

Target Market Statement

Commercial Creditor/ Early Termination Insurance (ETI)

Product Description

ETI is a specialised insurance product designed to protect UK-based businesses from early termination charges applied by leasing companies when a vehicle contract is ended prematurely.

Customer needs met by this product:

Type	What it covers
Business	This product offers coverage against Resignation, Accidental Death, Loss of Licence (medical grounds), Dismissal (Gross misconduct) or Expatriation. Plus a temporary waiver benefit whilst an employee is off of work on maternity/paternity/adoption leave.

Distribution channels

This product is designed to be distributed under one specific Coverholder arrangement.

Who the product is designed for

The product is designed for:

- Businesses who take part in a UK Government approved salary sacrifice scheme for Electric / hybrid Cars. It applies to businesses where their employees are residents of the UK and use their vehicle mainly in the UK.
- Corporate companies with a fleet of company vehicles (i.e their own fleet rather than salary sacrificed employee offering). This could also mean electric/hybrid/petrol/diesel vehicles, not just electric/hybrid. It applies to companies in the UK and use their vehicle mainly in the UK.

Characteristics of the target market

The product is designed for:

- Salary Sacrifice Schemes for Pure Electric vehicles and Hybrid cars only.
- Corporate companies with a fleet of company vehicles.
- Cars under 5 years old at the start date of the lease agreement.
- Declared drivers who are an employee and not on a probationary period.
- Declared drivers (employees) who hold a full UK driving licence for the duration of this insurance.
- Customers who do not have the financial capability or appetite to absorb a financial shortfall.

Objectives, needs and interests of the target market

When a business provides their employee with a company car, there is a risk that the business could face an early termination (penalty) charge from the leasing company in the event a vehicle is returned early to the leasing company.

This policy protects the business by paying the penalty charge if the vehicle has been returned early for the following specific reasons:

- * Resignation
- * Loss of Licence on medical grounds
- * Maternity / Paternity and Adoption Leave
- * Expatriation
- * Accidental Death
- * Dismissal due to Gross Misconduct

Customers for whom the product would not provide intended value

This product is not suitable for:

1. Individual customers or customers that are self-employed.
2. Anyone on a fixed term contract that is due to end prior to the expiry of the vehicle agreement.
3. Any other vehicle types apart from cars.
4. Businesses that have not funded the car via a Contract Hire/Lease Agreement.
5. Customers that are not a UK registered Company.
6. Cars with a P11(D) value of over £150,000.
7. Where the Salary Sacrifice Scheme term is not between 24 and 48 months in duration.
8. Salary Sacrifice Schemes where the termination charge exceeds 50% of outstanding rentals.

Optional additional covers

This section details the optional covers which are available with this product.

This product does not offer any additional cover.