SAGIC Product Overview

Product Name:	Courier Insurance – Goods in Transit
Date Updated:	July 2024
SAGIC Duties:	Manufacturer / Underwriter / Compliance

Product Overview

Product summary
The goods in transit insurance product provides cover for physical damage for goods being delivered by individual working as couriers in the United Kingdom.

Date product first distributed by SAGIC
March 2023

Product Cover

Key areas of cover
The product provides cover for physical damage to goods that the customer is legal liability for in connection with their employment as a courier. It also provides cover for the hand-held scanners used for this business.

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 Goods in Transits only, there are no optional sections of cover.

Are any other products sold alongside the main product?
N/A

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 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 gives 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.

Vulnerable customer review
The Courier product has been designed for a very specific target market of commercial customers. 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 in handling goods.
- Ensuring customers understand that they may be held liable for damage to goods even if there is no negligence on their part.

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
24th January 2024

Date review signed off by SAGIC Coverholder, Conduct & Product Oversight Committee
27th March 2024

Product Review summary
No significant changes to the products or its risk profiles were identified during the review and there were no concerns raised over the performance of the product or customers interactions with it. The product is still relatively new so the MI should be reviewed closely to ensure the product is performing as expected and continues to provide fair value.

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	Yes, the product is included within the main motor policy so auto renewal will be available	
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**
Number of claims received	2	
Claims frequency	0.40%	
Claims acceptance percentage	100%	
Claims drop off percentage	50%	
Claims declined percentage	0%	

Overview		**RAG**
Overall Rating	The couriers goods insurance product offers fair value for customers and performs as expected, the only area of concern would be about ensuring that claims performance is similar to other type of products.	

Consumer Duty Assessment

Not applicable as product will be distributed to Commercial Customers.