

# TARGET MARKET STATEMENT

## Motor Trade Road Risks



### 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

There are three levels of cover available under the Motor Trade Road Risks product:

Type of cover	Comprehensive	Third Party Fire & Theft	Third Party Only
Legal liability for death and injury to passengers, the public and their property	✓	✓	✓
Legal defence costs for manslaughter or causing death by dangerous driving	✓	✓	✓
Loss of or damage to vehicles by fire, theft or attempted theft	✓	✓	x
Accidental damage, vandalism or malicious damage	✓	x	x

The table below shows the benefits of this policy and the maximum amounts we will pay in the event of a claim:

Description	Maximum Cover
Legal liability for death and injury to anyone including passengers	Unlimited
Legal liability for damage to other people's property	£1 Million
Legal defence costs for manslaughter or causing death by dangerous driving	Unlimited
Loss and or damage to your vehicle caused by accidental damage, fire, theft or attempted theft	Minimum of: Trade Market Value Own Vehicle indemnity Limit Chosen*
Loss and or damage to a vehicle not the property of you, your spouse or any person named on the Certificate of Motor Insurance and in your custody or control for the purpose of service, upkeep or repair, caused by damage, fire, theft or attempted theft	Minimum of: Market Value Customer Vehicle Indemnity Limit Chosen*
Audio equipment	£250

\*Indemnity is based upon the vehicle value limit selected.

## Target market

- Our Motor Trade Road Risks product is for full or part-time motor traders, working from commercial premises or from home, who require road risk cover for their own vehicles, or vehicles in their custody or control for motor trade purposes.
- The policy is designed to enable such businesses to minimise disruption and continue to trade following impact from insured perils.

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

This product is not suitable for anyone who is not:

- a motor trader or a self-employed person or persons actively operating a formal business, on a full or part-time basis, for profit, either selling vehicles or providing a service relating to the repair or maintenance of motor vehicles.

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

- Any vehicle which is not owned by the customer or their spouse, if he or she is named as a driver under the policy, leased to you on a lease agreement of a minimum duration of 12 months, or held in trust by you or in your custody or control for their motor trade business.
- There are additional young driver excesses:
  - Drivers aged under 25 years £500
  - Drivers aged 25 years and over with a full UK licence of less than 12 months £200

## 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 Road Risks product we ensure that:

- We understand the value to customers in providing the products
- 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](#)

## 2024 Product Review and Fair Value Assessment Outcome

Our Motor Trade Road Risks review and fair value assessment process was completed during Q4 2024. The assessment has shown that our Motor Trade Road Risks product meets the fair value requirements under PROD 4.3.

Please see below for the outcome of the review.

VALUE PRINCIPLE	MEASUREMENTS
Understand the value to customers in providing the product	<ul style="list-style-type: none"><li>This product continues to address customer needs in line with target market expectations and market benchmarking</li></ul>
Ensure product delivers high quality service and customer experience	<ul style="list-style-type: none"><li>A comprehensive review of annual claims and declinature 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>
Ensure level of sales are in line with our & customer expectations	<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>
Provide a product that offers cover that is in line with target market suitability	<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:** Q4 2024

**NEXT ASSESSMENT DATE:** Q4 2025

### COVEA INSURANCE PLC

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