

Target Market Statement

Commercial Guaranteed Asset Protection (GAP)

Product Description

Where a vehicle is declared a total loss e.g. through accident or theft, motor insurers will only pay up to the market value of the vehicle. This product pays the greater of the difference between the amount paid out by the motor insurer and the early settlement amount remaining on finance, or an amount equivalent to 25% of the vehicle market value.

Distribution channels

This product is designed to be distributed through insurance brokers.

Who the product is designed for

Companies in the UK who own or finance a vehicle, who wish to insure against any financial shortfall where the vehicle is stolen or declared a total loss. The financial shortfall is the difference between the amount paid out by the comprehensive motor insurer and the amount outstanding on the finance/hire agreement or an amount equivalent to 25% of the vehicle market value, whichever is the greater.

Characteristics of the target market

The product is designed for UK registered companies which:

- Own a vehicle either outright, through finance or lease/contract agreement, which is registered in the UK and mainly used in the UK.
- Are the owner or registered keeper of the vehicle or named on the finance agreement.
- Insure their vehicle under a comprehensive motor insurance policy.
- Do not have the financial capability or appetite to absorb a financial shortfall.

Objectives, needs and interests of the target market

This product:

- Provides cover against a financial shortfall where a vehicle is declared a total loss e.g. through accident or theft. The financial shortfall is the difference between the market value paid out by the comprehensive motor insurer and the amount outstanding on the finance/hire agreement, or an amount equivalent to 25% of the vehicle market value, whichever is the greater.
- Provides cover for vehicles up to maximum 10 years old and up to a value of £350k.
- The cover provided is for vehicles used in England, Scotland, Wales, Northern Ireland, the Channel Islands, any other country that is a member of the E.U.
- Includes additional benefits of up to £750 towards the excesses deducted from motor insurer, and up to £1,500 towards any vehicle modifications required for mobility purposes.

Customers for whom the product would not provide intended value

- Customers who are only covered by third party motor insurance, or who are uninsured.
- Customers who did not source the vehicle from a VAT registered supplier.
- Customers who wish to cover modified vehicles, unless the modifications are for mobility purposes.
- Customers who own or finance a commercial vehicle in excess of 44 tonnes gross vehicle weight, or which is an excluded vehicle.
- Customers that have the financial capacity and appetite to absorb the combined cost of clearing any outstanding finance and replacing their vehicle.
- Customers who wish to cover vehicles that have been previously declared as a total loss and returned to the road.
- Customers who wish to use their vehicle for rallying, racing, any competitive events or for emergency use or hire (including private hire, taxis and chauffeur) or for driving school tuition.

Optional additional covers

There are no optional covers which are available with this product.