product is not designed for:

- Any static or leisure caravan kept on unlicensed holiday parks or holiday parks outside of the UK ( in some overseas countries where we agree for some distributors.).
- Any static or leisure caravan not owned by the insured.
- Any static or leisure caravan not in a good state of repair.
- Any bricks and mortar property.
- Any static or leisure caravan used for business purposes.
- Touring caravans (this product is for statics)

## 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.

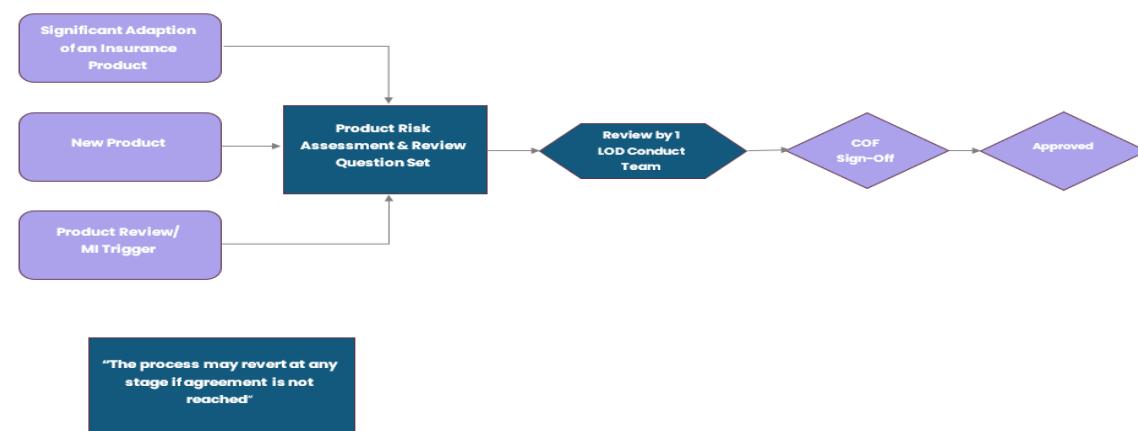
We have no appetite for new or existing products being poorly designed or offering limited value to the defined target market.

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 Static Caravan & Leisure Homes 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 at the end of the policy period on whether to keep the policy at renewal, or to change the sums insured.

### ***Loss ratio***

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

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

Both early cancellations (0.45% 2023 Year of Account, and 0.76% 2204 YOA) and standard cancellation rates (6.59% 2023 YOA, 6.45% 2024 YOA) are good, & evidence customers' desire for, and satisfaction with, the product.

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

The claims acceptance rate for this product was 73.80% in the 2023 Year of Account, increasing slightly to is 84.74% in the 2024 Year of Account. While current performance is lower than expected, 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 2.39% on the 2023 Year of Account, and is at 2.05% 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 £4451.19, and £11514.25 on the 2024 Year of Account.

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

Claims complaints as % of claims is 6.18%. This metric is higher than we would like to see, however, more than half the complaints were not upheld, 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***

Claims withdrawn and walk away rate is higher than we would like to see with 30.46% for 2023 Year of Account and 19.30% for 2024 Year of Account. 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***

No heightened vulnerable customer characteristics are identified within the target market or distribution channels at the point of sale. However, vulnerability may arise at the claims stage due to the nature of the product, which responds to physical damage to buildings and contents, sometimes as a result of adverse weather, or criminal acts. Regular reviews of complaints, staff training, and competence ensure ongoing commitment to the fair treatment of vulnerable customers.