



## GRANITE UNDERWRITING WHOLESALE PRODUCT

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

This document sets out appropriate information in respect of:

- The wholesale finance product(s)
- The identified target market for the wholesale finance product(s), and
- The wholesale product approval process

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

- Understanding the wholesale finance product(s) and their intended value
- Understanding the identified target market for the wholesale finance product(s)
- Understanding who the wholesale finance product(s) is not compatible for
- Distributing the wholesale 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.

### **Product**

This product allows customers to spread the up-front cost of their insurance premium through monthly instalments. Finance is provided in the form of a credit agreement over an agreed term and interest charges may be applicable.

This product will typically require a minimum upfront payment charged as a % of the total annual insurance premium and Granite Finance will collect monthly instalments by direct debit from the customer as they repay their loan. A typical term for the credit agreement will be 9 months.

Granite Finance will manage the finance agreement throughout the life cycle of the annual insurance policy which includes the collection of instalments through Direct Debit (BACS), the issuing of communications around missed payments, and any amendments to their finance plan as a result of changes to their insurance policy. Granite Finance will also arrange and manage forbearance measures for vulnerable customers where applicable.

### **Fees/Charges**

- No initial set up fee is charged.
- No document charges/non agreement signage fees are charged.
- No early settlement fees are charged. In the cases of early settlement only interest accrued is payable with future interest not due.
- Missed payments are charged a £25 administration fee.

No other fees are presently charged.

### **Payment Methods & Changes**

Payments are collected by Direct Debit. There are set payment dates available to customers, and these will vary dependant on the commencement date of the policy. However, customers will have the option to make changes to their payment date if required.

Where customers' Direct Debits are unsuccessful, Granite Finance will contact the customer advising them what action needs to be taken to avoid cancellation of the policy.



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Customers can make the following changes through self-service options and/or webchat on [www.granitefinance.co.uk](http://www.granitefinance.co.uk), or via calling Granite Finance directly:

- Change a payment date.
- Change contact details.
- Restart a Direct Debit.
- Change bank account details.
- Request duplicate documents.

For early settlement quotes or checking balances, these can be done via webchat or telephony options. In the event of cancellation of the insurance policy, any refund of premium from the insurer will be used to repay the outstanding credit balance due to Granite Finance. If there is a no refund of premium from the insurer or a shortfall of premium between the amount owed to Granite Finance and the amount refunded by the insurer, the customer is liable for the shortfall.

Granite Finance is not an insurer.

### SECTION TWO – TARGET MARKET

In this section we set out information on the target market for this product.

The product is suitable for:

- Commercial Customers who purchase Taxi, Fleet or Motor Trade policies, through the sub broker network of Granite Underwriting, who wish to make their payment for their insurance policy through instalments rather than paying in full at the initial point of sale and/or renewal.

The product is not suitable for:

- Customers who do not wish to pay any interest and have the facility to pay for their premium in full.
- Customers who have an insurance policy with a term of less than 12 months.
- Customers who wish to spread the cost over more than 12 months.
- Consumer Customers; individuals acting for purposes outside their trade, business, or profession.
- Customers requiring finance for anything other than to spread the cost of their insurance premium.

#### **Eligibility**

- UK residents only. No specific geographic exclusions within the UK.
- They have a live insurance policy incepted through Granite Underwriting for commercial use as defined above.
- Agreements are only offered for annual policies.
- They have confirmed affordability at point of sale and throughout the term of the policy when amendments are made.
- They have a UK bank account which accepts Direct Debit payments.
- Only customers over 18 are eligible for finance.



### SECTION THREE – DISTRIBUTION STRATEGY

This product is distributed by brokers who are authorised and regulated by the FCA under credit broking permission through the Granite Underwriting sub broker network. This is a prerequisite to distributing this product.

Firms are distributors if they offer, sell, recommend, advise on, deal, or propose this product to customers at point of sale, including renewal. Brokers introduce this product to customers who wish to offer an alternative means of payment alongside the purchase of their general insurance product.

Brokers must ensure that they have adequate processes in place to ensure that the product is only sold to the target market and that pre-insurance contract disclosures are made before conclusion of the contract, which includes explaining the cost of borrowing and any associated fees.

Paying on premium finance with interest will mean that the overall cost of the insurance policy is more expensive, and brokers are responsible for ensuring that the customer is aware that premium finance will make the insurance more expensive so the customer can make an informed decision about whether the product meets their needs.

The following methods of distribution are appropriate for this product:

- Online
- Face to face
- Telephone

### SECTION FOUR – REMUNERATION

Granite Finance set the net price for this product. Distributors for this product set the gross price within the maximum limit set by Granite Finance. Distributors must ensure that their own charges for distributing this product represents fair value.

Granite Finance do not charge an initial set-up fee for this product. If a fee is charged by a distributor as part of its credit broking activities this must be made clear to the customer prior to arranging the finance.

Granite Finance receives no commission or remuneration from brokers, nor does it provide any specific finder fee back to the brokers for placing business with Granite Finance.

### SECTION FIVE - PRODUCT APPROVAL AND REVIEW PROCESS

Granite Finance is the manufacturer of this product.

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 of our defined target markets,
- Ensure clarity of communication so customers are appropriately informed, and
- Ensure customers receive outcomes they expect from the Granite Finance product and services, both from Granite Finance and the distributor.



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The product approval and review processes are designed to identify whether the product provides fair value to customers. We will monitor products across the product lifecycle in order to assess whether they continue to meet our customers' needs and are delivering fair 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.

This product will be subject to an annual Fair Value Assessment. The first review was completed on the 31 March 2023 and the next will be completed a year from this date.

Following review and completion of our Fair Value Assessment, we have been able to conclude that the product provides fair value to customers and is working as designed. Key metrics on usage and product value are monitored and there are no concerns that the product cannot be used or that there are any barriers identified. The assessment of Fair Value included an assessment of:

- The target market
- Regulated complaints including the number of upheld complaints
- Percentage of agreements cancelled during the cooling off period
- Default rates
- Average APR
- Market Research
- Benchmarking
- Payment term offerings
- Vulnerable Customers support
- Forbearance options available
- Service levels including call answer rate
- Applicable Fees charged
- Trustpilot scores and other feedback

This review did not include a review of any additional fees/charges applied by yourselves, and as such you must complete your own Value Assessment to ensure that the product continues to provide Value.

Please inform us if you identify that your distribution arrangements have resulted in the product being sold to customers who are outside of the intended target market.

We may contact you as a distributor to request information to support our product review process.

### SECTION SIX – YOUR RESPONSIBILITIES

You must ensure that you fully understand this product(s) and not distribute this product(s) if you do not understand it sufficiently. If you require more information about this product, please contact us.

You must regularly review your distribution arrangements to ensure that it is only distributing to the intended target market.

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 if the product is not delivering value and take any appropriate remedial action.

If you have any questions about the content of this document, please email [info@granitefinance.co.uk](mailto:info@granitefinance.co.uk).