

# Property owners/rent protection

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

It does not 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 the UK's premier supplier of legal expenses insurance to the SME, commercial mid-corporate and corporate markets. 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

Markel products go through a Product Design and Approval process to ensure products are able to meet the needs and objectives of the target market. This product has undergone testing, including industry benchmarking as part of this approval process.

Our product is designed to cover common legal problems that property owners/landlords would encounter with the landlords Rent protection sections covering the cost of evicting a residential 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 Property owners/Rent protection product is backed up by access to 24/7 expert legal advice, and representation when required.

Cover is provided on a 'claims made' basis, as agreed through the broker and as detailed in the Policy documentation.

On a 'claims made' basis the policy is designed to respond to claims that are made during the period of insurance, regardless of when the wrongful act that caused the claim took place (subject to any retroactive date that may apply).

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

# Target market

**The Target Market is for UK based residential property owners and landlords and the common contentious legal issues they might encounter.**

- Owners of residentially let property (landlords) in the United Kingdom

**This Policy 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
- 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 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

Markel International's Property owners/Rent guarantee Legal Expenses Insurance policies can be arranged with a number of different sections. Policies can be tailored to the individual risk, ensuring that cover is right for the client's exact needs.

## We can offer cover for:

### Rent protection

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

Up to a maximum of £35,000 in the period of insurance

### Property owners

Up to £100,000 for:

- Property and tenant disputes
- Health and safety defence
- Tax protection
- Regulatory compliance
- Contracts for construction and repairs

Up to a maximum of £1,000,000 in the period of insurance

Should a client be in a position to make a claim, we have dedicated claims handlers on hand specifically for this product, possessing the expertise to process the claim and advise the customer to limit loss from the outset.

# Policyholder services

The policy comes with access to various policyholder services:

- 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
- Business Hub - offering you easy to access information online covering all your legal, tax and health and safety needs.

# Product value assessment

We have taken into account the cost to Markel to provide the product, the chosen distribution channel and, the key features and benefits, alongside anticipated product performance and customer services to undertake a Fair Value Assessment. This includes where an add-on product (including premium finance) not manufactured by us is sold alongside, or forms a package with the distribution of our products. As part of this assessment we have collaborated with our chosen distribution partners to gather and assess fees and charges associated with the Product at point of interaction.

Following our assessment of our Commercial Legal Expenses Insurance, the product as presented provides Fair Value to the intended Target Market, which has been assessed through the Management Information available to us on the products performance, evidencing the value to Policyholders overall. We have determined that the features, benefits and distribution strategy remain consistent with the needs of the Target Market, and provide suitable coverage. The defined distribution strategy is appropriate for this product, and provides the value intended through the policy lifecycle.

We do however expect any distributor of this product to consider any additional fees or charges they may charge policyholders and its effect on the end value. This includes the addition of ancillary products provided alongside a Markel product which may erode the intended value.

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
- 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.

## Distribution strategy

Our Property owners/Rent guarantee legal 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.

## Distributor / partner remuneration and costs

We expect the following to be agreed, prior to any placements being made:

- Commission levels
- Fee for Service arrangements, should they be entered into between both parties

## Distributors / partners responsibilities

You are reminded to assess fair value to your customers where you charge additional fees, charges or where commission rebating takes place. Distributors / partners should consider whether their customers who are purchasing a Markel International product are being charged any additional fees that are not funded by the premium paid.

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

Markel are satisfied that the product offers fair value to its intended Target Market subject to distributors / partners:

- 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 / partners on the performance of our products. All feedback will be considered in our next product review. We shall host regular touchpoints with you to discuss the product offering and any support required.