



# Product Governance and Fair Value Analysis

2025





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## 1. Introduction

### 1.1 Purpose and Objective

This document is supplied by AutoProtect following an annual product governance and fair value assessment. This analysis is completed to determine that each participant product continues to provide fair value to customers within the target market.

Aligned with requirements under PROD 4.2.29 (product manufacturer requirement), PROD 4.3.2 (distributor requirements) the aim of this document is to enable our distribution partners to:

- Identify the target market for each insurance product.
- Understand the characteristics of each insurance product.
- Confirm that their distribution arrangements are in line with those intended and understood by AutoProtect and its co-manufacturers.
- Understand the intended value of the product and its value in the distribution chain.
- Identify which customers are unlikely to derive fair value from the product.

The outcome of this analysis is an annual milestone within AutoProtect's Product Governance process and is conducted in association with product co-manufacturers. Value measures for all relevant insurance products are reviewed monthly. Fair value is assessed on a minimum annual basis following initial distribution.

Interim value assessments will be conducted for any significant change to a product.

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## 2. Products in Scope

AutoProtect and our product co-manufacturers design and distribute a range of products aimed at a specific target market, distributed through a defined arrangement. We believe these products to be of relatively low risk regarding the overall potential for customer harm. For these reasons, this paper collates information which is relevant to the following products:

- Mechanical Breakdown Insurance
- Tyre Insurance
- Key Insurance
- Alloy Insurance
- Recovery Insurance
- Complete Wheel insurance
- SMART Insurance
- GAP Insurance (distribution only)
- GAP Insurance (closed book)
- MOT Test Insurance (closed book)
- Premium Funding (distribution only)

Any derivative features which determine the level of cover provided by a product (for instance, differing claims limits) are clearly defined in the terms and conditions and Insurance Product Information Documents (IPID) and are recognised within the financial value relating to underwritten risk.

AutoProtect provide e-learning and training for distributors relating to each insurance product to support further knowledge and competence.

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## 3. Defined Target Market

In accordance with PROD 4.3.8 distribution of products are aligned with the target market and strategy of AutoProtect and its co-manufacturers.

Distributors are required to recognise and confirm the demands and needs of the customer relating to the product in consideration prior to purchase. This is completed through vehicle and customer eligibility checks and set demands and needs questions in compliance with an agreed script. This is a mandatory requirement under FCA regulation.

If customer needs change during the term of a policy, where no claim has been made, a pro rata refund of the premium is available to the customer.

The AutoProtect sales portal contains controls to assist with recognising vehicle eligibility for our products. Eligibility is defined to ensure that a sale is not made outside of the defined target market.

### 3.1 Target Market Characteristics

- Vehicle owners or hirers.
- Permanent residents within the UK over 18 years of age.
- Customers responsible for vehicle costs, or those who hold a financial or insurable interest in the vehicle.
- Standard manufacturer specification vehicles registered in the United Kingdom.
- Customers wanting to ensure longevity of their vehicle's appearance, function and value.
- Refer to Fair Value and Target Market Datasheet for information.

### 3.2 Non- Target Market Characteristics

- Non-standard vehicles or those registered abroad.
- Non-UK residents.
- Left-hand drive or imported vehicles.
- Vehicles used for competitive events, off-roading, trials or other motorsports.
- Owners/keepers with no insurable or financial interest.
- Customers who have existing insurance policies to cover the intended risks.
- Refer to Fair Value and Target Market Datasheet for information.

### 3.3 Vulnerability Characteristics

- Poor literacy or English language skills.
- Low financial resilience.
- Physical, mental impairment or reduced capability.
- Bereavement or significant life-events.
- Refer to Fair Value and Target Market Datasheet for information.

Distributors should be conscious that customers can be impacted by vulnerability drivers at any point during the policy term and ensure employees are appropriately trained to identify any characteristics at point of sale and throughout the policy lifecycle.

On-going cost of living pressures continue to dictate focus on potentially vulnerable customers and effective identification and management of such.

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## 4. Distribution

All distributors are authorised to conduct general insurance distribution activities and are appointed under contractual terms of business following due diligence checks. These checks include solvency, regulatory status, sanction checks and Know Your Customer compliance.

All distributors adhere to standards of training and competence as required under FCA regulation.

Retailers who distribute the listed products are typically:

- Automotive retailers (new and used vehicles).
- Lenders who provide funding for vehicles.
- Brokers who supply and fund vehicles.
- AutoProtect's dedicated call centre and website.

