

# Target Market and Product Fair Value Statement

The purpose of this document is to explain the identified target market and the expected distribution strategy for the **Residential Landlords Property Owners** product sold by Modus Underwriting Limited (Modus) and our capacity partners. It also outlines our approach to Product Oversight and Governance to demonstrate how we design, monitor and review our products to ensure they continue to provide fair value and meet the needs, characteristics and objectives of the target market including vulnerable customers.

## Product Oversight and Governance

Modus' Product Governance Policy sets out the standards that Modus is required to implement to ensure the achievement of fair value and good customer outcomes by having robust product oversight and governance arrangements, systems, policies and procedures in place, which encourage a business culture with customers' interests at its core.

- We identify, define and assess our target markets at an appropriate level, based on the nature and complexity of our products.
- We work with our capacity partners to ensure appropriate testing of our new products is undertaken, to make sure they meet our customers' needs and provide fair value.
- The design and performance of this product is subject to regular assessment and review to ensure products provide fair value and that there is a continuing customer-centric focus, achieving good customer outcomes.
- The features, nature and complexity of our products are carefully matched to our intended distribution channels to ensure they reach our identified target market.

These requirements are in place in order to ensure that all Modus UK customers receive fair value and that good customer outcomes are delivered in line with Modus' defined customer outcome statements.

## Target Market Statement

This statement provides information about all our **Residential Landlords Property Owners** product. This includes details of:

- The main features and optional covers associated with our product.
- Who our product is designed for and who it is not designed for.
- How our product should be distributed.
- The complexity of our product.
- How to ensure that our product provides fair value to customers as intended.

<b>Product Name(s)</b>	<b>Residential Landlords Property Owners</b>
<b>Product Type</b>	Commercial Lines general insurance product suitable for commercial customers only
<b>Product Status</b>	This product is open to new and renewal business
<b>Who is the product designed for?</b>	Commercial customers based within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man who own or are legally responsible for residential, commercial or mixed portfolios of property.
<b>Who is the product not appropriate for?</b>	Non-Commercial customers
<b>What are the mandatory product features that will meet the needs, characteristics and goals of the target market?</b>	This product provides Buildings, Landlords Contents, and Loss of Rent and Property Owner's Liability cover as standard, up to agreed specified limits
<b>Does the product include optional covers?</b>	None provided by Modus
<b>How should this product be distributed?</b>	This product can be sold with the active assistance and guidance of an insurance intermediary. This product can also be sold by an insurance intermediary directly to customers without this assistance.
<b>What should distributors do to ensure the product provides fair value to the end customer?</b>	To ensure the customer receives fair value for this product, care must be taken to ensure no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy. Commission, fees or charges passed onto the customer must be proportionate to the service provided and provide fair value.
<b>Additional Product Literature</b>	This document is to be read in conjunction with the appropriate policy wording.

Modus has undertaken a Product Review and Fair Value Assessment as a co-manufacturer of this product, in accordance with our obligations under PROD 4.2.

Date of most recent Fair Value Assessment	March 2023
Date of next Product review and Fair Value Assessment to be completed by	Within the next 12 months*

\*We continuously monitor our products and apply a risk-based approach to our product governance; the next review and assessment may take place before this date and this document updated accordingly.

### Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product we can confirm:

- 1. The product remains consistent with the needs of the identified target market**
- 2. The product remains consistent with the fair value assessment**
- 3. The intended distribution strategy remains appropriate**