



MOTOR TRADE

As a manufacturer, we will provide you with appropriate information to support you in conducting an assessment of the product. This information is not intended for end client use.

This document sets out appropriate information in respect of:

- The insurance product(s)
- The identified target market for the insurance product(s), and
- The product approval and review process

This document is intended to provide you with appropriate information to support you in:

- Understanding the insurance product(s) and their intended value
- Understanding the identified target market for the insurance product(s)
- Understanding who the insurance product(s) is not compatible for
- Carrying out distribution activities for the relevant insurance products in accordance with the best interests of your customers; and
- Distributing the product(s) appropriately to the identified intended target market

SECTION ONE - PRODUCT FEATURES AND CHARACTERISTICS

In this section we set out the main product features and benefits. Please refer to the Policy wording for the full terms and conditions.

Cover

This is a Commercial Motor Trade Insurance product aimed at non-standard segments of the insurance market including customers with prior claims and convictions.

This product offers cover for trade use of vehicles for mechanical repairs, sale of vehicles, valeting, recovery works, collection and delivery and tyre fitting.

This product also offers cover for new ventures with minimum age of the policyholder being 27 and having previous experience in the motor trade industry, for example working for a car dealership.

Legal liability to third party vehicles or property arising from the use of the insured vehicle is covered up to a maximum of £2 million and compensation for death or injury is unlimited.

The Policyholder is in control of the Motor Insurance Database and responsible for adding and removing vehicles within the timescales set in the Policy Wording and in line with the Unacceptable Vehicles List, which are both available on haven.gi/motor-trade and provided to the Policyholder at the inception of the policy.

Test driving and accompanied demonstration cover is optional.

Cover is explicit in the policy documentation and transparent to the customer.

Excesses

Voluntary excess amount can be selected by the policyholder in line with their financial requirements. Compulsory excess is set according to the policy cover level. Compulsory excess represents an appropriate compromise between cost and value and are not out of step with similar products. Excesses are clearly set out in the policy documentation.

SECTION TWO – TARGET MARKET

Characteristics of the target market

This is a Commercial Lines General Insurance product aimed at:

- (a) Individual customers, sole traders or companies



- (b) Customers requiring annual motor trade insurance to cover the vehicles involved in their trade or business
- (c) Professional motor traders over the age of 25
- (d) Customers with an annual turnover of at least £10,000
- (e) Customers plus a maximum of four additional employees
- (f) Customers who handle vehicles with less than 8 seats
- (g) Customers who handle UK-specification vehicles
- (h) Customers who are residents of and based in the United Kingdom

Objectives, needs and interests of the target market:

- (i) The standard use of this product is in line with the customer's declared trade
- (j) Social, Domestic and Pleasure, or additional business use, is allowed for the policyholder, their spouse, and their business partners
- (k) Employees of the policyholder are restricted to motor trade use only
- (l) This product covers small traders who operate from their own residential address or have mobile operations, as well as those who have trade premises
- (m) This product is available with Comprehensive, Third Party, Fire and Theft, or Third Party Only cover
- (n) Depending on the cover level selected and subject to terms and conditions and limitations, this policy can include:
 - (i) Legal liability for death or injury to others (including passengers)
 - (ii) Legal liability for damage to other people's property (up to £2 million)
 - (iii) Own vehicles and customers' vehicles
 - (iv) Vandalism and malicious damage (Comprehensive only)
 - (v) Vehicles at the trade premises (Optional)
- (o) This product covers vehicles within Great Britain, Northern Ireland, the Isle of Man, and the Channel Islands
- (p) This product covers vehicles owned by the policyholder abroad for the minimum cover required by law within each country, for social domestic and pleasure use only, within the European Union, Andorra, Bosnia and Herzegovina, Gibraltar, Iceland, Liechtenstein, Monaco, Norway, San Marino, Serbia, Switzerland and Vatican City. This policy will not cover any customer vehicle which is taken out of territorial limits

Customers for whom the product would not provide the intended value:

- (q) Customers with similar cover elsewhere
- (r) Customers who are not based in the United Kingdom
- (s) Customers with vehicles of 8 or more seats
- (t) Customers who require less than one year of insurance
- (u) Customers who are not involved in the Motor Trade business
- (v) Customers who handle vehicles without a UK specification

Vulnerable customers

Haven is extremely aware that there are a range of different vulnerabilities within the Target Market. Whilst there are a range of different vulnerabilities identified, the key recognised areas of vulnerability are those customers with financial challenges and where English is a customer's second language.

