



Product Statement

Fair Value Assessment Outcome & Target Market Information

This document¹ has been produced by Travelers Europe in accordance with our regulatory responsibilities as a Product Manufacturer of UK General Insurance products. It is intended for use by our Distributors and not for customers or operational staff.

For more information, please speak to your usual Travelers representative.

¹ This document is based on the Product Value – Information Exchange Template, version 8 November 2021 (LMA9197), developed by the following trade associations for use by all market participants to meet the requirements of the Financial Conduct Authority's product governance rules relating to information exchange: the British Insurance Brokers' Association (BIBA), the London and International Insurance Brokers' Association (LIIBA), the Lloyd's Market Association (LMA), the International Underwriting Association (IUA), the Managing General Agent's Association (MGAA) and the Association of British Insurers (ABI).

Product Value - Information Exchange Template

Carrier name	Travelers Insurance Company Limited / Travelers Insurance Designated Activity Company Limited UK Branch
Broker name	As stated in TOBA
Product name	SME Property Owners
Reference/UMR [Binder]	n/a
Reference [Class of Business]	SME Property Owners TRV 2314.11.23
Date	Qtr 3 2024

Manufacturer Information
<p>Product information</p> <p>The SME Property Owners product provides property and liability insurance in a package product aimed at small/medium property owners that own and let commercial and residential properties. The policy combines property, liability and rent covers into one comprehensive wording. This is a commercial product suitable for businesses and individuals (sole traders).</p> <p>This product is structured as a package product with the option to select optional covers which enables the policyholder to build a commercial insurance solution to suit their needs. The product provides the following covers available for selection as required:</p> <ul style="list-style-type: none"> • Property Damage (Buildings and Landlords' Contents) • Rent • Terrorism • Employer's Liability • Public and Products Liability. <p>The SME property owners' market is well established and well defined and we have designed this product specifically for SME customers, for example by ensuring that included coverages are relevant to their size of business and ensuring that limits are appropriate for SME businesses.</p> <p>The wide levels of cover also benefit the leaseholders/other policy stakeholders in any residential parts of the buildings as it means that comprehensive standard cover is provided.</p> <p>To ensure the customer receives fair value for this product we have benchmarked the standard coverages versus the market and our product compares favourably. The key features and benefits along with any significant or unusual exclusions are detailed in the SME Property Owners IPID so that the customer can make an informed choice. Commission, fees or charges are capped by the product system rules and are proportionate to the service provided and provide fair value.</p> <p>This product has one 'add-on' type cover which is common with the SME Property Owners market and fulfils a genuine customer need:</p> <ul style="list-style-type: none"> • Legal Expenses <p>In accordance with the FCA PROD4 rules, a product review and fair value assessment has been completed for this product.</p> <p>The product has been subject to Travelers' product review process and signed off by our authorised approvers as representing fair value to customers and may continue to be marketed and distributed.</p> <p>This product meets the needs detailed within the target market section, provides fair value to customers and is working as designed. Key metrics on usage and product value are monitored; the product is suitable for use and we have not</p>

identified any barriers to claims.

Our assessment of fair value includes review of the following management information (where available – not all data will be available for new products) as well as any other relevant insight:

- Average Premium
- Average Claims Pay-out
- Loss Ratio
- Policy Cancellations
- Claim Declinatures as % of Total Claims
- Claims Acceptance Rate
- Number of Complaints
- Complaints as % of Claims

Target market

SME Property Owners is a commercial product suitable for:

- businesses and individuals (sole traders) that own and rent out commercial and residential property who wish to insure the risks associated with this type of business

We also include residential leaseholders as customers of this product. We have designed the SME Property Owners product with good outcomes for leaseholder customers in mind and we believe that largely, both the policyholder and any leaseholders have a similar interest in this type of insurance, and both will benefit equally from it; i.e. it will protect the key asset(s) (the buildings and any landlords' contents) and the public liability risk inherent with the day-to-day operation of buildings containing residential units.

For example, if there is a fire, both parties would benefit from the insurance cover in place to reinstate the building following such an incident. If someone were injured on the premises due to, for example, a broken floor tile, again, both parties would benefit from the public liability cover being in place to pay the claim to the injured third party.

Types of customers for whom the product would be unsuitable

This product is not designed for:

- Businesses who do not own and rent out property.
- Businesses that operate from the premises that they own (owner occupiers).
- Long term unoccupied risks.
- Property owners with more than 20 locations to be insured or that require more complex cover than can be provided under the SME Property Owners product.
- Properties outside of the UK.

Please refer to the policy documentation for full details of cover and exclusions.

Any notable exclusions or circumstances where the product will not respond

Exclusions on this product are market standard (below list not exhaustive):

- War
- Terrorism
- Asbestos / silica (EL/PL)
- Gradual deterioration/wear & tear (property damage)
- Sonic boom
- Pollution

Policy excesses and cover limits are also in line with market standards. There are no other significant cover limitations or excesses.

This document is to be read in conjunction with the full policy wording. This product statement does not alter, in any way, the cover under the policy.

Other information which may be relevant to distributors	
<p>We have also produced an IPID document for this product to improve customer ease of understanding and to help them compare our SME Property Owners product more easily with our competitors, enabling them to make more informed decisions.</p> <p>The product also has a policy summary that is issued at new business and renewal. The policy summary should be passed on to any leaseholders in residential premises on the policy in order to fulfil our obligations under the recent FCA Leaseholder ICOBS changes.</p> <p>The distribution strategy is considered appropriate for the target market with end customers having the option to purchase these products through an insurance intermediary of their choice. The product cannot be purchased directly from Travelers by a customer without an intermediary.</p> <p>The product will be distributed via eTrade only; both Acturis software house and MyTravelers extranet, both only accessible to authorised insurance intermediaries and our own Travelers underwriters.</p> <p>To ensure the customer receives fair value for this product and that they are able to make an informed choice:</p> <ul style="list-style-type: none"> • The customer’s demand and needs must be assessed to ensure the product is appropriate, • significant or unusual exclusions should be highlighted, • care must be taken to ensure no duplicate cover exists or is created by an add-on, • available add-ons and optional extras should be highlighted with the same emphasis as the main sections of cover, • commission, fees or charges passed onto the customer must be proportionate to the service provided. 	
Date Fair Value assessment completed	Quarter 3 2024
Expected date of next assessment	Quarter 3 2025