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Product  
Governance &  
Fair Value  
Assessment  
Outcome -  
Disclosure to  
Distributors

Leisure Home  
October 2024



# Canopus Managing Agents Ltd (“Canopus”) – Leisure Home Product Governance & Fair Value Assessment Outcome

## Manufacturer Obligations

In order for Canopus to comply with its obligations as a manufacturer of this insurance product under the FCA’s rules<sup>1</sup> (**PROD 4.2.27 – 4.2.32**), Canopus is required to provide to distributors of this product:

- Information on the insurance product and identified target market – **Appendix 1**
- Information on the product approval process – **Appendix 2**
- Fair Value Assessment Outcome – **Appendix 3**

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<sup>1</sup> The requirement to ask for the outcome of a manufacturer’s fair value assessment is an obligation on the distributor (under PROD 4.3.2A & 4.3.3) and not the manufacturer. The FCA however, expects greater collaboration between manufacturers and distributors and for manufacturers to pro-actively provide this information.

# Appendix 1

## Target Market Statement

### Product name: Leisure Home

As the Manufacturer of this product, we are required to provide our business partners and distributors with appropriate information about the target market. The information is intended to provide clarity around who the product is designed for, who it is not intended to support and how we expect the product to be offered to customers.

Please continue to refer to the relevant policy documentation for full details of the insurance cover as well for details of any limitations and/or exclusions.

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#### What is this product?

Leisure Home is made up of three products, Park Home, Static Caravans and Touring Caravans. All 3 products offer similar cover. Cover is provided for their structure and contents.

#### Who is the product designed for and how is it suitable to their needs?

The product is designed to meet the needs of private owners of Leisure Homes, where the owner is domiciled in the UK (including the Isle of Man and the Channel Islands) and the Leisure Home is in the UK (including the Isle of Man and the Channel Islands) and/or in the EU.

This product is designed for consumers as defined by the FCA, i.e., any person acting for purposes outside of their trade or profession.

#### Who is this product not designed or suitable for?

This product is not designed for private owners of Park Homes where the private owner is domiciled outside of the UK or the Park Home is not in the UK.

This product is not designed for private owners of Static Caravans used as main homes and/or let to private individuals for use as a main home.

It is also not designed for private owners of Static Caravans if they are domiciled outside of the UK, or if the Static Caravan is not in the UK or in the EU.

#### Is this product sold on an advised or non-advised basis?

Advised basis & non-advised basis.

### **How can this product be sold?**

The distribution strategy for this product is in line with the market, it is distributed multiple ways via online, call centre and face to face.

### **Document Review**

We will review this Target Market Statement on an annual basis to ensure it remains appropriate and in line with the objectives and needs of the Target Market.

**Please note that this document is not intended to be provided to operational staff or to customers and should be read in conjunction with the appropriate policy documentation**

# Appendix 2

## Product Approval Information

Our products and services are designed, marketed, priced and sold to meet the needs and provide value to their defined target market. Regular product reviews are undertaken to ensure that our products and services continue to provide good customer outcomes at each stage of the customer journey.

