



British Engineering Services

Review Type:	Product Approval
Review Completed:	Q4 2023
Review Period:	2022/2023
Next Review:	2024





Product Target Market Statement (TMS) (1/2)

British Engineering Services

What is this Product?

- British Engineering Services Limited provide machinery and inspection services to Customers and provide this Insurance as an add-on to their service.
- The Product is designed to cover Sudden and Unforeseen Damage (S&UD) to the Customers inspected machinery, plant and equipment.
- British Engineering Services is a testing, inspections and certification business. The Product is designed for plant and equipment owners of all sizes and nature.
- Customers can tailor the optional Covers to their specific needs; see table for full details of optional covers.

Cover	Use	Compulsory	Optional
Sudden & Unforeseen Damage	Covers Breakdown, Pressure Explosion and Collapse	✓	
Loss of Contents	Loss of Contents from storage vessels		✓
Goods Handled	Damage to goods being lifted		✓
Owned Surrounding Property	Damage to owned surrounding property due to pressure explosion	✓	

What Customer need is met by this Product?

- This Product is designed to protect owners and operators of process machinery, plant and equipment against S&UD.
- Customers can vary in size from a small tool workshop to a large multi-site manufacturing company.

Who is this Product designed for?

- This Product is designed for commercial Customers who use British Engineering Services for their engineering inspection services.
- Machinery may include boiler and pressure plant, cranes and lifting machinery, lifts and hoists, electrical and mechanical plant.

Who is this Product not designed to support, or are there any features that you should be aware of when offering this Product to Customers?

- This Product is not suitable for Consumers.
- Customers with Premises outside of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, and the Isle of Man.
- Customers that have an existing policy in place providing the same cover and whereby purchasing this Product would give dual cover.
- Customers subject to any Economic Financial or Trade sanctions imposed by the European Union or United Kingdom or any other prohibition or restriction imposed by law or regulation of the country of which the Policy is issued or would otherwise provide cover.

Can this Product be sold with or without advice?

- This Product can be sold with or without advice depending on the Broker's (Distributors) preference and in accordance with FCA regulation.
- This Product is supported by a Policy Summary.

How can this Product be sold?

- This Product can be sold face to face, via telephone or email.
- The sales journey must identify Customer eligibility and that the Product, and any optional elements, are consistent with Customer's demands and needs. The sales journey must also ensure that key risk details are presented to the Customer in a timely manner that allows informed decisions to be made.



Product Target Market Statement (TMS) (2/2)

British Engineering Services

Eligibility and conditions, exclusions and excesses that may impact the outcomes that Customers may reasonably expect

- The Distributor must always consider whether they have the correct product to meet the Customer's needs.
- Policies for this Product are individually underwritten, so cover is restricted to those activities described in the Business Description stated in the Policy Schedule, and subject to Policy Limits, exclusions, and excesses.
- RSA will overlay eligibility and risk acceptance criteria that will restrict access to certain risks that the Product may be suitable for however are outside of RSA's current strategy and risk appetite.
- The following trades are excluded:
 - Nuclear risks;
 - War/Weapon products or services;
 - Power generation;
 - Adult entertainment;
 - Mining risks;
 - Offshore risks.

How is the value of this Product assessed?

- We assess Product Value using quantitative (i.e. metrics) and qualitative information (e.g. processes and controls), including data from our Distributors relating to service and remuneration¹, as appropriate.
- This Product has been approved in line with RSA's Product Governance processes, including consideration of:
 - the value of the RSA Product: this includes: (i) Cover – whether the level of benefits and relevant exclusions offers value to the Customer, (ii) Utility – whether the Product is being used by the Customers of the intended target market, and (iii) RSA Service – whether the type and quality of services being provided is reasonable for the Customer.
 - the impact of distribution on the value: this includes whether Distributor remuneration is appropriate and bears a reasonable relationship to the services provided to the Customer by the Distributor. If there are concerns, RSA will follow up with the relevant Distributors to agree remedial action.

Based on the assessment performed, we have established that this Product is compatible with the objectives, interests and characteristics of Customers of the intended target market and that the distribution strategy is not detrimentally impacting overall Product Value. We have therefore concluded that this Product provides fair value to Customers.

