



# FAIR VALUE ASSESSMENT

HAULAGE FLEET INSURANCE – ADMIRAL BUSINESS / FLOCK

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## INTRODUCTORY STATEMENT

FCA Product Intervention and Product Governance Sourcebook rules ("PROD") require product manufacturers such as Admiral Insurance (Gibraltar) Limited to conduct a product review at least annually to ensure that the product remains consistent with the needs of the identified target market with an appropriate distribution strategy and to communicate the outcome with distributors.

This Fair Value Assessment document should be read in conjunction with the Haulage Fleet Insurance Target Market Statement and other product governance materials provided by Admiral Business to ensure the product is appropriate for distribution.

## CONCLUSION OF OUR FAIR VALUE ASSESSMENT

	Detail	Outcome
Last fair value assessment outcome	Is the product is providing fair value for target market customers?	Yes
Last fair value assessment date	March 2026 (Pre-Launch Assessment)	
Next scheduled review	March 2027 (or earlier if material change)	

## HOW WE ASSESSED FAIR VALUE

In conducting our assessment of both financial and non-financial fair value, we considered the measures below. We are unable to share the actual detail in the assessment as these are documents that contain confidential information.

Category	Information used in assessment
Product description & cover	<ul style="list-style-type: none"> <li>Review of all cover tiers (Comprehensive, TPFT, TPO, LUFT) and key limits</li> <li>Assessment of the telematics-enabled rebate mechanism (up to 10% of paid premium)</li> <li>Review of cover limits relative to haulage fleet risk profile</li> <li>Assessment of exclusions and their proportionality</li> </ul>
Target market & distribution	<ul style="list-style-type: none"> <li>Review of the Target Market Statement (positive and negative market)</li> <li>Whether the product is designed to meet the needs of commercial haulage fleet operators</li> <li>Appropriateness of distribution channels and remuneration arrangements</li> <li>Vulnerable customer considerations, including micro-enterprise FOS access</li> <li>Impact of distributor remuneration on fair value</li> </ul>
Costs, charges & remuneration	<ul style="list-style-type: none"> <li>Identification of all costs borne by the customer (premium, IPT, broker commission, Flock administration fee, telematics hardware, excess)</li> <li>Assessment of remuneration across the distribution chain (Admiral Business, Flock, brokers/advisors)</li> <li>Review of whether any fees or incentives could adversely affect value for customers</li> <li>Premium return on cancellation and short-period scale</li> </ul>
Product design & telematics	<ul style="list-style-type: none"> <li>Assessment of telematics connectivity requirements and cancellation triggers</li> <li>Review of rebate methodology and eligibility thresholds</li> <li>Pricing conduct, controls and principles adhered to</li> <li>Any fees and charges applied by Admiral Business or Flock</li> </ul>
Market assessment & competitor landscape	<ul style="list-style-type: none"> <li>Secondary research on competitor commercial fleet and haulage products</li> <li>Assessment of cancellation terms against market practice</li> <li>Review of telematics-enabled products across the commercial fleet market</li> </ul>
Customer journeys – claims	<ul style="list-style-type: none"> <li>Planned claim denial and partial payment monitoring (monthly)</li> <li>Claims handling times and processes via FMG</li> <li>Loss ratio performance against rebate eligibility threshold (40%)</li> </ul>
Customer journeys – complaints	<ul style="list-style-type: none"> <li>Planned monitoring of complaint volumes, categories and outcomes (monthly)</li> <li>Specific monitoring of rebate calculation and claim denial complaints</li> <li>Trigger threshold: &gt;10% complaint rate prompts immediate FVA review</li> </ul>
Customer journeys – product lifecycle	<ul style="list-style-type: none"> <li>Cancellation rates and reasons, including connectivity-driven cancellations (monthly)</li> <li>Rebate claw-back frequency and amounts (quarterly)</li> <li>Telematics connectivity rates across fleet (monthly)</li> </ul>



## DISTRIBUTION CONSIDERATIONS

We also considered how the intended value of the product could be affected by its distribution, with the conclusion of our Fair Value Assessment being based on our distribution strategy and that:

- Commission ranges are in line with typical market commission levels, as increased values could affect the overall assessment.
- Where distributors charge a fee instead of or in addition to commission, such fees are expected to be assessed by the distributor for fair value and to not exceed commission that would be received on a gross basis under the terms of our agency agreement.
- Any fees and charges are clearly advised to the customer and responsibility for assessing the fair value they provide rests with the distributor.
- Every party involved in distributing this product can confirm their overall remuneration is consistent with their regulatory obligations, including under SYSC 19F.2 (IDD remuneration incentives).
- The three-party distribution arrangement (Admiral Insurance Gibraltar as underwriter, Admiral Business as manufacturer/distributor, and Flock as MGA/administrator) has been assessed and each party's involvement, knowledge and regulatory status has been confirmed as appropriate.
- The split of remuneration between Admiral Business and Flock is proportionate to the activities undertaken by each party.

## ADDITIONAL INFORMATION DISTRIBUTORS CAN PROVIDE

When distributors are conducting their own assessments, or in their regular activities, they may become aware of information that may help inform us of potential changes to the product or service to ensure the needs of the target market continue to be met. In particular, we would welcome feedback on:

- Customer concerns or complaints relating to the telematics rebate mechanism or connectivity requirements.
- Cases where the product may have been sold to customers outside the defined target market, including operators without a valid Operator Licence or those unable to maintain 75% telematics connectivity.
- Evidence of systematic claim denial or unexpected cancellation patterns that may indicate value concerns.
- Regulatory developments, FCA guidance or case decisions relevant to fleet insurance or telematics products.

When this occurs, distributors should contact their usual Admiral Business or Flock representative.



## OTHER INFORMATION THAT MAY ASSIST DISTRIBUTORS

If we require additional information on remuneration or on services provided, we will ask for it directly. In conducting our reviews, we have excluded the following aspects that distributors will need to consider when conducting their reviews:

- Fees, charges and other forms of remuneration that are charged to the customer by the distributor, but which are not part of the premium paid to us.
- The cost to the customer of their own telematics hardware and data infrastructure, which is borne externally and is not part of the insured premium.
- Any other products sold alongside this product which could affect the overall value of the customers arrangements.
- The effect of any third party premium finance arrangements that are made by the distributor on the customers behalf.

Distributors should contact their usual Admiral Business or Flock representative if there are any questions or observations relating to this product and our assessment of it.

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