

Business Combined

Review Type:	Product Approval (Year 1)
Review Completed:	Q3 2022
Review Period:	2021/22
Next Review:	2023





Product Target Market Statement (TMS) (1/2)

Business Combined

What is this Product?

- Business Combined is a Commercial Lines Product suitable for Customers who require insurance protection for Property Damage with a range of optional Covers available to meet Customer needs.

Cover	Use	Compulsory	Optional
Property Damage	Cover for the physical assets of the Business including Buildings, General Contents, Stock against Damage caused by insured Events including Fire, Theft, Flood, Escape of Water, Subsidence.	✓	
Business Interruption	Cover for loss of Revenue and/or Profit following insured Damage to Property.		✓
All Risks	Cover for Equipment whilst away from the Premises as requested.		✓
Money	Cover for Money both on the Premises and whilst in transit ¹ .		✓
Terrorism	An extension to Property Damage and Business Interruption covering Damage resulting from Acts of Terrorism.		✓
Liability	Cover for financial losses arising from liability for Damage to Property or Injury to third parties, and for legal liability to Employees for Injury.		✓
Fidelity	Cover for loss of Money or Property following Fraudulent Acts by Employees and/or Third Parties.		✓
Personal Accident	Payment of a financial Benefit in the event of bodily injury to an Employee following an Accident.		✓
Loss of Liquor Licence	Cover for loss of Gross Profit and value of Premises resulting from loss of Premises Licence where there is no fault by the Customer.		✓
Legal Expenses	Cover for costs incurred in pursuing or defending the legal rights of the Customer's Business as a result of legal proceedings resulting from Employment, Taxation, and other disputes.		✓
Transit	Cover for Damage to Property whilst in transit ¹ .		✓
Deterioration of Stock	Cover for Damage to Stock as a result of failure of refrigeration equipment.		✓
Machinery Breakdown	Cover for repair or Reinstatement of machinery as a result of mechanical or electrical breakdown.		✓

- Within the Territorial Limits of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, and the Isle of Man.
- Please refer to Legal Expenses Target Market Statement for further detail.

What Customer need is met by this Product?

- This Product is designed to protect businesses against financial losses arising from specific insurable Events that require Property Damage as a minimum.

Who is this Product designed for?

- Customers who require Property Damage protection and additional protections as provided by the optional Covers for up to five commercial premises.
- Customers with businesses domiciled in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, and the Isle of Man.

Who is this Product not designed to support, or are there any features that you should be aware of when offering this Product to Customers?

- Consumers as the Product is designed to cover business activities.
- Customers that do not require Property Damage or do not meet the minimum cover requirements of Property Damage.
- Customers that have an existing policy in place providing the same coverage and whereby purchasing this Product would give dual cover.
- Customers subject to any Economic Financial or Trade sanctions imposed by the European Union or United Kingdom, or any other prohibition or restriction imposed by law or regulation of the country of which the Policy is issued or would otherwise provide cover.

Can this Product be sold with or without advice?

- This Product can be sold with or without advice depending on the Broker's (Distributor's) preference and in accordance with FCA regulations.
- This Product is supported by a Policy Summary.

How can this Product be sold?

- This Product is suitable to be sold online, face to face, via telephone, email or by postal application.
- The sales journey must identify Customer eligibility and establish that this product, and any optional elements, are consistent with the Customer's demands and needs. The sales journey must also ensure that key details are presented to the Customer in a timely manner that allows informed decisions to be made.



Product Target Market Statement (TMS) (2/2)

Business Combined

Eligibility and conditions, exclusions and excesses that may impact the outcomes that Customers may reasonably expect

- The Distributor must always consider whether they have the correct product to meet the Customer's needs.
- RSA will overlay eligibility and risk acceptance criteria that will restrict access to certain trade sectors and risks that the Product may be suitable for but are outside of RSA's current strategy and risk appetite.
- Policies for this Product are individually underwritten so indemnity limits, exclusions, and excesses that apply will depend upon the risk insured and will be stated in the Policy Quote and Policy Schedule.

How is the value of this Product assessed?

- We assess Product Value using quantitative (i.e. metrics) and qualitative information (e.g. processes and controls), including data from our Distributors relating to service and remuneration¹, as appropriate.
- This Product has been approved in line with RSA's Product Governance processes, including consideration of:
 - the value of the RSA Product: this includes: (i) Cover – whether the level of benefits and relevant exclusions offers value to the Customer, (ii) Utility – whether the Product is being used by the Customers of the intended target market, and (iii) RSA Service – whether the type and quality of services being provided is reasonable for the Customer.
 - the impact of distribution on the value: this includes whether Distributor remuneration is appropriate and bears a reasonable relationship to the services provided to the Customer by the Distributor. If there are concerns, RSA will follow up with the relevant Distributors to agree remedial action.

Based on the assessment performed, we have established that this Product is compatible with the objectives, interests and characteristics of Customers of the intended target market and that the distribution strategy is not detrimentally impacting overall Product Value. We have therefore concluded that this Product provides fair value to Customers.

What are the obligations of our Distributors?

- Manufacturer notification – all intermediaries must review their product distribution arrangements at least every 12 months and consider the impact of remuneration against the intended value of their products. Distributors must notify the Manufacturer as soon as practically possible if there are any value concerns for which remedial action is required.
- Remuneration – Distributors must ensure that any remuneration received for an insurance product does not result in the product ceasing to provide fair value to the Customer.
- Provision of information – if so requested, Distributors must provide the Manufacturer with: (i) information on the Distributor's remuneration in connection with distribution of the insurance product; (ii) information on ancillary products or services that may impact the intended value of the Manufacturer's primary insurance product; and (iii) confirmation that the distribution arrangements are consistent with the obligations of the firm under the FCA Handbook including SYSC 10 (Conflicts of Interest) and SYSC 19F.2 (IDD Remuneration).
- Price optimisation – if the Distributor is a price-setting intermediary, unless there is a reasonable basis, firms should not increase the price of the insurance product based on: (i) policies being subject to auto renewal compared to policies that are not subject to auto renewal; (ii) the Customer's vulnerability or any protected characteristics (unless the firm can rely on them under the Equality Act 2010); and (iii) where Customers purchase the policy using Retail Premium Finance.

1. Remuneration includes: commissions, fees, charges, payments, and other economic or non-economic benefits.