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## 5. Value in the Distribution Chain

### Definitions

**Distributor commission:** The proportion of an insurance premium retained by the distributor following the payment of the Net Cost and Insurance Premium Tax (IPT) to the product manufacturer.

**Net Cost:** The cost of the insurance policy before distributor commission and IPT are added. The net cost consists of underwriting (risk), administration, fair value factors and margin profitability costs. The distributor is invoiced for the net cost of the policy.

AutoProtect recognises the costs associated with the distribution network and ensure these costs are covered by the retained commission, within a set range, before profit.

AutoProtect have conducted a fair value analysis on all products and, where appropriate, taken action in line with PRIN 2A4.25, PRIN 2A4.26 and PROD 4.3.10 following product distribution reviews. Distributors are reminded that they have a responsibility to ensure that the commission retained as a result of the retail price is consistent with requirements under PROD 4.3.6.

Where AutoProtect distributes directly to the consumer, a margin commission may be paid to an introducing partner.

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## 6. Non-Financial Fair Value Factors

### 6.1 Quality of cover

The product(s) provide benefits to the target market which are easily understood and of value should the customer need to make a claim.

Product claim limits are variable at the point of sale where it is beneficial for the customer to be able to choose their level of cover and apply that cover to the specific item in focus.

### 6.2 Quality of Included Services and Product Performance

AutoProtect Administration provide an award-winning customer experience within a specialist market with a Trustpilot rating of 4.5/5.

Customers of certain products are afforded access to an award-winning minor damage repair service with a Trustpilot rating of 4.9/5.

All products are thoroughly tested before introduction to the market and are frequently refined to ensure fitness for purpose. Customer outcomes are continually measured and action is taken, where possible, to prevent negative customer outcomes before they materialise.

Management Information (MI) and Key Performance Indicators (KPIs) are reviewed regularly to ensure products continue to perform as expected, provide fair value and are being utilised as intended.

Key metrics that form these KPIs include:

Metrics	Definitions
Average Claim Paid	Average claim paid amount (£)
Average Distribution & Administration Costs	Administrator & Distribution costs per policy
Average Distribution & Administration Costs %	Administrator & Distribution costs per policy as a % of retail price (inc. IPT)
Average Distribution Commission	Average distributor commission (£)
Average Distribution Commission %	Average distributor commission as a percentage of average retail price (inc. IPT)
Average Retail Price (inc. IPT)	Average retail price including distributor commissions and margins
Average Policy Term	The average length of policies in months
Average Underwriting Premium	The average insurer net premium
Cancellation Rate (Cooling Off) %	Number of cancellations within 30 days of inception, divided by policies sold
Cancellation Rate %	Number of cancellations after 30 days of inception, divided by policies sold
Claims Acceptance Rate %	The percentage of accepted and paid claims as a percentage of total claims received
Claims Frequency %	The number of claims registered divided by policies sold
Claims Registered	Number of claims received
Claims Rejected	Number of claims not accepted
Claims Paid below Retail Value	Number of claims where claim paid amount is below retail amount paid
Complaints	Total number of complaints
Complaints %	Number of complaints as % of live policies
Complaints (claims)	Complaints relating to claims and payment issues
Customer Service Complaints	Complaints relating to customer service and administration issues
Complaints (claims) %	Number of complaints as % of claims
FOS Complaints	Number of complaints escalated to the Financial Ombudsman Service
Gross Ultimate Loss Ratio	Claims and refunds (inc. forecasted) divided by retail premium
Live Policy Count	Number of live policies (rolling 12 months)
Maximum Distribution Commission %	Maximum distributor commission as a percentage of average retail price (inc. IPT)
Operational Claims Frequency	Number of Registered Claims as a % of Live Policies
Paid Claims	Number of accepted and settled claims
Policy sales	Number of policies sold YTD
Policy and Claims Administration Fee	Administrator's fees and charges relating to policy administration and claims handling
Sale of Policy Complaints	Number of Complaints relating to sale or distribution of policy
Ultimate Claims Frequency	Claims and refunds (inc. forecasted) divided by underwriting premium
Ultimate Loss Ratio	Expected claims value as a ratio to net written premium
Walkaway Claims	Claims registered but not taken up

### 6.3 Access to Support

As a Principal Firm, AutoProtect ensures that Appointed Representative distributors complete comprehensive training on all regulatory requirements.

