This document is for insurance intermediaries/brokers only and must not be provided to customers.

Ageas COMMERCIAL VEHICLE

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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Ageas Broker

ageas®

Ageas Commercial Vehicle for the 2024 UWY consists of two products: Ageas Commercial Vehicle (ACV) and Vanguard. The Ageas Commercial Vehicle scheme is predominantly distributed online and via intermediaries. The product is sold via many different brokers. Ageas Commercial Vehicle is a grouping of core Ageas Van products where Ageas controls the policy wording. Ageas acts as the manufacturer of the van insurance but does not provide any add-ons which are sourced separately by the brokers. There is no indication that the product is being sold outside the target market.

Products and services

The Ageas Commercial Vehicle product continues to demonstrate strong customer demand, with low levels of underwriting, broker and claims complaints. Cancellation frequency is above tolerance however this is related to the nature of the line of business and not due to any concerns with the product itself. With higher cancellation rates being observed across Van products. There is no concern that poor outcomes are being observed.

Consumer support

Customer satisfaction remains strong and does not indicate systemic customer support concerns. Complaints relating to claim settlements - particularly around "payment too low" - remains however, improvements made to total loss settlement calculations have reduced concern and no emerging trends have been identified that suggest poor customer outcomes. Overall, the evidence supports that complaints are being handled appropriately and customers continue to receive fair outcomes.

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Price and value

The Ageas Commercial Vehicle product continues to demonstrate claims utilisation, remuneration levels and premium outcomes to support fair value. The average claims payout materially exceeds the average premium paid, demonstrating customers derive significant benefit from the product when claiming. While actual COR remains outside tolerance, actuarial smoothing and the matured performance of prior underwriting years provide assurance that performance remains consistent with fair value expectations. COR will continue to be monitored to ensure it matures as expected.

Consumer understanding

The Ageas Commercial Vehicle product demonstrates strong consumer understanding, evidenced by high claims frequency, a low repudiation rate, and a high acceptance rate. These indicators suggest that customers clearly understand what is covered and when they are eligible to claim. The low walkaway rate further supports this, indicating satisfaction with the claims process. Complaint, settlement time and claims outcome data do not indicate any material consumer understanding concerns and provide reassurance that customers are achieving the intended outcomes from the product.

Cohort analysis

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 Ageas Broker Van, 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 in relation to being able to utilise the product at point of claim, as evidenced by the metrics mentioned. The distribution chain is not complex, and the costs versus insurance product commission is not excessive, to the point that the customer is paying an overinflated price.

Based on the information above the product demonstrates fair value. Ageas are comfortable for this product to continue to be distributed for the next 12 months.