

Construction Combined

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Product Target Market Statement (1/4)

Construction Combined

What is this Product?

- Construction Combined is a Commercial Lines product suitable for UK based customers operating in the construction and trades sector who require insurance for a range of construction related risks. Legal Expenses is provided as mandatory cover under this product:
 - **Legal Expenses** – Provides access to legal advice and cost protection to help pursue or defend a range of legal proceedings, including employment disputes, contract disputes, debt recovery, tax protection and legal defence, subject to the terms of the policy.
- Construction Combined is a modular product, allowing intermediaries to create a tailored insurance solution by selecting appropriate covers to meet the customer's needs. Depending on the customer's requirements, optional covers may include:
 - **Material Damage (Property Damage)** – Covers buildings, tenants' improvements, plant, machinery, tools, trade fixtures, contents, stock and materials against insured perils.
 - **Business Interruption** – Covers loss of income or increased costs following insured property damage.
 - **Goods in Transit** – Covers property while in transit within agreed territorial limits.
 - **Terrorism** – Extends Property Damage and Business Interruption to include insured losses resulting from certified acts of terrorism.
 - **Loss of Business Money & Personal Accident (Assault)** – Covers loss of business money and injury to employees during theft or attempted theft.
 - **Employers' Liability** – Covers legal liability for injury or disease sustained by employees.
 - **Public Liability** – Covers legal liability for injury to third parties or damage to third-party property.
 - **Products Liability** – Covers liability arising from products supplied by the business.
 - **Glass Breakage** – Covers breakage of fixed glass and sanitaryware.
 - **Specified All Risks** – Covers specified property against accidental loss or damage.
 - **Deterioration of Stock** – Covers damage to stock due to changes in temperature or refrigeration failure, where insured.
 - **Engineering Damage to Machinery & Plant and Engineering Inspection** – Covers breakdown of machinery and statutory or non-statutory inspection.
 - **Engineering Business Interruption** – Covers loss of income following insured engineering damage.
 - **Computer and Cyber** – Covers financial impact of cyber risks, data breaches and associated losses, where selected.
 - **Loss of Licence** – Covers loss of income following the loss of an alcohol licence, where applicable.
 - **Fidelity Guarantee** – Covers loss due to dishonest acts by employees.
 - **Personal Accident** – Covers accidental bodily injury to named individuals.
 - **Contractors All Risks** – Covers contract works, temporary buildings, hired-in property and tools.
 - **Non-Negligent Liability** – Covers accidental damage or injury arising from contract works, where required.
- The limits of cover provided by this Product are bespoke to the Customer and will be detailed in the Policy Schedule.

Product Target Market Statement (2/4)

Construction Combined

What Customer need is met by the Product?

- This Product provides the Customer, and any policy stakeholders, with protection against financial losses arising from specific insured events relating to construction activities, contract works, and associated business operations (for example, fire).

Who is this Product designed for?

- The Product is designed for customers operating within the construction and trades sector who own, manage, or are responsible for insuring assets and activities arising from construction related business operations, including contract works, plant, tools, materials and associated property.
- Construction and trade businesses carrying out building, contracting, refurbishment, maintenance or related activities.
- Customers or businesses domiciled in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, and the Isle of Man, looking to insure construction activities or premises located within these territories.
- Customers or businesses who require a flexible, modular insurance solution, with cover selected to meet the specific risks associated with their construction operations.
- Customers whose operations and risk profile are suitable for underwriting under a construction focused commercial combined insurance product.

Who is this Product not designed to support, or are there any features that you should be aware of when offering this Product to Customers?

- Not suitable for private individuals or consumers seeking to insure their personal residential property or household contents.
- Customers seeking cover solely for non-construction commercial property risks (for example, standard retail or office property exposures) where alternative Commercial Combined products may be more appropriate.
- Customers that already hold an existing insurance policy providing the same or substantially similar cover, where purchasing this Product would result in unnecessary duplication of insurance.
- Customers or businesses domiciled outside the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, or the Isle of Man, or seeking to insure construction activities or property located outside these territories (unless specifically agreed).
- Customers subject to economic, financial or trade sanctions, or any prohibition or restriction imposed by the European Union, United Kingdom, United States of America, or any other applicable law or regulation, including export control or licensing requirements.

