Haulage

Review Type:	Product Approval
Review Completed:	Q2 2025
Review Period:	2024/25
Next Review:	2026

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

What is this Product?

- Haulage is a Commercial Lines Product suitable for hauliers and couriers.
- Customers (Hauliers & Couriers) will contract with their customer under industry standard trading conditions; for example, RHA (Road Haulage Association) and arrange to move the goods on the customer's behalf.
- The Product covers this liability for loss of or damage to these goods during transit within the Territorial Limits of the Policy: Great Britain, Northern Ireland, the Channel Islands, the Isle of Man, the off-shore islands, and the Republic of Ireland and/or Europe.
- The following optional extensions are available to the Product for:
  - Goods passed to subcontractors;
  - Deterioration – covering deterioration of cargos as a direct result of a temperature-controlled vehicle/container failing to maintain the temperature at which it was set or intended to be set;
  - Employers' Liability and Public/Products Liability; and
  - Insured Trailers – covering trailers for physical loss or damage.
- The limits of cover provided by this Product are bespoke to the Customer and will be detailed in the Policy Schedule.

What Customer need is met by the Product?

- This Product enables Customers (Hauliers & Couriers) to meet their financial liability for goods carried on behalf of a third party in the event of any loss or damage whilst transporting by road, rail or sea within the Territorial Limits of the Policy.

Who is this Product designed for?

- This Product is designed for UK domiciled Small and Medium-sized road hauliers and couriers operating up to 10 vehicles and/or their annual estimated haulage charges are £1,000,000 or less.

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.
- Freight forwarders; warehouse keepers; motorcycle couriers; household and office removals; carriage of cars, boats, mobile buildings, money and/or bullion.
- Customers wanting to insure their goods whilst in store.
- Customers that own/operate more than 10 vehicles and/or have a turnover in excess of £1,000,000.
- Customers domiciled or headquartered outside of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, and Isle of Man.
- Hauliers and couriers carrying:
  - money, securities for money, negotiable instruments, savings, stamps, unused postage stamps and/or anything of a similar nature;
  - living creatures other than Livestock or poultry; or
  - precious metals and/or precious stones.
- 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?

- This 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 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, and any optional elements, are 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.

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

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.
- Eligibility and risk acceptance criteria 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.

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 remuneration[1], 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.