Where the distributor is directly authorised or is an Appointed Representative of another Principal Firm, AutoProtect will support the distributor with training and account management to enhance customer service outcomes. Distributors can contact AutoProtect Administration during normal working hours and on Saturday mornings.

Additional support and channels for communication are available on the AutoProtect website.

Distributors are supported by professional account management to ensure correct training and ongoing support. Administrators strive to service all customer and repairer support queries within our stated service levels.

#### **6.4. Clear Cover Limitations**

Documentation is provided at the point of sale via an online portal which meets regulatory requirements of timely provision and structure of these documents (PRIN 2A.5.3 – 2A.5.8)

Documentation is presented in a clear and concise manner with ease of customer understanding at the forefront of design. Anything not covered by the policy is clearly displayed in the terms and conditions and IPID. This is provided 'in good time' before conclusion of the sale.

No assumptions are made as to a customer's understanding of wording on policies and supporting documents and terms and conditions include a specific section of what is not covered to ensure customers have clarity and can make an informed decision.

#### **6.5. Assurance in the Underwriter**

Due diligence on the insurer is conducted regularly with primary focus on solvency to check for stability and longevity.

Values data is reviewed each month to monitor how the product performs compared to expected outcomes.

All insurers are members of the UK's Financial Services Compensation Scheme (FSCS).

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## **7. Financial Fair Value Factors**

### **7.1 Reasonable Premium**

Distributor's retail pricing is monitored and reviewed as part of the assessment process and monthly monitoring of KPIs. Distributors should also ensure that the total retail price does not impact overall value provided by the product, regardless of whether commissions exceed the agreed levels or not. Commissions, fees or charges passed on to the customer must remain proportionate to the services being provided.

Products are built to ensure that the customer benefit as a result of a claim(s) can be in excess of the premium paid (dependent on claim details). This provides the customer with recognition of the risk for which financial assurance is required.

Models and calculations used for pricing purposes are reviewed by independent, qualified actuaries.

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## **8. Charging structure**

This is provided in the contractual terms.

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## **9. Product testing**

AutoProtect has 20 years' experience of administering claims specific to our products within the automotive market and KPIs are regularly monitored to ensure that any adverse consumer outcomes are identified and lead to full analysis making sure that the product continues to meet the identified needs, objectives and characteristics of the target market.

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## 10. Conclusion

Taking account of the assessed financial and non-financial value detailed across this paper, all products have been assessed on their performance of delivering value to customers for the following reasons:

- The quality of the product exceeds that of similar products in the market at similar price points.
- The products align with and support the needs of the target market.
- Low complaints ratio.
- Products offer protection against rising costs of materials and services.
- Ongoing product development demonstrates regular reviews and design, reacting to changes in target market behaviours.
- Utilisation is in line with expectations and supported by metrics. Where utilisation is low, actions related to distribution have been implemented.
- Underwriting is based on actuarial projections for a fair outcome regarding anticipated values metrics.
- The customer can expect a high standard of service and clear understanding of cover from the administrator.
- Insurer solvency.
- The distribution network utilises FCA authorised/appointed representatives/introducer appointed representatives, providing competent and professional introduction to the products at an appropriate time of risk for the customer.
- Where assessment relates to distribution of products only, any charges, fees or commissions applied are considered appropriate and should not impact overall performance or value of core products.

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## 11. Fair Value and Target Market Datasheet

The following pages provide product-specific information relating to fair value review outcomes and also offers oversight of target and non-target markets, needs and objectives and distribution characteristics.





