

# TARGET MARKET STATEMENT



## Personal Accident

### Introduction

The purpose of this document is to provide clear information about our product, including our annual review process and outcomes, our target market and how our products are distributed.

### Product Information

Our Personal Accident insurance is designed to pay a lump sum benefit in the event of an accident that results in death, hospitalisation or certain types of injury for the life insured and partner.

The cover is designed to meet customers' existing financial commitments, as well as help with other additional expenses individuals might incur if they were to sustain an accidental bodily injury resulting in a fracture, burn, permanent disability or that meant they had to spend time in hospital. We also offer cover that provides a cash lump sum to their estate should the policy holder have an accident that results in their death.

Our Personal Accident product is available in three options:

- Individual cover - for those customers who only want to cover themselves
- Partner cover - for those customers who want to cover themselves and a partner
- Family cover - for those customers who want to cover themselves and their family

### Cover Features and Benefits

- Worldwide cover 24 hours a day, 365 days a year
- Daily and lump sum hospitalisation benefits
- Accidental Death cover
- Personal Injury cover
- Personal Accident cover
- Fracture cover
- Up to £160,000 of cash lump sum benefits
- No medical required – guaranteed acceptance

### Target market

The product is suitable for adults up to the age of 74, who reside in the UK and wish to insure against the cost of accidental death or serious injury.

### Types of customers for whom the product would be unsuitable

Adults aged 75 or over.

## Any notable exclusions or circumstances where the product will not respond

We will not pay benefit for any accident that is directly or indirectly caused by the following:

- War risks;
- Terrorism;
- Being on a naval, military or air force duty, service or operations;
- Flying except as a fare paying passenger;
- The manufacture or use of explosives;
- Exposure to exceptional danger (except in an attempt to save human life);
- The illegal acts of the person who has suffered the accident;
- Suicide or self-inflicted injury whether of a sound mind or not;
- Being under the influence of or being affected by alcohol or drugs unless under the advice of a doctor for a condition other than alcohol or drug addiction;
- Riding on a motorcycle, moped or scooter as a driver or passenger;
- Combat sports – any sport involving individuals or groups fighting or engaging in combat including mixed martial arts, boxing, wrestling, fencing, savate, kickboxing, Muay Thai, Sanda, Tae Kwon Do, Capoeira, Brazilian Jiu-Jitsu, HMB, Sambo, Kyokushin and Kudo;
- Professional sports - where you are participating in sport as a professional, paid to play or train;
- Competing in any race other than on foot or whilst swimming;
- Any sickness, disease, or degenerative process (condition which becomes progressively worse)

## Information for our distributors

Distributors are expected to have considered the customer's needs and characteristics to ensure that the product and coverage selected meet their requirements. They should also consider any aspects that may make the customer be deemed vulnerable, such as poor health, resilience or capability.

Any commission, fees or charges passed onto the customer must be proportionate to the service provided and provide fair value to the customer.

## Our annual review process and assessment of fair value

As part of the annual review process and fair value assessment of our Personal Accident we ensure that:

- We understand the value to customers in providing the products and the impact of vulnerability
- The products provide value for money within the market they support
- The products deliver high quality service and customer experience
- The level of sales, renewals and cancellations are in line with expectations, with no adverse trends identified
- Our products remain in line with market benchmarking and target market suitability
- Product performance is analysed, including claims and complaints data
- There are no barriers to making a claim

Our robust process identifies any improvements and follows a rigorous sign off process. Further information regarding our product approval process can be found in our product brochure.

## 2023 Product Review and Fair Value Assessment Outcome

Our Personal Accident review and fair value assessment process was completed during December 2023. The assessment has shown that our Personal Accident meets the fair value requirements under PROD 4.3.

Please see below for the outcome of the review.

VALUE PRINCIPLE	MEASUREMENTS
Understand the value to customers in providing the product	The product continues to address customer needs, with the cover provided being in line with our market competitors. Claims acceptance rates are within the market and claims costs are not exceeding market averages either based on GI Value Measures data. Customers are being provided with a well-rounded product that offers value to them based on the cover provided. Overall, customers are being provided value by the product and this area can remain green.
Ensure product delivers high quality service and customer experience	Having reviewed CX insights, complaints and claims data, customers are having a positive experience overall. Claims acceptance is positive and there are minimal volumes of complaints logged also. With CSAT showing as 93% and customer trust at 90%, customers are happy with the level of service provided on the whole. In terms of complaints, the majority are logged due to claims declinatures, which is to be expected. However, only 15% of complaints logged are upheld which shows the decisions made are correct. Claims complaints as a percentage of claims are just over the market expectation which is reasonable also.
Ensure level of sales are in line with our & customer expectations	In terms of sales, this product is not actively being sold by any of the brokers that we work with currently. However, policy volumes have remained consistent overall over the past 12 months. There are no significant sales related complaints logged, evidencing that customers have a positive experience with the product and therefore this area is not of concern.
Provide a product that offers cover that is in line with target market suitability	We have reviewed this area and have found no significant differences between what we offer, and what is provided by other competitors. We are market proximate and no change is required.

**ASSESSMENT DATE:** December 2023

**NEXT ASSESSMENT DATE:** December 2024

### COVEA INSURANCE PLC

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