

Providing fair value



SCOPE

Data and information classification:	PUBLIC
	The information contained in this document is intended for use by our insurer and aggregator distribution partners and not for customers or operational staff.
Ardonagh division:	Atlanta
Brand(s):	Paymentshield
Product(s):	Home Insurance Classic
Associated add-ons:	Home Emergency, Legal Expenses, Policy Administration Fee
Key regulatory responsibility:	Manufacturer / Co-manufacturer / Distributor



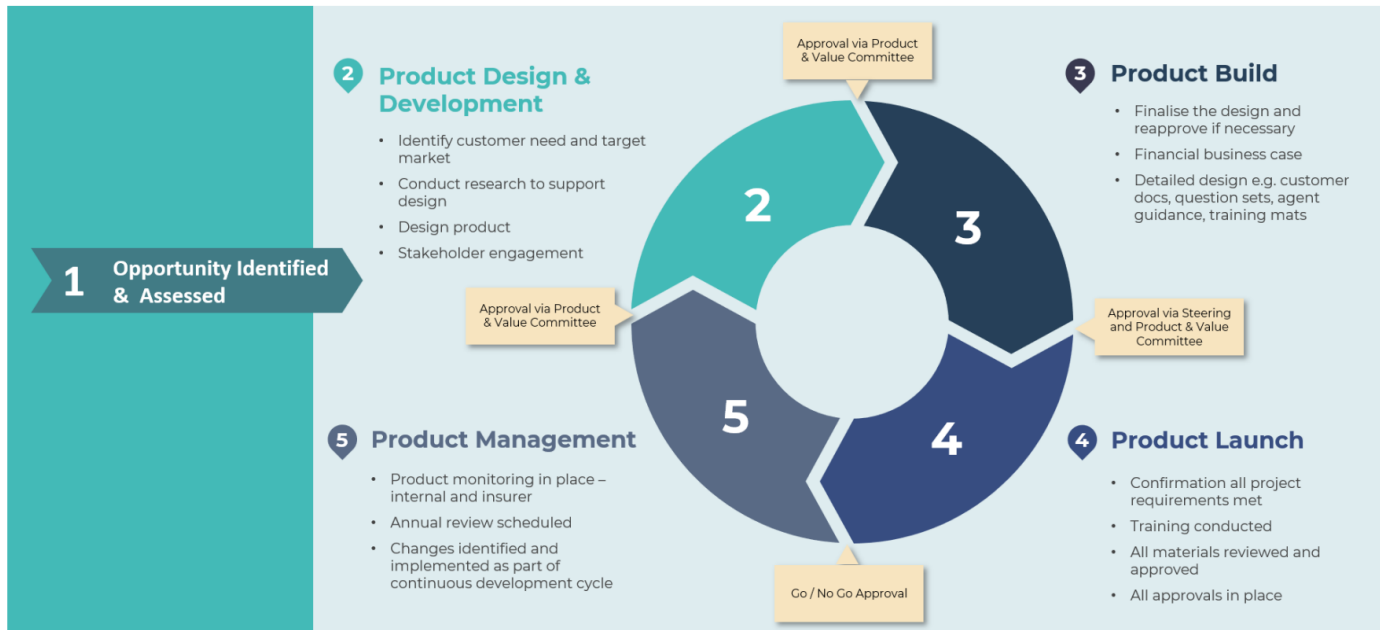
SUMMARY OUTCOME

We believe the product, both at its core element and as a package, is providing fair value to customers, however, any actions identified on the core product and/or associated add-ons are documented on the following page.

TARGET MARKET	DISTRIBUTION	FAIR VALUE ASSESSMENT
The product and associated add-ons remain consistent with the needs of the identified target markets provided by the manufacturer/co-manufacturer	The intended distribution strategy remains appropriate	It is considered that the product package is providing overall fair value to customers

CORE	HOME EMERGENCY (HE)	LEGAL EXPENSES (LE)	POLICY ADMIN FEE (PAF)
We are comfortable that this product is providing fair value to customers.	We are comfortable that this product is providing fair value to customers.	We are comfortable that this product is providing fair value to customers.	We are comfortable that this product is providing fair value to customers.
Next review due: 30/06/2024	Next review due: 31/07/2024	Next review due: 31/07/2024	Next review due: 31/01/2024

ATLANTA PRODUCT APPROVAL PROCESS



TARGET MARKET

Core

The product is designed to meet the needs of a customer living in a private dwelling in the UK who requires either buildings and/or contents insurance.

Some eligibility criteria apply: The property must be permanently occupied by the customer, or their family and the property must not be used for business or professional purposes other than clerical work. The property in question must never have suffered from subsidence, landslip or heave. Furthermore, the customer must have no unspent convictions or prosecutions pending (other than motor convictions). Finally, the property must not be left unoccupied for more than 60 days in a row and customers must not have had insurance cancelled, declined, declared void or had any special terms imposed.

Classic Home Insurance is a legacy product therefore there are no longer any new business sales, these are all now directed through our Panel Home Insurance product. Both optional cover extensions and add-on covers can be added mid-term via our customer service teams. These add-ons are always sold on an opt-in basis.

Home emergency

The product is designed to meet the needs of customers living in a private dwelling in the UK who require cover for emergencies such as the blockage of an external water supply pipe, failure of the internal plumbing or drainage systems, a failure of the heating system or broken windows that creates a security risk.

