

FAIR VALUE ASSESSMENT

Insurance Premium Finance for Consumer & 'Micro' businesses Premium Credit Limited

As an organisation whose business activities are regulated by the Financial Conduct Authority (FCA), Top Marques Insurance have a fundamental responsibility to ensure that a high standard of consumer protection is afforded to its customers.

To ensure this is administered transparently, the FCA has introduced Consumer Duty, which sets out different requirements for firms who manufacture and distribute products.

Top Marques Insurance are a Distributor, a firm that offers, sells, recommends, advises on, proposes, arranges, deals, or provides financial products and services from various Manufacturers.

Manufacturers are firms that create, develop, design, issue, manage, carry out, operate, or underwrite product or services.

Consumer Duty requires us, as a Distributor, to share product and value information with our clients, to enable us to meet our obligations under Consumer Duty.

Further information on Consumer Duty can be found on the FCA website.

Customers

Top Marques Insurance customers are referred to as 'Policyholders' in this Fair Value Assessment.

The Policyholders may be individuals, partnerships or limited companies that require motor vehicle insurance for social, domestic and pleasure and business use, particularly for the delivery of driving tuition and Household Insurance.

1. Product Details

Product name:	Insurance Premium Finance for Consumer & 'Micro' businesses.
Manufacturer:	Bexhill UK Ltd is a subsidiary of Orchard Funding Group Plc . Orchard Funding Group Plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Registered Address: 222 Armstrong Road, Luton, LU2 0FY. Registered at Companies House Number 195626. Firm reference number 630654.
Type of Product:	Credit facility to spread the cost of insurance and associated products.
Product Risk Rating	Low
Review Interval	Annually

2. Key Product Information

Description:	This product is a 'running account' credit facility that provides Policyholders with a means of spreading the cost of insurance and associated costs. The repayment periods that Policyholders are offered are up to 10 months.
What policyholder need does this product satisfy:	This product enables Policyholders to pay for their insurance in instalments of between 2 and 10 months, avoiding a one-off payment.
Who is the product designed for:	Policyholders who purchase motor any insurance policy and wish to spread the cost of their insurance premium across convenient monthly instalments. Policyholders are UK based individuals, partnerships or limited companies that use motor vehicles for social, domestic and pleasure purposes, particularly those who provide driving tuition or policyholders who also wish to pay for their household policies this way.

	All Policyholders fall within the scope of the Consumer Credit Act.
Are there any policyholders for whom this product is not appropriate?	• Based outside of the UK. • Under 21 • Those who are bankrupt or otherwise prohibited from borrowing. • Unable to meet their repayments out of income or savings. • Are not purchasing a linked insurance product. • Where the premium is less than £150.00
Provisions for vulnerable policyholders	• Policyholders with characteristics of vulnerability are within the target market and the objectives of those policyholders are consistent with those of non-vulnerable policyholders. • Vulnerable policyholders can benefit from the product in the same way as non-vulnerable policyholders. • Vulnerable policyholders have different characteristics to non-vulnerable policyholders and may require additional support. As a result, Top Marques Insurance sales and Customer Service Staff receive additional training on how to support its vulnerable policyholders in the right way.
What is @@@@'s role in the distribution of this product?	• Premium Credit is the manufacturer. • Operating as a regulated consumer credit lender • Onboarding of policyholders including any assessment of creditworthiness inclusive of credit risk and affordability risk as per CONC 5.2A. • Meeting applicable regulation around AML and KYC • Providing systems to Top Marques Insurance to facilitate the provision of our product. • Providing policyholders documentation • Collecting payments from policyholders and making payments to partner/ distributor. • Supporting policyholders, including those with vulnerabilities
What further action should @@@@, as Distributor, do to ensure the product represents Fair Value to our policyholders?	• As the distributor of this product alongside other products, including the core insurance policy, only the Partners/distributors can see the total value chain for the policyholder. As a result of this they must ensure that the commission rate they set for premium finance is in accordance with their own pricing policy and delivers fair price and value outcomes. • When assessing the level of commission, they should consider carefully the work done in distributing premium finance, both operationally through staff costs (sales calls, payment queries and finance reconciliations) and systems costs. They may also want to consider the impact of bad debt generated by cancellations and the income required to offset this. • Notify Premium Credit if there are any concerns around the total value assessment when all elements are considered. These could include the total APR paid, the level of fees or commission, or where small premiums lead to higher APR's. • Top Marques Insurance are committed to ensuring that when offering this product, it will meet the underlying needs of the policyholder, and continue to ensure that all disclosure scripts are in