# Product Governance

## Fair Value and Target Market Statement 2025





# Target Market Statement

Product	Product Information	Fair Value Review Outcome	Target Market	Non-Target Market	Customer Needs and Objectives	Distribution Channels
<p><b>SMART</b></p> <p>Reviewed: September 2025</p> <p>Next Scheduled Review: September 2026</p>	<p>Coverage provided by award winning mobile repairers who will carry out repairs to minor damages, scuffs, scratches and dents up to 30 cm long. Up to 48 month policies available for owned, leased or financed cars. Up to £500 Body shop contribution for Smart damages that cannot be facilitated on-site.</p> <p>Refer to the specific Insurance Product Information Document (IPID) for additional information.</p>	<p>Product continues to offer fair value to customers.</p> <p>Key performance indicators and other metrics demonstrate the product is performing as expected.</p> <p>No indicators of harm or customer detriment have been identified.</p>	<p>Individuals who are permanent residents of the United Kingdom.</p> <p>Individuals who are over 18 years of age and have a valid UK driver's license.</p> <p>Individuals who are purchasing a new or used vehicle from a dealer, broker or other automotive retailer.</p> <p>Individuals who are purchasing a new or used vehicle under the age of 10 years and with a mileage lower than 100,000.</p> <p>Private Cars only.</p>	<p>Customers residing outside of the UK or are under 18 years of age.</p> <p>Motorcycles, commercial vehicles, Taxis, hackney carriages, kit cars, scooters, quad bikes or vehicles used for any kind of competition or motorsport.</p> <p>Vehicles older than 10 years, or greater than 100,000 miles.</p> <p>Non-standard or modified vehicles, other than those adapted for disability access.</p>	<p>To keep their vehicle in showroom condition (and peace of mind that their vehicle will be returned to showroom condition in the event of any accidental or malicious minor damages to their vehicle).</p> <p>To obtain cover for the financial outlay and inconvenience caused by accidental or malicious minor damages to their vehicle.</p> <p>To safeguard against the burden of making a claim for accidental damage under their motor insurance policy and jeopardising their no claims discount, for any minor damage repair.</p> <p>An alternative to traditional repairs which typically requires taking time out of a working day to visit a body shop or the service department of a dealership.</p> <p>A high-quality solution to minor damages that doesn't risk invalidating warranties on the vehicle.</p> <p>To maintain the longevity of their vehicle's appearance and value.</p>	<p>Add-on sales through authorised firms or authorised representatives.</p>
<p><b>Alloy</b></p> <p>Reviewed: September 2025</p> <p>Next Scheduled Review: September 2026</p>	<p>Provides indemnity against the cost of repair or replacement of alloy wheels following accidental or malicious damage. Up to 48 month policies available for owned, leased or financed cars.</p> <p>Refer to the specific Insurance Product Information Document (IPID) for additional information.</p>	<p>Product continues to offer fair value to customers.</p> <p>Key performance indicators and other metrics demonstrate the product is performing as expected.</p> <p>No indicators of harm or customer detriment have been identified.</p>	<p>Individuals who are permanent residents of the United Kingdom.</p> <p>Individuals who are over 18 years of age and have a valid UK driver's license.</p> <p>Individuals who are purchasing a new or used vehicle from a dealer, broker or other automotive retailer.</p> <p>Individuals who are purchasing a new or used vehicle, under the age of 10 years and with a mileage lower than 100,000.</p> <p>Individuals who want to maintain the appearance of their alloy wheels.</p> <p>Private Cars only.</p>	<p>Customers residing outside of the UK or are under 18 years of age.</p> <p>Motorcycles, commercial vehicles, Taxis, hackney carriages, kit cars, scooters, quad bikes or vehicles used for any kind of competition or motorsport.</p> <p>Vehicles older than 10 years, or greater than 100,000 miles.</p> <p>Non-standard or modified vehicles, other than those adapted for disability access.</p>	<p>To keep their alloy wheels in showroom condition (and peace of mind that their vehicle will be returned to showroom condition in the event of any accidental or malicious minor damage to their alloy wheel).</p> <p>To obtain cover for the financial outlay and inconvenience caused by accidental (including damage caused by UK road conditions) or malicious damage to their alloy wheels.</p> <p>An easy, convenient solution which provides the option to choose when, where and who facilitates repairs.</p> <p>To contribute towards alloy wheel repairs or replacement, should a repair not be safe or possible.</p>	<p>Add-on sales through authorised firms or authorised representatives.</p>

