



Motor Trade One

Introductory statement

FCA Product Intervention and Product Governance Sourcebook rules (“PROD”) require product manufacturers such as NIG to share information with distributors about the intended target market for their products.

This Target Market Statement explains the types of customers our product is designed for, types of customers for whom it would not be suited and how we expect it to be distributed. It 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).

Target market – target customer statements

Target market needs statement

This policy meets the needs of motor trade businesses that have retained the services of a professional insurance intermediary to advise them.

These customers will require protection for some or all of the risks outlined in “available covers” below, which cater for a variety of damage (e.g. to buildings, plant, machinery, stock, etc.), liability-type events (employees, public and products) and road risks but can be tailored accordingly.

Target market objectives statement

Our target market seeks to be covered to ensure it is able to continue to operate despite otherwise serious eventualities, such as a fire, flood, theft or legal action. This risk transfer enables more effective use of business capital and management resources and helps fulfil the business’s obligations to employees, customers and wider society.

Target market interests statement

Our target market is looking for a product that allows flexibility in cover, that can be tailored to the specific needs of their business, a product that grows with their business (e.g. as they employ new people or move premises).

Target market characterisation statement

The majority of risks underwritten by U K Insurance Ltd under this product are UK-based small to medium sized enterprises in the motor trade who retain the services of a professional insurance intermediary.

Distribution

This product is only available through professional intermediaries via our regional trading teams. It can be sold with or without advice. We suggest it can be sold either face to face or via the telephone.

Target market – target compatible customer groups

Who this product is for	Who this product is not for
UK-based businesses	Businesses based outside the UK
Businesses that require a range of covers (see below) to meet typical business needs	Businesses requiring only individual unbundled covers, e.g. road risks
Businesses interested in transferring financial risk by insuring with an A rated insurer (A1 Moody's), with options to meet legal obligations (e.g. with Employer's Liability cover or Engineering Inspection) and additional other benefits (e.g. risk management advice or legal advice)	
Businesses that operate from modern, purpose built, non-combustible single tenure premises away from private dwellings	Unsuited or outdated premises, or multi-tenure risks with no perfect party separation and people working from home
Businesses with modern machinery that is well maintained	
Established businesses with a proven 3–5 year claims experience	
Businesses with strong risk management cultures	
<p>A broad range of motor trades are acceptable.</p> <p>Target trades e.g. auto electricians, new and/or used car sales, car body and repair shops, motorcycle sales</p> <p>Standard trades e.g. windscreen fitters, tyre and exhaust fitters, paint sprayers, motor factors, LPG conversions, caravan sales, car supermarkets</p>	<p>Accident management companies</p> <p>Auctioneers</p> <p>Breakdown and recovery operators (greater than 25% of total business turnover)</p> <p>Breakers/ salvage yards</p> <p>Manufacturers</p> <p>Petrol filling stations (with no motor trade activities)</p>

Available covers

This is a modular product that allows intermediaries to create a commercial insurance solution tailored to the customer. The following covers are available:

Cover	1. Material Damage	Mandatory?	Yes
All risks cover which include specified perils (e.g. fire, theft, storm, flood, escape of water) and full “accidental damage” cover for damage to a range of physical assets including buildings, tenants’ improvements, plant, machinery, insured’s and customers’ vehicles and stock)			
Cover	2. Business Interruption	Mandatory?	No
Loss of gross profit following insured material damage to property			
Cover	3. Business Money & Personal Accident (Assault)	Mandatory?	No
Business money being lost, destroyed or damaged and injury caused to business staff during theft or attempted theft			
Cover	4. Wrongful Conversion	Mandatory?	No
Breach of implied warranty of title			
Cover	5. Employers’ Liability	Mandatory?	No
Business’s liability for injury to employees			
Cover	6. Public Liability	Mandatory?	Yes
Business’s liability for injury or property damage to third parties			
Cover	7. Defective Workmanship	Mandatory?	No
Business’s liability for injury or property damage due to defective workmanship or sale of defective goods			
Cover	8. a) Engineering Damage to Machinery & Plant b) Engineering Inspection c) Computer Insurance	Mandatory?	No
Explosion, collapse, breakdown or fragmentation of machinery, statutory or non-statutory inspection and losses resulting from damage to computer equipment			
Cover	9. Engineering Business Interruption	Mandatory?	No
Loss of business income following insured material damage to machinery and plant			
Cover	10. Legal Expenses	Mandatory?	Yes
Access to legal advice to help pursue or defend a variety of legal proceedings, including employment, contract and tenancy disputes, debt recovery and tax protection			
Cover	11. Goods In Transit	Mandatory?	No
Property in transit in the British Isles including vehicles			

Available covers [continued]

Cover	12. Fidelity Guarantee	Mandatory?	No
Theft of money or property by an employee			
Cover	13. Personal Accident	Mandatory?	No
Cover for insured people suffering bodily injury resulting in temporary or permanent disablement or death			
Cover	14. Terrorism	Mandatory?	No
Damage to property insured in Great Britain and consequential business interruption			
Cover	15. Road Risks	Mandatory?	Yes
Cover for liability to third parties (including passengers) in respect of compensation for injury or damage, legal costs and emergency treatment. Cover may be increased to include comprehensive or third party, fire and theft			