

## Commercial Combined (Hazardous Goods & Environmental) United Kingdom

### Target Market Statement

#### Product Type

This is an insurance product for customers domiciled in the United Kingdom, Channel Islands and the Isle of Man, who require specialist cover for customers operating within the hazardous goods, tankers and the environmental industry who require protection for their assets and liabilities.

#### Characteristics of the target market (who is the product designed for?)

This product is targeted at businesses in the following sectors:

- Manufacture, storage & supply of fuels & oils.
- Manufacture, storage & supply of chemicals.
- Hazardous goods haulage & distribution services.
- Tanker haulage & distribution services.
- Collection, storage & processing of liquid, hazardous & waste oil.
- Manufacture, storage & supply of lubricants.
- Storage and supply of liquid petroleum gas & other compressed gasses.
- Fuel storage installation, maintenance and cleaning.
- Environmental contracting & consultancy.

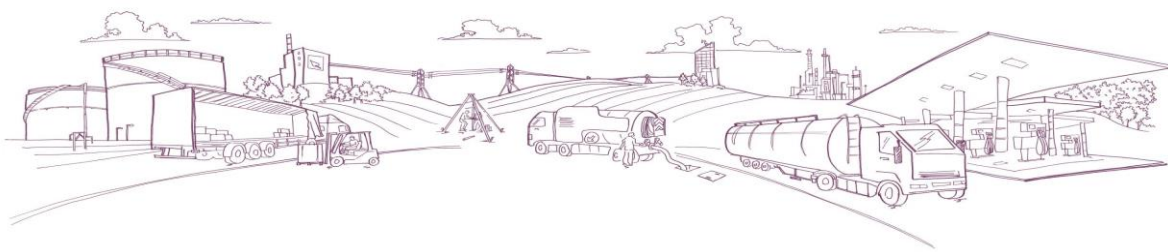
Other trades may be considered where the customer is operating in the hazardous or tanker industry.

This product is suitable for vulnerable customers when distributed via an intermediary that can provide the additional support needed.

#### Objectives, needs and interests of the target market (considering the key features and benefits of the product)

This is a purpose built commercial combined product specifically designed for the hazardous goods, tanker and environmental industry. This product provides customers with the following features and benefits where selected:

- **Material Damage:** Cover for damage to assets or property and clean-up costs in the event of an insured incident.
- **Business Interruption:** Cover for loss of profit or increased costs of working following an insured material damage claim at the customer's site, their supplier's site or their own customer's site.
- **Money & Assault:** Cover for loss of money, including cash and cross cheques including an assault on an employee during a theft of or attempted theft of the company's money.



- **Employers' Liability:** Cover for legal liability to pay compensatory damages, including fees and expenses, for injuries to employees during their employment.
- **Public, Product & Pollution Liability:** Cover for legal liability for death of or injury to third parties or loss of or damage to property including legal liability arising from goods and/or products sold or supplied. Cover is included for liability for incidents of sudden and unforeseen pollution.
- **Legal Expenses:** Cover for legal protection in specific areas including contract disputes, employment disputes, VAT investigations and tenancy disputes.
- **Personal Accident:** Cover for death, loss of limb or sight to employee at work caused by an accident other than whilst driving.

Specifically, customers will benefit from the following:

- Modular sections to meet their specific needs.
- Statutory environmental cover up to the full policy limit.
- Inner limit for own land pollution clean-up costs with increased limits available on request.
- 24/7/365 emergency environmental response with a specified helpline.
- 24/7/365 crisis response to help the customer with media, public relations, rehabilitation services and legal advice.
- Automatic increase to stock sum insured to cover changes in exchange rates and raw material costs.
- Business interruption vehicle extension for damage to vehicles on an insured site.

The product is designed to provide complementary cover to that provided under the Pen hazardous goods & environmental motor fleet United Kingdom policy.

