

DISTRIBUTOR PRODUCT GUIDE

Complete Cargo

- This guide is for intermediary reference only.
- It doesn't contain the full terms and conditions of the contract of insurance.
- You can find more information about the product within the [policy overview](#).
- Full terms and conditions are within the policy documents; you can request to have a copy of these.

Product design

Working in collaboration with Allianz Global Corporate and Specialty (AGCS), who have provided Marine Cargo cover solutions for many years, and taking account of customer research, we launched our Complete Cargo product in 2015. We continually draw upon this experience and insight, as well as customer research to ensure our Complete Cargo product continues to add value and meet the evolving needs of our Small and Medium Enterprise (SME) customers.

Complete Cargo is a digitally traded Insurance product. It is designed for small and medium-sized enterprises that want to cover goods against loss or damage whilst in transit by road, rail, sea or air. Cover is provided on an all risks basis and includes transit within the UK and to or from countries worldwide.

The product design provides value through the flexibility it offers the customer to buy either an annual or single trip policy along with optional UK storage cover. The policy overview provides details of the available covers.

Target market

The target market for our Complete Cargo product is established UK based small and medium-sized enterprises and mid-corporate business with:

- single transit values up to £2.5m and/or businesses transporting up to £50m worth of goods annually within the UK and importing/exporting up to £62m worth of goods annually worldwide

Including but not limited to the following types of cargo:

- audio/visual media
- fancy goods
- office contents
- white goods
- wood/furniture products.

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We're able to provide insurance solutions for a broad range of businesses and are happy to consider those that sit outside of these parameters, however this product is **not** targeted towards:

- non-UK businesses
- high hazard exposures particularly where an increased frequency for large loss potential exists non-conventional insurance options (such as customers that run their own captives or require a layered insurance program)
- retroactive covers.

This product isn't suitable for:

- a person acting for purposes outside of their trade, business or profession
- non-going concerns or the retired
- risks based outside of the United Kingdom and which require a global insurance solution
- large complex cargo risks that require more traditional cargo cover based on institute cargo clauses such as; Marine Cargo large corporate and Multinational, Marine Hull and Marine Liabilities.

We wouldn't expect this product to provide fair value to:

- businesses with very low level sums insured or exposures where we need to apply minimum premiums
- seasonal risks where annual covers are placed through single policies
- businesses which fall within the target market scope and cover options accommodated by the marine cargo options available from AGCS.

Potential conflicts

The policyholder could be conflicted if they wish to make lots of small claims, just above the excess limit, as this may impact the terms offered at subsequent renewals.

Product value assessment

Our September 2023 assessment has concluded that our Complete Cargo Product, including its charging and distribution structure, is compatible with the needs, objectives and characteristics of the target market and provides fair value.

Our product value assessment is based on the premium we charge for the cover and the services we provide. In addition to the identified needs, characteristics (including vulnerabilities) and objectives of the target market we take a wide range of other factors into consideration, such as historical and expected claims frequencies, incurred and projected claims costs, plus scenario analysis along with customer feedback.

We also consider how the intended value of the product may be affected by its distribution with the conclusion of our product value assessment based upon our distribution strategy as set out below and that:

- The level of commission is in line with market proximate commission levels and is not being increased from what we have agreed with the placing distributor for the policy. Please refer to your commission schedule and traded commissions for your own distribution / value assessment purposes
- Where distributors operate on a fee-in-lieu (of commission) basis, such fees are expected to be proportionately lower than the equivalent commission would be for that same policy

- Administration fees or any other additional fees are only levied where the commission income is not sufficient to cover any of those respective costs and is commensurate with the activities undertaken
- Our product does not form part of a packaged offering
- Ancillary products (including premium finance arranged by the distributor) are only being offered where requested by the customer and when appropriate to their demands and needs. The total charge to the customer for any ancillary products, and any directly related remuneration (whether commission or fee) is commensurate with the benefit / services provided and activities undertaken
- No other additional charges or remuneration are being received in connection with the distribution of our product other than referenced above or received from us
- All and any parties in the distribution arrangement are able to confirm that their remuneration is consistent with their regulatory obligations.

Distribution strategy

Our Complete Cargo product has been designed for distribution by insurance distributors that hold commercial agency facilities with us, and that perform selling, advising and arranging activities in relation to the policy directly with the customer. They must have the appropriate level of understanding of the risks and exposures faced by their customer in the operation of their business.

Where we've granted permission for the distribution of our products to involve another, or an additional, party in the distribution arrangement, this is restricted to be no more than one level beyond the distributor placing the business with us, and in addition to the product value assessment details outlined above applying that:

- The additional parties being relevant and appropriate in terms of their involvement, knowledge and regulatory status
- Any split or sharing of commission and/or the remuneration applicable to each party being proportionate to the activities undertaken by each party
- Administration fees not being applied by more than one party in the distribution chain.

Product Value Feedback

If you have any concerns about an Allianz Commercial product not delivering its intended value, including in relation to potential adverse customer or product value impacts from the distribution arrangement, please notify us of the relevant details by sending an email to:

regulatory.standards@allianz.co.uk

