OPTIMA MOTORHOME

Value Statement

This document is created for advisers and distributors to provide a summary of our annual Fair Value Assessment, and the outcome of that review.

Fair Value Assessments are conducted using a number of metrics to determine value; including loss ratios, claims and complaints frequency. Ageas's intent is for this document to meet the requirements under the FCA PROD rules.

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The Optima Motorhome scheme is predominantly distributed online and via intermediaries. The product is sold via many different brokers. Optima Motorhome is a core Ageas product where Ageas controls the policy wording. Ageas acts as the manufacturer of the motorhome insurance but does not provide any add-ons which are sourced separately by the brokers. There is no indication the product is being sold outside of the target market.

Products and services

The Optima Motorhome product experienced growth in policy sales year-on-year, reflecting a strong market presence. The growth for the product is driven by increased broker activations and improved pricing. Whilst the product experienced growth, Ageas also made strategic decisions to reduce exposure in certain risk areas - such as policies where the motorhome is the sole vehicle, supporting a slight reduction in claims frequency. The cancellation frequency however, has improved despite the growth observed for the product. Whilst the claims complaint frequency has seen an increase, the volume of claims has nearly doubled therefore, it would be expected to see a small increase. There are no material concerns regarding the volume or trends of claim-related complaints.

Consumer support

Customer satisfaction remains robust, evidenced by a strong retention rate, marking an improvement from the previous reporting year. The product experienced a low number of Financial Ombudsman Service (FOS) claim complaints, all of which were rejected, demonstrating effective in-house complaint resolution. Although there has been a slight increase in upheld FOS claim complaints, volumes remain low and do not indicate any emerging trends.

Price and value

The average claim payout vs premium paid demonstrates robust coverage and value for customers. With a significant average claim pay-out vs the average premium paid, it would take a customer 13 years to recoup the loss of an average claim. The strong combined operating ratio during the reporting period highlights the product's commitment to providing fair value. Claims frequency and acceptance rates are high, showing that customers are utilising the product effectively. The average commission for the product is reasonable and demonstrates that the product itself does not generate excessive profits.

Consumer understanding

Claims frequency and acceptance rates are high, showing that customers are utilising the product effectively. The average claim settlement time, whilst having increased, remains within acceptable limits, ensuring timely support for customers. The claim walkaway percentage, whilst slightly above tolerance, has observed improvement against the prior reporting year. This is further supported by a very strong claim acceptance rate. The Optima Motorhome scheme consistently offers value to all customers, ensuring equitable and satisfactory outcomes across different cohorts.

Cohort analysis

Furthermore, cohort analysis, including monitoring of customer vulnerability, tenure, age, and claim type, has also been completed. No concerns have been identified, and value is delivered consistently across all customer groups. The fair value assessment for Optima Motorhome is aligned to the four Consumer Duty outcomes and confirms that the product continues to deliver value for a reasonably foreseeable period.

Summary

Overall, customers are receiving good outcomes at the point of claim, supported by strong utilisation and acceptance metrics. Based on the information above, the product continues to demonstrate fair value and is suitable for ongoing distribution over the next 12 months.