

Fleet Motor (Zurich)

Scope

This document is designed to offer a high-level overview of the intended target market for this product. It is not intended to serve as a summary of the coverage provided. For comprehensive information regarding the product's coverage, please refer to the relevant policy documentation. This document also evaluates whether the product delivers fair value to customers by assessing its features, benefits, pricing and distribution methods.

Target Market Statement

Product Type

This is an insurance product for fleet rated commercial motor business with within terms of binder.
Risks are all United Kingdom based, including Channel Islands or the Isle of Man.
A variety of trades are considered within appetite.

The product covers:

- Own Damage (when requested)
- Theft
- Third Party Liability
- Motor Legal Expenses

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

This product is targeted to customers located in the United Kingdom, Channel Islands or the Isle of Man, with a commercial business, of any size, operating in the following sectors:

- Businesses operating Own Goods & Trades with Cars, Light Commercial Vehicles, Heavy Goods vehicles, Minibuses, Buses, Coaches and Special Types.
- Passenger Transport.
- Carriage of Own goods.
- Service Industries.

Other activities may be considered where the customer is operating in trades associated or with similar exposures to the above.

Customers with characteristics of vulnerability are included within the target market.

Commented [IH1]: The wording was previously - This product is suitable for vulnerable customers when distributed via an intermediary who can provide the additional support needed.

Commented [EK2R1]: This is a standard line and will need to stay here. The previous wording has been added into the Objectives section.

Commented [IH3]: All customers are commercial and under FCA guidelines cannot be viewed as vulnerable.

Commented [EK4R3]: It would be better to include this as being a commercial customer does not automatically mean vulnerability cannot exist. For example, a sole trader dealing with serious health issues or a recent bereavement could potentially require additional support.



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

- **Own Damage**: The product meets the core needs of businesses operating motor vehicle needing protection for their vehicle assets.
- **Third party Liability**: The product meets the compulsory insurance requirement for legal liability to pay compensatory damages, including fees and expenses, for injuries or property damage caused by negligent acts of their drivers.

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

Who is this product not designed for?

This product is not appropriate for customers:

- Who are domiciled outside of the United Kingdom, Channel Islands or the Isle of Man.
- Who are not involved in the industry sectors shown above.
- Who are deemed consumers rather than commercial enterprises.

How do we expect this product to be distributed?

This product should be sold with the active assistance and guidance of an insurance intermediary with whom Pen has an agency, to select the appropriate level of cover. The product will only be distributed through brokers who have an agency agreement with Pen, and it will not be distributed 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.

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

Commented [IH5]: See earlier comments regards vulnerable. It may be that Gallagher and Pen do not restricted internal policies on vulnerability

Commented [EK6R5]: Would have to keep this as this is standard wording approved by Jen Martin

Product Approval Process

Pen's product approval process is 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

Commented [IH7]: Can the formatting be amended in live with other headings

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.

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Fair Value Assessment

Product Fair Value Outcome – Methodology

Pen has completed a Fair Value Assessment 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 Assessment 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	• 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 • Identify the impact on vulnerable customers where applicable
Distribution strategy	• Appropriateness of the distribution channel, services offered and remuneration • Remuneration does not negatively impact the overall value offered by the product
Market assessment	• Market scrutiny to ensure the product aligns with current market trends
Product design/lifecycle	• Pricing



	• Regulatory requirements • Product documentation • Performance of the product • Product changes
Customer journey	• Quality Assurance • Feedback from distribution
Claims	• Frequency and trends • Loss ratio trends
Complaints	• Feedback is reviewed to ensure the product continues to offer good benefit for customers • Reasons for complaints and volumes • Outcomes of complaints: whether or not they are upheld • Identification of trends and root causes • Redress payments: volume and timescales • Financial Ombudsman Service: volume and outcomes

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, including premium finance cover, where appropriate cover is already provided by the policy.
- Distributors should consider the Consumer Duty requirements when dealing with policyholders.

Fair Value Assessment Outcome

Pen has considered all relevant factors, including the total price paid by the customer, value MI, distribution and other considerations in this product design.

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.

Valid From	12/10/2026

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