

Target Market and Value Statement for Household Insurance Products

This document is only intended for insurance intermediaries. It must not be provided to any customer either in its original form, or any reproduction. We have designed this document to ensure our distributors understand how our products offer value. It explains the types of customers the products have been designed and are suitable for considering their characteristics, needs and objectives, who they are not suitable for and the approach we have taken to ensure the products will continue to provide fair value for customers for the foreseeable future. It also identifies how the actions taken by distributors could impact on the overall value of the products for customers.

Our Role

Following the announcement in May 2023 of Allianz's intention to close the Home & Legacy business and the subsequent ratification of that decision in June 2023, the Home & Legacy business is now in run-off. Our Household Products are now 'closed' products. They are no longer marketed or distributed or open for new business or renewal. The last policies were sold 3rd June 2023 and will expire 2nd June 2024.

Home & Legacy are committed to fulfilling our regulatory and contractual obligations during the run-off period. We will continue to support existing policyholders with mid-term changes, cancellations and any ongoing or new claims that are made throughout the run-off period. Please note that we can no longer provide cover for changes of address or for any second/holiday homes.

For the Household Products we have sold and as described in this document Home & Legacy is a co-manufacturer and a distributor. We have grouped our Household Products together as they are intended to deliver a similar outcome and the target markets are consistent. Working together with insurers who underwrite the cover we ensure that these products offer value and are appropriate for the insurance needs of the target market customers.

Who is the target market for our Household Products?

Our Household Products are suitable for a wide range of individuals whose homes are in Great Britain, the Isle of Man, or the Channel Islands. Typically, these individuals are mid/high net-worth consumers requiring exceptional service, who own and/or live in high-value homes and/or who own expensive items. These individuals' likely insurance needs, and objectives include:

- An insurance contract tailored to meet their requirements including generous and flexible limits with fewer exclusions and limitations than standard home insurance contracts.
- An insurance contract that offers worldwide cover to give them financial protection for all risks of accidental loss or damage (subject to policy terms and conditions) and other benefits to provide protection against the risks they face.
- Insurance cover for their holiday homes (occupied part-time) or their second homes.

What are our Household Products' key features and benefits?

Our products provide a comprehensive bundled package of covers and services. These include worldwide all-risks buildings and/or contents cover (furnishings and possessions such as art, antiques, jewellery and watches); their liabilities; and legal expenses cover to provide legal advice, costs, and expenses for disputes against a range of contractual or employment disputes; home emergency assistance; and identity fraud protection and assistance.

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

Prestige Home	Ultimate Home
Minimum contents sum insured - £75,000	Minimum contents sum insured - £250,000
High level of claims service	High level of claims service
Flood Re access - for homes at risk	Flood Re access - for homes at risk
Worldwide, all-risks cover (warranty free option available subject to qualifying criteria)	Worldwide, all-risks cover (warranty free)
Alternative accommodation up to 2 years	Alternative accommodation up to 5 years
Business contents up to £10,000	Business contents up to £20,000
New acquisitions/additions 20% of contents sum insured for 60 days	New acquisitions/additions 25% of contents sum insured for 90 days
Unspecified article limit: <ul style="list-style-type: none"> • Fine art, antiques, collectables - £15,000 • Jewellery and watches - £5,000 	Unspecified article limit: <ul style="list-style-type: none"> • Fine art, antiques, collectables - £25,000 • Jewellery and watches - £25,000
Guests' personal effects - £5,000	Guests' personal effects - unlimited
Other benefits automatically included: <ul style="list-style-type: none"> • Legal service and legal expenses cover • Identity fraud detection and assistance • Home emergencies (24-hours) - £500 	Other benefits automatically included: <ul style="list-style-type: none"> • Legal service and legal expenses cover • Identity fraud detection and assistance • Home emergencies (24-hours) - £1,000
Also: <ul style="list-style-type: none"> • Voluntary additional excesses available • No cancellation or adjustment fees • Option for premium finance - 10 payments 15.45 APR % (variable) 	Also: <ul style="list-style-type: none"> • Voluntary additional excesses available • No cancellation or adjustment fees • Option for premium finance - 10 payments 15.45 APR % (variable)

Our [Insurance Product Information Documents \(IPIDs\)](#) produced in standardised format are easily understood and detail the benefits, features and services provided. The [Policy wordings](#) provide full details.

Our Premium Finance product which was available as an additional product remains available for customers who had chosen to pay their annual premium by this method up until the expiry of their policy including for any adjustment in premium following a mid-term alteration.

Who are our Household Products not suitable for?

- Customers whose contents sums insured are below our minimum sums insured, which are based on our target market demographic. Mass-market customers will be better suited to a standard household insurance product.
- Customers who have purchased legal expenses and/or household emergency assistance covers elsewhere. Our products automatically include these covers as standard.
- Existing customers who are changing address or wish to add an additional property to their policy.

What is the distribution strategy for our Household Products?

Our Household Products are no longer sold. They were distributed to our target market customers who were eligible for the cover in accordance with our application acceptance and/or renewal acceptance criteria.

- By insurance intermediaries/brokers (distributors) authorised by the FCA to conduct insurance distribution activities who have entered into a Terms of Business Agreement with us.
- Sales by distributors are on an advised or a non-advised sale basis. The products are straightforward, and the target market customers are generally familiar with household insurance products.
- By us directly to customers on an advised basis, or from December 2022 on a non-advised basis.

What distributors should do to ensure our Household Products offer fair value?

- Inform us if they have any concerns about the value of our products or receive any complaints from customers about the products.
- Ensure that customers have all necessary information to enable informed decisions.
- Understand and ensure that any fees/charges made and any additional products sold (including premium finance) alongside our products have not affected the value of our product for customers. Our Household Products are bundled packages.

Our Household Products Value Statement

Our Household Products are reviewed annually to determine that they offer and will continue to deliver fair value to customers. They will be continuing to be monitored during their run-off period in accordance our Product Oversight and Governance Framework (POG). For further information download a summary of our [Product Oversight and Governance Arrangements](#).

Our latest Household Products annual product review and fair value assessment was completed in August 2023. Our assessment considered:

- The characteristics, needs and objectives of the target market customers.
- Similar products available in the market, by carrying out a comparison of covers.
- Whether our products perform as intended, by using management information held internally (e.g., operational servicing performance, claims performance, claims and complaints analysis and outcomes).
- Customers experience with the claim's processes/service.
- The overall price customers pay (including the impact of remuneration associated with distribution and the sale of additional products).

To help us to ensure that the arrangements made by our distributors remain in the best interests of customers, we asked them to confirm their current fees charged and for details about any additional products that they may offer or have sold alongside our products including retail premium finance. **We are satisfied following our review of the distribution arrangements that they do not detract from the overall value of our products for the customer.**

Fair value assessments for the ancillary covers included with our Household Products (e.g., legal expenses) are completed by the insurers of those products. **These insurers have given us reassurance that they continue to have no concerns in relation to the products they provide not offering fair value for customers.**

Our Household products were reviewed in August 2023 and have been assessed as offering fair value for the target market customers who are existing policyholders including the commission and allowing for the fees that are charged by our distributors. The total benefits are proportionate to the total cost and there is significant benefit for customers who need to make a claim.