

## Fair Value Assessment Outcome:

Product – Property Owners

Insurer/Provider – Various – See Product Overview Below

### KEY FINDINGS;

#### Product Overview

Property Owners Insurance provided by either Brit and Axis Insurance plus Equipment Breakdown cover from HSB Insurance, and Legal Expenses cover from ARAG Insurance.

See Manufacturer’s Target Market Statement for detail on the range of customers the product is designed for as well as the groups of customers for whom the product is not appropriate and will not provide the intended value.

In summary, the product is aimed at owning either a single commercial property, or a portfolio of properties, which are let out to tenants

#### Date Fair Value assessment completed – June 2024

The data reviewed for this assessment has been drawn from the policies sold between 1<sup>st</sup> June 2023 and 31<sup>st</sup> May 2024.

#### Fair Value Assessment Outcome:

The outcome of the review shows the product delivers value. This product will therefore be monitored and reviewed again in 12 months as per PROD 4.2.34 requirement to undertake regular product reviews.

A summary of why we concluded this product is delivering value is set out below:

- The product performance metrics do not raise any major concerns and are explained in detail below.
- The product is a high volume one from a sales perspective with 7,052 live policies in place at time of review so the appetite and demand for this product is good.
- The new business quotes and conversion rates were below the company target rate of 30% with a rate of 23.3% being achieved within the review period. Conversion rates for online business are lower than offline business which reduces the percentage so this is not of concern.

- The average commission for this product during the review period was 35 % with an average fee of £24.01 per policy.
- The renewal retention rates company tolerance level for this product is 75 % . In the review period this product achieved a rate of 78.8 % .
- Cancellation rates were low during the review period. 145 policies were cancelled.
- No complaints have been received by Mi Specialty Ltd in relation to the sale or administration of this product.
- Our approach to this product review has utilised data and MI readily available.
- The fair value assessment indicates that the Property Owners product provides value to the end client and remains suitable for the target market. Where a potential risk to the product value has been identified, the distributors will be contacted directly.
- In line with the new requirements for multi-occupancy property owners policies we have amended our processes and documentation provided to clients and the end client.