

OPTIMA L

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):

- Drivers aged between the ages of 17 and 29.
- Customers that require Comprehensive cover.
- Cover between one month and six months (cover can be selected in months).
- They have a privately owned private car valued between £500 to £30,000.
- Policyholder only cover.
- Customers not requiring commuting use.
- Vehicles aged 0 to 20 years.
- Less than 10,001 miles per annum.
- Claim free for the last three years.
- Conviction free for the last three years.
- Unmodified vehicles.
- Where RTA cover is already in force for the vehicle, with the Optima L policy topping up cover for the policyholder to drive under a provisional licence.
- Right hand drive vehicles only.
- They have been a resident of the UK for at least five years.
- Hold a provisional UK private car licence.
- They must be able to meet the affordability thresholds in place. (i.e. they can afford to pay the annual).

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.
- An easy and supportive claims journey; and
- Quick and easy quoting process, with a quote and buy online journey to support the short-term nature of the product.

2 What the product offers the customer

Features:

- Ageas Optima L fulfils the legal requirements of insurance, and holding a policy will meet the requirements of the RTA.
- Ageas Optima L 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 L can be used for Social, Domestic and Pleasure (excluding commuting to a place of work) for the policyholder.
- Policies cover a period of one month to six months.

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

Ageas Optima L is an open market private car insurance product (available to brokers that are able to transact the short term nature correctly with Ageas through the specific SWH where this product has been built) that offers Comprehensive cover to meet the needs of those that want to protect their private car against the standard insurance perils excluding windscreen cover. 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 is simplified

and cut down from an annual insurance quote, to reflect the speedy nature of quote and buy that is required for short term policies.

3 How the product can be distributed to customers?

- Ageas Optima L can be transacted via brokers able to access it through the software house this has been developed.
- This would include aggregators, the brokers direct websites, phone and face to face.
- This product is sold without advice and in line with FCA regulations.

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

- Customers expecting to be able to continue to drive under the policy once they have passed their full driving licence.
- Customers expecting to earn NCD or a claim free driving period proof, which is not provided under the short term policy.
- Customers with a low value vehicle such as £500, due to the compulsory excess of £250, which would negate the vehicle value in a theft or fire claim, may mean we are unable to offer a repair or provide a settlement as the excess exceeds the value of the vehicle. Policy value would need to be justified via other means.
- Customers who already have plans to replace the insured vehicle with another, as MTA's are not permitted under this product.
- Repeat long term customers, could end up paying more than an annual policy in most cases, ensuring their objectives and desired outcomes are still met by the product.
- Vulnerable customers, ensuring their circumstances don't lead to a lower level of value.

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 L, and these customers would be better suited looking for specific products that cover these items only.
- Drivers of vehicles valued at more than £30,000. These customers may be better suited to specialist high-value vehicle policies offered within the market.
- Drivers who require annual cover (12 months). These customers may be better suited to an annual policy as likely to be cheaper over the period of 12 months.
- Customers who wish to change the policy details during the policy term, as MTA's are not permitted.
- Drivers with one claim or more in the preceding three-year period. These customers may be better suited to specialist policies offered within the market.
- 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.

- Customers that wish to earn or use No Claims Discount (NCD).
- Risks where the proposer resides in Northern Ireland, Jersey, Guernsey or the Isle of Man.
- Drivers aged 30 and over.

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.