# Target Market Statement

Product	Product Information	Fair Value Review Outcome	Target Market	Non-Target Market	Customer Needs and Objectives	Distribution Channels
<b>Tyre</b> Reviewed: September 2025 Next Scheduled Review: September 2026	Provides indemnity against the cost of repair or replacement of tyres following accidental or malicious damage. Up to 48 month policies available for owned, leased or financed cars.  Refer to the specific Insurance Product Information Document (IPID) for additional information.	Product continues to offer fair value to customers.  Key performance indicators and other metrics demonstrate the product is performing as expected.  No indicators of harm or customer detriment have been identified.	Individuals who are permanent residents of the United Kingdom.  Individuals who are over 18 years of age and have a valid UK driver's license.  Individuals who are purchasing a new or used vehicle from a dealer, broker or other automotive retailer.  Individuals who are purchasing a new or used vehicle, under the age of 10 years and with a mileage lower than 100,000.  Individuals who want peace of mind in the event that accidental or malicious damage occurs to their tyres.  Private Cars only.	Customers residing outside of the UK or are under 18 years of age.  Motorcycles, commercial vehicles, Taxis, hackney carriages, kit cars, scooters, quad bikes or vehicles used for any kind of competition or motorsport.  Vehicles older than 10 years, or greater than 100,000 miles.  Non-standard or modified vehicles, other than those adapted for disability access.	To avoid financial loss caused by repairing accidental or malicious damage to tyres.  Peace of mind that their tyres can be repaired or replaced swiftly in the event of any accidental or malicious damage or any damage due to poor road surface, potholes and general disrepair of roads in the UK.  An easy, convenient solution which provides the option to choose when, where and who facilitates repairs or replacements of damaged tyres.  To promote safety at all times by making repairs or claims for repairs and/or replacements as easy as possible.	Add-on sales through authorised firms or authorised representatives.
<b>Complete Wheel</b> Reviewed: September 2025 Next Scheduled Review: September 2026	Provides indemnity against the cost of repair or replacement of alloy wheels and/or tyres following accidental or malicious damage. Up to 48 month policies available for owned, leased or financed cars.  Refer to the specific Insurance Product Information Document (IPID) for additional information.	Product continues to offer fair value to customers.  Key performance indicators and other metrics demonstrate the product is performing as expected.  No indicators of harm or customer detriment have been identified.	Individuals who are permanent residents of the United Kingdom.  Individuals who are over 18 years of age and have a valid UK driver's license.  Individuals who are purchasing a new or used vehicle from a dealer, broker or other automotive retailer.  Individuals who are purchasing a new or used vehicle, under the age of 10 years and with a mileage lower than 100,000.  Individuals who want peace of mind in the event that accidental or malicious damage occurs to their tyres.  Private Cars only.	Customers residing outside of the UK or are under 18 years of age.  Motorcycles, commercial vehicles, Taxis, hackney carriages, kit cars, scooters, quad bikes or vehicles used for any kind of competition or motorsport.  Vehicles older than 10 years, or greater than 100,000 miles.  Non-standard or modified vehicles, other than those adapted for disability access.	To keep their alloy wheels in showroom condition (and peace of mind that their vehicle will be returned to showroom condition in the event of any accidental or malicious minor damage to their alloy wheel).  To obtain cover for the financial outlay and inconvenience caused by accidental (including damage caused by UK road conditions) or malicious damage to their alloy wheels or tyres.  An easy, convenient solution which provides the option to choose when, where and who facilitates repairs.  To contribute towards alloy wheel or tyre repairs or replacement, should a repair not be safe or possible.  To promote safety at all times by making repairs or claims for repairs and/or replacements as easy as possible.	Add-on sales through authorised firms or authorised representatives.
<b>Mechanical Breakdown Insurance (Add-On)</b> Reviewed: September 2025 Next Scheduled Review: September 2026	Coverage provided for repair or replacement of parts and labour in the event of mechanical or electrical failure to the customer's vehicle. Up to 48 month policies available for owned or financed cars.  Refer to the specific Insurance Product Information Document (IPID) for additional information.	Product continues to offer fair value to customers.  Key performance indicators and other metrics demonstrate the product is performing as expected.  No indicators of harm or customer detriment have been identified.	Individuals who are permanent residents of the United Kingdom.  Individuals who are over 18 years of age and have a valid UK driver's license.  Individuals who are purchasing a new or used vehicle from a dealer, broker or other automotive retailer.  Private cars, commercial vehicles, motorhomes, caravans and motorcycles.	Customers residing outside of the UK or are under 18 years of age.  Kit cars, scooters, quad bikes or vehicles used for any kind of competition or motorsport.  Non-standard or modified vehicles, other than those adapted for disability access.	Peace of mind that most faults with their vehicle can be repaired, in the event of any mechanical or electrical failure) throughout the duration of ownership.  To avoid financial loss caused by repairs due to mechanical or electrical failure.  To purchase a policy that provides appropriate coverage for mechanical and electrical parts failure.	Add-on sales through authorised firms or authorised representatives.

