



Target Market and Fair Value Assessment Product Information

(this information is for intermediaries only and is not intended for customer use)

Cedar Underwriting are committed to conducting our business in a fair, honest and open manner. We have in place a Product Oversight and Assessment Policy and Procedure to ensure that our products are fit for purpose and offer fair value. This policy assists us in the design of new products and in the monitoring and change of our existing products to ensure that they continue to meet the needs of our target market and provide value for our customers.

Date of Assessment:	December 2023
----------------------------	---------------

Overview:

Cedar Underwriting Role:	Co-Manufacturer
Product:	Commercial Property Owners
Product Live from:	13/12/2022
Policy Wording Version:	Commercial Property OwnersPWv1 (Aug 22) or Commercial Property Owners PW v2 (Jan 24)
Policy Wording effective:	<u>For risks written with an inception date of 13/12/2022 up until 31/12/2023:</u> Commercial Property Owners PW v1 <u>For risks written with an inception date of 01/01/2024 or after:</u> Commercial Property Owners PW v2
Insurer:	HCC International Insurance Company plc trading as Tokio Marine
Class of Business:	Property and Property Owners Liability
Target Customer Type:	Micro: <10 Staff headcount and Turnover <=2 million euros or balance sheet < =2 million euros
Summary of Insurance:	The policy provides cover for buildings, landlords contents (optional), loss of rent and property owners liability covers.

Target Market

The target market	Individuals or companies that own “buildings and Buildings/Contents” who either rent the property out to a third-party tenant or who own and occupy the buildings themselves for commercial purposes. The product can cater for properties that are unoccupied on a shorter-term basis to save the client having to change the type of policy bought for periods when the premises is between tenants.
Outside of Target Market	Customers that do not own buildings used for commercial purposes. Insured’s domiciled (unless agreed by us) or properties located outside Great Britain, Northern Ireland, the Channel Islands and the Isle of Man and those not within the target market description.

Product Features

Summary of the key coverage of the policy:	Under both buildings and contents (where selected) we provide cover for fire, lightning, earthquake, explosion, storm or flood, escape of water from any tank, apparatus, pipe or sprinkler installation, escape of oil form a fixed oil fired heating installation, riot, civil commotion, strikers, lock-out workers, labour or political disturbances, vandals or malicious person, impact by aircraft vehicles or animals, theft or attempted theft, subsidence, breakage
--	---



or collapse of aerials, satellite dishes (not available on landlords contents), falling trees, telegraph poles or lampposts.

Accidental Damage cover under both Buildings and contents sections is an optional extra.

Under the buildings section we provide extensions as standard which include:

- eviction of Squatters
- illegal cultivation of drugs
- malicious damage and theft by tenants
- removal of nests
- dumping and Fly Tipping

Under the landlord's contents section, we provide extensions as standard which include:

- malicious damage and theft by tenant

Some extensions listed above under both sections are subject to inner limitations such as monetary limits (for full details please refer to the policy wording).

We include loss of rental income up to 20% of the building sum insured or the sum stated in the schedule. We also cover alternative accommodation for residential purposes (for a maximum period of 12 months) up to £150,000 and this covers accommodation for domestic pets (kennels and catteries) if they are not allowed in the alternative accommodation up to £2,500 any one claim.

The policy excludes the standard policy exclusions such as asbestos, communicable disease, fraud, illegal activities (other than the cover given by the illegal cultivation of drugs extension), pollution and contamination unless such pollution or contamination is caused by a sudden, accidental, unintended and unexpected incident which takes place in its entirety at a specific time and place during the period of insurance and terrorism.

We also exclude:

- fire and explosion damage caused by portable heating (other than oil filled)
- fire and explosion caused by cooking in rooms other than rooms that have been specifically designed for cooking
- theft or attempted theft unless involving FVEE or by deception.
- perils when the buildings are unoccupied unless a certain level of cover has been chosen.
- in respect of EOW where the building is unoccupied and the client has selected level 2 cover, this will be restricted to £5,000 in any period of insurance
- Japanese knotweed
- unoccupied buildings for accidental damage cover
- fixed signs in respect of AD cover
- damage caused by tenants under the MD and theft by tenant cover if the premises is occupied by DSS, housing benefit, local authority referrals or universal credit or asylum seekers.
- the excess

Some extensions will be excluded if the buildings are unoccupied.

