



Transit - Goods In Transit

Review Type:	Product Approval
Review Completed:	Q2 2024
Review Period:	2023/24
Next Review:	2025





Product Target Market Statement (TMS) (1/2)

Goods in Transit

What is this Product?

- Goods in Transit is a Commercial Lines Product designed to provide cover for loss or damage to Property in transit including tools of trade solely within the Territorial Limits¹ moved by carriers (including post, rail and road carriers) or within the Customer's own Vehicles.

What Customer need is met by the Product?

- This Product covers Property whilst in transit within the Territorial Limits on their own Vehicles or despatched by carriers.
- This Product provides Customers with physical loss or damage cover to Property subject to the Section Limit per Vehicle contained within the Policy Schedule declared at inception.

Who is the Product designed for?

- This Product is designed for manufacturers, retailers, wholesalers and tradespeople who need to insure their own goods in transit solely within the Territorial Limits of the Policy.

Who is this Product not designed to support, or are there any features that you should be aware of when offering this Product to Customers?

- Customers that have an existing policy in place providing the same coverage and whereby purchasing this Product would give dual cover.
- Customers who carry other people's goods for reward, e.g. road hauliers, couriers, freight forwarders, and furniture removers.
- Customers who require cover outside of the Territorial Limits.
- Customers that have a sales turnover more than £1,000,000.
- Customers requiring any international cover for goods sold on a 'Free on Board' basis (or similar terms of sale) which should be covered under RSA's Cargo eSolutions Product.
- Customers subject to any Economic Financial or Trade sanctions imposed by the European Union or United Kingdom or any other prohibition or restriction imposed by law or regulation of the country of which the Policy is issued or would otherwise provide cover.

Can this Product be sold with or without advice?

- The Product can be sold with or without advice depending on the Distributor's preference and in accordance with FCA regulations.

How can this Product be sold?

- This Product is sold through agreed facilities.
- This Product is suitable to be sold by Brokers (Distributors) through online, face to face, telephone, email, or postal application channels.
- The sales journey must identify Customer eligibility and that this Product is consistent with the Customer's demands and needs. The sales journey must also ensure that key details are presented to the Customer in a timely manner that allows informed decisions to be made.

Eligibility and conditions, exclusions and excesses that may impact the outcomes that Customers may reasonably expect

- The Distributor must always consider whether they have the correct product to meet the Customer's needs.
- RSA will overlay eligibility and risk acceptance criteria that will restrict access for certain risks which may be suitable for this Product but are outside of RSA's current strategy and risk appetite.
- Policies for this Product are individually underwritten so indemnity limits, exclusions, and excesses that apply will depend upon the risk insured and will be stated in the Policy Quote and the Policy Schedule.

1. Territorial Limits: Great Britain, Northern Ireland, the Channel Islands, the Isle of Man, the off shore islands, and the Republic of Ireland (including sea transits between these territories).



Product Target Market Statement (TMS) (2/2)

Goods in Transit

How is the value of this Product assessed?

- We assess Product Value using quantitative (i.e. metrics) and qualitative information (e.g. processes and controls), including data from our Distributors relating to service and remuneration¹, as appropriate.
- This Product has been approved in line with RSA's Product Governance processes, including consideration of:
 - the value of the RSA Product: this includes: (i) Cover – whether the level of benefits and relevant exclusions offers value to the Customer, (ii) Utility – whether the Product is being used by the Customers of the intended target market, and (iii) RSA Service – whether the type and quality of services being provided is reasonable for the Customer.
 - the impact of distribution on the value: this includes whether Distributor remuneration is appropriate and bears a reasonable relationship to the services provided to the Customer by the Distributor. If there are concerns, RSA will follow up with the relevant Distributors to agree remedial action.

Based on the assessment performed, we have established that this Product is compatible with the objectives, interests and characteristics of Customers of the intended target market and that the distribution strategy is not detrimentally impacting overall Product Value. We have therefore concluded that this Product provides fair value to Customers.

What are the obligations of our Distributors?

- Manufacturer notification – all intermediaries must review their product distribution arrangements at least every 12 months and consider the impact of remuneration against the intended value of their products. Distributors must notify the Manufacturer as soon as practically possible if there are any value concerns for which remedial action is required.
- Remuneration – Distributors must ensure that any remuneration received for an insurance product does not result in the product ceasing to provide fair value to the Customer.
- Provision of information – if so requested, Distributors must provide the Manufacturer with: (i) information on the Distributor's remuneration in connection with distribution of the insurance product; (ii) information on ancillary products or services that may impact the intended value of the Manufacturer's primary insurance product; and (iii) confirmation that the distribution arrangements are consistent with the obligations of the firm under the FCA Handbook including SYSC 10 (Conflicts of Interest) and SYSC 19F.2 (IDD Remuneration).
- Price optimisation – if the Distributor is a price-setting intermediary, unless there is a reasonable basis, firms should not increase the price of the insurance product based on: (i) policies being subject to auto renewal compared to policies that are not subject to auto renewal; (ii) the Customer's vulnerability or any protected characteristics (unless the firm can rely on them under the Equality Act 2010); and (iii) where Customers purchase the policy using Retail Premium Finance.

1. Remuneration includes: commissions, fees, charges, payments, and other economic or non-economic benefits.