



# **Fair Value Assessment and Target Market Statement**

Assurant Home Emergency Scheme

Distributor Information Pack

February 2026

## Introduction

You are receiving or viewing this document because you are involved in the distribution of an insurance product manufactured by Bspoke Underwriting Ltd (BSU).

In accordance with PROD 4.2.29 to 4.2.32 this document provides:

1. all appropriate information on the insurance product
2. all appropriate information on the product approval process; and
3. the identified target market of the insurance product.

It includes

1. all appropriate information to enable you to understand the intended value of the insurance product established by us.
2. any effect you may have on the intended value that has not been fully taken into account by BSU when assessing value, and therefore which you should take into account; and
3. the intended target market for the product and any type of customer for whom the insurance product is unlikely to provide fair value.

## Product Oversight and Governance

This section contains important information about the manufacturer, product and associated product approval process and fair value assessment.

### Co-Manufacturer– BSU/WICE

BSU is a regulated entity as detailed below and in the period of review were the Co-Manufacturer of the product with the insurer (WICE).

Registered Company Name	Registered Office	Company No.	FRN
Bspoke Underwriting Limited	Brookfield Court, Selby Road, Leeds, West Yorkshire, LS25 1NB	04506493	310101

### Product Review and Approval Process

In line with the FCA regulations outlined in PROD 4 BSU operates a Product Oversight and Governance (POG) process. In accordance with this process the product detailed in this document has been reviewed and approved by the firm’s Product & Scheme Governance Forum and is subject to ongoing monitoring and formal periodic review.

Any significant changes or adaptations to the product are subject to review and approval before being distributed to customers.

### Fair Value Assessment

In accordance with the requirements in PROD 4.2 BSU have defined what value means in the context of its business model, and have taken into account a range of factors in its assessment including:

- Target market characteristics and needs
- Potential customer vulnerability and any impact or mitigation
- Value measures and KPIs
- Distribution methods and remuneration
- Product risk ratings
- Operational and claims service levels and outcomes

The fair value assessment is conducted as part of the periodic product review with KPIs and metrics monitored on an ongoing basis.

## Product Review and Fair Value Assessment

The following section contains information on the insurance product, details of the review and BSU's assessment of value.

<b>Product Manufacturer Name</b>	BSU/WICE
<b>Product name</b>	Assurant Home Emergency
<b>Product type</b>	Assistance
<b>Class of business</b>	Home Emergency
<b>Insurer</b>	Watford Insurance Company Europe Limited
<b>Date of Review</b>	September 2025
<b>Period of Review</b>	August 2024 – August 2025
<b>Type of Review</b>	Annual
<b>Approved by</b>	BSU Board
<b>Date of next Review</b>	September 2026

### Target market statement

This Target Market Statement explains the types of customers BSU's product is designed for, types of customers it is not suitable for and how BSU expect it to be distributed. This document is not intended for customers or operational sales staff.

In many instances, customers may have need for more than one product and they may then be offered a combination that would be compatible with those needs, subject to the eligibility criteria for each product. They should not be offered combinations of products that do not provide fair value.

Risks of customer harm can be avoided by ensuring the customer's needs, objectives, interests and characteristics are met by the product and coverage selected, taking into account and adjusting for any aspects that may make them vulnerable customers (e.g. poor health, resilience or capability).

<b>Target market</b>
<p>The target market for this product are:</p> <ul style="list-style-type: none"> <li>• individuals in the UK who own a UK domestic property (defined as England, Scotland and Wales, and does not include the Channel Islands and the Isle of Man) with a building sum insured of up to £750,000 and up to a maximum of 6 bedrooms or one or more let properties in the UK with a building sum insured of up to £2,000,000 and 5 bedrooms; and</li> <li>• who have a main residential or let property insurance product in place that covers loss or damage to buildings and any liability to the public.</li> </ul> <p>The target market will be purchasing their main residential or let property policy/policies through a mortgage broker or IFA or an insurance broker and wish to include home emergency as an optional add on to their core household policy.</p>
<b>Type of customer the product would be suitable for</b>
<p>The product is suitable for:</p> <ul style="list-style-type: none"> <li>• Individuals who live in the UK permanently</li> <li>• Owners of a property in the UK which they reside in</li> <li>• Owners of a property in the UK which is occupied as a let property</li> </ul> <p>Individual customers over the age of 18 that require emergency assistance in the event of a loss either to make the property safe or to mitigate further loss.</p>

**Types of customer for whom the product would be unsuitable**

The product is not suitable for:

- Those not resident of the UK
- Those looking to insure property outside of the UK.
- Those looking to insure properties used for commercial activities and/or who run a business from their home.
- Those who intend to use their property infrequently and cannot meet the unoccupancy criteria
- Those individuals with pre-existing faults to their water or heating system and who wish to claim for damage to their property as a result of these faults
- Those who live in a property with more than 6 bedrooms if residential and 5 bedrooms if a let property
- Those who have a boiler/ heating system over 10yrs old
- Those with CCJ's, adverse credit or criminal convictions.

