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

Ageas BIKE

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 Ageas Bike scheme is predominantly distributed online and via intermediaries. The product is sold via many different brokers. Ageas Bike is a grouping of core Ageas Bike products where Ageas controls the policy wording. Ageas acts as the manufacturer of the motorcycle 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 Bike product has seen an increase in policy sales, reflecting a strong market presence. The cancellation frequency continues to remain moderate and does not indicate that customers face unnecessary barriers to cancellation. The scheme exhibited a low complaint rate, indicative of customer satisfaction and the distribution approach for Ageas Bike scheme ensures fair value and positive outcomes for customers.

Consumer support

The product experienced low numbers of Underwriting and Financial Ombudsman Service (FOS) claim complaints, indicating effective complaint resolution. Whilst there were two claim FOS complaint considered upheld, Ageas has demonstrated commitment to improve our services surrounding "Payment too Low" complaints by issuing recommendations since December 2023, that include using the most appropriate guides, presenting market examples with valuations, and refining deductions for previous total losses and MOT costs. These steps ensure fairer and more transparent settlement offers. The volumes remain extremely low and non concerning, as supported by the increased total policy count, claims volume and low complaints rate.

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Price and value

The Ageas Bike product continues to demonstrate fair pricing, supported by low premiums, modest average commissions, and total remuneration levels that remain within tolerance - even among brokers with the highest exposure. The average claim payout vs premium paid demonstrates robust coverage and value for customers.

Despite the product seeing a reduction in average claim pay-out, it would take a customer 17 years to recoup the loss of an average claim. Loss ratios for the product remain within tolerances, highlighting a fair balance between earnings through premium and expenses via claim costs.

The scheme observed an improvement in Combined Operating Ratio (COR) but still remains slightly below tolerance. COR will continue to be monitored as part of the standard fair value assessments.

Consumer understanding

The Ageas Bike product demonstrates strong consumer understanding, evidenced by a low repudiation rate, and a high acceptance rate —indicating that customers are clear on what is covered and when they can claim.

The low walkaway rate further supports this, suggesting customers are satisfied with the claims process. Within the reporting period there was a decrease in claims frequency, this is likely influenced by the seasonal nature of motorcycle usage, resulting in lower exposure to potential claims.

While average settlement time currently exceeds tolerance thresholds, this is consistent with expectations for specialist bike repairs and remains in line with other products in the market. The product continues to deliver fair outcomes without evidence of undue delays or barriers.

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 Bike, 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.