

# Target Market and Product Fair Value Statements

The purpose of this document is to explain the identified target market and the expected distribution strategy for each Commercial Lines Insurance product manufactured 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 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 UK customers receive fair value and that good customer outcomes are delivered in line with Modus' defined customer outcome statements.

## Target Market Statements

Target Market Statements provide information about all of the Modus products distributed. 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.

<b>Product Name(s)</b>	<b>Commercial 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 within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man who own commercial 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>	<p>This product provides the following cover, up to agreed specified limits :</p> <ul style="list-style-type: none"><li>• Buildings</li><li>• Landlords Contents</li><li>• Rental Income</li><li>• Property Owners Liability</li><li>• Employers Liability</li></ul>
<b>Does the product include optional covers?</b>	<p>The following optional covers can be added:</p> <ul style="list-style-type: none"><li>• Legal Expenses</li><li>• Terrorism</li></ul>
<b>How should this product be distributed?</b>	This product can be sold by 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 which is available through the TryModus broker portal

