

LV=



Value Assessment Information for Distributors 2024

LV= Home (IFAs)



**GENERAL INSURANCE
INTERMEDIARY**

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1. Purpose of this document

This document is intended to meet requirements under PROD 4.2 where we are required to make available to distributors all appropriate information on the insurance product, all appropriate information on the product approval process; and the identified target market of the product. This document is intended to be a guide for distributors and explains the basis of our value assessment as well as our conclusions.

Our August 2024 assessment has concluded that our LV= Home products including the charging and distribution structure are compatible with the needs, objectives and characteristics of the target market and provide fair value.

This document doesn't contain the full terms and conditions of our policy – we can share these documents if required.



2. Product Design Process

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 ensuring 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 issues affecting property insurance and how we may refine our products to better meet evolving customer needs.

LV= Home 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.



3. Target Market

LV= Home insurance is aimed at individual, self-contained domestic properties located in the UK, 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 and limits increase from Home Gold to Home Platinum to reflect the fact that target customer groups have different budgets, sums insured needs and attitude to risk.
- Home Gold is a mass market product which targets customers who want their buildings covered up to £1.5million and/or contents from £80,000 to £100,000 with Home Emergency included as standard. There is the option to add enhanced Accidental Damage cover and Family Legal Protection cover.
- Home Platinum is an executive level product which targets customers who want their buildings covered up to £1.5 million and/or contents from £80,000 to £100,000 with enhanced Accidental Damage cover, Home Emergency and Home Legal Expenses included as standard.

The product is not suitable for the following customers and is not expected to provide fair value for:

- Customers living in high-risk flood areas and/or properties that have suffered subsidence.
- Customers with adverse claims experience.
- Customers who need higher levels of cover than provided by the product.
- Customers with unspent criminal convictions (not including motoring convictions).
- Customers who are not UK residents.
- Customers with a property that is unoccupied.
- 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.

The product is distributed via Independent Financial Advisors.



4. Value expectations from customers in the target market

- A product that is competitively priced.
- A product rich in features and benefits (as evidenced by Defaqto 5 star rating for Gold and Platinum) that meet their demands and needs.
- A firm that is easy to do business with when buying, amending, renewing or claiming.
- A firm that provides clear documentation.
- A firm that provides knowledgeable and helpful staff with high CSI ranking.
- A firm that provides a fair and efficient claims service.
- A firm that has awareness of vulnerability at all touchpoints and is able to make reasonable adjustments to accommodate.



5. Fair Value Assessment Process

Our Fair Value Assessment process examines and considers the following:

- Customer journey.
- Policy wording and key terms and conditions.
- 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.
- How the intended value of the product may be affected by its distribution.



6. Conclusion

Our August 2024 assessment has concluded that our LV= Home products, including their charging and distribution structure, are compatible with the needs, objectives and characteristics of the target market and provide fair value.

We continually monitor all of our products using market insight and customer feedback, but we do not believe any changes are necessary at this time.

We've considered the commission paid to IFAs as well as the distribution model and we do not believe it has an impact on fair value to the customer.

We do not believe there are any circumstances which might cause a conflict of interest to the detriment of customers.

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 contact your account manager.

