



Cargo

Review Type:	Product Approval
Review Completed:	Q2 2024
Review Period:	2023/24
Next Review:	2025





Product Target Market Statement (TMS) (1/2)

Cargo

What is this Product?

- Cargo is a Commercial Lines Product which covers Customers for owned goods whilst in transit by air, sea, road, rail, post and carried on their own Vehicles, anywhere in the world other than to and/or from and/or within the territories shown in the Schedule as Excluded Territories.
- Cover can be extended to provide cover for stock within the Customer's own premises and third-party premises at named worldwide locations.

What Customer need is met by the Product?

- This Product covers the Customer's owned goods whilst they are moved and stored around the world.
- This Product provides Customers with the physical loss or damage cover to their goods subject to Conveyance and Maximum Limit within the Schedule.

Who is the Product designed for?

- This Product is suitable for small, medium or large commercial Customers who require insurance protection for owned goods moving around the world and can be extended to include stock as applicable.

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 that have an existing policy in place providing the same coverage and whereby purchasing this Product would give dual cover.
- Customers who carry other people's goods for reward for example road hauliers, couriers, freight forwarders, furniture removers.
- Customers wanting to insure Specie risk for example Bullion, precious metals, and fine art.
- Customer wanting to insure household and personal effects, and stock in isolation.
- Customers who require cover for goods to and/or from and/or within the territories shown in the Schedule as Excluded Territories.

- 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.

Can this Product be sold with or without advice?

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

How can this Product be sold?

- This Product is suitable to be sold by Brokers (Distributors) through online, face to face, telephone, email, or postal application channels.
- RSA's online platform Product is not suitable for non-UK domiciled Customers, or for stock risks.
- 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.
- RSA will overlay eligibility and risk acceptance criteria that will restrict access for certain risks which may be suitable for this Product but are outside of RSA's current strategy and risk appetite.
- Policies for this Product are individually underwritten so 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 (TMS) (2/2)

Cargo

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 RSA's Product Governance processes, including consideration of:
 - the value of the RSA 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) RSA 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, RSA 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.

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 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.

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