# Target Market Statement

Product	Product Information	Fair Value Review Outcome	Target Market	Non-Target Market	Customer Needs and Objectives	Distribution Channels
<p><b>Mechanical Breakdown Insurance (Stand Alone)</b></p> <p>Reviewed: September 2025</p> <p>Next Scheduled Review: September 2026</p>	<p>Coverage provided for repair or replacement of parts and labour in the event of mechanical or electrical failure to the customer's vehicle. Up to 48 month policies available for owned or financed cars.</p> <p>Refer to the specific Insurance Product Information Document (IPID) for additional information.</p>	<p>Product continues to offer fair value to customers.</p> <p>Key performance indicators and other metrics demonstrate the product is performing as expected.</p> <p>No indicators of harm or customer detriment have been identified.</p>	<p>Individuals who are permanent residents of the United Kingdom.</p> <p>Individuals who are over 18 years of age and have a valid UK driver's license.</p> <p>Individuals who are purchasing a new or used vehicle from a dealer, broker or other automotive retailer.</p> <p>Private cars, commercial vehicles, motorhomes, caravans and motorcycles.</p>	<p>Customers residing outside of the UK or are under 18 years of age.</p> <p>Kit cars, scooters, quad bikes or vehicles used for any kind of competition or motorsport.</p> <p>Non-standard or modified vehicles, other than those adapted for disability access.</p>	<p>Peace of mind that most faults with their vehicle can be repaired, in the event of any mechanical or electrical failure) throughout the duration of ownership.</p> <p>To avoid financial loss caused by repairs due to mechanical or electrical failure.</p> <p>To purchase a policy that provides appropriate coverage for mechanical and electrical parts failure.</p>	<p>Stand Alone sales, through a contact centre, or website.</p>
<p><b>Mechanical Breakdown Insurance (Caravan)</b></p> <p>Reviewed: May 2025</p> <p>Next Scheduled Review: May 2026</p>	<p>Coverage provided for repair or replacement of parts and labour in the event of mechanical or electrical failure to the customer's caravan. Up to 60 month policies available for owned or financed caravans.</p> <p>Refer to the specific Insurance Product Information Document (IPID) for additional information.</p>	<p>Product continues to offer fair value to customers.</p> <p>Key performance indicators and other metrics demonstrate the product is performing as expected.</p> <p>No indicators of harm or customer detriment have been identified.</p>	<p>Individuals who are permanent residents of the United Kingdom.</p> <p>Individuals who are over 18 years of age and have a valid UK driver's license.</p> <p>Individuals who are purchasing a new or used caravan from a dealer, broker or other automotive retailer.</p> <p>Touring caravans only.</p>	<p>Customers residing outside of the UK or are under 18 years of age.</p> <p>Private cars, commercial vehicles, motorhomes, motorcycles, kit cars, scooters, quad bikes or vehicles used for any kind of competition or motorsport.</p> <p>Non-standard or modified caravans other than those adapted for disability access.</p>	<p>Peace of mind that most faults with their caravan can be repaired, in the event of any mechanical or electrical failure) throughout the duration of ownership.</p> <p>To avoid financial loss caused by repairs due to mechanical or electrical failure.</p> <p>To purchase a policy that provides appropriate coverage for mechanical and electrical parts failure.</p>	<p>Add-on sales through authorised firms or authorised representatives.</p>
<p><b>Recovery</b></p> <p>Reviewed: September 2025</p> <p>Next Scheduled Review: September 2026</p>	<p>Coverage provided for roadside assistance including one hour's repair and labour time. Recovery to garage or destination with home start options.</p> <p>Refer to the specific Insurance Product Information Document (IPID) for additional information.</p>	<p>Product continues to offer fair value to customers.</p> <p>Key performance indicators and other metrics demonstrate the product is performing as expected.</p> <p>No indicators of harm or customer detriment have been identified.</p>	<p>Individuals who are permanent residents of the United Kingdom.</p> <p>Individuals who are over 18 years of age and have a valid UK driver's license.</p> <p>Individuals who are purchasing a new or used vehicle.</p> <p>Private cars, motorcycles, commercial vehicles, motorhomes and caravans, up to a maximum length of 7 metres.</p>	<p>Customers residing outside of the UK or are under 18 years of age.</p> <p>Kit cars, scooters, quad bikes or vehicles used for any kind of competition or motorsport.</p> <p>Non-standard or modified vehicles, other than those adapted for disability access.</p> <p>Customers who have already acquired a recovery/ breakdown product.</p>	<p>Peace of mind that most faults with their vehicle can be repaired, in the event of any mechanical or electrical failure) throughout the duration of ownership.</p> <p>To avoid financial loss caused by their vehicle breaking down.</p> <p>Receive an efficient, quick and simple solution against the inconvenience of mechanical or electrical breakdown.</p> <p>To be provided with a service for roadside repair and/or recovery and cover for any other associated fees (not including the cost of parts).</p>	<p>Add-on sales through authorised firms or authorised representatives.</p> <p>Stand Alone sales, through a contact centre, or website.</p>