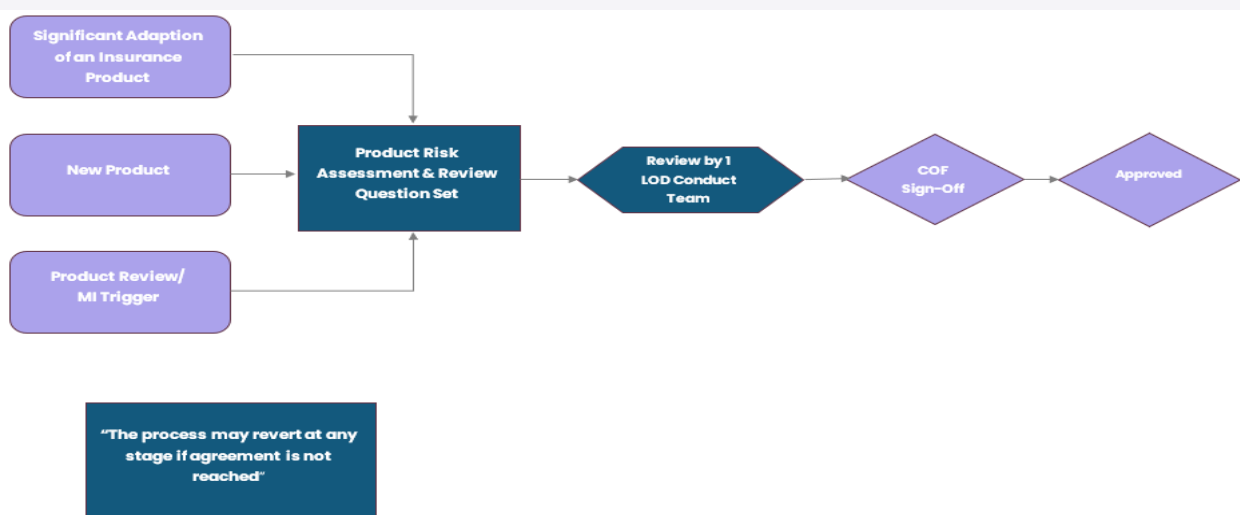
We have an appetite for new products but a low appetite for new and existing products being poorly designed and offering limited value to the defined target market.

As such, new products and existing products are subject to a robust risk assessment, approval, review, testing and oversight process. Conduct risk is also assessed if a product is terminated.

### Product Risk Assessment & Approval, Testing and Ongoing Product Review

All our products go through an initial risk assessment to determine the inherent conduct risk. The risk rating assigned will ensure that the product is subject to an appropriate level of due diligence as well as relevant product design, development and target market determination questions that are commensurate with its risk rating. The risk assessment will also ensure that the control framework and the appropriate level of MI is being produced for ongoing testing.

Regular MI is assessed against risk appetite thresholds which are set by the relevant business owners. If there are irregularities in the MI and/or the risk appetite thresholds are breached, it may prompt a review of the product to ascertain whether it continues to provide value for its defined target market. Please see below the process for a product rated "high".



1LOD Conduct Team; First-line of Defence, Conduct Team

COF; Conduct Oversight Forum

# Appendix 3

## Value Assessment Outcome

**Following the completion of our product review process, we are comfortable that the Leisure Home product remains suitable for the target market and that it provides fair value.**

In reaching this conclusion, we have considered:

### ***Total price paid by the customer***

Taking into account the cover / benefits provided, the number of claims received, and the services provided by all parties involved in the administration of the product throughout its lifecycle, including claims administration, we consider the price paid by the customer is reasonable and provides fair value.

The premium is set by Canopius and cannot be deviated from or changed by the distribution partner. No fees or charges are applied by the distribution partner in relation to this product

### ***Product value over time***

There are no indications that the value of this product will diminish over time.

### ***Loss ratio***

The loss ratio for this product sits well within an acceptable range which ensures longevity for the product and provides consistency of in terms of the price and the cover for the customer.

### ***Claims Acceptance Rate***

The claims acceptance rate is 69%.

### ***Claims frequency***

1875 claims were notified between the review period:

585 were declined and 541 were withdrawn. Reason for declined claims and withdrawals were reviewed by Canopius.

1017 have been paid and closed, with 395 still open at the end of the review period

### ***Average claims pay-out***

The average claim payout for this product is £4829.12

### ***Claims complaints as % of claims***

There were 140 claims related complaints recorded for this period. As a percentage of claims complaints as a percentage of claims this is 7.47%

### ***Claims withdrawn***

Out of the 1874 claims registered for this period 541 were withdrawn.

### ***Remuneration and justification of services provided***

We consider that the commission payable to the distribution partners for this product is appropriate and in line with the costs associated with the provision of distribution channels for this product, as well as the costs associated with ongoing policy administration.



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