



## Target Market Statement

**Protek Group Limited (Lead Manufacturer)**

**Starr International (Europe) Limited (Co-Manufacturer)**

### Not Intended for Consumer Use

In accordance with (PROD 4.2.30) and (PROD 4.2.32), our Target Market Statement will provide you, the distributor, with all appropriate information on our insurance products, enabling you to fully understand Protek products (PROD 4.2.31).

For certain insurance lines Protek may produce a single Target Market Statement to cover more than one product; where the product delivers similar covers and outcomes and where the target market is identical. (PROD 4.2.34E).

### **Product Oversight and Governance**

In accordance with PROD 4, our Product Oversight and Governance Policy will set out the standards required to ensure the achievement of fair value and good customer outcomes for the foreseeable period.

Our product approval process will be proportionate and appropriate to the nature of the product. Consideration will have been taken with regards to the potential impact our reviews may have on existing or potential customers. Particularly the potential risk and possible levels of harm to customers if the products design is flawed (PROD 4.2.3A). As part of our design process, we will take into account the objectives, interests and characteristics of potential customers ensuring our products do not adversely affect or cause detriment to policyholders. The nature and complexity of the customer base will be included within the product approval process.

Our assessment of value will include consideration of the following, in accordance with (PROD 4.2.14E):

- The nature of the product including the benefits provided, their quality and any limitations;
- The type and quality of services provided to customers;
- The expected total price to be paid by the customer when buying or renewing the product, and the elements that make up the total price.

We will also take into consideration the pricing model used to calculate the risk premium, the overall cost of the product including retail premium finance and remuneration of those parties in the distribution arrangements. We will review how the intended distribution arrangements support and do not adversely affect the intended value of the product.

When considering the charging structure (PROD 4.2.25) proposed for this product, we examine its costs, charges and compatibility alongside the needs, objectives and characteristics of the target market.

When assessing the value of this product (PROD 4.2.14J) we will use all necessary and appropriate data available to us.

Our products will be reviewed annually (PROD 4.2.12) or following significant adaptation(s), unless otherwise determined by its complexity, whereby more regular reviews may be carried out.

In line with (PROD 4.2.5A) our product approval process will identify whether our products are, or remain, appropriate to be marketed or distributed to customers.

These requirements are in place in order to ensure Protek policyholders receive fair value.

**Product Name(s): Starr International Commercial Warranty Policy**

<b>Product's Main Features</b>	<p>This product provides latent defect insurance for premises located within Great Britain and Northern Ireland.</p> <p>The following are considered to be the main features of this product:</p> <p>Standard cover. Policy will respond for any valid claims for Physical Damage to the Premises, or threat of imminent collapse to the Premises which requires immediate remedial measures.</p> <p>The policy also provides enhanced coverage including additional costs and expenses, professional fees and removal of debris.</p> <p>The policy excess may be applicable and vary from risk to risk. These will be displayed on the Quotation, Building Period Certificate and/or Certificate of Insurance.</p> <p>The maximum amount the insurer will pay for any and all claims under the various sections of this policy will be shown on the Quotation, Building Period Certificate and/or the Certificate of Insurance.</p> <p>This is a complex product typically arranged by the developer prior to, or during, the construction phase when the ultimate beneficiary property owners may be unknown.</p>
<b>Target Market</b>	<p>The customer's intermediary is responsible for ensuring that product meets the demands and needs of each customer and it is possible that there are customers outside of this target market whose demands and needs may be met by this product. Equally, some customers inside the target market may have risk factors that mean other products available are more suitable.</p>

	<p>In general, the identified target market is as follows:</p> <ul style="list-style-type: none"> <li>• Property developers constructing commercial premises for sale to investor/s upon completion</li> <li>• Property developer constructing residential dwellings and/or commercial premises and retaining the units for rental</li> </ul> <p>The product is not suitable for the following customers as we provide an alternative, more suitable, product for these risks:</p> <ul style="list-style-type: none"> <li>• Property developers constructing residential dwellings for sale to private homebuyers upon completion (this would be more suitable under our New Home Warranty or Basic Warranty product)</li> </ul> <p>The product is not suitable for the following customers:</p> <ul style="list-style-type: none"> <li>• Projects where the previous or current developer and/or contractor has ceased trading or receivership/administration/mothballed projects;</li> <li>• Projects with construction lengths in excess of 3 years;</li> <li>• Projects located outside of Great Britain and Northern Ireland; and</li> <li>• Developers domiciled outside of the United Kingdom.</li> </ul>
<p><b>Distribution</b></p>	<p>We will consider the costs of and associated with our distribution arrangements and differences between the risk price and total price paid by the customer (PROD 4.2.14H).</p> <p>We ensure, where reasonably possible, the distribution arrangements (PROD 4.2.14N) minimise the risk of negatively impacting the fair value of this product/package. This includes avoiding or reducing risks arising from:</p> <ul style="list-style-type: none"> <li>• Remuneration of parties involved in the distribution arrangements</li> <li>• Providing discretion to another person to set the final price</li> <li>• The actions of another person involved in the distribution arrangements</li> <li>• Detrimental affect the value of the products or package</li> </ul>

	<p>This product is distributed to retail insurance intermediaries which are FCA authorised on a non-advised basis. All intermediaries completed Protek's due diligence process. A suitable assessment of the customers' demands and needs must be made before each sale by the intermediary in direct contact with the policyholder.</p> <p>In the event that the distribution our of insurance products detrimentally affects the intended value we will take appropriate remedial measures in line with PROD 4.2.39A.</p>
<p><b>Fair Value</b></p>	<p>This product is subject to Protek's Product Oversight and Governance (POG) policy. It has been determined to represent fair value to customers</p>