

FREIGHT LEGAL LIABILITY INSURANCE – PRODUCT VALUE ASSESSMENT

What is this Product and What is the Target Market?

Freight legal liability insurance protects commercial customers against contractual liability for loss or damage to goods entrusted to them by third parties. It is designed for the following entities:

- Freight Forwarders (under British International Freight Association terms, national conditions or own contract).
- Non-Vessel Operating Carriers (under Bills of Lading, airwaybills or similar carriage documents).
- Hauliers (under Road Haulage Association, CMR, Freight Trade Association, Heavy Transport Association terms, own contractual conditions or other conditions, or for full value where no conditions exist).
- Couriers (under contractual conditions or for full value where no conditions exist).
- Removers (under British Association of Removers or National Guild of Removers and Storers terms, own conditions or operating on a deregulated basis).
- Self-Storage Operators (under Self-Storage Association conditions, own contract or operating on a deregulated basis).
- Vehicle Transporters moving vehicles for manufacturers, garages, logistic companies, racing teams and individuals.
- Warehousekeepers storing goods under UKWA, NAWK, own and third party contractual conditions or legal liability uplifted to the full value where no contractual conditions exist.
- Excess of Loss for transit/stock risks where limits exceed primary layer.

What Customer Need is met by this Product?

The product protects customers from financial loss arising from their contractual liability to the owners of goods, in connection with the transport or storage of those goods as part of their business.

Which Customers are not in the Target Market?

The product is not designed for individual customers, or customers seeking to protect their own goods against loss or damage.

How is this Product Distributed?

This product is distributed via brokers who provide advice on a face-to-face, telesales or electronic basis.

Eligibility and Conditions that may affect the Outcomes that Customers may reasonably expect

Policies issued are subject to various exclusions (including excluded goods and excluded causes of loss). Customers are required to take reasonable steps to minimise loss and preserve rights against third parties including carriers.

How is the value of the Product assessed?

The Product Oversight Committee of the insurer (Chaucer Group) has assessed the value of the product including cover provided (benefits and exclusions), whether the product is taken up by the target market, levels of service provided to customers, and price (including whether distributor remuneration is appropriate and proportionate to the value of the services provided to the customer by the distributor).

What was the Outcome of the Value Assessment?

Chaucer Group has determined that the Product is suitable to meet the objectives, interests and characteristics of customers in the target market and the distribution strategy does not negatively impact product value, and the product therefore provides fair value to customers.

What are the Obligations of our Distributors?

Our distributors must:

- Ensure that the total remuneration that they receive (including commissions, fees and other charges) does not have a detrimental impact on the fair value of a product to the customer;
- Regularly review their product distribution arrangements and their effect on product value, and notify us if they identify any concerns;
- If requested, provide us with remuneration information in connection with the distribution of a product; and
- Ensure that their distribution arrangements are in accordance with all applicable regulatory requirements.