

Fair Value Assessment and Target Market Statement

Distributor Information Pack

2025



Introduction

You are receiving or viewing this document because you are involved in the distribution of an insurance product manufactured by a Bspoke Group business.

In accordance with PROD 4.2.29 to 4.2.32 this document provides:

1. all appropriate information on the insurance product
2. all appropriate information on the product approval process; and
3. the identified target market of the insurance product.

It includes

1. all appropriate information to enable you to understand the intended value of the insurance product established by us.
2. any effect you may have on the intended value that has not been fully taken into account by us when assessing value, and therefore which you should take into account; and
3. the intended target market for the product and any type of customer for whom the insurance product is unlikely to provide fair value.

Product Oversight and Governance

This section contains important information about the manufacturer, product and associated product approval process and fair value assessment.

Manufacturer

Bspoke Insurance Group comprises regulated entities as detailed below who manufacture general insurance products in conjunction with various insurers and insurance undertakings. Details of each regulated entity and insurance undertaking will be listed in each Fair Value Assessment.

Registered Company Name	Registered Office	Company No.	FRN
Bspoke Lifestyle	7 Pullman Court, Great Western Road, Gloucester, GL1 3ND	11429456	820727
Bspoke Underwriting Limited	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	04506493	310101
Miramar Underwriting Limited	34 Lime Street, London, EC3M 7AT	06985118	507000
Bspoke Commercial Limited	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	09284678	709456
Bspoke Private Clients ¹	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	NA	709456
Bspoke Sports and Leisure ¹	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	NA	709456
Bspoke Accident and Health ¹	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	NA	709456
Bspoke Fee Protection ¹	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	NA	709456
Bspoke Property Owners ¹	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	NA	709456
Provego Underwriting ²	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	09366935	671437

1 = Trading name of Bspoke Commercial Limited

2 = AR of Bspoke Commercial Limited

Product Review and Approval Process

In line with the FCA regulations outlined in PROD 4 Bspoke Group operates a Product Oversight and Governance (POG) process. In accordance with this process the product detailed in this document has been reviewed and approved by the firm's Product Forum, and is subject to ongoing monitoring and formal periodic review.

Any significant changes or adaptations to the product are subject to review and approval before being distributed to customers.

Fair Value Assessment

In accordance with the requirements in PROD 4.2 we have defined what value means for Bspoke in the context of our business model, and have taken into account a range of factors in our assessment including:

- Target market characteristics and needs
- Potential customer vulnerability and any impact or mitigation
- Value measures and KPIs
- Distribution methods and remuneration
- Product risk ratings
- Operational and claims service levels and outcomes

The fair value assessment is conducted as part of the periodic product review with KPIs and metrics monitored on an ongoing basis.

Product Review and Fair Value Assessment

The following section contains information on the insurance product, details of the review and our assessment of value.

Product Manufacturer Name	Bspoke Underwriting Ltd & Miramar Underwriting Ltd
Product Distributor	Renovation Underwriting Ltd
Product name	Renovation Underwriting Residential Unoccupied Properties
Product type	Unoccupied Properties (excluding works)
Class of business	Property
Insurer	SiriusPoint
Date of Review	April 2025
Period of Review	2024
Type of Review	Periodic
Approved by	Miramar Underwriting Ltd
Date of next Review	March – June 2026

Target market statement

This Target Market Statement explains the types of customers our product is designed for, types of customers it is not suitable for and how we expect it to be distributed. This document is not intended for customers or operational sales staff.

In many instances, customers may have need for more than one product and they may then be offered a combination that would be compatible with those needs, subject to the eligibility criteria for each product. They should not be offered combinations of products that do not provide fair value.

Risks of customer harm can be avoided by ensuring the customer's needs, objectives, interests and characteristics are met by the product and coverage selected, taking into account and adjusting for any aspects that may make them vulnerable customers (e.g. poor health, resilience or capability).

Target market
<p>The target market for this product are Property Owners that own unoccupied residential properties in GB, Channel Islands or Isle of Man and wish to insure them on an annual basis, or for a specified short-period (3, 6 or 9 months). The vacant properties can be awaiting sale, letting, occupation or properties subject to probate.</p> <p>The owner can be an individual property owner or a business and can cover single properties or multi-location portfolios. Properties of all types from houses, flats and apartments with typical rebuild values up to £3.5m are suitable for this product, including acceptable Grade Listed properties up to £3.0m.</p> <p>The homeowner market in the UK is well established, with clear and defined consumer needs. Within that the needs of customers who have property that remains unoccupied are also well established and known, albeit less than the wider standard household market.</p>
Type of customer the product would be suitable for
<ul style="list-style-type: none"> • Individuals and Property Owner businesses looking to insure their vacant residential property in Great Britain, including the Channel Islands and the Isle of Man • Owners of properties with a sum insured of up to £3.5m any one location • Owners of Grade listed properties up to £3.0m sum insured maximum

- Individual and multi-location policies can be considered, subject to above limit any one location

Types of customer for whom the product would be unsuitable

- Those looking to insure properties outside of Great Britain, Channel Islands and Isle of Man
- Property owners who are not domiciled in the United Kingdom, unless agreed by us
- Owners of residential properties that are to undergo any form of works, refurbishment or renovation during the period of insurance.
- Owners of properties that are registered for commercial business activities, unless a small % which has been agreed by us
- Owners of Residential Properties that have significant occupancy, unless specially agreed by us
- Those who intend to demolish their property
- Owners of partially built properties, dilapidated properties, or properties that do not have wind and watertight walls to all sides of the properties, such as open-sided barns and agricultural buildings
- Owners of Properties that are either Grade 1 or Grade A listed.
- Owners that are unable or unwilling to inspect the property within the timescales stipulated by us

