

Motor – Short Term

Last Review Date: October 2025.

Review Interval: Annually.



Product Information & Target Market

First Underwriting's Short-Term product provides Comprehensive cover for private cars and light vans up to 3.5 tons for a variety of reasons including borrowing another person's vehicle, cover for a recently purchased car, upgrading use on currently owned vehicle. Duration options are short-term; from 1 hour to 30 days.

The product is designed for clients who:

- Require short term cover for a variety of reasons, but not for those who would be better suited for annual policies for their own vehicles
- Are able to be validated in terms of address, identify and locale
- Have vehicles with a value of £1,500 or more and a maximum of £65,000
- Have Private cars and light vans up to 3.5 tons
- Have Vehicles under 15 years of age
- Are aged 17 to 75 years old
- Hold a Full UK or EU license

The product is NOT designed for customers who:

- Are looking for a policy running for longer than 30 days.
- Continuously repeat the cover (resulting in a long-term policy over several policies)
- Are older than 75 years old or under 17
- Vans over 3.5 tons, Any other vehicle not deemed a Van or a Car
- Don't hold a Full UK or EU license (may cover by exception)
- Are not Full UK residents.
- Vehicle that is valued under £1,500 or value over £65,000
- Are not satisfying validation scores for License checking, Claim history, Address ID, Previous applications.
- Carry out the following occupations:
 - Couriers
 - Fast food delivery
 - Taxi drivers or operators
 - Chauffeur or limousine hire
 - Self-drive hire operators
 - Unemployed
 - Professional sports people
 - People in the entertainment industry

Additional information

The information above is intended to provide an indicative summary of the target market only. Please refer to our Policy wording document, IPID/Key Facts to fully understand the product, including the key features and exclusions.

Product Governance & Fair Value

In accordance with FCA PROD4 rules, First Underwriting Limited (FUL) apply a risk-based approach to determine how frequently fair value assessments are carried out. Each assessment is conducted under our Product Oversight & Governance (POG) framework which includes formal approval to confirm that the product continues to deliver fair value to customers and remains suitable for distribution. Where any findings indicate potential customer detriment, appropriate remedial actions will be implemented. More information on our POG framework and FVA frequency determination is available on our website.

Value assessment – Performance measures

Incorporating the SUP16.27 General Insurance value measures, FUL conducts a very thorough assessment which includes the following analysis:

- New business and renewal / retention volumes
- Average premium
- Cancellation rates
- Complaints (policy and claims) inc. route cause analysis
- Claim activity (Registered, frequency, severity, accepted and rejected)
- Policy wording / features & limitations review and competitor analysis
- Loss Ratio's
- Target Market
- Distribution arrangements

Distribution Strategy and Remuneration

The distribution strategy must be appropriate for the target market. The Distributor is expected to have considered the customers' needs, objectives, and characteristics to ensure the product meets their requirements.

Commission rates will be monitored on an ongoing basis and administration fees will be sampled on a periodic basis and as part of our Distributor audit process. To comply with fair value as a Distributor, it is your responsibility to consider:

- Any additional fees charged to a customer and the effect that may have on the value of the product.
- Any ancillary products sold alongside the product which may affect the products value or duplicate cover already provided with our product.
- Sales to ineligible customers and sales to customers outside of the product target market would lead to poor value for those customers.

Outcome of the Fair Value Assessment

The outcome of the fair value assessment found that this product offers fair value. The product also remains consistent with the needs of the identified target market and remains appropriate for the intended distribution strategy. This is subject to the distributors applying the fair value considerations above and complying with the fair value regulatory requirements.