



# FAIR VALUE ASSESSMENT

## CONNECTED TAXI FLEET INSURANCE – ADMIRAL / FLOCK

Document Reference: ADM-TXF-FVA-001 – Version 1.0 – March 2026

### 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 Connected Taxi 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
<b>Last fair value assessment outcome</b>	The product is providing fair value for target market customers	Yes
<b>Last fair value assessment date</b>	March 2026	
<b>Next scheduled review</b>	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
<b>Product description &amp; cover</b>	<ul style="list-style-type: none"><li>● Review of comprehensive cover: accidental damage, malicious damage, fire, and theft</li><li>● Assessment of taxi-specific features: public liability cover; taxi meter and equipment coverage</li><li>● Review of flexible cover options for public hire and private hire taxi services</li></ul>

	<ul style="list-style-type: none"> <li>● Assessment of telematics integration and its contribution to risk management and fair pricing</li> <li>● Review of cover limits relative to the taxi fleet risk profile</li> <li>● Assessment of exclusions and their proportionality to target market needs</li> </ul>
<b>Target market &amp; distribution</b>	<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 taxi fleet operators (public hire and private hire)</li> <li>● Assessment that the product is not suitable for individual taxi drivers seeking single vehicle cover or fleets operating primarily outside the UK</li> <li>● Appropriateness of distribution channels: wholesale via Able Insurance Services Limited and broker distribution</li> <li>● Vulnerable customer considerations and staff training to identify and assist vulnerable customers</li> <li>● Impact of distributor remuneration on fair value across the distribution chain</li> </ul>
<b>Costs, charges &amp; remuneration</b>	<ul style="list-style-type: none"> <li>● Identification of all costs borne by the customer (premium, IPT, Flock commission, arrangement fees, optional premium finance)</li> <li>● Flock commissions have been assessed against market benchmarks and fall within the range</li> <li>● Assessment of remuneration across the distribution chain (Admiral Insurance (Gibraltar), Able Insurance Services Limited, Flock, brokers)</li> <li>● Optional premium finance available through Admiral Installments; brokers not restricted to this provider</li> <li>● Review of whether any fees or incentives could adversely affect value for customers</li> <li>● Cancellation rate monitored and trends are reviewed quarterly</li> </ul>
<b>Product design &amp; telematics</b>	<ul style="list-style-type: none"> <li>● Assessment of telematics data utilisation has shown that taxi fleets actively using telematics data approx 50%</li> <li>● Review of how telematics data supports fair and accurate premium-setting based on actual vehicle usage and driving behaviour</li> <li>● Assessment of in-term safety interventions and their contribution to fleet risk reduction</li> <li>● Review of the Flock Portal: self-service access to policy documents and mid-term adjustment requests</li> <li>● Flock partnership with over 50 telematics service providers (TSPs) – no mandated provider, reducing conflicts of interest</li> </ul>
<b>Market assessment &amp; competitor landscape</b>	<ul style="list-style-type: none"> <li>● Pricing assessed as mid-range against comparable taxi fleet products</li> <li>● Integrated telematics offering provides additional value not consistently present in competitor products</li> <li>● Claims handling speed assessed against industry standards:</li> </ul>



	<ul style="list-style-type: none"> <li>● Assessment of cancellation terms and arrangement fees against market practice</li> </ul>
<b>Customer journeys – claims</b>	<ul style="list-style-type: none"> <li>● Claims ratio (gross earned loss ratio) approx 50%</li> <li>● Large claims scenario reviewed: no large claims recorded to date</li> <li>● Multiple small claims: fleet rates adjusted at renewal proportionally to claims performance</li> <li>● Claims handling times and processes assessed against industry standards</li> </ul>
<b>Customer journeys – complaints</b>	<ul style="list-style-type: none"> <li>● Monitoring of complaint volumes, categories and outcomes on a quarterly basis</li> <li>● Complaints reviewed for patterns indicating product suitability or fair value concerns</li> <li>● Ad-hoc review triggered by significant complaint increases or regulatory developments</li> </ul>
<b>Customer journeys – product lifecycle</b>	<ul style="list-style-type: none"> <li>● Cancellation rate monitored: 11.4%; reviewed quarterly for trends and drivers</li> <li>● Renewal rate monitored: 64%; reviewed for indicators of customer satisfaction and product fit</li> <li>● Average premium (gross, ex. IPT): £2,039 per vehicle</li> <li>● Telematics connectivity and engagement rates reviewed quarterly</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 and arrangement fee levels are in line with typical market levels (5–12%), 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) Limited as underwriter, Able Insurance Services Limited as wholesale distributor, and Flock as MGA/administrator) has been assessed and each party’s involvement, knowledge and regulatory status has been confirmed as appropriate.
- Premium finance is available through Admiral Installments as a default; brokers retain the right to use their own premium finance facilities, ensuring no undue conflict of interest.



- The split of remuneration across the distribution chain 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 component, pricing methodology, or claims handling for taxi fleet customers.
- Cases where the product may have been sold to customers outside the defined target market, including individual taxi drivers or fleets operating primarily outside the UK.
- Evidence of systematic claim denial or unexpected cancellation patterns that may indicate value concerns.
- Feedback on the suitability or accessibility of the Flock Portal for policy administration and mid-term adjustments.
- Regulatory developments, FCA guidance or case decisions relevant to taxi 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.
- Any optional premium finance arrangements made by the distributor on the customer's behalf, whether through Admiral Installments or an alternative provider.
- Any other products sold alongside this product which could affect the overall value of the customer's arrangements.
- The effect of any third-party premium finance arrangements that are made by the distributor on the customer's 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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