Product Target Market Statement (3/4)

Construction Combined

Vulnerable Customers

- This product has not been designed to target customer groups with a higher likelihood of vulnerability. However, we recognise that any customer may experience vulnerability at any time due to personal circumstances.
- We design all products with this in mind and aim to avoid features that could lead to poor outcomes for customers with characteristics of vulnerability.
- Our colleagues and distributors are expected to be able to recognise when a customer may be in vulnerable circumstances and to respond with empathy and flexibility. This includes taking appropriate steps to understand the customer's needs and provide support that enables informed decision-making.

Can this Product be sold with or without advice?

- This Product can be sold with, or without advice depending on Distributor's preference, and in accordance with FCA regulations.

How can this Product be sold?

- This Product is always intermediated and sold via a Broker or Intermediary.
- This Product can be sold face to face, via telephone or by submitting a postal/email application.
- The sales journey must identify Customer eligibility and that this Product, and any optional elements, are consistent with the Customer's demands and needs. The sales journey must also ensure that key details are presented to the Customer in a timely manner that allows informed decisions to be made.

Eligibility and conditions, exclusions and excesses that may impact the outcomes that Customers may reasonably expect.

- The Distributor must always consider whether they have the correct product to meet the Customer's needs (including policy stakeholders).
- Eligibility and risk acceptance criteria will restrict access for certain risks which are outside of Intact's current strategy and risk appetite.
- Key eligibility and risk acceptance criteria includes:
 - Construction type,
 - Trade Type,
 - Geographic location of the Business,
 - Cover limit requirements,
 - Claims history.
- Policies for this Product are individually underwritten and individual indemnity limits, exclusions, and excesses that apply will depend upon the risk insured and will be stated in the Policy Quote and the Policy Schedule.

Product Target Market Statement (4/4)

Construction Combined

How is the value of this Product assessed?

- We assess Product Value using quantitative (i.e. metrics) and qualitative information (e.g. processes and controls), including data from our Distributors relating to service and remuneration¹, as appropriate.
- This Product has been approved in line with Intact's Product Governance processes, including consideration of:
 - the value of the Intact Product: this includes: (i) Cover – whether the level of benefits and relevant exclusions offers value to the Customer (including policy stakeholders), (ii) Utility – whether the Product is being used by the Customers of the intended target market (including policy stakeholders), and (iii) Intact Service – whether the type and quality of services being provided is reasonable for the Customer (including policy stakeholders),
 - the impact of distribution on the value: this includes whether Distributor remuneration is appropriate and bears a reasonable relationship to the services provided to the Customer (including policy stakeholders), by the Distributor. If there are concerns, Intact will follow up with the relevant Distributors to agree remedial action.
- Based on the assessment performed, we have established that this Product is compatible with the objectives, interests and characteristics of Customers of the intended target market (including any policy stakeholders) and that the distribution strategy is not detrimentally impacting the overall Product Value. We have therefore concluded that this Product provides fair value to Customers (including any policy stakeholders).

1. Remuneration includes commissions, fees, charges, payments, and other economic or non-economic benefits.

What are the obligations of our Distributors?

- Manufacturer notification – all intermediaries must regularly review their product distribution arrangements to ensure they remain valid and up to date. Distributors must notify the Manufacturer as soon as practically possible if there are any value concerns for which remedial action is required.
- Remuneration – Distributors must ensure that any remuneration received, including any commission paid away to other parties in the distribution chain, for an insurance product does not result in the product ceasing to provide fair value to the Customer (including policy stakeholders).
- Provision of information – if so requested, Distributors must provide the Manufacturer with: (i) information on the Distributor's remuneration in connection with distribution of the insurance product; (ii) information on ancillary products or services that may impact the intended value of the Manufacturer's primary insurance product; and (iii) confirmation that the distribution arrangements are consistent with the obligations of the firm under the FCA Handbook including SYSC 10 (Conflicts of Interest) and SYSC 19F.2 (IDD Remuneration).
- Price optimisation – if the Distributor is a price-setting intermediary, unless there is a reasonable basis, firms should not increase the price of the insurance product based on: (i) policies being subject to auto renewal compared to policies that are not subject to auto renewal; (ii) the Customer's vulnerability or any protected characteristics (unless the firm can rely on them under the Equality Act 2010); and (iii) where Customers purchase the policy using Retail Premium Finance.