

DISTRIBUTOR PRODUCT GUIDE

MOTOR FLEET

This document is for broker and intermediary reference only. The guide does not include the full terms and conditions of the contract of insurance. These can be found within policy documents and can be obtained from the administration contact at the end of his guide.

Product reference: FL - PSUK 200309 1.0

AIOI NISSAY DOWA INSURANCE UK

Aioi Nissay Dowa Europe, or AND-E for short, is a specialist in automotive protection and part of the MS&AD Insurance Group – Asia's largest non-life insurer and one of the leading insurance groups in the world.

www.aioinissaydowa.eu

AND-E has an established presence across Europe for over thirty years.

UK Motor Fleet policies are underwritten by Aioi Nissay Dowa Insurance UK Limited (ANDI UK) which is a subsidiary of Aioi Nissay Dowa Europe Limited, a company incorporated in the United Kingdom and part of the Aioi Nissay Dowa Europe Group.

ANDI UK's company number is 11105895. Its registered office is 7th Floor, 52-56 Leadenhall Street, London, EC3A 2BJ. The Company is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Its Financial Services Register Number is 816870.

ANDI UK is rated A+ (Excellent) by Standard & Poor's and backed by parental guarantee.

PRODUCT INFORMATION TARGET MARKET

Our Motor Fleet product provides insurance to United Kingdom domiciled vehicle fleet operators. The cover includes liability to third parties arising from the use of the insured vehicles, and when selected by the policyholder, damage or loss to the insured vehicles.

Claims are handled by ANDI UK's appointed specialist claims third party administrator with oversight and management by our in-house claims team.

Our policies are normally for a period of 12 months and may be renewed each year. Renewal will be subject to the terms and conditions that apply at the time of renewal.

Cover can be arranged for business cars, goods carrying vehicles, coaches, minibuses, agricultural vehicles, special type vehicles and trailers.

This product is open to new and renewal business.

Our product is suitable for UK based commercial, corporate, public sector and not for profit customers, including SME and Micro-SME enterprises operating a fleet of UK registered vehicles.

This product is **not** suitable for:

- Customers using vehicles solely for personal purposes.
- Customers with vehicles registered outside of the United Kingdom.

MOTOR FLEET DISTRIBUTOR PRODUCT GUIDE

NOTABLE EXCLUSIONS

Standard exclusions apply, including:

- Loss, damage or liability whilst the vehicle is driven by anyone disqualified from driving or not permitted by certificate of motor insurance.
- Death of or injury to the driver except under the Personal Accident Section (if covered).
- Third party liabilities while the insured vehicle is in any area to which aircraft have access.
- Contractual liability.
- War and radioactivity.
- Loss, damage or liability arising from the carriage of hazardous goods.
- Loss, damage or liability caused where vehicle or any attachment to the vehicle is operating as a tool of trade.
- Loss of use, unless resulting from an accident involving the insured vehicles.
- Wear and tear or damage to vehicle caused by lack of maintenance.
- Theft of vehicle when the keys are left on or in it and it is not locked and secure.
- Liability arising as a result of a deliberate act caused by the insured.
- Acts of terrorism.
- Losses arising from radiation from nuclear fuel or waste.
- Mis-delivery of load.

DISTRIBUTION STRATEGY

Our Motor Fleet product has been designed to be distributed by insurance intermediaries that hold a Terms of Business Agreement (TOBA) with us or with a distributor that also holds a TOBA with ANDI UK. The product should only be sold on an advised basis by a suitable qualified advisor and not on a direct basis.

In cases that we authorise the involvement of another party or an additional entity in the distribution arrangement of our products, this is restricted to limit involvement to only one level beyond the distributor initially establishing business with us.

As part of our distribution strategy we expect;

- The involvement of additional parties being relevant and appropriate in terms of their involvement, knowledge and regulatory status.
- Any division or sharing of commission and/or remuneration applicable to each party being proportionate to the activities undertaken by each party.
- Administration fees not being applied by more than one party in the distribution chain.
- All distributors must share information on the distribution of this product with us upon request to enable appropriate oversight. This will include but not be limited to remuneration, is the sale on an advised or non-advised basis, and details of ancillary products sold alongside this product.

PRODUCT VALUE ASSESSMENT

This product has been subject to AND-E's product governance process and the Fair Value Assessment on 24th May 2023 in accordance with our obligations under PROD 4.2.

All distributors must ensure they understand the main features and characteristics of this product, that it is only sold to customers that fit the target market defined by us and that it meets the customer's demands and needs.

The distribution activities for this product must be in accordance with the best interests of their customers.

Date of most recent Product Review and Fair Value Assessment: 24/05/2023

Following this Fair Value Assessment we can confirm the product gives fair value.

Date of next Product Review and Fair Value Assessment to be completed by May 2024

MOTOR FLEET DISTRIBUTOR PRODUCT GUIDE

OUTCOME OF THE PRODUCT REVIEW AND FAIR VALUE ASSESSMENT

As a result of the product governance activities undertaken across this product we can confirm:

The product remains consistent with the needs of the identified target market,

The product remains consistent with the fair value assessment,

The intended distribution strategy remains appropriate.

In addition to product design, customer characteristics/vulnerabilities, the premium charged for cover and services provided, and distribution approach, this assessment takes into account the following KPIs:

- Cancellation data.
- Claims and complaints volumes.
- Declinature rates.
- Loss ratios.
- Ex Gratia payments.
- Wording reviews.
- Root cause analysis of issues and complaints.
- Commissions and fees.

We also consider how the intended value of the product may be affected by its distribution with the conclusion of our product value assessment based upon our distribution strategy as set out in this guide and that:

- The level of commission is in line with market proximate commission levels and is not being increased from what we have agreed with the placing distributor for the policy.
- Where distributors operate on a net or fee-in-lieu (of commission) basis, such fees are expected to be proportionately lower than the equivalent commission would be for that same policy.
- Administration fees or any other additional fees are only levied where the commission income is not sufficient to cover any of those respective costs and is commensurate with the activities undertaken.

- Our product does not form part of a packaged offering.
- Ancillary products (including premium finance arranged by the distributor) are only being offered where requested by the customer and when appropriate to their demands and needs. The total charge to the customer for any ancillary products, and any directly related remuneration (whether commission or fee) is commensurate with the benefit / services provided and activities undertaken.
- No other additional charges or remuneration are being received in connection with the distribution of our product other than referenced above or received from us.
- All and any parties in the distribution arrangement are able to confirm that their remuneration is consistent with their regulatory obligations.

We conclude that this product is Low Risk. We have comfort that it is an advised sales through large, established and reputable Brokers and commissions do not appear to be unfair. It appears to perform when customers need it and the high renewal retention rates are also something that gives us comfort that this offers fair value. There are some concerns that although this product has been designed with SME's in mind, we are not able to identify SME population within the book and we have noted actions to investigate this further. We believe there is adequate controls and monitoring in place to manage our claims outsource arrangements.

MOTOR FLEET DISTRIBUTOR PRODUCT GUIDE

If you would like any more detail regarding this product and its fair value assessment (or any other UK commercial Motor Fleet product manufactured by us), then please contact our administration team.

CONTACT DETAILS

Administration contact: fleetadmin@aioinissaydowa.eu

T: 0330 022 6513

New claims contact: fleetclaims@aioinissaydowa.eu

T: 0333 103 8114

Motor Insurance Database contact: fleetMID@aioinissaydowa.eu

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