Summary of the key
exclusions of the policy:



How the Product been designed for customers to access the product and services:	<p>Customers access the product via a brokers or product partners. Brokers can access the product on our website or if we have agreed a relationship with a product partner on their website, or if agreed, by forwarding a presentation to Cedar Underwriting for review.</p> <p>Customers can access claims by contacting the claims department themselves or via the broker. Contact can be made via telephone, email or writing to their office. Full details are provided in the policy wording.</p> <p>Customers can contact the claims department, Cedar Underwriting or Insurers to make complaints either by telephone, email or by writing to the appropriate office. Full details of how complaints can be made is provided in the policy wording.</p>
Details of additional products offered (whether free or not) in addition to the core product:	No additional products available.
Relevant documents available:	<p><u>For risks written with an inception date of 13/12/2022 up until 31/12/2023:</u> Policy Wording - Commercial Property Owners PW v1 (Aug 2022) Policy Summary - CPO Policy Summary_v1 (Aug 22)</p> <p><u>For risks written with an inception date of 01/01/2024 or after:</u> Commercial Property Owners PW v2 (Jan 24) CPO Policy Summary_v2 (Jan 24)</p>
Distribution Method	
Distribution channels	Cedar direct to the customer facing regulated broker
	Cedar direct to a regulated wholesaler broker with only one more regulated broker below them in the chain
	Product Partner
Distribution Channel Information	<p>Brokers and product partners must be approved by us and enter into our terms of business agreement (TOBA). When you apply for an agency or to be an approved product partner we will undertake our approval process and where approved we will issue the TOBA for you to sign. The TOBA will confirm if we accept sub-broker business in our relationship with you.</p> <p>Cedar Underwriting Limited Co-Manufacture products and sell these products via regulated entities who have the suitable experience in this area of business.</p>
Commission	Cedar Underwriting will agree a commission rate with each broker or product partner, and this will be shown on the terms of business agreement between you and us. All brokers and product partners should be able to demonstrate that commission received bears a reasonable relationship to the actual costs of their contribution/level of involvement or benefit added by them to the distribution arrangement. We may ask you to justify your commission rate.



Other remuneration	<p>Cedar UW Limited may charge an underwriting fee on any new business, renewal or mid-term adjustment. Full details regarding our fees can be found within the quote, new business and mid-term adjustment schedules.</p> <p>We may ask you provide details of your fees that you earn in connection with the sale of our policy (including information on any sub broker fees where applicable). You must ensure that your arrangements are consistent with FCA rules on conflicts and incentives. You should review all remuneration arrangements at least annually and share the outcome of that review with us on request.</p>
Monitoring and Review	
Details of the review frequency / schedule for this product.	A review of this product will be undertaken at least annually.
Metrics used to monitor the Product.	Cedar Underwriting will monitor conversion rates, renewal retention, cancellation count, NTU count, loss ratio's, claims acceptance rates, average claim payments, claims frequencies, number of claims repudiated and complaints.
Fair Value	
Does the policy provide fair value for a reasonably foreseen period?	<p>Our product governance process requires a full review of all products at least annually to determine if the product offer fair value to the end customer.</p> <p>All documentation is provided to the broker/product partner to forward onto the customer or via their distribution route prior to the sale of the policy allowing an informed choice to be made and different options of communication styles are provided for the customer to make claims and complaints.</p> <p>Cedar Underwriting have completed their product oversight and governance and are satisfied that the product offers fair value for the intended market based on the information available to us.</p>

Feedback

We welcome feedback on the performance of this product. Any feedback will be considered in our next review. If you would like to provide feedback please email our Product Oversight and Compliance Manager at compliance@cedarunderwriting.co.uk