Available Covers

This is a modular product that allows intermediaries to create a commercial insurance solution tailored to the customer. The following covers are available:

Cover	Mandatory
Buildings	Yes
Contents	Optional
Property Owners Liability	Yes

Any notable exclusions or circumstances where the product will not respond

- The property must be in Great Britain, Channel Islands or Isle of Man
- Insured must be resident in England, Scotland, Wales, Isle of Man or Northern Ireland (unless agreed by underwriters)
- The excess is not covered
- Property maintenance costs.
- Existing damage or damage that was caused deliberately
- Damage arising from war, wear and tear, faulty design or specification.
- Damage caused by contractors working at or on the premises

- Any reduction in value of the property following repair or replacement.
- Subsidence damage (if selected) to solid floors within the property, unless the building is damaged at the same time and by the same event.
- Cover for damage where the property is insured elsewhere
- Cover excludes escape of water (if selected) due to failure of, or lack of sealant or grout.
- Cover excludes escape of water (if selected) where the water has not been turned off at the mains (unless limited cover specifically agreed with us)
- Cover excludes theft or malicious damage (if selected) caused by persons lawfully at the premises.
- Excludes liability arising out of any criminal or violent acts to another person.
- Excludes liability arising out of any occupation or business activity apart from property ownership.

Features you should be aware of when considering this product

Your sales journey should identify the eligibility of customers and ensure that information is presented to them in a way that supports them through the process and enables them to make an informed decision whether the product meets their needs.

Where there are different underwriting and cover options available for this product customers should consider which option best suits their needs and circumstances.

Your customer journey and interactions should highlight and identify any customers with potential areas of vulnerability and address them accordingly.

Intended method of Distribution

The product is suitable for distribution through a range of methods and channels, including but not limited to:

- Face to face
- Online
- Telephone

The product is sold on a Wholesale basis, from Coverholder to a Retail broker, subject to those businesses holding the necessary permissions and regulatory status:

- On Wholesale basis from Coverholder via their Sub-broker to the customer

The product can be sold as part of an advised or non-advised sale.

Distribution costs, fees and remuneration

The product supports the payment of commission to distributors within the ranges detailed in your Agreement with Bspoke (or our approved representative). If fees are charged to the customer for new business or renewal you should ensure this does not erode the value of the product and is commensurate with the work done in the Distribution chain.

Where a policy is cancelled mid-term and outside the cooling off period the return premium to the customer must be at a gross level and include the proportion of commission paid.

Value Assessment

We are satisfied that the pricing, the cover, the design of the product, the claims settlement process, and the distribution methods we have chosen result in a product that represents fair value to our end customers.

Overall the risk rating is low excepting the High risk override which is in place due to fees down the distribution chain, however, following broker surveys being carried out, this is currently assessed as acceptable and within tolerance.

The product covers elements of a standard unoccupied property owners policy which is cover for the structure of the premises, options for cover of the contents within the premises and Liability for events arising from the owning of the property insured.

Cover is based on information the insured provides including property address, sum insured, property type etc

As part of our assessment, we have concluded that time will not diminish the value of the product to the end customer. The customer may report a claim on the last day of the policy period and receive a settlement that would not be distinctly different to the settlement he would have received had he reported the claim on the first day of the period of insurance. Claims are on an exposure date basis and late notified or late developing claims are allowable (in particular on Liability).

The product also contains provisions to protect against the erosion of value over subsequent renewals and policy periods such as index linking of sums insured (where on a sum insured basis)

The claims under this product have been limited in number and whilst it could be argued that the low number of claims in itself may represent an issue, it corresponds with the relatively small numbers across the schemes and we believe that the loss performance is in direct relation to the continued value to customers.

Other information which may be relevant to distributors

This product does not adversely impact vulnerable customers and delivers outcomes that are the same as those for customers with no characteristics of vulnerability.

As part of the process of assessment, we have reviewed, amongst other things:

- *General market pricing*
- *Our pricing in relation to the product loss ratio*
- *Product value over a reasonably foreseeable future period*
- *Renewal retention*
- *Mid-term cancellations rates*
- *Operational and claims service levels and outcomes*
- *Customer complaints*
- *Distributor feedback*
- *Our pay-aways and the general distribution costs of our broker panel as disclosed to us.*
- *Customer needs and any changes in the last 12 months*

We have also considered the pricing and premiums in relation to FCA regulations in PS21/5, ICOBS 6B and Consumer Duty and are satisfied we comply with the necessary requirements.

As part of our assessment, we concluded that time will not diminish the value of the product to the end customer. The customer may report a claim on the last day of the policy period and receive a settlement that would not be distinctly different to the settlement he would have received had he reported the claim on the first day of the period of insurance. The product also contains provisions to protect against the erosion of value over subsequent renewals and policy periods.

This document should be read in conjunction with the Policy Wording and Insurance Product Information Document (IPID) for the product.

Statement of Demands and Needs

This product meets the needs of customers who own an unoccupied residential property in GB, Channel Islands or Isle of Man and wish to ensure that it (and any basic contents within it if required) is protected against loss or damage and that their legal liability arising from potential accidents is also protected.

Conclusion of our fair value assessment

Last fair value assessment outcome	The product has been approved as providing fair value for target market customers and continued distribution	Yes
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