	place (in line with regulatory requirements), that allow the policyholder to continue to make an informed decision when choosing instalment finance as an option. If we are contacted by Premium Credit in respect of our Fair Value provide we will commit to providing all reasonable information and work with Premium Credit Limited to evidence that the additional costs to distribute this product on their behalf doesn't affect the fair value of the product.
Who should you contact with any questions or request for data?	Top Marques Insurance Customer Services: Tel: 01543 373700 info@topmarques.uk.com

3. Recommended Actions to Distributors from the Manufacturer

What further action should partners/ distributors take to ensure the product represent Fair Value to the policyholder?	- As the distributor of this product, alongside other products, including the core insurance policy, only Top Marques Insurance can see the total value chain for Policyholders. As a result of this, Top Marques Insurance must ensure that the commission rates for this product is in line with our overall pricing policy and delivers fair price and value outcomes. - When assessing the level of commission, Top Marques Insurance should consider carefully the work done in distributing premium finance, both operationally through staff costs (sales calls, payment queries and finance reconciliations) and systems costs. This may also include the impact of bad debt generated by cancellations and the income required to offset this. - To notify the Manufacturer if there are any concerns around the total value assessment when all elements are considered. These could include the total APR paid, the level of fees or commission, or where small premiums lead to higher APR's. - Top Marques Insurance and all other distributors should always ensure that when offering this product, it meets the needs of the underlying customer (policyholder). Furthermore, Top Marques Insurance is required to continue to ensure that all disclosures are in place in line with regulatory requirements that allow Policyholders to make informed decisions when choosing instalment finance. - If requested by the Manufacturer in respect of Fair Value, Top Marques Insurance are required to provide all reasonable information and work with them to evidence its conclusion that the additional cost of distribution doesn't affect the fair value of the product.
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4. Product Review & Value Assessment:

When completing our Product Review & Value Assessment we used all relevant information about the product, heavily supplemented with information supplied by the Manufacturer.

Assessment Area	Key indicators & Measures	Summary Outputs & Actions
Product Performance	- Target Market Review - Customer volumes - Credit quality - Cancellations - Bad Debt	Top Marques Insurance's assessment of product performance confirmed that this product is performing as expected, meets the needs of the identified target market, and represents Fair Value.
Product Value (including price)	- Average deal size - Net service rate - Commission - Gross Sell Out Rate	Top Marques Insurance's assessment of product value confirms that the net service charge represents Fair Value and this can be evidenced that the net service charge is

	• Fees & Charges • Market benchmarking	reasonable. relative to the benefits provided. Top Marques Insurance's commission rate for this product, which sets the final gross sell out rate and APR charged, is commensurate with the value and the cost of the services that are provided as a distributor. This product provides policyholders with the benefit of being able to spread the cost of insurance, which is a significant benefit for those that cannot afford or do not wish to pay for insurance in one lump sum payment.
Service Value	• Customer satisfaction • Net Promoter Score • External review ratings • Complaints (including FOS) • 1st contact resolution	Our assessment of service value confirms that policyholders use the product as expected, can access support when required, are treated fairly when detriment is identified, and remedial actions are completed efficiently.

5. Follow up Actions

Where Top Marques Insurance has identified Fair Value is not being delivered to policyholders, the following actions, amongst others, can and have been taken?	• Amending our remuneration structure. • Renegotiating the terms of additional products or changing providers. • Ceasing to distribute certain insurance products. • Providing redress to policyholders.
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