Fair Value Assessment Report

Distributor	Strategic Insurance Services Ltd
Product	Tools in Transit Insurance
Date FVA completed	Jan-2025
Date of next review	Jan-2026
Approved	Underwriting and Product Governance Committee – Collinson/Astrenska Insurance Ltd (AIL)

**Products are continously monitored in accordance with our product oversight and governance policy. Certain material changes to the product features or performance may require a FVA to be completed prior to the annual review date.*

Outcome of Fair Value Assessment

Strategic Insurance has determined that through its product governance activities that:

- **Review of the product indicates it is meeting the intended customer outcomes and providing fair value to customers**
  Continues to meet the needs of customers and the defined target market
  Continues to provide value to customers and the intended defined market

There may be points we wish to discuss further with you as a sub-agent, and we will engage with you on those topics where appropriate.

Fair Value Assessments

The FVA considers the performance of the product against the following criteria in particular:

Product Features & Performance	- Product key features, including any amendments - Target market review - Customer insight - Market Analysis - Claims frequency and outcomes - Loss ratio
Price	- Risk premium - Distributor costs and margin - Other charges/fees
Customer Experience & Service Delivery	- Claims service metrics - Operational service metrics - Complaints - Audit/monitoring findings/risk events - Outcomes of previous FVA - Distribution and channel characteristics

Overview

Product Information	The product is offered as an ancillary product alongside the core van or business insurance on an optional basis. This is a product aimed at tradespeople and small businesses across various trades who own and use tools for business purposes. There are no specific exclusions related to specific trades or occupations, so this product is available to any tradesperson wishing to protect themselves from potential financial lost from their tools being damaged or stolen whilst in transit. The product is designed to ensure business continuity and protect against loss of business due to the unexpected expense of replacing tools. The product will reimburse or replace tools in the event they are stolen, destroyed or damaged whilst in the motor vehicle, or during loading and unloading. Levels of indemnity range from £500 up to £10k, with excesses ranging from £100 up to £300 at the top end of the LOI range. Cover is included for portable hand tools, portable power-driven tools and trade goods which are used or required during the course of the insured's business activities. Tradespeople cannot carry out their business activities without the proper tools to do so. In the event tools are stolen or damaged whilst in transit a tradesperson may not have the means to pay for replacement tools to fulfil their work commitments, resulting in loss of income. Tools are invariably expensive to replace, running into thousands of pounds, so it is imperative a tradesperson is not without their tools for any extended period of time. The UK market contains hundreds of thousands of tradespeople, many of which buy tools in transit cover.

Target Market	• **What is this product?** This is a Personal Lines General Insurance product suitable for tradespeople. This product is designed to offer customers flexibility to tailor a package of cover to meet their needs, as an add-on to core commercial vehicle insurance. • **What customer needs are met by this product?** This product is designed to provide customers with financial protection in the scenario where their tools are stolen or damaged whilst in transit (with their commercial vehicle, which would result I them needing to be replaced. LOI start at £500 and increase up to £10k, with a range of excesses from £100 up to £300. • **Who is this product designed for?** This is a product aimed at tradespeople who own their own tools which they use for their livelihood. The product is offered as an ancillary product alongside the core van or business insurance on an optional basis. This is a product aimed at tradespeople and small businesses across various trades who own and use tools for business purposes. There are no specific exclusions related to specific trades or occupations, so this product is available to any tradesperson wishing to protect themselves from potential financial loss from their tools being damaged or stolen while in transit. • **Who is this product not designed to support, or are there any features that distributors should be aware of when offering this product to customers?** > Customers who do not live in the UK > Non-business use customers ie. private individual customers • **Can this product be sold without advice?** It has been agreed that this product will be sold without advice. It is a simple product for customers to understand without advice, as it has a small number of LOI choices to cater for different values of tools for different tradespeople. • **How can this product be sold?** This product can be sold face to face, via the telephone or online. Sales journeys must identify customer eligibility and ensure that key information is presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of this insurance to suit their specific demands and needs. **Eligibility - Customers must:** > be a UK resident > be purchasing the insurance while in the UK > be a business/tradesperson as opposed to a private individual who wishes to insure tools
Target Markets knowledge and understanding of the product	As part of the sales process, consumers are given comprehensive information about the benefits, policy amounts/limits, exclusions and limitations together with a demands and needs statement outlining the demands and needs of a customer for whom the product would be suitable - • Product distributors are on hand to assist with any product related questions. • Customers have a cooling off period in which to fully scrutinise their insurance documentation and decide whether the cover provided meet their demands and needs
Key Benefits	The product is designed to ensure business continuity and protect against loss of business due to the unexpected expense of replacing tools. The product will reimburse or replace tools in the event they are stolen, destroyed or damaged whilst in the motor vehicle, or during loading and unloading. Levels of indemnity range from £500 up to £10k, with excesses ranging from £100 up to £300 at the top end of the LOI range. Cover is included for portable hand tools, portable power-driven tools and trade goods which are used or required during the course of the insured's business activities. Tradespeople cannot carry out their business activities without the proper tools to do so. In the event tools are stolen or damaged whilst in transit a tradesperson may not have the means to pay for replacement tools to fulfil their work commitments, resulting in loss of income. Tools are invariably expensive to replace, running into thousands of pounds, so it is imperative a tradesperson is not without their tools for any extended period of time. The UK market contains hundreds of thousands of tradespeople, many of which buy tools in transit cover.