# Target Market Statement

Product	Product Information	Fair Value Review Outcome	Target Market	Non-Target Market	Customer Needs and Objectives	Distribution Channels
<b>Key</b>  Reviewed: September 2025  Next Scheduled Review: September 2026	Provides indemnity against the cost of repair or replacement of keys and/or locks where applicable, following loss or malicious damage. Up to 48 month policies available.  Refer to the specific Insurance Product Information Document (IPID) for additional information.	Product continues to offer fair value to customers.  Key performance indicators and other metrics demonstrate low claim frequencies. Product now only distributed at nil commission or free of charge.	Individuals who are permanent residents of the United Kingdom.  Individuals who are over 18 years of age and have a valid UK driver's license.  Individuals who are purchasing a new or used vehicle.  Private Cars only.	Customers residing outside of the UK or are under 18 years of age.  Motorcycles, Commercial Vehicles, Taxis and hackney carriages.  Customers who have already acquired key insurance product.  Non-standard or modified vehicles, other than those adapted for disability access.	To obtain cover for the reimbursement of financial outlay caused by the loss or damage to their car keys or locks.  To avoid financial loss caused by having to replace lost, stolen or damaged keys, or, to safeguard against the burden of making a claim for lost, stolen or damaged keys under their motor insurance policy and therefore jeopardising their no claims discount.  To be provided with an easy, convenient solution which offers the flexibility to choose when, where and who facilitates the repair or replacement of keys.  To contribute towards repair or replacement of vehicle keys, and locks if deemed unsafe.  To maintain the safety and security of the vehicle.	Advised face-to-face sales only through trained and authorised dealers or authorised representatives.  Provided free of charge or nil commission.
<b>Guaranteed Asset Protection (GAP)</b>  <b>Distribution only</b>  Reviewed: September 2025  Next Scheduled Review: September 2026	The policy covers the financial shortfall between the comprehensive insurance payout and either the original purchase price of the vehicle or the amount owed on the finance agreement. It offers cover for up to 4 years and includes options for Return to Invoice (RTI) and Finance GAP cover.  Refer to the specific Insurance Product Information Document (IPID) for additional information.	This product has undergone Acasta European Insurance Company Limited's Fair Value Assessment and has been reviewed and approved by the Board of Directors.  The Board has confirmed that the product continues to provide fair value to customers, in line with regulatory obligations and internal governance.	Customers must be the registered keeper or owner of the vehicle or have a finance or lease agreement for the vehicle.  Customers must have a valid comprehensive motor insurance policy in place.  Vehicles covered must be less than 8 years old and with a purchase price of up to £150,000 at the time of policy inception.  This policy is suitable for vehicles used for personal or business purposes such as taxis, private hire, or driving school vehicles.	Customers whose vehicles are not insured under a valid comprehensive motor insurance policy.  Vehicles over 8 years old or with an invoice price of less than £5,000 or in excess of £150,000.  Vehicles with over 80,000 miles on the odometer reading at inception.	This product is designed for individuals or businesses who: <ul style="list-style-type: none"> <li>• Have purchased a new or used vehicle and want financial protection against depreciation in the event of the vehicle being declared a total loss (e.g., due to accident, fire, or theft).</li> <li>• Have financed or leased their vehicle and are at risk of a financial shortfall if their comprehensive motor insurer's payout does not cover the amount owed on the finance agreement or the original invoice price of the vehicle.</li> <li>• Want to cover the difference between their comprehensive motor insurance payout and the original purchase price or outstanding finance settlement.</li> <li>• Are willing and able to pay the premiums for GAP insurance for the duration of the cover period (up to 4 years).</li> </ul>	Stand Alone and add-on sales, through a contact centre, website or dealer distribution channel.
<b>Guaranteed Asset Protection (GAP)</b>  <b>(Closed book)</b>  Reviewed: September 2025  Next Scheduled Review: September 2026	Provides cover for the financial shortfall between the comprehensive insurance payout and either the original purchase price of the vehicle or the amount owed on the finance agreement.  Minimum policy term 36 months. Refer to the specific Insurance Product Information Document (IPID) for additional information and benefits.	Product is closed to new sales.  Key performance indicators and other metrics demonstrate the product is performing as expected for existing customers.  Ongoing monitoring throughout run-off period to ensure no further detriment.	Individuals who are permanent residents of the United Kingdom, or who are over the age of 18.  Vehicles up to 8 years old and up to 80,000 miles.  Vehicles with a minimum purchase price of £10,000 and a maximum of £150,000.  Individuals who are purchasing a new or used vehicle from a dealer, broker or other automotive retailer.  Private cars, motorbikes, cars used for driving tuition and taxis up to 3,500kg.	Customers residing outside of the UK or are under 18 years of age.  Vehicles with a purchase price of less than £10,000 or in excess of £150,000.  Non-standard or modified vehicles, other than those adapted for disability access.  Customers whose vehicles are not insured under a valid comprehensive motor insurance policy.	To obtain cover for any financial shortfall between the comprehensive insurance payout and either the original purchase price of the vehicle or the amount owed on the finance agreement.  Peace of mind that they will be able to get another vehicle of similar quality/specifications following a total loss of their vehicle.  To remove the uncertainty of depreciation risk in the event of a total loss to their vehicle creating certainty over what a pay-out will be in the case of a total loss event.  To provide a smooth transition into a similar vehicle following a total loss event.	Not applicable.

