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Dame Meg Hillier MP
House of Commons
Palace of Westminster
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BY EMAIL ONLY

15 August 2025

Dear Dame Meg Hillier,

At the Treasury Select Committee hearing on Tuesday 8th July you and the Committee gave me the opportunity to outline the way that Admiral works to support customers when they need us the most. I would like to follow up on the questions that were raised by committee members during the session which required further detail.

Monthly payments (Q35)

We were pleased to see the Financial Conduct Authority recently recognise the value of premium finance products as we see it used by a wide range of our customers to give them flexibility as to how they pay for their insurance.

During the hearing, the Committee asked how often someone has missed a monthly payment and then made a claim on their insurance policy. For commercial reasons, this isn't a figure that we disclose publicly. However, whilst not the most significant cost of the product, this is a risk that needs to be considered and factored into our pricing of premium finance, especially as the reason and cost of a claim can vary widely from a large bodily injury claim which has a significantly higher settlement value than that of a chipped windscreen.

Spreading the cost of insurance (Q48-Q50)

Admiral is one of the largest UK motor insurers and the often quoted 79 per cent figure does not reflect our experience as a provider of premium finance. We see customers across every income bracket opting for premium finance, as many people want the flexibility to spread the cost of their insurance across the year.

In line with consumer duty, we regularly review the products and services that we offer to ensure that they continue to deliver fair value to customers. We provide premium finance as we believe it meets a real consumer need. The APR that we charge is at the lower end of the market and compares favourably to other sources of finance and we are confident that it reflects fair value. We work hard to be able to offer our pay monthly and annual paying customers competitive prices and are transparent on the cost of using this product.

A very small number of our premium finance customers identify as vulnerable. However, we train all of our customer-facing colleagues to identify and support vulnerable customers. In addition, we have a dedicated Customer Support team who can discuss a range of options with customers who are struggling to pay their premium.

Travelling with existing conditions (Q62 – Q65 and Q68 – Q69)

The primary reason that people claim on their travel insurance is to cover the cost of a medical emergency abroad. Medical claims can cost hundreds of thousands of pounds, yet our average travel insurance policy costs around £30 for a single trip and £70 for annual cover.

It is the case that having had a previous diagnosis of certain conditions can increase the likelihood of a medical claim. Currently, a historic cancer diagnosis would always need to be declared to us and would generate a higher premium, as risk assessment tools used by the industry, indicate that it increases the likelihood of a medical claim.

Similarly, if a customer has been diagnosed with a condition and prescribed anti-depressants, they would need to declare this, and it would typically generate a higher premium. We use a combination of our external claims data, including the historic cost of claims, and external data to calculate premiums However, we constantly review our rating factors to assess their impact on our claims experience and update them as necessary.

Sudden flooding (Q104)

As a home insurer, we see the devastating impact that flooding can have on people's lives and we're proud of how hard our colleagues and partners work to support those who are impacted by floods. We participate in the Flood Re scheme and use the scheme's definition of flooding so don't use terms such as "sudden" or "sudden flooding" in our home insurance policy wording. We wouldn't decline a flood claim on the basis that the flooding was not considered sudden which allows us to support customers impacted by floods.

Diverse and inclusive workforce (Q109 - Q111)

We are proud to provide an open, inclusive, and supportive environment where everyone feels valued and can thrive. At Admiral, we strive to be a workplace where you can thrive regardless of gender, ethnicity or sexual orientation. Our commitment to creating an inclusive culture is resonating, as not only has Admiral been recognised as a Great Place to Work for 25 consecutive years, but 96 per cent of our colleagues tell us that they are treated fairly regardless of their gender, race or ethnicity.

Our latest employee data shows that 52 per cent of colleagues are female, 46 per cent are male, and 0.3 per cent identify as non-binary. Our approach to hybrid working means we support flexible working hours for many roles throughout our business. Our colleagues tell us that this approach enables them to have a better work life balance which is one of the reasons that we were recently voted 4th Best Workplace for Women in the UK. We strongly believe that an inclusive workplace leads to a more diverse workplace, so we're also proud that 95 per cent of our colleagues feel that Admiral is a diverse and inclusive employer.

For context, ONS data shows that people from a minority ethnic background make up 5.2 per cent of the population in Wales. Admiral is the only FTSE 100 company headquartered in Wales and we employ more than 9,000 people in our offices in Cardiff and Swansea. Our employee data shows that people from ethnic minorities make up 9 per cent of Admiral colleagues but we are always looking for ways to attract and retain the diverse talent our business needs to be able to support the evolving needs of our customers.

At Admiral, we want to make sure every voice is heard and respected, so we continually review our employee proposition to ensure that it supports all of our colleagues. Our Diversity and Inclusion working groups play a key role in this and have provided the inspiration for many of our employee policies.

Promoting healthy workplace cultures (Q112)

Finally, we believe that the secret to our success is our people and our culture, and we already embody many of the principles and requirements that the FCA is suggesting. We work hard to foster an open and inclusive workplace and are supportive of the FCA's aim to promote healthy workplace cultures and prevent individuals from moving between firms where they have been guilty of serious misconduct.

If you, or another member of the Committee would like any further information or would like a follow up meeting, please don't hesitate to get in touch.

Yours sincerely

Alistair Hargreaves
CEO, Admiral UK