

Target Market Statement

The purpose of this document is to explain the identified target market and the expected distribution strategy for the Flood Excess insurance product co-manufactured by Modus Underwriting Limited (Modus'), and our capacity partner, XL Catlin Insurance Company UK Limited (AxaXL.) It also outlines our approach to Product Oversight and Governance to demonstrate how we design, monitor and review this product 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 undertake appropriate testing of our new products before launch, to make sure they meet our customers' needs and provide fair value.
- The design and performance of all our new, existing and legacy products are 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 customers receive fair value and that good customer outcomes are delivered in line with Modus' defined customer outcome statements.

Target Market Statement

Our Target Market Statement provides information about our Flood Excess product. This includes:

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

Product Name(s)	Flood Excess
Product Type	Commercial Lines general insurance product suitable for commercial customers only
Product Status	This product is open to new and renewal business
Who is the product designed for?	Commercial customers based within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man who owners of residential, commercial or mixed portfolios of property
Who is the product not appropriate for?	Non-Commercial customers
What are the mandatory product features that will meet the needs, characteristics and goals of the target market?	This product provides cover for flood excesses applied by underlying insurers. It is an excess buy back product
Does the product include optional covers?	No
How should this product be distributed?	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 advice.
What should distributors do to ensure the product provides fair value to the end customer?	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.
Additional Product Literature	This document is to be read in conjunction with the appropriate policy wording.