

Motor Trade

Review Type:	Target Market Statement
Review Completed:	Q1 2026
Review Period:	2024/25
Next Review:	2027

Product Target Market Statement (1/4)

Motor Trade

What is this Product?

- Motor Trade is a Commercial Lines Product suitable for Motor Traders who require insurance for their premises and road risks, with the following mandatory covers provided:
 - **Material Damage** – 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).
 - **Business Interruption** - Loss of gross profit following insured material damage to property.
 - **Engineering Damage to Machinery & Plant & Computer Insurance** - Explosion, collapse, breakdown or fragmentation of machinery, and losses resulting from damage to computer equipment.
 - **Engineering Business interruption** - Loss of business income following insured material damage to machinery and plant.
 - **Public Liability** – Business's liability for injury or property damage to third parties.
 - **Legal Expenses** – 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.
 - **Road Risks** – 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.
- Depending on the Customer's requirements, cover can be extended to include the following optional covers:
 - **Business Money & Personal Accident (Assault)** - Business money being lost, destroyed or damaged and injury caused to business staff during theft or attempted theft.
 - **Wrongful Conversion** - Breach of implied warranty of title.
 - **Engineering Inspection** - Statutory or non-statutory inspection of machinery.
 - **Employers Liability** - Business's liability for injury to employees.
 - **Defective Workmanship** - Business's liability for injury or property damage due to defective workmanship or sale of defective goods.
 - **Goods In Transit** - Property in transit in the British Isles including vehicles.
 - **Fidelity Guarantee** – Theft of money or property by an employee.
 - **Personal Accident** – Cover for insured people suffering bodily injury resulting in temporary or permanent disablement or death.
 - **Terrorism** – Damage to property insured in Great Britain and consequential business interruption.
- The key cover sections will have limits which are bespoke to the Customer and will be detailed in the Policy Schedule.

Product Target Market Statement (2/4)

Motor Trade

What Customer need is met by the Product?

- This Product meets the needs of professional Motor Traders operating from a single business premises, or franchised dealers operating from multiple locations, who require combined cover for their premises, stock and road risks.

Who is this Product designed for?

- Customers whose business is domiciled in the United Kingdom of Great Britain and Northern Ireland.
- Businesses operating from a commercial premises (not a private dwelling).
- Businesses which require the compulsory covers provided by this Product as a minimum.
- Target trades include, but are not limited to, Motor factors, New and/or used car or motorcycle sales, car body and repair shops, windscreen fitters, tyre and exhaust fitters, paint sprayers and car supermarkets.

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 with businesses domiciled outside of the United Kingdom of Great Britain and Northern Ireland.
- Customers who do not require protection offered by the compulsory covers detailed.
- Outdated premises, or multi tenure risks with no perfect party separation.
- Businesses operating from a private dwelling.
- Trades operating as Accident management companies, Auctioneers, Breakdown and recover operators (greater than 25% of total business turnover), Breakers/salvage yards, Manufacturers, Petrol filling stations (with no motor trade

activities).

- Businesses whose majority of turnover is obtained from work undertaken away from the commercial premises.
- 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.

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)

Motor Trade

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.
- 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 the 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:
 - Trade type
 - Type of premises
 - Construction of premises
 - Geographic location of the Business
 - Claims and trading 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)

Motor Trade

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, (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.