

# Commercial Vehicle

<b>Review Type:</b>	Target Market Statement
<b>Review Completed:</b>	Q1 2026
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# Product Target Market Statement (1/3)

## Commercial Vehicle

### What is this Product?

- Commercial Vehicle is a Commercial Lines Product suitable for Customers who require insurance for motor vehicles used in connection with their business, with the following mandatory covers provided:
  - **Third Party, Fire and Theft** – Cover for liability to third parties (including passengers) in respect of compensation for injury or damage, legal costs and emergency treatment, and for loss of or damage to the vehicle caused by fire, theft or attempted theft.
- Depending on the Customer's requirements, cover can be extended to include the following optional covers:
  - **Comprehensive** – Third Party, Fire and theft (as above) plus damage to the insured vehicle, windscreen repair or replacement, Personal Accident, Medical Expenses and Foreign Use.
- The key cover sections will have limits which are bespoke to the Customer and will be detailed in the Policy Schedule however the following limits of cover also apply:
  - Third party property damage up to £5,000,000.

### What Customer need is met by the Product?

- This Product meets the requirements of UK Road Traffic Legislation and provides the Customer, and any policy stakeholder, with protection against financial losses arising from specific insured events relating to third party liability, and loss or damage to motor vehicles depending on the level of cover selected.

### Who is this Product designed for?

- Customers who require either social, domestic and pleasure use (with or without commuting), or carriage of own goods.

- Customers who require cover for only a single vehicle, up to 3.5 tonnes Gross Vehicle Weight (GVW).
- Customers who require protection offered by the compulsory covers detailed as a minimum.
- Customers who are aged 25 and above.
- Customers domiciled in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands and Isle of Man.
- Customers whose vehicles are UK registered.

### 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 who do not require the compulsory covers detailed as a minimum.
- Customers who require cover for multiple vehicles under one policy.
- Customers whose vehicle is not taxed, does not have a valid MOT or is registered SORN.
- Customers whose vehicle has been adapted, converted or modified, e.g. converted motorhomes or minibuses.
- Customers who carry goods which are not theirs, e.g. couriers or delivery drivers.
- Customers who require cover for more than 3 additional drivers plus the insured, or 3 named drivers if the insured is a company.
- Cover for drivers younger than the age of 25.
- Customers with businesses domiciled outside of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands and Isle of Man.
- Customers subject to any Economic Financial or Trade sanctions imposed by the European Union or United Kingdom or any other prohibition or restriction imposed by law or regulation of the country of which the Policy is issued or would otherwise provide cover.

# Product Target Market Statement (2/3)

## Commercial Vehicle

### **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 only be sold with advice and in accordance with FCA regulations.
- This Product is supported by a Policy Summary.

### **How can this Product be sold?**

- This Product can only be 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.
- 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 include:
  - Vehicle Type
  - Geographic location of the Customer
  - Vehicle Usage
  - Claims history
- The Product has standard policy excesses however these are increased where insured vehicle is a Tipper or a Pick-Up.
- 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 (3/3)

## Commercial Vehicle

### 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 remuneration<sup>1</sup>, 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, (ii) Utility – whether the Product is being used by the Customers of the intended target market, and (iii) Intact Service – whether the type and quality of services being provided is reasonable for the Customer,
  - 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, 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 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.

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.
- 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.