### Who is this product not designed for?

This product is not suitable for customers:

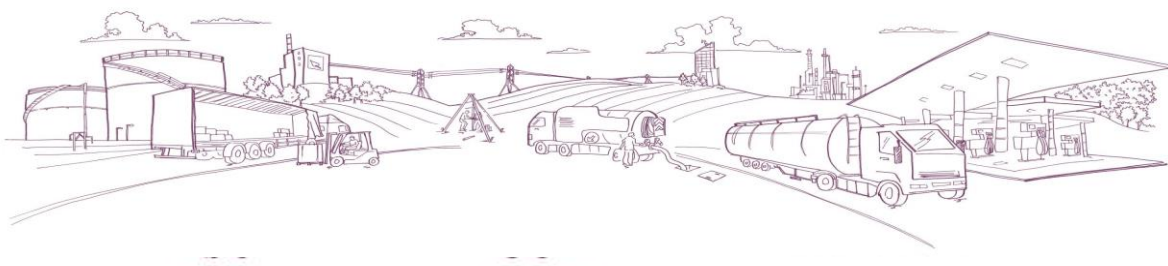
- Who are domiciled outside of the United Kingdom, Channel Islands and Isle of Man.
- Who do not operate in the hazardous or tanker industries.
- Who require a single section of cover only (other than Public Liability).

### How do we expect this product to be distributed?

This product should be sold with the active assistance and guidance of an insurance intermediary to select the appropriate level of cover. The product will only be distributed through scheme brokers to customers with whom Pen has an agency and not directly by Pen to customers.

This product is suitable to be distributed via a variety of intermediated sales channels, such as face to face, telephone, email, or by postal application by an intermediary with whom Pen has an agency.

Consideration should be given to the vulnerability of customers by the intermediary who should provide any support they may need.



### **What are the distributor value considerations?**

We expect all distributors in the chain to consider the following when selling Pen's products:

- The impact on product value of offering other products alongside this one, especially those with proportionally greater remuneration. For example, an ancillary product, elements of which may duplicate existing cover, or premium finance charged at an elevated rate of Annual Percentage Rate (APR).
- Additional commission, fees or charges added as part of distribution processes must be proportionate to the service provided, in line with those charged elsewhere, and not affect the overall value offered by the product.
- Distributors must ensure there is no duplication of cover as a result of any add-on products sold where appropriate cover is already provided by the policy.
- Distributors should consider the demands and needs and Consumer Duty requirements when dealing with customers.

### **Scope**

This document is intended to provide an indicative summary of the target market for this product and is not a summary of coverage. Please refer to separate policy documentation for full details of the coverage provided by the product.

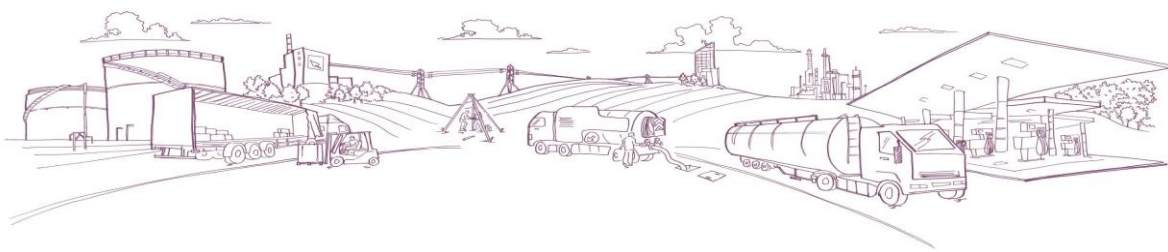
### **Product Approval Process**

Pen has a product approval process in place to ensure that there is appropriate oversight of all products where Pen is either a co-manufacturer or a distributor. The process includes a risk assessment process where due consideration is given to the impact of the product on the target market and the value of the product.

A diagram of Pen's product approval process can be found on the Pen website [here](#).

### **Important Information**

This target market statement should be used by all (co-)manufacturers and distributors of this product. (Co-)manufacturers and distributors should not create their own variation of this document. Where any party using this document has concerns about the accuracy or completeness of the information included, this should be raised to Pen urgently for discussion.



