

OPTIMA MOTORHOME

Target Market Statement

This document is created for advisers and distributors to give information in relation to the target market and distribution arrangements for the product. It is intended to provide guidance on the appropriateness of the product for certain customers, what they can take from it, and detail those for whom it would not provide good outcomes. Ageas's intent is for this document to meet the requirements under the FCA PROD rules.

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1 Our intended customer(s)

Who they are (i.e. their characteristics):

- They are between the ages of 30 and 80.
- Customers that require Comprehensive cover.
- Customers that require annual cover (12 months).
- Customers who own and want to insure a motorhome or campervan.
- They have a privately owned motorhome or campervan valued between £2,000 to £250,000.
- They have been a resident of the UK, NI or Channel Islands for at least three years.
- Holds a Full UK private car licence for a minimum of five years.
- They must be able to meet the affordability thresholds in place. (i.e. they can afford to pay the annual or monthly premiums for the full 12 months).

Why they are buying insurance (in order of importance):

1. It is a legal requirement under UK law to drive/store their vehicle on the public road.
2. To avoid costs if the vehicle is damaged.
3. To avoid liability if others are injured as a result of the vehicle being driven by the insured or any allowed drivers.
4. To cover against theft of vehicle and theft from vehicle, as well as fire protection.

What they want from it:

- Sufficient cover to meet RTA requirements whenever they use the vehicle.
- They would like comprehensive in order to protect against loss or damage to their vehicle (and having to otherwise bear the cost of repairs/replacement).
- A balance between price and cover; and
- An easy and supportive claims journey.

2 What the product offers the customer

Features:

- Ageas Optima Motorhome fulfils the legal requirements of insurance, and holding a policy will meet the requirements of the RTA.
- Ageas Optima Motorhome offers Comprehensive cover for the standard perils of accidental damage, malicious damage, fire, and theft. Comprehensive covers damage and injury to a third party (above the level required by the RTA) if the driver is found to be at fault.
- Ageas Optima Motorhome can be used for Social, Domestic and Pleasure (including commuting to a place of work) for the policyholder and named riders.
- Ageas Optima Motorhome offers 180 days foreign use cover, inline with other motorhome coverages in the market.
- Ageas Optima Motorhome offer unlimited windscreen cover, where others in the market restrict / cap the maximum payout at £1,500, which for A Class motorhomes, won't cover the windscreen replacement if required, as these generally cost £3,000.
- Ageas Optima Motorhome offers camping equipment and personal effects cover, inline with the market.
- Increased hotel and travel costs, in reflection of the increased likelihood of foreign travel.

What is our sales pitch to customers (i.e. why us?)

Ageas Optima Motorhome is an open market motorhome insurance product (available to brokers that are on the software houses where it is built) that offers Comprehensive cover to meet the needs of those that want to protect their motorhome against the standard insurance perils. It balances offering the cover customers want day-to-day, with the need to offer competitive prices. It is backed up by award winning customer and claims services.

For example, Ageas won 'Claims Service Solution of the Year - General' at the Insurance Times Claims Excellence Awards 2022, for its Green Parts Programme, and has been recognised by the ICS for our excellent level of customer service. The quote journey has been tailored specifically to driving instructors beyond the normal private car question set, allowing for more accurate pricing, resulting in lower premiums to many customers.

3 How the product can be distributed to customers?

- Ageas Optima Motorhome can be transacted through a number of channels, such as online, including aggregators, broker websites, phone, face to face.
- Brokers have different affinities that they use such as motorhome clubs, dealership agreements, garages that convert vehicles to motorhomes.
- This product is sold advised and unadvised and in line with FCA regulations.

4 Groups of customers to be aware of and monitor to ensure good outcomes:

- Customers with a low value vehicle, typically <£2,000. A combination of excesses (either compulsory or voluntarily chosen) may mean in relation to the motorhome value, the cost of repair is less than 50% of the value. Policy value would need to be justified via other means.
- Vulnerable customers, ensuring their circumstances don't lead to a lower level of value.
- A number of customers are aged 75 and over where the market constricts for new business quotes, reducing opportunity to change product.

5 Customers to whom we should not be selling this product

- Drivers who only require Third Party, Fire and Theft, or Third Party Only cover. This is not available on Ageas Optima Motorhome and these customers would be better suited looking for specific products that cover these items only.
- Drivers of vehicles valued at more than £250,000. These customers may be better suited to specialist high-value vehicle policies offered within the market.
- Drivers who require short period tuition coverage (less than 12 months cover).
- Customers who intend to rent out their vehicle to another party or intend to use the vehicle for other hire purposes, such as a courier or delivery driver. These customers may be better suited to specialist hire and reward policies offered within the market.

6 Behaviours/practices on this product that could cause harm?

- As price is a key objective for this product, indicators that this is too high for the benefit provided would suggest customer harm. For example, a GLR below 30%, or a commission over 30%, would be a trigger.