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

OPTIMA CLASSIC CAR

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 Classic Car scheme is predominantly distributed online and via intermediaries. The product is sold via many different brokers. Optima Classic Car is a core Ageas product where Ageas controls the policy wording. Ageas acts as the manufacturer of the Classic Car 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 Classic Car product saw an increase in policy sales, indicating a strong market presence, despite there being no strategic plans to grow this product. The cancellation frequency continues to remain low and further supports customer satisfaction for its intended target market. The distribution approach for Optima Classic Car scheme ensures fair value outcomes for customers, with a straightforward approach and a commitment to third party monitoring.

Consumer support

The scheme continues to demonstrate strong customer satisfaction, supported by a high retention rate and low volumes of claim-related complaints referred to the Financial Ombudsman Service (FOS). Due to the low volumes escalated, no thematic concerns were presented, and it is confirmed following analysis, that the complaints pertain to specific individualistic circumstances and do not represent the wider claims experience provided by Ageas.

Price and value

Whilst the Loss Ratio and Combined Operating Ratio (COR) are marginally below desired tolerances, this is attributable to a combination of factors. These include inorganic policy growth driven by market withdrawals, lower-than-anticipated average claims costs compared with prior years and forecasts, and a temporary absence of large losses. None of these factors indicate any underlying concern with the scheme or the value it delivers to customers. Strategic pricing actions, including significant premium reductions implemented from late 2025 into 2026, are expected to increase the COR and support a rebalancing of performance towards target levels. Total pre-policy remuneration remains within tolerance for many brands operating under the scheme. However, some brokers exceed desired thresholds, primarily due to lower average premiums and variations in new business fees.

Despite this, there are no concerns regarding excessive earnings. Where appropriate, Ageas may undertake formal remuneration assessments to ensure earnings remain proportionate to the services provided and aligned with oversight frameworks.

Consumer understanding

The schemes claims frequencies, acceptance rates, repudiation rates and walkaway rates all reporting within acceptable tolerances, showing that customers are utilising the product effectively. The Claims frequency observed a slight reduction which can be attributed to a significant uplift in policy sales. The average settlement time, coupled with the additional claim service metrics, demonstrating that consumers understand the product purchased and do not face unreasonable barriers or costs when presenting a claim, prompting fair treatment and positive outcomes.

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 Classic Car 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.