

Contractors Annual

Review Type:	Target Market Statement
Review Completed:	Q3 2025
Review Period:	2024/2025
Next Review:	2026

Product Target Market Statement (1/4)

Contractors Annual

What is this Product?

- Contractors Annual Insurance is a Commercial Lines Product designed to provide Contractors' All Risks (CAR) cover for damage to permanent and temporary works normally associated with a construction project.
- Cover is arranged on an annual basis to cover all the Customer's contracting activity falling within the annual period of insurance regardless of when a contract commences or completes.
- Cover is provided for all works within the business description and up to the estimated contract price.
- The following mandatory covers provided:
 - **Contractors' All Risks (CAR)** – cover for damage to property as a result of permanent or temporary works associated with a construction project
- Depending on the Customer's requirements, cover can be extended to include the following optional covers:
 - **Terrorism** – cover for damage resulting from acts of Terrorism in Great Britain (cover not available in Northern Ireland).
 - **Employers' Liability** - protection against your legal liability for damages and legal costs arising from injury to any person employed by you in the course of their employment in your business.
 - **Public and Products Liability** - cover for your legal liability for damages arising out of accidental injury to any person or accidental loss or damage to third party property.
 - **Financial Loss** (only available where Public and Products Liability is selected) – cover for your legal liability for financial loss where no injury or damage has occurred.
- **Legal Defence Costs** - cover for legal costs and other expenses incurred or awarded against the customer in connection with the defence of a criminal proceeding arising out of an offence alleged to have been committed in the course of the business.
- **JCT Clause 6.5.1 Insurance** - Purchased by the Contractor on behalf of the Employer to provide protection against the employer's liability for loss arising as a result of non-negligent damage arising from specified perils to property (other than the contract works) while undertaking a building contract.
- The limits of cover provided by this Product are bespoke to the Customer and will be detailed in the Policy Schedule, however key benefit limits include:
 - **Employers' Liability** - £10,000,000 for any one event (restricted to £5,000,000 in respect of terrorism).
 - **Public & Products Liability** – minimum £1,000,000 for any one event (higher limits may be provided on request).
 - **Legal Defence Costs** – minimum £250,000 for any one period of insurance.
 - **Financial Loss** - minimum £250,000 for any one period of insurance (higher limits may be provided on request).

Product Target Market Statement (2/4)

Contractors Annual

What Customer need is met by the Product?

- This Product provides the Customer with protection for their contract works exposure against damage. This may be a requirement under a formal contract or to reduce their own financial exposure.

Who is this Product designed for?

- Customers operating as Small and Medium Businesses.
- This Product is designed for Customers who are:
 - Contractors wanting to insure against losses on construction projects being undertaken where they are responsible for damage to works and the insurance thereof (usually under contract), or,
 - Employers who need to frequently employ contractors for construction, extension, alteration, maintenance, or repair of their Property.
- Customers seeking cover for contracts undertaken in the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, and the Channel Islands.
- Customers who require protection offered by the Covers detailed.

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?

- Customers wanting to insure one specific contract whereas terms are to be considered on a Contractors Specific Insurance Product.
- Customers wanting to insure contracts incorporating activities outside the usual business description or contract values / periods over the policy limits. A Contractors Specific Insurance Product would be more suitable for these risks.
- Customers wanting to insure contracts located outside the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, and the Isle of Man.

- Consumers.
- Customers that have an existing policy in place providing the same cover and whereby purchasing this Product would give dual cover.
- Customers subject to any Economic Financial or Trade sanctions imposed by the European Union, United Kingdom, United States of America, United Nations or any other jurisdiction relevant to the parties, or any other prohibition or restriction imposed by law or regulation of the country of which this Policy is issued or would otherwise provide cover.
- Customers who do not require Contractors' All Risks cover.
- Customers who require cover exceeding the key benefit limits detailed.

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.

Product Target Market Statement (3/4)

Contractors Annual

Can this Product be sold with or without advice?

- This Product is only to be sold with advice by Brokers (Distributors) and in accordance with FCA regulation.
- This Product is supported by a Policy Summary.

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 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.
- Eligibility and risk acceptance criteria will restrict access for certain risks which are outside of Intact's current strategy and risk appetite.
- We will not pay any claim due to:
 - Radioactive contamination (except Liability Insurance Section 1 Employers Liability),
 - War and allied risks (except Liability Insurance Section 1 Employers Liability),
 - Or disease (except Terrorism Insurance, Liability Insurance and JCT 6.5.1 Insurance (or equivalent)).

- 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)

Contractors Annual

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 remuneration charged by the majority of Distributors 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 review their product distribution arrangements at least every 12 months and consider the impact of remuneration against the intended value of their products. 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.