Target Market Statement

Commercial Automotive Warranty

Product Description

The Commercial Automotive Warranty Product provides businesses in the automotive industry with contractual liability insurance which covers the cost of repair or reimbursement if a vehicle suffers a mechanical or electrical failure.

Customer needs met by this product:

Type	What it covers
Commercial Automotive Warranty	The Commercial Automotive Warranty Product is a 'contractual liability insurance product' (CLIP) which is designed to protect the balance sheet of corporate entities who commit to contractual undertakings. The product provides cover for the cost of repair or reimbursement if a vehicle suffers a mechanical or electrical failure.

Distribution channels

This product is designed to be distributed via coverholders for micro and SME business placements. Broker distribution is also available for larger risk business via open market placement.

Who the product is designed for

The target market are Commercial customers (motor manufacturers and automotive administrators) who wish to protect against the cost of contractual liability where a vehicle suffers a mechanical or electrical failure.

Characteristics of the target market

The product provides cover for the cost of repair or reimbursement if a vehicle suffers a mechanical or electrical failure. Product extensions may include roadside recovery from a breakdown and substitute transportation.

Exclusions include (but are not limited to):

- Any mechanical and electrical failure or costs covered by any other warranty or entitlement.
- Any mechanical and electrical failure attributable to the failure to comply with the Vehicle Service Requirements.
- Any repairs required because of continued operation of the Vehicle once a defect or fault has occurred.
- Damage attributable to impact or road traffic accident.
- Nuclear Risks, War or acts of Terrorism.
- General wear and tear and worn-out components.
- Any Excluded Vehicle use, including use for competition, trial, track days, rally, racing, pace making or off road use. Any vehicle used for hire or reward, transportation of goods, driving school, delivery courier and emergency or recovery services.

Objectives, needs and interests of the target market

This insurance covers commercial customers' contractual liabilities for the repair or replacement, of mechanical and electrical components of vehicles suffering a sudden and unforeseen breakdown. Product extensions may include roadside recovery from a breakdown and substitute transportation. Different coverage levels are available to suit commercial customer needs.

Customers for whom the product would not provide intended value

- Individual consumers.
- Commercial customers which do not have a contractual liability for mechanical or electrical failure of vehicles.
- Commercial customers which are not interested in insuring contractual liabilities owed to customers.

Optional additional covers

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

Arch does not offer any additional products with this offering; however we are aware that some distributors do offer additional add-ons. Where these are known and confirmed they have been considered as part of the overall value offering.