Notable Exclusions	• The excess payable for each claim. • Any tools in transit that you cannot give us evidence of ownership for. • Your tools in transit are not covered for theft or attempted theft from any unattended motor vehicle where the motor vehicle has been left unattended and you have not checked the motor vehicle or your tools in transit in it for more than 48 hours. • Any claim where the loss occurred within 14 days of the start of the period of insurance. • Theft, or damage of any sheet ropes, packing materials, securing chains or toggles. • Theft, or damage caused by you deliberately damaging or neglecting the tools in transit. • Damage arising from wear and tear, depreciation, deterioration, mildew, moth, vermin, manufacturer and/or latent defects, mechanical or electrical breakdown, failure unless external damage has occurred. • Theft of laptops and/or mobile phones and/or any other mobile communications equipment. • Theft of any money, securities, jewellery, or anything other than your tools in transit. • Any expense incurred as a result of not being able to use the tools in transit or any costs other than the repair or replacement costs of the tools in transit. • Any tools in transit whilst being towed on its own wheels or being driven under its own power. • Any loss or damage other than the cost of replacing the tools in transit, arising from theft or from any other cause whatsoever. • Liability of whatsoever nature arising from ownership or use of the tools in transit, including any illness or injury resulting from it. • Value Added Tax (VAT) where you are registered with HM Revenue and Customs for VAT. • Any damage to the motor vehicle carrying the tools in transit. **Restrictions** **Under-Insurance** • If the tools in transit are worth more than the sum insured covered by the insurance when the incident happens, we will only pay part of the claim. For example, if the insurance only covers one third of the cost of replacing the tools, we will only pay one third of the claim. **Motor Vehicle Security Requirement** • If the motor vehicle is unattended, we will not accept any claim for theft unless: • The tools in transit have been concealed in a locked boot or cargo hold or other locked internal compartment and all your motor vehicle's windows and doors have been securely locked and fastened and the keys removed, and unattached trailers have had anti-hitching devices put into operation. Any additional security measure must also be implemented. • Forcible and violent means have been used to gain access or entry to your motor vehicle. Evidence of this must be submitted with your claim. **Overnight Requirement** • Between the hours of 10pm and 6am, unless you are undertaking work at a customer's premises and your motor vehicle is parked outside those premises, your motor vehicle must be: • Parked in an area secured by a locked gate, or • Parked in a locked and secure garage, or • Parked in your off-road driveway next to your private home. • If these conditions cannot be met then you must park your motor vehicle in a well-lit area, on the same street as, and clearly visible from the property in which you are residing that night. **Reasonable precautions** You shall: • Only employ drivers covered under a valid motor insurance policy issued by an FCA or Financial Regulator authorised insurer and must take all reasonable precautions to prevent any loss or damage. • Take all reasonable precautions to prevent any loss or damage when securing loads. • Take all reasonable precautions to maintain your motor vehicle in a roadworthy condition. • Take all reasonable precautions to ensure that your motor vehicle is suitable for the purpose for which it is used. • Maintain in force a valid motor insurance policy to cover your motor vehicle carrying tools in transit. • You must provide us with evidence of ownership for any tools in transit you claim for. We will not pay for any items for which you cannot provide evidence of ownership.
Vulnerable Customer Assessment	• An assessment of the intended target market has not raised any specific actions, as we have assurance that processes are in place to address impacts to vulnerable customers within the provision of these products. We / our distributor can address and consider impacts to vulnerable customers and their needs. Including: • Customer is elderly and uncomfortable with technology: we have processes implemented for the customer to complete the sales process over the telephone. • Customer with low emotional resilience e.g., finding it hard to cope with the outcome of a claim: agents encouraged to stay on the call for as long as is needed to support these customers and give them all the information they need.

	• Customer is partially sighted: offer to provide large font copies of policy related documentation and pre-sales information. • Customer has poor literacy and numeracy may struggle to understand our documentation: product documentation includes clear English avoids use of financial or legal jargon/terminology. Customers given details for non-digital support throughout a digital journey, allowing customers to drop out of the process if they require an alternative approach, were unsure how to proceed or needed to discuss their circumstances. Customers asked to record any needs when they start an online journey, allowing appropriate follow up questions or for the customer to be routed to an appropriate customer team if required. We recognise the importance of considering the needs of customers in vulnerable circumstances when developing products and services, and across the entire customer journey, including when making changes to existing products or developing new ones. To achieve good outcomes for customers in vulnerable circumstances and ensure that those outcomes are as good as for other customers, we have: • understood the needs of the target market/customer base. • made sure staff have the right skills and capability to recognise and respond to the needs of customers in vulnerable circumstances. • responded to customer needs throughout product design, flexible customer service support and communications. • put in place measures to ensure the delivery of good outcomes for vulnerable customers are being monitored and assessed to determine whether we are meeting and responding to needs of customers with characteristics of vulnerability and make improvements where this is not happening. **Claims and Sales Journey** Our claims partner has identified the characteristics of vulnerabilities likely to exist within the defined target market and overlayed these at each key touchpoint of the relevant journey to assess the suitability of the mapped support. • This process has not identified any material gaps in the available support, nor in the overall design of the product and its features. The product and service deign is therefore considered to be compatible with the needs of the target market and any associated vulnerable customers.
Distribution	Available through multiple channels ie. direct, aggs, telephone (SISL wholesale / retail relationships) – non advised.