SAGIC Product Overview

Product Name:	Courier Insurance
Date Updated:	July 2024
SAGIC Duties:	Manufacturer / Underwriter / Compliance

Product Overview

Product summary
The courier insurance product provides cover for the legal liability of individuals working as couriers in the United Kingdom and for the goods they are transporting.
The product is sold as an add on the customer main motor insurance policy.

Date product first distributed by SAGIC
March 2023

Product Cover

Key areas of cover
The product provides cover for the customers legal liability for bodily injury and damage to third party property in connection with their employment as a courier. It also provides cover for the goods they are transporting and employers liability if they have any employees working for them.

Key exclusions
The product includes the following exclusions which are not covered by the insurance policy; War, Asbestos, Breakdown, Terrorism, Injury to Domestic Employees, Communicable Disease and Physical Damage to the customers vehicle itself.
The product also excludes all losses for any Cargo left in the vehicle prior to or after the drivers working day, and for any Inherent defect, Deterioration of Cargo, or the hardening or setting of Cargo.

Are any areas of the product compulsory?
The product provides cover for Public & Employers Liability and Goods in Transits only, there are no optional sections of cover.

Are any other products sold alongside the main product?
This is sold alongside the vehicles motor insurance

Are any sections of cover provided by other insurance companies?
N/A

Target Market

Target market summary
The product is aimed at customers who use their vehicle for business purposes as a courier in the United Kingdom and require Public & Employers Liability cover to protect their legal liabilities and cover for the cargo they are transporting.

Overall customer market
There are approximately 112,000 people employed in the UK delivery and courier industry, not all of these will be drivers however it give a good estimation on the potential number of customers.

Product placement in the market
The Courier product is designed to be comparable with other generic business products sold to cover the use of an individual's vehicles for business purposes.
The product is sold alongside the main motor policy therefore is an optional cover for customers if they decide they require it.

Vulnerable customer review
The Courier product will only be sold to owners of vehicle where they are using it for business purposes so there is a very specific market for it. Given the basic nature of the product there are no specific concerns regarding the treatment of vulnerable customer that need considering.

Distribution

How will the product be distributed?
The product is distributed on a delegated authority basis with an MGA who distribute the product to retail brokers, these retail brokers will distribute the product to customers via internet and telephone sales.

How will distributers be remunerated?
Remuneration will be via a fixed maximum level of commission and retail premium issues to the MGA and further distributed to the individual retail brokers. This commission is based on the premium of each individual policy.

Activity Provision and Control

Who is responsible for the following product activities?

Activity	Company
Commissioning the product	SAGIC
Overall Rating Structure	SAGIC
Key aspects of cover	SAGIC
Key Exclusions	SAGIC
IPID Content	SAGIC
Setting the Target Market	SAGIC
Arranging the distribution	SAGIC
Complaints Oversight and MI	SAGIC
Information for Distributors	SAGIC
Distributor Audit/MI	SAGIC
Product Recall/Modification	SAGIC
Claims Handling	SAGIC
Claims Settlement	SAGIC

Key Risks

What are the key risks associated with this product?
- Given the flexible nature of the target market it may include ad-hoc couriers which would increase the risk given the lack of experience.

- Ensuring customers understand that they may be held liable for injury or damage to third parties whilst they are delivery items and that the liability doesn't just relate to the vehicle.

What actions have been implemented to mitigate these risk?
The cover is optional therefore the customer must actively choose to purchase to cover so the benefits of it can be appropriately explained

Product Review & Value Analysis

Date of Last Review
14th September 2023

Date review signed off by SAGIC Coverholder, Conduct & Product Oversight Committee
14th September 2023

Product Review summary
This is a relatively new product for SAGIC in terms of the target market however SAGIC have provided insurances to vehicles associated businesses for a significant period of time.
No significant changes to the products or its risk profiles were identified and there were no concerns raised over the performance of the product or customers interactions with it.
Further management information surrounding claims settlement times and complaints analysis should be carried out across the next review period.

Product Value

Policy Information	12 Month Period
New business conversion rate	Not provided
Average Renewal conversion rate	Not provided
Average new business premium	£98.00
Average renewal premium	N/A
Percentage of overall market	<1%

Policy Cover		RAG
Core Cover	Public Liability & Goods in Transit cover	
Secondary Cover	Multiple extensions included with inner limits	
Optional Cover	N/A	
Excess	N/A	

Distribution		RAG
Total Remuneration	Maximum 50.00%	
Fees & Charges	N/A	

Customer Experience		RAG
Auto Renewal	No, one off policy for customers	
Online Customer Portal / Claims	Distributed by insurance brokers through online systems, no access to make claims online	
Vulnerable Customer Consideration	N/A	

Trust Pilot Reviews	4.8 across all SAGIC products	

Complaints		**RAG**
- 3 Business Days	0	
- < 3 Business Days, > 8 Weeks	0	
- >8 Weeks	0	
- Total	0	
- Number of Complaints Referred to FOS	0	
Total Redress Paid	£0	
Complaints Frequency	0%	

Premium		**RAG**
How is the price set?	Fixed rate premiums	
Factors affecting premium	Acceptance criteria only	
Premium Benchmarking	N/A Fixed price package product	

Claims		**RAG**
Claims frequency	<1%	
Claims acceptance percentage	0%	
Claims drop off percentage	0%	
Claims declined percentage	0%	

Overview		**RAG**
Overall Rating	Our opinion is that this product offers good value for those customers within the target market and provides them with good outcomes. They will receive a product that will meet the requirements and needs of those looking for a general commercial combined policy. We have used an array of live product information on performance, price, distribution, and service to come to this opinion.	