Fair Value Assessment Report

Distributor	Strategic Insurance Services Ltd
Product	Replacement Vehicle Hire Insurance *(RVH / GVH)*
Date FVA completed	Jan-2025
Date of next review	Jan-2026
Approved	Underwriting and Product Governance Committee – Collinson/Astrenska Insurance Ltd (AIL)

**Products are continously monitored in accordance with our product oversight and governance policy. Certain material changes to the product features or performance may require a FVA to be completed prior to the annual review date.*

Outcome of Fair Value Assessment

Strategic Insurance has determined that through its product governance activities that:

- **Review of the product indicates it is meeting the intended customer outcomes and providing fair value to customers**
  Continues to meet the needs of customers and the defined target market
  Continues to provide value to customers and the intended defined market

There may be points we wish to discuss further with you as a sub-agent, and we will engage with you on those topics where appropriate.

Fair Value Assessments

The FVA considers the performance of the product against the following criteria in particular:

Product Features & Performance	- Product key features, including any amendments - Target market review - Customer insight - Market Analysis - Claims frequency and outcomes - Loss ratio
Price	- Risk premium - Distributor costs and margin - Other charges/fees
Customer Experience & Service Delivery	- Claims service metrics - Operational service metrics - Complaints - Audit/monitoring findings/risk events - Outcomes of previous FVA - Distribution and channel characteristics

Overview

Product Information	This is a mass market product and targeted at consumers who have a core motor insurance policy in place. Once the customer has purchased the relevant RVH policy to go alongside their main motor insurance, if the insured vehicle is declared a total loss or becomes undriveable because of an accident, fire, vandalism, theft or attempted theft (excluding glass only damage), and this is a fault claim on the main insurance, the RVH policy would look to provide a replacement vehicle whilst the insured vehicle is being repaired. There are some exceptions; Taxi and Dual-Control RVH responds where the vehicle is in for repair even if not undriveable, and in cases where all other criteria is met but the liability on the main motor insurance claim is undetermined or non-fault and a hire vehicle has not been otherwise provided by a third-party. This gives the insured peace of mind that even in the event of a fault claims (so not being able to claim a hire car from a third-party insurer) that they will be provided with a hire car for a previously agreed number of days to enable them to continue to be mobile. The product is *typically* available in cover periods of 7, 14, 21 & 28 days and there are also different options available to the distributing broker as to the type of hire vehicle that can be made available (a broker may decide only to offer Cat A / small car, or if they have a book of high value vehicles, may offer a Cat E / bigger more luxury car).

Target Market	Review of the product and supporting information provides assurance that it is appropriately designed to meet the intended target market **What is this product?** This is a Personal Lines General Insurance product suitable for individual consumers and SMEs (in respect of small commercial vehicles and taxis). This product is designed to offer customers flexibility to tailor a package of cover to meet their replacement vehicle needs following an accident in which their vehicle becomes undriveable and in need of repair. **What customer needs are met by this product?** This product is designed to provide customers with financial protection against a loss they would incur related to the cost of arranging an alternative vehicle following an accident, whilst their vehicle is being repaired. It only provides financial protection but also peace of mind because of a customer being provided with a hire car as opposed to needing to source one themselves and claim the cost back. **Who is this product designed for?** This product is designed for mass market consumers who own and insure a motor vehicle and who wish to buy financial protection against a loss they may incur related to the cost of hiring a replacement vehicle whilst theirs is being repaired following an accident. **Who is this product not designed to support, or are there any features that distributors should be aware of when offering this product to customers?** > Customers who do not live in the UK > Customers who do not have a UK driving licence > Policyholders who do not have a motor insurance policy in force > Have third party only cover ie. not covered for damage to their own vehicle **Can this product be sold without advice?** It has been agreed that this product will be sold without advice. Whilst there is a degree of complexity driven by the need to select appropriate configurable elements of insurance the sales journey frees customers to engage with cover selection, and each element, limit or choice is sufficiently simple for customers to understand without advice. **How can this product be sold?** This product can be sold via the telephone or online. Sales journeys identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs. **Eligibility - Customers must:** > be a UK resident > be purchasing the insurance while in the UK > have purchased a car insurance policy for this GVH product to run alongside
Target Markets knowledge and understanding of the product	As part of the sales process, consumers are given comprehensive information about the benefits, policy amounts/limits, exclusions and limitations together with a demands and needs statement outlining the demands and needs of a customer for whom the product would be suitable. Product distributors are on hand to assist with any product related questions. Customers have a cooling off period in which to fully scrutinise their insurance documentation and decide whether the cover provided meet their demands and needs. **An assessment of the intended target market has not raised any specific actions, as we have assurance that processes are in place to address impacts to vulnerable customers within the provision of these products. We / our distributor can address and** consider impacts to customers and their needs. Including: Customer with low emotional resilience e.g., finding it hard to cope with the outcome of a claim: agents encouraged to stay on the call for as long as is needed to support these customers and give them all the information they need. • Customer is partially sighted: offer to provide large font copies of policy related documentation and pre-sales information • Customer has poor literacy and numeracy may struggle to understand our documentation: product documentation includes clear English avoids use of financial or legal jargon/terminology. Customers given details for non-digital support throughout a digital journey, allowing customers to drop out of the process if they require an alternative approach, were unsure how to proceed or needed to discuss their circumstances. Customers asked to record any needs when they start an online journey, allowing appropriate follow up questions or for the customer to be routed to an appropriate customer team if required. • Customer is elderly and uncomfortable with technology: we have processes implemented for the customer to complete the sales process over the telephone
Key Benefits	Cover varies based on distribution channel/type of vehicle – please see IDD document for RVH type (ie. Taxi and Courier RVH differs)

