



Home Gold insurance and Home Platinum insurance products (SmartQuote)

Ongoing Value Assessment Output

Regulatory Information to be considered for Distributor Product Guide

The Insurance Distribution Directive (IDD) and subsequent updates from the FCA focused on delivering product value require Product Manufacturers to provide specific information to distributors about the intended target market, product design and value expectations of each product they have access to.

The information must be of an adequate standard to enable distributors to:

- understand the insurance product and its intended value for the target market;
- comprehend the identified target market for the product;
- identify any customers for whom the product is not;
 - compatible with their needs, characteristics and objectives; or
 - for whom the insurance product is unlikely to provide fair value;
- understand how we have developed, and evaluated the value of the product; and
- carry out distribution activities for the product in accordance with the best interests of their customers.

Much of the detail contained within our Policy Documents will cater for some of these requirements, however to ensure an appropriate level of granularity about the target market, the value expectations and product development process as well as other related requirements, Liverpool Victoria Insurance Company Limited has chosen to provide this information to its distributors by means of a standardised non customer facing document, a Distributor Product Guide, specific to each Product.

Requirement	
<p>Statement that document is for distributors only & does not contain the full T&C's. Must also signpost to Main features and characteristics as well as their risks and costs, including implicit costs.</p> <p>PROD 4.2.30</p>	<ul style="list-style-type: none"> • This guide is for distributor 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 or find them on our website Home Insurance LV=GI Intermediaries (lvgi-intermediaries.co.uk)

Product Information

Appropriate information on the: **target market assessment & product approval (design) process & intended customer value**

PROD 4.2.29(2) + 4.2.29A(1) + 4.2.32

Our target market is broadly established through our New Product Approval Process which governs the design and implementation of our retail products. This process ensures that we meet the demands and needs of our target market.

Our product value assessment process takes into account our responsibilities under Consumer Duty and ensures that we have an ongoing process to ensure value, the needs of our customers are being met and we avoid foreseeable harm.

We work with trade bodies like the ABI to understand factors affecting property insurance and how we may change our products to better meet customer needs.

LV= Home Gold and Platinum insurance has been created to meet the common risks and material damage that can occur to buildings and contents of domestic dwellings while ensuring value to each customer through the ability to tailor the selection of cover for specific requirements.

Target Market

Describe the **identified target market** (at a suitably granular level)

PROD 4.2.29(3) + 4.2.30

LV= Home insurance products sold through our Intermediary channel (predominantly via financial advisers) are aimed at individual, self-contained domestic properties located in the UK (excluding the Channel Islands and the Isle of Man), and their contents. We offer 2 home insurance products (Home Gold and Home Platinum) for homeowners who need Buildings and/or Contents insurance and renters who need contents only insurance. Policy cover/limits improve/increase from the Home Gold insurance to the Home Platinum insurance product, to reflect the fact that intermediaries target customer groups have different budgets, sums insured needs and attitude to risk.

Home Gold insurance mass market product targets customers who want their Buildings covered up to £1.5 million and/or Contents covered from £80K to £150K, with Home Emergency included as standard. There is the option to add full Accidental Damage cover and Family Legal Protection cover.

Home Platinum insurance executive product targets customers who want their Buildings covered up to £1.5 million and/or Contents covered from £80K to £150K, with full Accidental Damage cover, Home Emergency and Home Legal Expenses included as standard.

You can find our full target market documents by visiting the home section on our literature page [Our Documents | LV=GI Intermediaries \(lvji-intermediaries.co.uk\)](#)

Who the product is **not suitable for**
PROD 4.2.31(c) + 4.2.32(b)

- Our products do not target high-risk flood and/or subsidence properties or customers with adverse claims experience
- Customers who need higher levels of cover
- Customer with unspent criminal convictions (not including motoring convictions)
- Non-UK residents
- Properties that are unoccupied

Any identified group of customers for whom the product is **not expected to provide fair value**

PROD 4.2.17A +4.2.29A(3) + 4.2.31 + 4.2.32

- Customers looking for cover for breakdown of household appliances where a warranty policy may be more suitable, or where they are looking to be covered for wear and tear
- Customers who need higher levels of cover
- Customers with unspent criminal convictions (not including motoring convictions)
- Non-UK residents
- Properties that are unoccupied

Product Value Assessment

Appropriate information on the: **product approval (value assessment) process**

PROD 4.2.29(2) + 4.2.29A(2)

Our value expectations from customers in the target market are:

- Competitively priced products
- Product features and benefits that meet demands and needs
- Easy to do business with (buying/amending/renewing/claiming)
- Clear documentation
- Knowledgeable and helpful staff with high CSI ranking
- Fair and efficient claims service
- Awareness of vulnerability at all touchpoints and able to make reasonable adjustments to accommodate.

