

# Rent protection

**This guide is for intermediary reference only:**

It doesn't contain the full terms and conditions of the contract of insurance.

Full terms and conditions are within the policy documents; you can request to have a copy of these.

## Background

Markel are among the UK's premier suppliers of legal expenses insurance to the commercial market. For over 30 years, our vision has been to provide the complete solution to our customers' everyday legal needs.

Through the unique combination of our underwriting heritage, and our award-winning in-house law firm, we have more than 50 professionally qualified lawyers and barristers handling around 500 calls a day.

## Product design

Our product is designed to cover the cost of evicting a tenant if they fail to pay the rent and refuse to vacate the property when required. Also, indemnity for the loss of rental income until vacant possession is obtained. Our rent protection product is backed up by access to 24/7 expert legal advice, and representation when required.

## Target market

Our rent protection product is suitable for owners of residentially let property (landlords) in the United Kingdom.

**We're able to provide insurance solutions for a broad range of businesses and are happy to consider those that sit outside of these parameters; however, this product is not suitable for:**

- businesses established and/or operating outside of the UK
- companies with connections or links to sanctioned individuals or countries
- businesses lacking in risk protection control and risk management procedures
- non-conventional insurance options, such as customers that run their own insurance captives or require a layered insurance program
- a person acting for purposes outside their trade, business or profession

**We will not look to write risks for:**

- Property let to a tenant who has not satisfactorily passed a tenant reference which includes affordability, credit and rental history checks no more than 60 days before the start of tenancy, unless equivalent cover was in force immediately before the start of our rent protection policy
- Tenants that have not paid a deposit of at least one month's rent in advance
- Property let for holidays or on a short-term basis
- Where there is no written residential tenancy agreement in place, which must be an Assured Shorthold Tenancy Agreement as defined within the Housing Act 1988 (or as amended). The initial fixed term of which must not be more than 12 months
- Company lets
- Property let to a tenant in receipt of universal credit
- Property let to a tenant in receipt of housing benefit, unless the rent is paid directly to the landlord by the Local Authority
- Property where the monthly rent is more than £2,500
- Landlords who have been declared bankrupt or insolvent within the last 5 years, or who are the subject of an individual voluntary arrangement with creditors, voluntary liquidation, a winding up or administration order, or administrative receivership proceedings
- Landlords who do not have a UK bank account

## Scope of cover

Cover up to a total of £350,000 for all claims during the period of insurance for:

- ✕ Eviction costs up to £10,000 any one claim
- ✕ Up to £25,000 of rental arrears

## Policyholder services

The policy comes with access to a 24-hour Medico Legal advice line.

- ✕ General Legal Advice - 24 hours a day
- ✕ Scottish Legal Advice - 24 hours a day
- ✕ Safety and Environmental Advice - 9am to 5pm, Mon to Fri
- ✕ Tax, VAT and PAYE Advice - 9am to 5pm, Mon to Fri
- ✕ Law Hub - offering you easy to access information online covering all your legal, tax and health and safety needs

# Product value assessment

Our product value assessment includes our cost of:

- product provision
- the distribution channel to our clients
- periodic reviews of the product's performance
- the type and quality of services we provide to our end customers

We take into account the nature of the product and its cover, other benefits and any limitations, the price paid by the end customer together with the services we provide. Whilst not an exhaustive list, we consider a wide range of factors including, historical and expected claims frequencies, declinatures, incurred and projected claims costs, plus scenario analysis including likely economic and climatic trends, along with customer feedback and complaints.

Consideration is also made as to how the premium is affected by the commission we pay to the placing intermediary for the activities they conduct on our behalf, together with any fees that we may pay for additional services.

Attention is also paid to where an add-on product not manufactured by us (including premium finance) is sold alongside, or forms a package with our products. Add-ons may affect product value to the end customer, and they need to be taken into account when assessing product value; they must always be proportionate to the benefits, cost and services provided.

We wouldn't expect this product to provide fair value to:

- non-renewable covers for less than twelve months
- businesses with very low-level exposures where we need to apply minimum premiums
- policyholders/risks that fall outside the target market

Where appropriate, we will group products together for the assessment where they are intended to deliver a similar outcome and the target markets are consistent. If any of our fair value assessments result in an outcome where we believe fair value is not being provided, we will engage with the relevant distribution channels to agree appropriate actions.

## Partner remuneration and costs

- Commission levels agreed prior to placement
- Fee for Service arrangements are considered. should they be entered into between both parties
- No additional costs or fees applied by ourselves, except for Insurance Premium Tax at the applicable rate
- Any additional charges within the distribution chain may potentially erode the intended value of our product

## Distribution strategy

Our rent protection insurance product has been designed for distribution by insurance Intermediaries that hold commercial agency facilities with us. They must have the appropriate level of understanding about the risks and exposures faced by their customers in the operation of their business.

The distribution strategy is considered appropriate for the target market with customers having the option to purchase these products through a distributor of their choice. These products are considered suitable for advised and non-advised sales by suitably skilled agents or sub-delegates via telephone, face to face or an appropriately designed on-line journey.

# Conflict of interest

On the basis that we have not:

- delegated any claims handling duties to you
- delegated any underwriting authority to you
- remunerated you beyond the flat rate commission or fee for services provided, agreed between parties

We confirm that the product is free from any innate conflict of interest that would compromise you from putting customers interests first.

## Distributor's responsibilities

You are reminded to assess fair value to your customers where you charge additional fees or where commission rebating takes place. Distributors should consider whether their customers who are purchasing a Markel product are being charged any additional fees that are not funded by the premium paid. If customers are being charged additional fees by anyone in the distribution chain, this could impact the outcome of the fair value assessment.

If a distributor identifies that a product is not providing fair value and this has been caused by the distributor's distribution arrangements, including its remuneration arrangements, the distributor must immediately inform the Markel for appropriate action to be taken.

Markel are satisfied that the product offers fair value to its intended target market subject to distributors:

- Not charging customers additional amounts over and above the gross premium quoted by us without first determining that they do not have a detrimental effect on the value of the product
- Ensuring that no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy

## Providing feedback

We welcome any feedback from our distributors on the performance of our products. All feedback will be considered in our next product review. Also, if you believe that your staff would benefit from additional training on this product, please let us know.

Please contact your Markel Relationship Manager.

## Version control

Version	Updated By	Revision Description	Version Date
1.1	Rishi Bhandari	Minor typo corrections.	09/08/23
1.2	Sonja Wigglesworth	Minor typo corrections.	05/08/24