Financial & Legal Insurance Company Limited

Product Value Document

Carrier name	Financial & Legal Insurance Company Limited (F&L)
Product name	Car Hire Excess Protection Insurance
Product Reference No (if applicable)	N/A
Class of Business	Miscellaneous Financial Risks
Roles and Responsibilities	Manufacturer - Financial & Legal Insurance Company Limited

MANUFACTURER INFORMATION
Financial & Legal Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. You can check this on the Financial Services Register by visiting https://register.fca.org.uk/. Registered in England under Company No. 03034220

PRODUCT INFORMATION

This product has been subject to F&L's Product Oversight and Governance process and has been reviewed and signed off by F&L's Management Committee as representing fair value to customers

This is a relatively new product for F&L and therefore there is limited information in relation to specific performance of the account. However, F&L has benchmarked its product against other products in the market and is satisfied that the cover provided is broadly similar to many of the competitor products. On that basis, F&L is satisfied that the product represents fair value and will monitor performance and value metrics as the schemes grow, to ensure that no areas of concern that could result in customer harm appear.

All F&L products are subject to an annual review.

F&L's Car Hire Excess Protection Insurance is intended for customers wishing to protect themselves against the cost of any policy excess payment, in the event of a claim made against a car hire insurance policy.

The product has a duration of 3 days to 12 months. Policies can be cancelled prior to the commencement of hire for short term policies (3-14 days) and within 14 days for 12 month policies providing no claim has been made or an event occurred that could give rise to a claim.

- The policy provides customers with reimbursement of the excess incurred under a car hire insurance policy.
- The excess is defined as the first amount of any claim that the customer is responsible for paying under the terms of their car hire insurance policy.
- Customers can choose the level of cover they require for personal use, for single trip, or multiple times in a 12 month period and wish to be protected in case of damage or other expenses incurred on a car hire insurance policy.
- Customers are able to choose the duration they wish to insure for to ensure that it is in line with the period of hire or for annual cover allowing multiple hires within the period of insurance. Limits will be agreed between F&L and the distributor.

DISTRIBUTION METHOD(S)

Product can be sold:

- By insurance brokers and other FCA regulated entities.
- Ideally packaged with a motor insurance product or as an add-on but standalone can be considered.
- With or without premium finance (finance to be sourced and arranged by the distributor).
- Advised or non-advised.
- Face to face / Online / Telephone

TARGET MARKET

- UK residents who are hiring a vehicle for personal use, once for a single trip, or multiple times in a 12 month period, and wish to be protected financially in case of damage, other unexpected event or ancillary expenses.
- Customers wanting protection from excess charges or deposit reimbursed if hire vehicle is damaged, stolen, destroyed.
- Customers who wouldn't be able to pay the charges from their own finances.
- Customers without vehicle hire excess insurance in place through other insurances, financial products or at no extra charge through their credit card or travel card under a group or individual scheme.
- Customers without "super cover", "super collision damage waiver" or other "full" insurance products purchased through the vehicle hire provider or other routes, or who wish to save money compared to buying these from the rental agency.
- Those wanting added protection or expense coverage for other events not covered by "super cover", CDW or other insurances (e.g. travel/flight delay, key, misfuel).
- Drivers meeting the product eligibility criteria for age, as specified with the distributor, not disqualified and holding a full, valid international driving license/permit for the covered territories .
- Customers hiring vehicles within the size/age/value criteria.
- Customers who want to hire and use vehicles in the territorial limits for the product.

TYPES OF CUSTOMER FOR WHOM THE PRODUCT WOULD BE UNSUITABLE

- Customers under or over the age eligibility criteria, non UK residents and/or those without a full, valid international driving licence/permit for the territories or disqualified from driving motor vehicles
- For annual policies only: Individuals not planning to hire a vehicle more than once a year – these should be pointed to Single Trip.
- Customers with existing car hire excess insurance, "super cover", enhanced CDW or other insurance from the car hire rental company, other financial products or insurances or standalone.
- Customers who would prefer to pay their excess from their own finances and can afford to.
- Those not wanting extra financial protection and peace of mind, or wish to purchase the rental agency's direct offering.
- Customers not wanting extra protection for other events not covered by rental agency insurances (e.g. travel expenses, key, misfuel) and preferring only excess and damage waiver products.
- Those seeking products including third party liability or other third party or comprehensive basic insurance for the hire vehicle.
- Customers hiring vehicles outside the size/age/value criteria or planning to use the vehicle for business or commercial use.
- Anyone seeking to hire and use vehicles in excluded territories or beyond the territorial limits for the product.

ANY NOTABLE EXCLUSIONS OR CIRCUMSTANCES WHERE THE PRODUCT WILL NOT RESPOND
Full policy terms and exclusions can be found in the policy wording. Notable exclusions include: • The product does not substitute basic insurance for the hire vehicle, including comprehensive fire, theft and third party insurance, liability or other insurances which should be provided by the hire company with the vehicle. It is designed to supplement basic cover and Collision Damage Waivers or similar agreements, providing reimbursement for the excess applicable to incidents and ancillary losses only. • Limitations apply on customer age and eligibility (including requiring valid driving licences for the territory/ies) and vehicle types, age, size, value and other factors, as agreed with the distributor. These should be called out in the distribution journey, ensuring the product is not sold alongside ineligible vehicles or to ineligible customers. • Customers are not covered for driving off the public highway or use of vehicles for sports, rallying, safari, adventure or other kinds of extreme, non-standard use. • The policyholders must be the named drivers on the hire agreement or cover will be invalid. Cover extends only to individuals named on both the policy and the hire agreement(s), and anyone who is not named on either will not be covered for incidents taking place while they drive the vehicle even if other vehicle occupants are named both on the insurance and the hire agreement. • Interior damage to the vehicle is a key exclusion – no refund or cost will be paid for this in any case. • Use of the vehicle is not covered in territories where the FCDO advise against travelling. • For Single Trip policies: the duration of cover must match the duration of the hire agreement in full. For example, if a car is hired between May 1st and May 3rd, the policy must be taken out for the same dates. Cover cannot be taken out retrospectively or while in the middle of a trip already commenced. Among other conditions, these are the key ones customers must respect: • Customers must act in accordance with the terms and conditions of their hire agreement(s); • Customers must also follow the instructions of their hire company in full at all times. In case of an incident, such as being locked out of the car or breaking down, the customer must notify the hire company and follow their instructions at all times. No refund will be provided for any cost incurred without the approval of the hire company or damage caused by the customers' failure to follow these instructions. • Further conditions and limitations may vary between policies depending on agreement with the distributor and underwriting, such as on vehicle age, which must be called out under the specific target market details. • Further conditions and limitations apply, it is the distributor's responsibility to understand them in full and present any deemed appropriate in addition to the above.

OTHER INFORMATION WHICH MAY BE RELEVANT TO DISTRIBUTORS
• Distributors should review and understand any impact they may have on the value of the product.

Date Fair Value assessment completed	**01/04/2024**
Expected date of next assessment	**April 2025**