



Product: Building Owners – Residential Let

Manufacturer Information

Product information

This is a product which covers physical damage to various interests, including but not limited to; buildings, fixture and fittings and contents. Loss of rent and removal of debris can also be provided as core standard covers, as well as a range of optional additional extras.

The product has been designed to cater to the needs of property owners, predominantly individual landlords, micro-enterprises and SMEs, who rent residential property to tenants (private individuals / families.)

Core Cover:

The product can include a range of coverages which the customer can choose to cover their building owner requirements, which could include the below.

- **Property Damage:** Physical damage to property covered by the policy under various named perils and/or on an All Risks basis (subject to certain conditions and exclusions). Named perils will be agreed when the coverage is purchased based on the insured's specific needs. Named perils can include:
 - Fire
 - Explosion
 - Machinery Breakdown
 - Flood
 - Windstorm
 - Earthquake
 - Aircraft Impact
 - Volcanic Eruption
- **Loss of rent:** caused by property damage emanating from an insured peril as above, that renders the insured property uninhabitable / causes loss or reduction of rental payments from the tenant.

Customers may consider purchasing additional optional coverages which can include but is not limited to the following;

- **Major appliance coverage:** physical damage to appliances such as fridges, ovens or washing machines that are included in the rental property.
- **Cyber insurance:** Coverage for entities that are at risk of being victims of cyber-crime or suffering a data breach from malicious or non-malicious causes.
- **Terrorism insurance:** Physical damage coverage in the event of an act of terrorism occurring at the property.
- **Premises liability insurance:** insurance to cover the insured's interest in the event of a third party having an accident on the insured's property.

Optional coverage purchased may be subject to specific sub-limits, conditions and exclusions which differ from those provided under the core cover.

Target market

This product is suitable for all residential building owners, in any territory where Lloyd's has a licence to write direct property business, who rent their property to individuals or families (private tenants), and who wish to cover their buildings and/or contents against physical damage, with the option to purchase loss of rent cover. While the product is suitable to be sold across numerous territories, it is noted that TMK do not currently facilitate distribution in certain licensed territories, including the United Kingdom.



In many cases cover is provided to those who are unable to obtain insurance in standard, local or company markets, for reasons such as exposure to large/catastrophe risks, lack of underwriting appetite in local markets and non-standard build features of insured properties.

Types of customer for whom the product would be unsuitable

This product is not suitable for:

- **Customers within the UK and is restricted to outside of the UK only**
- Commercial customers who rent their property to other businesses.
- Commercial customers who own and operate a business from their own property.
- Static and/or non-static caravans, or similar mobile / temporary homes.
- Residential customers looking to insure their own personal property.
- Customers whose property is, or might become, long-term unoccupied.

Any notable exclusions or circumstances where the product will not respond

(i) Exclusions & conditions

If agreed terms and conditions (including warranties and conditions precedent) that were agreed with the customer when the policy was placed have not been adhered to, this could mean the claim will not be paid. For example, if the customer leaves the property vacant for a length of time that exceeds the boundary stated in the policy wording, then a claim that occurs while the property had been left vacant for that period may not be paid.

Standard exclusions include "as a result of":

- Nuclear/Biological/Radiation Contamination
- War - any loss caused by war
- Infectious diseases - any non-physical damage or loss caused by infectious diseases
- Cyber - any physical or non-physical damage or loss caused by any cyber attack whether malicious or not - unless a Commercial Cyber optional coverage is purchased.
- Terrorism - any physical or non-physical damage or loss caused by acts of terrorism. Unless a Terrorism optional coverage is purchased.
- Wear and tear- any physical damage caused by deterioration of property over time.

(ii) Limits of liability:

Limits are agreed for each section of the policy and can differ for each defined peril and defined coverage item. This will be agreed with the policyholder and be stated in the policy documentation.

Depending on the needs of the client, there may be sublimits within the policy for certain coverages, extensions of coverage, property covered or perils. Claim amounts made under these perils, property covered or coverages will be paid up to but not above said sub-limits.

(iii) Excesses & deductibles

This will be agreed with the customer and stated clearly in the policy based on their individual needs.

Other information which may be relevant to distributors

This product should be sold in line with FCA or local regulations and can only be sold by a regulated insurance distributor.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegation or sub-broking), it is their responsibility to ensure all distributors have been provided this document, have reviewed it and understand the content. If there is any additional remuneration, including commissions, fees or other 'non-standard' remuneration charged to the customer by other distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full. Distributors are expected to fully understand the eligibility criteria, covers and exclusions of the product.

Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs.

This product can be sold face to face, via telephone, electronic communications or a mix of these methods, as long as customers are provided with sufficient information to make an informed decision regarding the suitability of the product.

This product can be sold with or without advice in line with FCA regulations or local regulations if the distributor is regulated outside of the UK.

Commission & Fees

If there is a coverholder in the chain, they are expected to ensure that maximum commission rates do not exceed those stipulated within the Binding Authority Agreement.

The coverholder is expected to maintain oversight of all broker commissions (where applicable) and, where there may be a risk to product value, remedial action should be taken immediately including notification to Tokio Marine Kiln.

Brokers are reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6 as well as the requirements to make all necessary disclosures to the customer.

Where there are any fees charged by any member of the distribution chain these should be:

- commensurate with the service provided by the distribution.
- not have an adverse impact on customer value; and
- distributor should ensure that TMKS is made aware of the fee amount and/ or method of calculation.

How value is assessed

Value is assessed based on a number of metrics, including underwriting, claims and complaints information as well as through broker and coverholder engagement.

Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.

If additional add-ons (including premium finance) are sold alongside this product or additional remuneration is charged, this may affect the value for the customer.

Further information on our product approval processes can be obtained on request.

Date Fair Value assessment completed	October 2023
Expected date of next assessment	October 2024