

Guardianship Bonds

Review Type:	Target Market Statement
Review Completed:	Q1 2026
Review Period:	2025
Next Review:	2029

Product Target Market Statement (1/3)

Guardianship Bonds

What is this Product?

- Guardianship Bonds is a Commercial Lines Product suitable for Customers to whom a requirement for a Bond of Caution has been issued by the Sheriff on behalf of the Scottish Court, when the Sheriff has appointed the Customer as a Guardian or Intervener in relation to an Adult's financial affairs.
- These bonds are required by law before you can take up the duties of your court appointment as guardian or intervener.

What Customer need is met by the Product?

- This Product meets the needs of Customers seeking protection of an Adult from the mishandling of their assets in that Intact acts as a Guarantor in the event of any fraud.
- This Product allows the life of the Adult to continue with the Guardian making financial and welfare decisions on their behalf.

Who is this Product designed for?

- This Product is designed for Customers that have been appointed by the Scottish Courts as a Guardian or Intervener to an Adult.
- Lay Guardians or Interveners managing estates of up to £500,000.
- Solicitor Guardians or Interveners managing estates up to £2,000,000.

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?

- Guardians or Interveners of any Adults outside of Scotland.
- Lay Guardians or Interveners managing estates more than £500,000.
- Solicitor Guardians or Interveners managing estates over £2,000,000.
- Customers requiring Guardianship Bonds under the English Office of the Public Guardian.
- Customers acting as Guardians of Minors.

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 (2/3)

Guardianship Bonds

Can this Product be sold with or without advice?

- This Product must be administered by a Solicitor who will provide appropriate advice to the Customer.
- This Product is supported by an Insurance Product Information Document (IPID).

How can this Product be sold?

- Whilst Customer conversations may take place face to face or via telephone, this Product must be administered by postal application due to the requirement to sign and witness original documentation.
- The sales journey must identify Customer eligibility and that this Product is 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 may be suitable for this Product but are outside of Intact's current strategy and risk appetite.
- Bonds are individually underwritten so indemnity limits that apply will depend upon the risk insured and will be stated in the document communicated to the Customer.

Product Target Market Statement (3/3)

Guardianship Bonds

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 and that the distribution strategy is not detrimentally impacting 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 (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.