

Target Market and Product Governance Guide for Distributors

Trailer Insurance policy

Who is this guide for and why are we issuing it?

- This guide is intended for intermediary use and reference only and is not for distribution to customers
- We are issuing it to give guidance to intermediaries in respect of the target customer market for this product, types of customers or business for whom this product is not suitable, the value this product provides and the Product Governance we undertake to establish this.
- This guide does not contain the full terms and conditions of the Insurance contract and should not be used to compare Policy Coverage. More information about the product can be found within the Trailer Insurance IPID and full terms and conditions may be found within the Trailer Insurance policy.

What is this product and what customer need is met?

The Trailer Insurance policy is a Commercial/Consumer Lines General Insurance product which is Digitally traded via brokers and is designed for individuals and business enterprises.

It meets the needs of customers which own and wish to insure various forms of trailers used for the activities of carriage of own goods/animals for rural based risks, excluding requirements of the Road Traffic Act.

This product provides value by allowing customers to buy both standard which meets their specific requirements such as:

- Damage, fire or theft damage to own trailers
- Approved repairer network

Target Market - Who is this product designed for?

The Trailer Insurance policy is designed for individuals and businesses based in the UK that are:

- Using their trailer in connection with the business of keeping animals and/or agriculture and other forms of land management
- Providing third party contract services that support the agricultural / land management industry
- Farm and Estate Owners
- Stables / Liveries / Horsebox owners
- Livestock / Horse transportation
- Smallholders
- Agricultural / Forestry Contractors
- Arborists / Horticulturists
- Golf Clubs
- Hotels
- General land management

Who is this product not designed for?

The Trailer Insurance is not targeted towards:

- Trailers kept in large urban areas
- Airside use
- Large trailers over 7.5 tons gross vehicle weight

In addition, the Trailer Insurance policy is not suitable for:

- Individuals or business not having an insurable interest in the trailer
- Trailers kept or registered outside of Great Britain and Northern Ireland
- The Motor trade / Repair industry
- Self-drive hire
- Carriage of goods or passengers for hire or reward
- Emergency blue light use
- Tankers
- Trailers carrying dangerous and/or explosive material
- Caravans, mobile homes and the like
- Carnival floats
- Drivers who have had insurance previously declined, cancelled or had special terms imposed
- Individuals or business which are undischarged, or subject to proceedings, relating to bankruptcy or insolvency
- Drivers who have unspent or are subject to charges relating to a non-motoring conviction
- Damage cover for own property
- Losses resulting from wear and tear and/or electrical faults
- Mechanical breakdown
- Personal losses arising from loss of use
- Agreed value settlement of claims
- Tool of trade cover
- Providing Public or Employers Liability cover

How have we valued this product?

Our product value assessment is based on the premium we charge for the cover and the services we provide. We take a wide range of factors into consideration, such as historical and expected claims frequencies, incurred and projected claims costs, plus scenario analysis along with customer feedback. This may include - but is not limited to - areas such as examination of complaints, claims, claim declinatures, policy cancellations, retention rates, loss ratio analysis and external analysis / benchmarking against existing products.

We also consider how the premium is affected by the commission we pay the placing intermediary for the activities they conduct on our behalf. Any additional charges within the distribution chain may potentially erode the intended value of our product.

We may from time to time request information from you to allow us to check that our products are being distributed correctly, are performing as expected and continue to offer fair value; examples of this could be evidence that the product has been sold to the right target market or complaints received relating to the product. We will endeavour to provide adequate notice where we seek this information from you.

Key Value information is included in the attached Appendix.

Average claims costs far exceed average premiums and demonstrates that when called upon the policy provides value to customers.

Decline claims includes claims settled Nil or below excess.

The low complaints frequencies also show that customers may rely on the product when required.

Average time to settle includes complex cases.

In distributing this product you should be satisfied that it meets the fair value expectations of your customers' requirements. Should you have any concerns that this product is not offering fair value, please contact MSIG Europe SE without delay.

Who can distribute this product and via what method?

The Trailer Insurance policy is designed for digital distribution by insurance intermediaries that hold agency facilities with us for our on-line system.

Sales may be either face to face, online or by telephone and may be advised or non-advised based on your own preference and any FCA regulation applicable, but should always be by persons who have the appropriate level of understanding about the risks and exposures faced by their customers in the operation of their businesses.

For UK broker use only, for full terms, conditions and exclusions please refer to policy wording.

MSIG Europe SE, UK Branch with the company registration number FC038781 and offices at The Leadenhall Building, 122 Leadenhall Street, EC3V 4AG, tel. +44 (0)20 7746 1000. MSIG Europe SE is authorised and regulated by the National Bank of Belgium. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority and the Financial Conduct Authority are available from us on request.

Product	MSIG Trailer Insurance policy
Distribution	Retail Brokers via MSIG extranet
IPID/Summary	Attached
Policy Document	Attached
Review Period	Annual
Date Fair Value interim assessment completed	January 2025
Expected date of next full assessment	January 2026
Key Value Measures	
Claims frequency	8%
Decline rate %	4%
Average claim value	£3,500
Average time to settle	60 days including complex claims
Average Premium	£ 200
Complaints (TOTAL)	8
Claims (cover)	1
Claim (handling)	4
Claims (settlement)	1
Other complaints	2
Overall frequency	0.15%
Upheld rate	88%
Remuneration approach	Product is provided at a Gross rate to Brokers. Brokers are able to net down the commission taken but are unable to increase beyond system maximum. Value assessment is made based upon maximum commission payable. The Average commission paid compared to absolute maximum commission demonstrates premiums are rarely netted down by Brokers.
Maximum Overall Commission	17.29%
Average Overall Commission	16.86%
Fees chargeable	NONE

Product	MSIG Trailer Insurance policy
Reasonable Period Assessment	
Insured values and degradation of sum insured or limits	Policy values and limits are set or selected by the Insured at new business and at each renewal. Core cover limits are therefore not automatically reduced at first or subsequent renewals.
Price changes at renewals and premium vs benefit	Policy pricing is based upon values declared by the Insured. The premium charged may increase or decrease based upon risk factors present at the time but is based upon the values declared by the Insured. Premiums are calculated by various factors but are generally small percentages of the total sum insured or limit of liability provided, even when several years premiums are aggregated. All risks are individually priced based on their personal risk factors presented to MSIG Europe SE and confirmed by the issue of a statement of fact document. At renewal, the premium charged may increase or decrease based upon our periodically revised assessment of an individual risk factor and/or where age based rating applies. MSIG Europe SE does not apply new business incentives that would breach the FCA fair pricing regulations, hence no renewing client would pay more than their equivalent new business price.
Reduction in ability to claim or expected value of claim over time	Main cover values are selected by the Insured each year and are not inhibited at subsequent renewals. Individual policies may have specific terms and conditions applied depending on circumstances but there is no systemic reduction or removal of limits at subsequent renewals.
Additional Products	None by MSIG Europe SE. If you provide additional products to customers which mirror or overlap the cover provided herein, then the value to the customer may be affected.