

Aviva Machinery Damage Insurance

Target Market Statement



This document has been prepared by Aviva UK General Insurance to provide an overview of our Commercial Lines Machinery Damage Insurance product. It is intended to help distributors understand the target market for this product, at new business and at point of renewal. In addition, distributors should consider whether any changes in circumstances may result in some features of the product no longer being suitable (for example distribution channel, features/covers, communication method and payment method).

Aviva Insurance Limited will overlay some eligibility and risk acceptance criteria which will be applied and shown through the quote process. This will result in some customers for whom the product is suitable not being eligible due to our current risk appetite.

Aviva Insurance Limited is the Product Manufacturer for this product and may source elements of cover from third parties. Full details are contained within the policy documentation.

Eligibility Criteria?

- Limited appetite for recycling and we are unable to provide cover for unproven technology or prototype machinery.

Who is Aviva Machinery Damage Insurance suitable for?

- Aviva's Machinery Damage Insurance product is designed for business customers with a wide range of machinery, plant and apparatus that's installed at the customer's premises and is vital to their business, from steam-pressure drying cylinders and printing and press machinery to metal fabrication equipment.
- It protects against unforeseen damage or breakdown to machinery and plant. It pays for replacement or repair of insured items that are typically excluded in a property policy, if caused by breakdown as a result of a mechanical or electrical defect in the machinery or the collapse of machinery as a result of operator error or omission or damage to property due to pressure explosion.

Who is this product not suitable for?

- Customers who are not involved in running a commercial business.
- This product is not suitable for consumers as defined by the FCA. A consumer is classed as any person who is acting for purposes which are outside their trade or profession.
- Customers that require short term non-renewable cover.
- Customers who cannot afford the annual or monthly premiums.

How can Aviva Machinery Damage Insurance be sold?

- Aviva's Machinery Damage Insurance product is suitable to be sold face to face or via telephone.
- This product can be sold with or without advice depending on your preference and in line with FCA regulations.

What features should you be aware of when considering this product?

- This product automatically provides business interruption cover for any shortfall in revenue or profit during the period when critical pieces of machinery can't perform. It also covers the higher costs of a high priority repair.
- We recognise that some individuals have additional support needs, such as alternative formatted documents, when purchasing or understanding our products. Aviva Insurance Limited is committed to helping meet these needs. If additional support is required, please contact us to discuss how we can assist the customer.
- Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs.
- Whilst there is a degree of complexity driven by the need to select appropriate optional additional covers and tailor configurable elements of insurance, each element, limit or choice is sufficiently simple for customers to understand without advice as the underwriting method frees customers to engage with their cover selection. This alongside the annual renewal process, enables familiarity in order to support their decision making.
- Customers who pay their premiums monthly are more than likely to pay a higher premium than those who pay their premium annually, therefore consideration needs to be given regarding affordability.

Optional additional covers/Extensions which are available with this product:

Ways to enhance cover - These options come at an additional cost and can be added to core cover to provide more comprehensive benefits			
Product cover option	This product is designed to provide financial protection if	Who could this option be suitable for?	Who is this product not designed to support, or are there any features that you should be aware of when offering this product to your customers?
Damage to lifted goods	<ul style="list-style-type: none"> • Damage to lifted goods and any damage caused to surrounding property has occurred. 	<ul style="list-style-type: none"> • Customers who require cover for damage to lifted goods and damage caused to surrounding property. 	<ul style="list-style-type: none"> • Customers who do not require this enhanced cover.
Premium Finance	<ul style="list-style-type: none"> • This product is designed to allow customers to finance their premiums using a loan. It offers customers the option of spreading their annual payment across the term. The customer will need to pay an interest rate on the loan during this period. 	<ul style="list-style-type: none"> • Customers who want to manage their finances on a monthly basis or do not have the finances to pay the insurance premium upfront. 	<ul style="list-style-type: none"> • Customers who do not want to pay any interest on their premium. • Customers who want to pay their insurance premium annually.

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