	• Hire vehicle if a customers vehicle has been declared a total loss or is not legally roadworthy (excluding glass damage) and is off the road being repaired as a result of a road traffic collision, fire, malicious damage or theft/attempted theft (excluding glass) of the vehicle
Notable Exclusions	• Drivers 21 or under (young drivers under 18 years and taxis under 25 years) • Use of the Hire Vehicle outside the Territorial Limits • Any insured vehicle used in any way for hire or reward including courier work *(unless purchased Courier GVH)* • Any vehicle used for driver instruction / tuition without dual controls • Any claim where the damage sustained to the contents of vehicle • Any claim which has not been reported to us within 14 days of the incident, accident or theft giving rise to the claim occurring • Any claim relating to mechanical or electrical breakdown / failure or misfuelling • Any further hire vehicle where a hire vehicle is already available under another insurance or other means • All fuel, fares and fines relating to the hire vehicle whilst it is in your possession, including any administration fee which may be imposed by the hire vehicle company Restrictions - • It is your responsibility to ensure that adequate motor insurance is in place for your use of the hire vehicle • You may have to provide comprehensive insurance for the hire vehicle • Ensure that we receive a claim form for any claim under this policy within 14 days after the event giving rise to the claim • You should comply fully with the terms and conditions of hire company • Any damage caused to the hire vehicle and any associated costs will be your responsibility • The incident that gives rise to a claim on this policy must have been reported to your motor insurers and you must be actively pursuing repairs or settlement of your claim
Vulnerable Customer Assessment	We recognise the importance of considering the needs of customers in vulnerable circumstances when developing products and services, and across the entire customer journey, including when making changes to existing products or developing new ones. To achieve good outcomes for customers in vulnerable circumstances and ensure that those outcomes are as good as for other customers, we have: • understood the needs of the target market/customer base. • made sure staff have the right skills and capability to recognise and respond to the needs of customers in vulnerable circumstances. • responded to customer needs throughout product design, flexible customer service support and communications. • put in place measures to ensure the delivery of good outcomes for vulnerable customers are being monitored and assessed to determine whether we are meeting and responding to needs of customers with characteristics of vulnerability and make improvements where this is not happening. **Claims and Sales Journey** Our claims partner(s) have identified the characteristics of vulnerabilities likely to exist within the defined target market and overlayed these at each key touchpoint of the relevant journey to assess the suitability of the mapped support. • This process has not identified any material gaps in the available support, nor in the overall design of the product and its features. The product and service deign is therefore considered to be compatible with the needs of the target market and any associated vulnerable customers.
Distribution	Available through multiple channels ie. direct, aggs, telephony Strategic Insurance (wholesale / retail relationships) – non advised