If a customer does not understand the cover, terms, or exclusions of a product, this could risk causing harm to the customer where a loss may not be covered in part or in full. As a result of the Consumer Duty review, all customer facing documentation has been thoroughly reviewed to ensure that information is clear, easy to understand, easily accessible, and does not include any "small print" or misleading/incorrect information or terms which may result in poor understanding or confusion to the customer.

SECTION THREE – DISTRIBUTION STRATEGY

The following methods of distribution are appropriate for this product

- Online
- Face to face
- Telephone

The following types of sales are appropriate for this product



- Non-advised
- Advised

SECTION FOUR – REMUNERATION

Haven Insurance is the manufacturer of this product.

Prices are set by Haven Insurance on a gross premium basis. The premium and IPT only are charged by Haven. Remuneration taken by Acorn Insurance is through commission and fees to cover operational and distribution costs. All fees, Acorn and sub-broker, must be brought to the customers attention prior to purchasing the policy.

Acorn distributes products through sub-brokers. The sub-brokers may provide both advised and non-advised sales of general insurance products.

SECTION FIVE - PRODUCT APPROVAL AND REVIEW PROCESS

Haven is a manufacturer of General Insurance products which are distributed by Acorn Insurance and Financial Services Limited ("Acorn") on a Gross Premium basis. Haven is the sole price setter on all products.

The Governance and controls arrangements are designed to enable us to measure our performance in respect of pricing outcomes and understand emerging risk whilst informing our programme of continuous improvement. The aim is to:

- Meet the needs, characteristics, and objectives of our defined target markets
- Ensure clarity of communication so customers are appropriately informed, and
- Ensure customers receive outcomes they expect from Haven products and services, both from Haven and the distributor.

The product approval and review processes are designed to identify whether the product provides fair value to customers and will do so for the foreseeable future. We monitor products across the product lifecycle in order to assess whether they continue to meet our customers' needs and are delivering good outcomes and value. We have established governance procedures to maintain and operate a product review process on an annual basis and earlier for any significant adaptations. Our governance process includes regular monitoring and review including taking any remedial action if appropriate. We will test each product including performing scenario analysis when needed.

Before launch all new products go through fair value assessments and are approved by the Head of Underwriting, the Managing Director and Head of Compliance at Haven.

This product goes through an annual Fair Value Assessment and the latest assessment determined this product offers fair value and good customer outcomes, and it was approved by the Haven Product Oversight and Governance Committee on 03/12/2024.

The assessment includes data across different areas including, but not limited to:

- Claims performance,
- Complaints,
- Market analysis,
- Target market,
- Distribution arrangements,
- Reliance on add-ons,
- Reliance on Premium Finance,
- Vulnerable customers,
- Pricing, and
- Service value.

Product actuals, internal tolerance levels, FCA Fair Value Measures, Cross Cutting Rules and Four Outcomes set by Consumer Duty are all taken into consideration as part of the assessment.



Haven Insurance Company Limited

Manufacturer Product Information Document

The following value metrics have been benchmarked against the latest FCA GI Value Measures available at the time of the latest Fair Value Assessment, as well as internal tolerance levels:

FCA Value Measure	Motor product aggregation	Haven value measure
Claims Frequency	10.30%	25 - 30%
Claims acceptance rate	99%	95 - 100%
Average claims payout	£3,536	£4,500 - £5,000
Claims complaints as a % of claims	7.10%	5 – 10%

Haven has Consumer Duty and Product Oversight and Governance policies in place which are reviewed at least annually.

SECTION SIX – YOUR RESPONSIBILITIES

To ensure you have adequate information for the appropriate distribution of the product(s), please read this document in conjunction with the Policy wording and Insurance Product Information Documents as collectively they provide more detailed information on the products.

You should ensure you fully understand the insurance product and contact us if you require any additional information or would like to discuss training needs.

We remind you of your responsibility to ensure the distribution arrangements that any remuneration is consistent with your regulatory obligations, including SYSC 19F.2 (remuneration) and SYSC 10 (conflicts of interest).

You must advise us of any increases in remuneration.

You must advise us if any product is not delivering fair value or good customer outcomes and take any appropriate remedial action.