What are the obligations of our Distributors?

- Manufacturer notification – all intermediaries must review their product distribution arrangements at least every 12 months and consider the impact of remuneration against the intended value of their products. Distributors must notify the Manufacturer as soon as practically possible if there are any value concerns for which remedial action is required.
- Remuneration – Distributors must ensure that any remuneration received for an insurance product does not result in the product ceasing to provide fair value to the Customer.
- Provision of information – if so requested, Distributors must provide the Manufacturer with: (i) information on the Distributor's remuneration in connection with distribution of the insurance product; (ii) information on ancillary products or services that may impact the intended value of the Manufacturer's primary insurance product; and (iii) confirmation that the distribution arrangements are consistent with the obligations of the firm under the FCA Handbook including SYSC 10 (Conflicts of Interest) and SYSC 19F.2 (IDD Remuneration).
- Price optimisation – if the Distributor is a price-setting intermediary, unless there is a reasonable basis, firms should not increase the price of the insurance product based on: (i) policies being subject to auto renewal compared to policies that are not subject to auto renewal; (ii) the Customer's vulnerability or any protected characteristics (unless the firm can rely on them under the Equality Act 2010); and (iii) where Customers purchase the policy using Retail Premium Finance.

1. Remuneration includes: commissions, fees, charges, payments, and other economic or non-economic benefits.



Product Fair Value Assessment (FVA) Summary of Assessment (1/2)

In RSA's capacity as the **Sole Manufacturer** (as per PROD 4 Rules), we are sharing with you the approved output of our **Product Approval / Review** for the **Product** component.

Product Cover – Summary

A summary of our assessment as to whether the level of benefits and relevant exclusions offers value to Customers is as follows:

- There are no indicators that the level of benefits and relevant exclusions do not and will not continue to provide value to customer
- There are no unusual limits, exclusions and/or excesses linked to this Product.

Product Utility – Summary

A summary of our assessment as to whether the Product is being used by the Customers of the intended target market is as follows:

- There are some indicators that the Product is not being correctly utilised by the Customers of the intended target market, however, there are mitigating actions in place to address the concerns raised.
- There are no features of the product which reduce over time or are intended to provide less value during the cover term.
- Limits of Indemnity can be and are varied by the Customer in order to meet their needs over the lifetime of the policy.

RSA Service – Summary

A summary of our assessment as to whether the type and quality of services being provided is reasonable for Customers is as follows:

- Based on a review of key performance indicators including claims notifications, overall retention, complaints and service delivery, the type and quality of services being provided for this Product have been assessed as reasonable.
- For any Delegated Arrangements, Pre- and post-sales services are provided by our Partners and key performance metrics related to service are set out reviewed with Partners regularly.
- For RSA served Customers, key performance metrics are set out and are regularly reviewed and actions taken to improve where applicable.

Product – Conclusion

- Mitigating actions are in place within RSA and with our partner to ensure that the fair value provided by this product continues to improve and meets the objectives, interests and characteristics of the intended target market.



Product Fair Value Assessment (FVA) Summary of Assessment (2/2)

In RSA’s capacity as the **Sole Manufacturer** (as per PROD 4 Rules), we are sharing with you the approved output of our **Product Approval / Review** for the **Distribution** component and overall **Fair Value Assessment Conclusion**.

Distribution – Summary

- The majority of indicators for distributor remuneration are within expectation (this included consideration of data relating to commissions, fees and charges and other remuneration), with some follow-on actions agreed to explore opportunities to further enhance value going forward and these will form part of the contract negotiations that are due prior to renewal in Q1 2024.
- We have taken reasonable steps to obtain information from the Distributors of this Product and those that have responded have confirmed that they are compliant with their regulatory obligations under PROD 4.
- There is no evidence that the Product is being sold outside of the intended target market

Overall – Conclusion

- Mitigating actions are in place within RSA and with our partner to ensure that the fair value provided by this product continues to improve and meets the objectives, interests and characteristics of the intended target market.

Agreed Actions

#	Theme	Description of Action	Owner	Due Date
1		No externally reportable actions have been raised through the review process.		
2				
3				
4				
5				