



Underwriting target market and fair value statement – Tools in Transit insurance policy

You are receiving this Product Approval Information Document as you are involved in the distribution of an insurance product manufactured by ARMD Limited.

This product has been reviewed in accordance with ARMD’s Oversight and Governance process and the product will be subject to ongoing periodic review. Should the ongoing review identify concerns, appropriate action will be taken to mitigate the risk of customer detriment.

Please read this document carefully to ensure that you understand the information about the product and the factors that could affect the fair value.

Fair Value Assessment

The manufacturer has reviewed a range of factors in accordance with the FCA’s PROD 4.2 section of the handbook and has determined that the product provides fair value to the customer.

Factors that could affect the fair value

Distributors must take care to ensure that duplicate cover does not exist, additional products purchased alongside this product, fees and any other charges do not detrimentally affect the value. Any fees passed on to the customer must be commensurate with the services provided and must not affect the overall fair value of the product.

Product name	ARMD Tools in transit policy
Date of fair value assessment:	1st November 2024
New or existing customers?	This product is open to new and renewal business.
Who is the product designed for (target market)?	Permanent U.K. residents who are Tradespeople, Mini-Fleet & Fleet Owners/Operators who would like cover to protect their tools for up to GBP 10,000 for cover in transit, whilst loading and unloading and whilst stored securely overnight.
Who is the product not appropriate for?	Hobbyists/DIYers, Non-U.K. residents.
Any notable exclusions?	<ul style="list-style-type: none">• Theft from vehicle if not properly secured and items are out of sight.• Hired in equipment.• Deliberate or intentional acts.• Damage while tools are in use.• Theft or damage to your own personal effects.• Wear and tear.• Theft or damage without evidence of forcible and violent entry.• General policy exclusions and excesses, detailed in the policy documentation.



What are the key elements and features that are important and of value to the target market?

- Theft, loss, damage, and fire cover for business tools while being loaded, unloaded, or carried in the insured’s vehicle, or while stored in a locked building or purpose-built store.
- The cover is based on the market value of each item, so insureds’ only pay for the cover required.
- It allows specified items to be listed and recorded in an app which assists in the event of a claim.
- Goods used for demonstration purposes are included.
- Cover included for employee personal effects, up to GBP 350.

Any optional covers?

- Customers can buy the ARMD Guard Smart alarm to provide additional security over their equipment, combining alert features and tracking technology.

How should this be distributed?

This product is sold through intermediaries. The distribution must always be in accordance with applicable FCA regulations, or other local regulations that apply.

Can this product be sold on a non-advised basis?

This product can be sold on an advised and non-advised basis.

What sales methods can be used?

This product can be sold face to face, via telephone or electronically. The product is administered digitally via a web portal or through brokers software houses directly.

How has the fair value been assessed?

ARMD follows a product approval process that assesses the value of the product to the target market. This includes reviewing the cover, the distribution, the clarity of the documentation and quantitative metrics.

Broker remuneration and any fees that you add are taken into consideration.

Other factors are considered, for example, add-ons that are sold alongside the core product, including any premium finance.

More detail on the product value assessment process can be obtained on request.

Factors affecting fair value over time

There are no factors that affect the fair value over time. During each annual policy period the policy provides the same limits at the end of the policy as it does at the start.

It should be noted that as this is a market value policy the market value of the tools will reduce over time, and the customer is required to update this figure at renewal.

Pricing differentials

There are no differentials built into the pricing that directly relate to customers’ vulnerability, financing options, renewal arrangements, or policy tenure.

What should distributors do to ensure the product provides fair value to the end customer?

If you sell add-on products, including premium finance, alongside our product or take additional remuneration, you may affect the value for your client, and this will need to be considered in the value assessment. Please advise your ARMD contact if you become aware of factors not previously reported that affect the fair value.

Date TMS completed / Updated	01/11//2024
Expected date of next assessment	Q3 2025