To be eligible, a customer must meet all the eligibility requirements for, and purchase a Paymentsshield Home Insurance product. Home Emergency can be purchased at inception of a new Home Insurance product or added mid-term and at renewal for existing customers.

This product is not suitable for customers where the following circumstances apply

- the property will be permanently occupied by anybody other than the policyholder and/or their family
- the property has signs of or has ever had damage caused to it by landslip, subsidence, or heave
- the policyholder or any member of their family has any unspent convictions or prosecutions pending
- the policyholder or any member of their family has ever had insurance cancelled, declined, declared void, or had any special terms imposed
- the home or the land belonging to it has flooded in the last 10 years
- the property will be unoccupied for more than a total of 60 days in a row
- the property to be insured is used for business or professional purposes other than clerical work undertaken by the policyholder or their family

Legal expenses

The product is designed to meet the needs of customers living in a private dwelling in the UK who require legal support to deal with a range of unforeseen circumstances such as cover for personal injury, property legal disputes, employment disputes or probate disputes.

To be eligible, a customer must meet all the eligibility requirements for, and purchase a Paymentsshield Home Insurance product. Legal Expenses can be purchased both at inception of our Home Insurance product or added mid-term. Existing customers covered under any of our residential home insurance policies may also include this product either at renewal or as a mid-term amendment.

This product is not suitable for customers where the following circumstances apply as this cover can only be added to a home insurance policy:

- the property will be permanently occupied by anybody other than the policy holder and/or their family.
- the property has signs of or has ever had damage caused to it by landslip, subsidence, or heave.
- the policy holder or any member of their family has any unspent convictions or prosecutions pending.
- the policy holder or any member of their family has ever had insurance cancelled, declined, declared void, or had any special terms imposed.
- the home or the land belonging to it has flooded in the last 10 years.
- the property will be unoccupied for more than a total of 60 days in a row.
- the property to be insured is used for business or professional purposes other than clerical work undertaken by the policy holder or their family.

DISTRIBUTION



Classic Home Insurance product is no longer available for new business. However this product was designed to be sold through partners who engage with homeowners. These are typically partners that interact with customers during a property related transaction such as a house purchase or remortgage and companies who offer our product as part of a wider review of a customer's financial products. This includes mortgage brokers, financial advisors, volume telephony call centres and concierge style businesses.

Home emergency

Our product is designed to be sold through partners who engage with homeowners. These are typically partners that interact with customers during a property related transaction such as a house purchase or remortgage and companies who offer our product as part of a wider review of a customer's financial products. This includes mortgage brokers, financial advisors, volume telephony call centres and concierge style businesses.

Legal expenses

Our Legal Expenses product is designed to be sold in conjunction with our home insurance product through partners who engage with homeowners. These are typically partners that interact with customers during a property related transaction such as a house purchase or remortgage and companies who offer our product as part of a wider review of a customer's financial products. This includes mortgage brokers, financial advisors, volume telephony call centres and concierge style businesses.



FAIR VALUE ASSESSMENT

Purpose of the review

The purpose of this review is to provide assurance that the products and the way they are distributed are delivering fair value to the identified target market. Where deficiencies are identified, actions must be documented to remedy them and tracked through to completion. Consideration must be given to retrospective remedial action where customer detriment is identified, the need to communicate product review outcomes, issues or revised material to any manufacturers, co-manufacturers and distributors in the chain, amendments required to product approval processes or if there is any material impact to strategy.

How Atlanta assesses each product

Atlanta Group product reviews cover a range of areas and key metrics covering pricing, product, service, distribution chain which all contribute to delivering overall fair value for customers. Each section is rated against a number of internal tolerance thresholds/SLAs, which are reviewed on an annual basis and approved by Atlanta Executive Committee.

How Atlanta address concerns

Where concerns have been identified actions with owners have been put in place including an accountable Executive Committee owner. Actions are to be completed within 3-6 months with their impact on the metrics monitored. Where an area of concern requires action / input from an insurer partner the specific action will be raised directly by your Atlanta account contact and tracked to closure. If a product is offering little utility to a customer i.e. seemingly not meeting a need as the claims frequency and insurer loss ratios are consistently below acceptable levels, it would be considered the product or a panel provider is not providing fair value which would require either significant product redesign or possible withdrawal.

Overall outcome

It is considered that the product package is providing overall fair value to customers. Some actions have been identified to further improve value to customers.

Next review

See Summary Outcome above.



FAIR VALUE ASSESSMENT - ACTIONS

DETAIL	ACTION	DUE DATE
The product is not on the market for new business. Existing customers have remained on the product although we do have a newer Panel product that offers optional covers and extras.	Determine whether a migration to our newer Panel 2 product is possible or consider changes to update the product.	Dec 23
No impact to fair value has been established. Analysis from our internal Pricing and MI teams shows some small discrepancies with data. This has not affected the FVA outcome, but action added to fix.	Work with our Pricing team and to fix the data and represent back to the business.	Sep 23
Our Fair Value Assessment Timetable is not aligned with the insurer of our add-on products; therefore, our assessment is based on the information currently available to us. We expect the output of the insurers own value assessment imminently, which will include more details claims performance data.	On receipt of the insurers fair value assessment output, we will carry out a further assessment of our own later in the year to 'reset the clock' and align timetables.	Oct 23