### Product Fair Value Outcome – Methodology

Pen has completed Fair Value Assessment work on products we co-manufacture. This is based on groupings of products which may be similar in features and are intended to be distributed to similar target markets.

This Product Fair Value Outcome Statement is not intended to replicate our Fair Value Assessments but sets out the approach taken and the outcome of the assessment.

### Distributor Remuneration

Pen agrees commission rates with each distributor and as part of the fair value assessment process has requested details of any additional fees that may be added in the distribution chain. The fee details received have been analysed and if Pen considers these could impact the value of the product this would be raised directly with distributors.

All distributors should be able to:

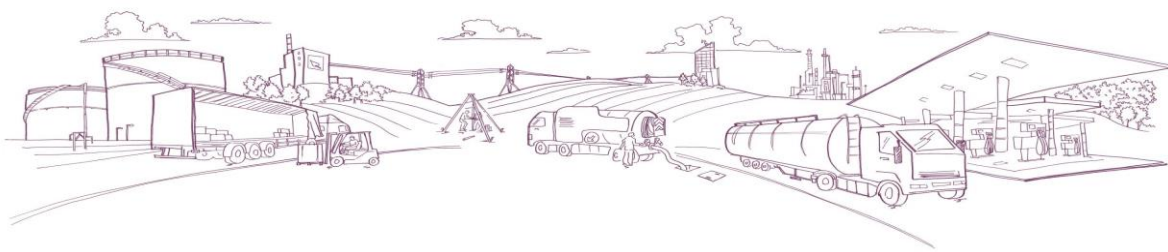
- Confirm annually that the commissions and fees they charge are reasonable relative to the service(s) they provide and the total cost of the product to the customer; and
- Justify that commissions and fees they charge are fair and support the intended value of the product.

### How Pen Assesses Value

Pen's product governance and oversight process requires a full review of all product groups at least annually to determine if the product offers fair value to the customer.

These reviews consider the following areas:

Target market	<ul style="list-style-type: none"> <li>• Target market reviewed to ensure the product meets the needs of the customer and will continue to do so for the life of the product</li> <li>• Identify the impact on vulnerable customers where applicable</li> </ul>
Distribution strategy	<ul style="list-style-type: none"> <li>• Appropriateness of the distribution channel, services offered and remuneration</li> <li>• Remuneration does not negatively impact the overall value offered by the product</li> </ul>
Market assessment	<ul style="list-style-type: none"> <li>• Market scrutiny to ensure the product aligns with current market trends</li> </ul>
Product design/lifecycle	<ul style="list-style-type: none"> <li>• Pricing</li> <li>• Regulatory requirements</li> <li>• Fees and charges</li> <li>• Product documentation</li> <li>• Performance of the product</li> <li>• Product changes</li> </ul>



Customer journey	<ul style="list-style-type: none"> <li>• Quality Assurance</li> <li>• Feedback from distribution</li> </ul>
Claims	<ul style="list-style-type: none"> <li>• Frequency and trends</li> <li>• Loss ratio trends</li> </ul>
Complaints	<ul style="list-style-type: none"> <li>• Feedback is reviewed to ensure the product continues to offer good benefit for customers</li> <li>• Reasons for complaints and volumes</li> <li>• Outcomes of complaints: whether they are upheld, not upheld</li> <li>• Identification of trends and root causes</li> <li>• Redress payments: volume and timescales</li> <li>• Financial Ombudsman Service: volume and outcomes</li> </ul>
<b>Fair Value Summary</b>	
<p>Pen has considered all relevant factors, including the total price paid by the customer, value MI, distribution and other considerations in this product design.</p> <p>Pen is satisfied that the product continues to provide fair value to customers and is suitable to continue to be distributed to the identified target market.</p>	

<b>Valid From</b>	23/09/2025
<b>Next Review Date</b>	On or before 23/09/2026

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