



**Product name:** Buildings

### **Customer needs and objectives**

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Customers require cover in the event of damage to the building (such as a fire or flood). The customer may not be in a position financially to replace all the lost or damaged property and might not be able to trade.

### **Product design**

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Following the latest product review and fair value assessment the product has been approved as providing the expected value to customers. The metrics and other insight reviewed suggest the product is understood and well utilised by customers. For information on the key benefits and any notable exclusions please see the relevant policy summary, or contact your local Hiscox underwriter.

### **Target market**

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Buildings insurance is a commercial product designed for customers who own the building from which they trade.

### **Non-target market**

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This product is not designed to support customers who do not own the building or property from which they trade.

### **Recommended distribution strategy**

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This product may be sold on an advised or non-advised basis. It is suitable to be sold face-to-face, through telephony sales or via a quote-and-buy website.

## Fair value assessment

Date of last fair value assessment: March 2023

Expected date of next assessment: within 12 months of the above date

As a result of our fair value assessment, we have concluded our buildings product is providing the expected value to customers.

1. The product is compatible with the needs of the target market.
2. The distribution and remuneration strategy remains appropriate, we are not aware of any distribution and remuneration arrangements having a detrimental effect on the overall value of the product.
3. The quality of the service provides the expected value.

**When completing our fair value assessments, we consider all information that is available and relevant including information provided by our distributors. We also continually monitor key metrics throughout the year to give us ongoing assurance that products are providing the value expected. Where information is outside of our tolerance levels, we may review the product outside of the scheduled timeline.**

Assessment	Indicators and measures	Assessment
Product overview	<ul style="list-style-type: none"> <li>• Product summary.</li> <li>• Target market.</li> <li>• Vulnerable customers.</li> <li>• Competitor analysis/external benchmarking.</li> <li>• Product research.</li> </ul>	<p>All the metrics and customer testing reviewed show utilisation of the cover purchased, along with good levels of customer understanding.</p> <p>At the beginning of 2023 wording amendments were implemented and therefore we will see the impact of these changes at the next assessment. In particular, these are to further improve the language used in our products, and to aid customer understanding and clarity at claims stage – these findings were not driven by any value concerns in this or any previous assessment.</p>
Product design/performance	<ul style="list-style-type: none"> <li>• Average premium.</li> <li>• Persistency.</li> <li>• Claims analysis.</li> <li>• Tenure.</li> <li>• Price walking.</li> </ul>	
Remuneration and distribution arrangements	<ul style="list-style-type: none"> <li>• Distribution chain.</li> <li>• Distribution strategy.</li> <li>• Commission, fees and any other remuneration arrangements.</li> <li>• Add-ons.</li> <li>• Premium finance.</li> </ul>	
Service	<ul style="list-style-type: none"> <li>• Key indicators.</li> <li>• Complaints analysis + RCA.</li> <li>• Training.</li> </ul>	