Our fair value assessment process examines and considers:

- Customer Journey
- Policy Wording
- Benefits and Limits
- Excesses and Charges
- Complaints
- The needs of vulnerable customers
- Key value metrics e.g. claims frequency, claims acceptance rates, cancellations etc
- The Consumer Duty principles to avoid foreseeable harm

We also consider how the intended value of the product may be affected by its distribution.

Our September 2023 assessment has concluded that our LV= Home insurance Products sold via our Intermediary channel, including its charging and distribution structure, is compatible with the needs, objectives and characteristics of the target market and provides fair value.

We will continue to explore extending and refining the product using market insight and customer feedback, but we do not believe any changes are necessary to provide value.

Our distribution by Intermediaries does not create any risk of this product not providing fair value to customers.

We've considered the commission paid to Intermediaries to distribute this product and do not believe it has an impact on fair value to the customer.

Distribution Strategy

Distribution strategy

PROD 4.2.30

- LV= Home Gold insurance and Home Platinum insurance are distributed through our Intermediary channel predominantly by financial advisers.

Potential Conflicts

Any circumstances which might cause a conflict of interest to the detriment of the customer.

PROD 4.2.30

None.

Product value feedback

Feedback mechanism

If you have any concerns about an LV= product not delivering its intended value, including in relation to potential adverse customer or product value impacts from the distribution arrangement, please notify us of the relevant details by sending an email to GIIFASupport@lv.co.uk

Further Detail of the Regulatory Requirements

For ease of reference and to assist with content consideration the relevant sections of the FCA's [Product Intervention and Product Governance Sourcebook \(PROD\)](#) as specified in the Requirement column of the table above is included below.

Ref	Requirement
PROD 4.2.17A R	<p>(1) (For a non-investment insurance product, when identifying the target market a firm must identify if there are groups of customers for whom the product or package would not provide the intended level of value identified for PROD 4.2.14AR and, where relevant, PROD 4.2.14BR.</p> <p>(2) (A firm must take reasonable steps in its use of the distribution arrangements to ensure the product is not distributed to any such groups of customers identified in (1). The information required in PROD 4.2.29R to be provided to distributors must include a clear description of these customers.</p>
PROD 4.2.29 R	<p>A firm which manufactures an insurance product, must make available to a distributor:</p> <p>(1) all appropriate information on the insurance product</p> <p>(2) all appropriate information on the product approval process; and</p> <p>(3) the identified target market of the insurance product.</p>
PROD 4.2.29A G	<p>For a non-investment insurance product, the information required by PROD 4.2.29R should include:</p> <p>(1) all appropriate information to enable the distributor to understand the intended value of the insurance product established by the firm;</p> <p>(2) any effect the distributor may have on the intended value that has not been fully taken into account by the firm when assessing value, and therefore which the distributor should take into account; and</p> <p>(3) any type of customer for whom the insurance product is unlikely to provide fair value.</p>
PROD 4.2.30 EU	<p>Manufacturers shall provide insurance distributors with all appropriate information on the insurance products, the identified target market and the suggested distribution strategy, including information on the main features and characteristics of the insurance products, their risks and costs, including implicit costs, and any circumstances which might cause a conflict of interest to the detriment of the customer. That information shall be clear, complete and up to date.</p>
PROD 4.2.31 EU	<p>The information referred to in 4.2.30 shall enable the insurance distributors to:</p> <p>(a) understand the insurance products;</p> <p>(b) comprehend the identified target market for the insurance products;</p> <p>(c) identify any customers for whom the insurance product is not compatible with their needs, characteristics and objectives;</p> <p>(d) carry out distribution activities for the relevant insurance products in accordance with the best interests of their customers as prescribed in Article 17(1) of Directive (EU) 2016/97.</p>
PROD 4.2.32 R	<p>(1) A manufacturer must make available to any distributor information about the target market assessment.</p> <p>(2) The information made available under (1) must be of an adequate standard to enable distributors to:</p> <p>(a) comprehend the identified target market for the insurance products; and</p> <p>(b) be able to identify any customers for whom the insurance product is not compatible with their needs, characteristics and objectives.</p> <p>(3) A manufacturer is not required to disclose specific information objectively considered to be commercially sensitive if the information it does make available would still allow distributors to meet (2)(a) and (b).</p>

