

# Aviva Latent Defects Insurance

## Target Market Statement

This document has been prepared by Aviva Insurance Limited to provide an overview of our Commercial Lines Latent Defects Insurance product. It is intended to help distributors understand the target market for this product at new business. In addition, distributors should consider whether any changes in circumstances may result in some features of the product no longer being suitable (for example distribution channel, features/covers, communication method and payment method).

Aviva Insurance Limited will overlay some eligibility and risk acceptance criteria which will be applied and shown through the quote process. This will result in some customers for whom the product is suitable not being eligible due to our current risk appetite.

Aviva Insurance Limited is the Product Manufacturer for this product and may source elements of cover from third parties. Full details are contained within the policy documentation.

### Eligibility Criteria?

- Is available for customers who require up to £200,000,000 Total Sum Insured.
- Commercial new build construction above £10,000,000 Sums Insured, including office, retails, industrial, wholesale distribution and leisure occupation.

### Who is Aviva Latent Defects Insurance suitable for?

- Aviva's Latent Defect Insurance product is designed for business customers who require insurance protection for commercial or industrial property for damage caused by design and/or structural defects not discovered before the cover commences.
- This product is designed for property owners, developers, financial institutions, landlords, tenants and leaseholders.

### Who is this product not suitable for?

- Customers who are not property owners, developers, financial institutions, landlords, tenants, leaseholders and contractors.
- Customers who are not involved in running a commercial business.
- This product is not suitable for consumers as defined by the FCA. A consumer is classed as any person who is acting for purposes which are outside their trade or profession.
- Customers that require short term cover.
- Not suitable for Residential Home Warranties.
- Not suitable for Overseas risks other than Western Europe and only in support of existing (CAR) and/or Property Investors connection.

## How can Aviva Latent Defects Insurance be sold?

- This product can be sold face to face via an Insurance Broker. Customers are sophisticated corporate buyers who will be guided by external legal experts and Insurance Brokers.

## What features should you be aware of when considering this product?

- Cover can be provided up to 12 years from the date of practical completion of the property and is freely assignable to future owners of the property during this timeframe.
- Before providing cover Aviva will appoint a structural engineer to carry out a Technical Audit of the design and construction. Their main objective is to try to identify potential problems and prevent any upheaval for owners or tenants of buildings with major damage.
- We recognise that some individuals have additional support needs, such as alternative formatted documents, when purchasing or understanding our products. Aviva Insurance Limited is committed to helping meet these needs. If additional support is required, please contact us to discuss how we can assist the customer.

- Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs.
- Whilst there is a degree of complexity driven by the need to select appropriate optional additional covers and tailor configurable elements of insurance, each element, limit or choice is sufficiently simple for customers to understand without advice as the underwriting method frees customers to engage with their cover selection.
- This product does not cover things such as:
  - Any anticipated or planned movement, settlement, shrinkage or expansion.
  - Abnormal use or overloading.
  - Wear and tear or inadequate maintenance.
  - Any change in colour or ageing process.
  - The contractors contractual obligations for snagging.
  - Any deductible at quotation stage.

## Optional additional covers/Extensions which are available with this product:

Ways to enhance cover – These options come at an additional cost and can be added to core cover to provide more comprehensive benefits			
Product cover option	This product is designed to provide financial protection if	Who could this option be suitable for?	Who is this product not designed to support, or are there any features that you should be aware of when offering this product to your customers?
<b>Loss of Rental Income</b>	<ul style="list-style-type: none"> <li>● The customer has suffered a loss of rental income due to property damage leading to tenants moving out and seeking alternative premises.</li> </ul>	<ul style="list-style-type: none"> <li>● Customers who want financial protection for loss of rental income due to property damage leading to tenants moving out and seeking alternative premises.</li> </ul>	
<b>Mechanical and Electrical</b>	<ul style="list-style-type: none"> <li>● The customer has suffered a loss in respect of their Mechanical and Electrical services.</li> </ul>	<ul style="list-style-type: none"> <li>● Customers who want financial protection for losses arising from issues with their Mechanical and Electrical services.</li> </ul>	

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