

MOTOR BREAKDOWN

Product Governance and Fair Value Assessment

CORE INFORMATION

Product	Motor Breakdown Add-On Insurance including Upgrades.
About the Product	Breakdown is a mainstream non-complex, long-established product which customers in general understand at a high level. For an additional premium customers can upgrade their Breakdown policy to our Plus product.
Cost of the Product	The cost of the product is relatively low when compared to: - • The cost of a Motor Insurance Policy; and • The level of cover provided.
Product Documents	All product documents such as our Policy Wording and IPID's are available on our portal. All documents and document changes are signed off by the BDElite marketing and compliance teams and agreed with the Joint Manufacturer to ensure the documents are clear, fair and not misleading and provide the levels of cover agreed.
Distribution Strategy	We only distribute this product through FCA authorised Insurance Brokers.
Why we choose to distribute through Insurance Brokers and the value they add.	• Brokers have an understanding of the Breakdown market and the target market. • Brokers are impartial and can provide expert advice. • Some brokers have specialist knowledge on certain types of products or specialist knowledge in their local areas. • Brokers have offices, customers can drop in and discuss their insurance requirements face to face. • Some brokers have long established relationships with customers and deal with all of the customers insurance requirements.
How should this product be sold?	This product may be sold on an advised, unadvised or information only basis.
Who is the Price Setting Intermediary	As this product is 'Net Rated', the customer facing intermediary is the 'Price Setting Intermediary'. All parties in the distribution chain should review their remuneration to ensure it is reasonable in accordance with the FCA rules.

PRODUCT INFORMATION

Manufacturer	BDElite Ltd & Financial and Legal Insurance Company Limited are Joint Product Manufacturers
Target Market	Motor, Van and Motorcycle vehicle owners who require the cover described in the heads of cover. There are additional upgrades to the insurance in the event a customer needs the cover provided by the Plus product.
What cover is provided - Heads of Cover	In the event that your vehicle breaks down, this policy provides 24 hours, 365 days per year breakdown assistance for the following: - Roadside Assistance and Local Recovery Cover - Nationwide Recovery / Onward Travel Cover
What is Not Insured (Full details included in IPID's and Policy Wording)	- Claims reported outside the Period of Insurance. - Replacement Parts: The cost of replacement parts or other materials used in a repair. - Unroadworthy Vehicles: Any vehicle which is considered to have been unroadworthy at the time of the breakdown. - Prior Faults: Claims arising from faults which were known to You at the time of applying for this insurance or at any time prior to the commencement of the Period of Insurance. - Permanent repairs not effected: Any recurring claim due to the same cause within the last 28 days, where a permanent repair has not been undertaken to correct the fault. - Punctures: Any incident as a result of punctures where no serviceable spare is available. Except for those insured vehicles that have not been designed and built by the manufacturer to support the carriage of a serviceable spare tyre. - Waiting Period: Any claim which occurs within 24 (twenty four) hours following the inception date of this insurance policy.
Restrictions on Cover (Full details included in IPID's and Policy Wording)	- Vehicle weights and age limits: Private vehicles and commercial vehicles up to 3.5t must be under 21 years old. Taxis must be under 16 years old and the responsibility of you. - Number of Call Outs: A maximum of 6 call outs is allowed in the period of insurance. - Roadside Assistance and Local Recovery: Assistance at the roadside is limited to one hour. Local recovery is within 15 miles of the location of the break down. - Lost or Broken Keys: The maximum we will contribute towards the cost of repair or replacement of a key or lock is £100.
Upgrades	Plus Provides all the great benefits of the BDElite breakdown product plus:- - Misfuelling cover; and - Homestart Assistance. - Lost or Broken Keys and Locks Cover
Who is the Product suitable for	Motor, Van and Motorcycle vehicle owners who would like the protection noted in the 'Cover Heads' and 'Upgrades' section of this document. This product is suitable for vulnerable customers provided they meet the above point.
Who the Product may not be suitable for	Motor, Van and Motorcycle vehicle owners:- Who already have breakdown cover. Whose vehicle do not meet the weight or age limitations on vehicles. Whose vehicle is used as a Taxi, is part of a Fleet or is a HGV. See the Policy Wording for Full Terms and Conditions.

Value Measures Performance	BDElite FCA Value Measures Data		
	Claims Frequency	Claims Acceptance Rate	Claims Complaints as a % of Claims
	15.67%	95-100%	0-5%

FAIR VALUE ASSESSMENT

We have completed an in-depth product review including reviewing our distribution strategy and believe our product continues to provide fair value to customers whilst meeting the needs of our target market. We also believe our products will continue to provide value for the foreseeable future. Our assessment included but was not limited to:-

- Claims and complaints volumes and frequencies.
- Declinature rates.
- Loss ratios.
- Wording review (technical and Plain English).
- Average claims pay out value.
- Average claims acceptance rates.

We have not fully taken into consideration the below which you should take into consideration when completing your distributor review: -

- Any commission you may rebate to customers.
- The impact of any other products you may sell alongside our product, but we are not the manufacturer.

Changes	No changes have been made to the product during the period.
Future Changes	We are consistently assessing the value of the product and changes in the market to ensure the product remains Best in Class, though no amendments are planned in the short term.
Review Date	Q3 2025
Next Review	Q3 2026