

# TARGET MARKET STATEMENT

## Motor Trade Combined



### Introduction

The purpose of our Target Market Statement is to provide clear information about who our products are designed for and how they should be distributed.

### Product Information

Cover is available on a comprehensive road risks basis and includes material damage, business interruption, employers', public & products liability (including defective workmanship), goods in transit, money, and assault plus the option to include wrongful conversion and loss of MOT licence.

Additional optional add-ons for business legal expenses as well as engineering inspection and insurance are available.

Section 1: Material Damage (including Glass)	Customer premises and Contents (inc Stock) can be insured against loss of damage
Section 2: Business Interruption (optional)	Cover can be provided for the reduction of trading profit, loss of revenue or increased cost of working following damage to your contents and/or buildings from an insured Peril as defined in Section 1.
Section 3: Goods In Transit (optional)	Cover can be provided in respect of damage to stock and/or business equipment (excluding vehicles) whilst in transit on land or water anywhere within Great Britain, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man.
Section 4: Loss Of Business Money And Personal Assault (optional)	Cover can be provided for loss of money (including vehicle excise discs) belonging to the business or for which it is responsible
Section 5: Wrongful Conversion (optional)	Loss following purchase of a vehicle from a person who does not legally own it
Section 6: Employers' Liability (optional)	£10M any one occurrence
Sections 7 & 8: Public And Products Liability (optional)	<ul style="list-style-type: none"><li>• Up to £5 million any one occurrence in respect of Public Liability</li><li>• Up to £5 million per period of insurance for Products Liability</li><li>• Up to £1 million per period of insurance for Communicable Disease</li></ul>
Section 9: Specified All Risks	Cover can be provided in respect of specified property within a range of Geographical limits.
Section 10: Refrigerated Stock (optional)	Cover can be provided in respect of loss or damage in respect of deterioration of frozen or refrigerated stock

Section 11: Road Risks (optional)

Cover can be provided in respect of motor vehicles the property of the insured or in their custody or control for the purposes of motor trade

Section 12: Commercial Legal Expenses (optional)

Provides cover up to £100,000 for your legal costs and expenses for all claims resulting from one or more event arising at the same time or from the same originating cause

## Target market

Our Motor Trade Combined product offers competitive cover for mid to large motor trade businesses with the option of flexible cover to meet the needs of Motor Traders that require bespoke and enhanced covers.

The policy is designed to enable such businesses to minimise disruption and continue to trade following impact from insured perils such as theft, flood, fire, or legal action.

## Types of customers for whom the product would be unsuitable

- Non-commercial customers

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

Not Applicable

## Information for our distributors

Distributors are expected to have considered the customer's needs and characteristics to ensure that the product and coverage selected meet their requirements. They should also consider any aspects that may make the customer be deemed vulnerable, such as poor health, resilience, or capability.

Any commission, fees or charges passed onto the customer must be proportionate to the service provided and provide fair value to the customer.

## Our annual review process and assessment of Fair Value

As part of the annual review process and fair value assessment of our Motor Trade Combined product we ensure that:

- We understand the value to customers in providing the products and the impact of vulnerability
- The products provide value for money within the market they support
- The products deliver high quality service and customer experience
- The level of sales, renewals and cancellations are in line with expectations, with no adverse trends identified
- Our products remain in line with market benchmarking and target market suitability
- Product performance is analysed, including claims and complaints data
- There are no barriers to making a claim

Our robust process identifies any improvements and follows a rigorous sign off process.

Further information regarding our product approval process can be found [here](#)

## Product Review and Fair Value Assessment Outcome

Our Motor Trade Combined review and fair value assessment process was completed during Q3 2024. The assessment has shown that our Motor Trade Combined product meets the fair value requirements under PROD 4.3.

Please see below for the outcome of the review.

VALUE PRINCIPLE	MEASUREMENTS
<b>Understand the value to customers in providing the product</b>	<ul style="list-style-type: none"><li>• This product continues to address customer needs in provision of all risks, modular cover, in line with target market expectations and market benchmarking</li></ul>
<b>Ensure product delivers high quality service and customer experience</b>	<ul style="list-style-type: none"><li>• A comprehensive review of annual claims and declination data was analysed which indicated that performance and service were as expected with no barriers to claim</li><li>• Consistent claims levels against cover sections and perils indicating key cover areas in place</li><li>• Complaints analysis completed with no trends or issues identified</li></ul>
<b>Ensure level of sales are in line with our &amp; customer expectations</b>	<ul style="list-style-type: none"><li>• Sales of our products continue to fall in line with sales expectations with no issues highlighted</li><li>• Our products demonstrate high retention rates and low cancellation rates which indicates ongoing customer satisfaction</li></ul>
<b>Provide a product that offers cover that is in line with target market suitability</b>	<ul style="list-style-type: none"><li>• A full market comparison exercise was completed to benchmark our products and that we continue to offer market comparable cover and services</li></ul>

**ASSESSMENT DATE:** Q3 2024

**Next Assessment Date:** Q3 2025

### COVEA INSURANCE PLC

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