# Target Market Statement

Product	Product Information	Fair Value Review Outcome	Target Market	Non-Target Market	Customer Needs and Objectives	Distribution Channels
<p><b>MOT Test Insurance</b></p> <p><b>(Closed book)</b></p> <p>Reviewed: September 2025</p> <p>Next Scheduled Review: September 2026</p>	<p>Provides cover against the financial outlay following unexpected MOT test failure and associated repairs.</p> <p>Up to 36 month policies available.</p> <p>Refer to the specific Insurance Product Information Document (IPID) for additional information and benefits.</p>	<p>Product closed.</p> <p>Key performance indicators and other metrics demonstrate the product is performing as expected for existing customers.</p> <p>Ongoing monitoring throughout run-off period to ensure no detriment.</p>	<p>Individuals who are permanent residents of the United Kingdom, or who are over the age of 18.</p> <p>Vehicles up to 7 years old and up to 80,000 miles.</p> <p>Individuals who are purchasing a used vehicle from a dealer, broker or other automotive retailer.</p> <p>Private cars only.</p>	<p>Customers residing outside of the UK or are under 18 years of age.</p> <p>Motorcycles, Commercial Vehicles, Taxis and hackney carriages.</p> <p>Customers who have already acquired an MOT insurance product.</p> <p>Non-standard or modified vehicles, other than those adapted for disability access</p>	<p>To purchase a policy that provides appropriate coverage for repairs or replacements of parts that cause a vehicle to fail an MOT test, including labour charges to fit them.</p> <p>To avoid financial loss caused by repairs due to mechanical or electrical failure.</p> <p>To maintain the safety of the vehicle.</p>	<p>Not applicable.</p>
<p><b>Premium Funding (Stand alone)</b></p> <p><b>Distribution only</b></p> <p>Reviewed: September 2025</p> <p>Next Scheduled Review: September 2026</p>	<p>Credit facility to provide customers the option of spreading the cost of their GAP insurance product over 12 months.</p> <p>Refer to the specific terms for additional information.</p>	<p>Product is designed to offer fair value to customers and not impact value of core product.</p> <p>Key performance indicators and other metrics in respect of distribution of this product demonstrate no indicators of harm or customer detriment have been identified.</p> <p>Standard charges, fees and commissions are considered appropriate.</p>	<p>Individuals who are permanent residents of the United Kingdom and are over the age of 18.</p> <p>Customers purchasing GAP insurance products via AutoProtect/Future 45.</p> <p>UK based customers with UK bank accounts able to accommodate Direct Debit collections.</p>	<p>Customers residing outside of the UK or are under 18 years of age.</p> <p>Customers who do not have UK based bank account for Direct Debit collections.</p> <p>Customers declared bankrupt or otherwise prohibited from borrowing or any related credit facilities.</p> <p>Customers who have no need to pay by instalments.</p>	<p>To spread the cost of the purchase of GAP insurance products across 12 equal payments.</p> <p>Provides flexibility and affordability for those who would be unable to pay the premium in full, or would otherwise rely on other credit products, potentially incurring higher interest rates than this facility.</p> <p>A competitive option when considering credit card APRs, overdrafts or other higher interest rate facilities.</p>	<p>Stand Alone sales, through a contact centre or website.</p>