**Available Covers**

This is a modular product that allows intermediaries to create an insurance solution to meet the needs of the specified target market. The following covers are available:

Cover	Mandatory
<p>The Assurant Home Emergency insurance provides the following cover:</p> <ul style="list-style-type: none"> <li>• Maximum £500 per claim</li> <li>• Maximum 5 claims per policy</li> <li>• Failure of, or damage to, the electricity supply</li> <li>• Failure of, or damage to, the plumbing and drainage system, including the toilet(s) which causes internal water leakage; flooding; or water damage</li> <li>• Complete failure of the primary heating system</li> <li>• Leakage, collapse, or blockage of the mains water supply between the stopcock in the home and the point where it is connected to the public or shared water supply</li> <li>• Repair or replacement of any damaged section of internal gas supply pipe following a gas leak</li> <li>• Failure of, or damage to, external locks where the insured is unable to access the home or are unable to secure it</li> <li>• Emergency damage to roofing</li> <li>• Alternative accommodation</li> <li>• Pest Control</li> </ul>	<p>Yes</p>

**Any notable exclusions or circumstances where the product will not respond**

The following significant exclusions and limitations apply to the policy:

**Significant Exclusions**

- Loss of, or damage to, electricity supply where the whole of the home is not affected
- Leaks from sinks, baths, or showers where the leak only occurs when the item is in use
- Loss of hot water if there is an alternative means of heating water, for example: an immersion heater
- The repair or replacement of parts if the boiler is deemed beyond economical repair
- Gas leaks where the leak has not been isolated by the gas distributor
- Double glazed windows unless both panes of glass have been damaged
- Loss of keys where an alternative set is available to use

- Wear and tear or lack of maintenance
- The policy excess
- More claims than the call out limit
- Boilers over 10 years of age
- Any claims caused by or resulting from infectious or contagious disease

**Restrictions/Limitations**

- The insured home must be located within the United Kingdom (defined as England, Scotland and Wales, and does not include the Channel Islands and the Isle of Man)
- The home must not be left unoccupied for more than 30 days at any one time
- The insured cannot claim for any known/pre-existing faults or problems which are likely to lead to an emergency
- The insured is required to pay the first £65 towards a claim if their boiler breaks down if they cannot provide evidence that the boiler has been serviced within the last 12 months

**Features you should be aware of when considering this product**

Your firm’s sales journey should identify the eligibility of customers and ensure that information is presented to them in a way that supports them through the process and enables them to make an informed decision whether the product meets their needs.

Where there are different underwriting and cover options available for this product customers should consider which option best suits their needs and circumstances.

Your firm’s customer journey and interactions should highlight and identify any customers with potential areas of vulnerability and address them accordingly.

**Intended method of Distribution**

The product should be sold by an authorised insurance intermediary, in line with FCA regulation and has been approved for retail distribution whether advised or non-advised. The sale of the product can be via online, telephone or face-to-face channels.

If the product is distributed to the customer via more than one broker (including ARs) then the second-tier broker:

- should not have their own agency with any BSU entity.
- must deal directly with the end customer rather than through a third-tier broker.

**Distribution costs, fees and remuneration**

The product supports the payment of commission to distributors within the ranges detailed in your Agreement with BSU (or its approved representative). If fees are charged to the customer for new business or renewal your firm should ensure this does not erode the value of the product and is commensurate with the work done in the Distribution chain.

Where a policy is cancelled mid-term and outside the cooling off period the return premium to the customer must be at a gross level and include the proportion of commission paid.

**Value Assessment**

BSU are satisfied that the pricing, the cover, the design of the product, the claims settlement process, and the distribution methods chosen by BSU results in a product that represents fair value to the end customer.

Claims rate	
Claims as a % of customer premiums	
Cancellation rate	n/a
Claims acceptance rate	
Claims complaints rate	
Distribution commission	

- The claims rate was rated red at the time of the review, but the scheme was not fully earned and the claim rate is expected to rise as more claims are received against recent policy sales leading to an improvement in performance against this KPI measure.
- The claims rate in the last full binder year was slightly below the expected FCA FVA measure although it should be noted that BSU have not identified any barriers faced by the customer to be able to log a claim, in terms of clarity of the claims process outlined within the policy documentation.
- At the time of the review, the claims acceptance rate for the current binder year was based on seven claims having been received so is not a true indicator of performance. In the last full binder year (2023) the claims acceptance rate was in line with FCA value measures. As the binder year matures and more claims are received, a more representative claims acceptance rate can be determined. This measure will continue to be monitored by BSU.
- Similarly, claims as a % of premium is expected to rise as more claims are logged against the scheme and past full year performance is just slightly below the tolerance as per FVA measures.

**Other information which may be relevant to distributors**

This product does not adversely impact vulnerable customers and delivers outcomes that are the same as those for customers with no characteristics of vulnerability.

As part of the process of assessment, BSU have reviewed, amongst other things:

- General market pricing
- BSU's pricing in relation to the product loss ratio
- Product value over a reasonably foreseeable future period
- Renewal retention
- Mid-term cancellations rates
- Operational and claims service levels and outcomes
- Customer complaints
- Distributor feedback
- BSU's pay-aways and the general distribution costs of its broker panel as disclosed to BSU.
- Customer needs and any changes in the last 12 months

BSU have also considered the pricing and premiums in relation to FCA regulations in PS21/5, ICOBS 6B and Consumer Duty and are satisfied BSU comply with the necessary requirements.

As part of BSU's assessment, BSU have concluded that time will not diminish the value of the product to the end customer. The customer may report a claim on the last day of the policy period and receive a settlement that would not be distinctly different to the settlement he would have received had he reported the claim on the first day of the period of insurance. Claims are on an exposure date basis, and late notified or late developing claims are allowable.

This document should be read in conjunction with the Policy Wording and Insurance Product Information Document (IPID) for the product.

**Statement of Demands and Needs**

This product meets the needs of customers who are taking out a home/let property insurance product and wish to add on home emergency cover at the same time.

**Conclusion of BSU's fair value assessment**

Fair value assessment outcome	The product has been approved as providing fair value for target market customers and continued distribution	Yes
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