



## Uinsure Buy to Let/ Landlord's Insurance Fair Value Assessment

Product review date: November 2022

Next scheduled update: November 2023

Information required	Details
Product characteristics	<p>BTL insurance is a form of property insurance that protects against losses and damages to a landlord's rental property, together with furnishings, fixtures and fittings and other tangible assets located in the property. BTL insurance also provides cover for liability against third party property damage and bodily injury that may occur within the property owner's boundaries.</p> <p>Uinsure's BTL product is Defaqto 5 star rated and exceeds the Defaqto benchmark in a number of tests. It is equal to 5* in all other areas. The primary customer benefit of BTL insurance is financial protection of the rental property and its furnishings from a number of insured perils, which include fire, escape of water and flooding. This is a renewable policy which the customer can cancel without penalty at any time.</p> <p>There is a compulsory excess of £100, and then a voluntary excess which can range up to £1000. As with all insurance products, there are limits to the cover that are deemed as uninsurable risks, the main exclusions are wear and tear, malicious or accidental damage by the tenant, unoccupancy, and damage caused by weather not meeting the definition of a storm.</p>
Uinsure's product approval process	<p>Uinsure has applied its Product Governance, Oversight and Fair Value Framework in reviewing this product, which at a high level sets out to establish the following:</p> <ul style="list-style-type: none"><li>• whether the product is compatible with the needs, objectives and characteristics of the target market;</li><li>• whether the distribution strategy is consistent with the identified target market; and,</li><li>• whether the product provides fair value to customers in the target market for a reasonably foreseeable period.</li></ul> <p>In doing so, Uinsure takes an evidence-based approach, reviewing quantitative and qualitative information on the performance of the product, and determining whether the product offers fair value.</p>

<p><b>The product's target market</b></p>	<p>Uinsure's target market for this product is primarily BTL landlords using a mortgage to fund their property purchase, however other groups of customers that can benefit equally well from this product have been identified, such as landlords utilising other funding options and landlords of multiple occupancy buildings who only need contents insurance due to the buildings cover being provided by the freeholder of the entire property. Uinsure's BTL policy holders are generally men and women over 55 years of age with one rental property, concentrated most heavily in London and the South-East region.</p>
<p><b>Who is this product not suitable for?</b></p>	<p>This product is unsuitable for landlords who need to insure a listed building, a holiday home, buildings that have had previous subsidence or flooding (or subject to measures to prevent flooding).</p> <p>This product is unsuitable for clients who need to insure a property that is currently undergoing, or will be undergoing, building work, or is of non-standard construction.</p> <p>This product is not suitable for unoccupied properties, or properties that will be unoccupied for over 60 days.</p> <p>This product is unsuitable for clients who do not reside in the UK, have been denied insurance, or had insurance declared void, clients who have unspent criminal convictions (other than motoring offenses), or have been subject to bankruptcy or insolvency orders which are either outstanding or have been discharged for less than 5 years.</p>
<p><b>Does the product offer fair value for a reasonably foreseeable period? Including details of how Uinsure has determined this.</b></p>	<p>Uinsure's BTL product does and will continue to offer fair value to its target market for the reasonably foreseeable period that customers are likely to hold the policy for.</p> <p>Uinsure's BTL product has a good claims acceptance rate, which indicates that the product is providing value to customers when they most need it. The most common cause of claims were i) escape of water, ii) storms and iii) accidental damage (basic accidental damage can be enhanced with an Add On/product extension). The primary reason for declinature is wear and tear, which is excluded.</p> <p>Post-sale data indicates positive product performance. Uinsure received few complaints in relation to this product, with an incident rate of less than 0.5%. Cancellation rates are also consistently low.</p>

	<p>The levels of pre and post sales service are of an excellent quality, as indicated by the low volumes of complaints and positive Trustpilot rating of 4.8 out of 5.</p> <p>Uinsure's average policy is marginally more expensive than the market average, however the scope of cover offered by Uinsure's product is considerably more broad than the average policy, supported by excellent levels of service provided alongside the policy.</p> <p>In conclusion, the product provides comprehensive cover for BTL properties, and is supported by good post sales indicators that evidence the policy's utility. When these factors are matched to the reasonable price Uinsure offers the policy at, fair value is evidenced.</p>
Are there any specific groups of customers who are unlikely to receive fair value from the product	<p>No groups of customers that are eligible to claim on the whole product have been identified as groups that would not receive fair value from this product.</p>
Details of any considerations not accounted for by Uinsure, which may detract from the value of the product	<p>Uinsure has considered the incidence of the following optional additional extra covers on the BTL insurance product:</p> <ul style="list-style-type: none"> <li>• Close Brothers Premium Finance</li> <li>• Uinsure Landlord Insurance Let Home Emergency</li> <li>• Uinsure Legal Expenses &amp; Rent Guarantee</li> </ul> <p>If your firm has the right to package the product further than simply providing the add on products listed above, please be aware that doing so has not been assessed for fair value by Uinsure Limited, and as such, you will need to consider whether offering the products together will result in fair value being provided to the end customer independently.</p> <p>If your firm has the right to add fees or add additional commission beyond the standard amount set out in the TOBA, then exercising this is likely to detract from the value intended by the product.</p>