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

Ageas HOUSE GUARD

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 House Guard scheme is predominantly distributed online and via intermediaries. The product is sold via many different brokers. House Guard is a core Ageas product where Ageas controls the policy wording. Ageas acts as the manufacturer of the Household 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

During the reporting period, overall policy volumes have declined, primarily due to rate adjustments applied to both Legacy and Simplification products. Cancellation volumes remain comfortably within tolerance. Complaint volumes remain low across underwriting and broker channels; however, claims complaints saw an increase above threshold. The majority of complaints are resolved within four weeks, and upheld/rejected volumes follow consistent peril trends. Claim delays and claim declinators presented as top complaint reasons, as such appropriate investigations were conducted with new initiatives and adjustments introduced to improve customer understanding and reduce complaint volumes. Overall, there are no material concerns within this segment.

Consumer support

The House Guard product saw a decrease in Financial Ombudsman Service (FOS) complaints, with the main reason for claim FOS complaints being raised is 'claim declined in full' largely associated with 'storm' claims. A review into unpaid claims was carried out to address the number of complaints relating to 'storm' resulting in a number of steps being taken to address this. As a result, fewer complaints were later escalated to the FOS, resulting in reduced concern regarding this metric.

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Price and value

The product demonstrates strong consumer value, with claims performance indicating effective support for customers in the event of loss. Premium levels remain proportionate to the cover provided, and commission rates are within acceptable thresholds.

Overall, the product continues to offer fair value, with no concerns identified within the price and value assessment.

Consumer understanding

The claims frequency for the House Guard product is indicative that the product is being utilised effectively. The claims acceptance rate is within tolerance and coupled with the low repudiation rate demonstrates that product is being utilised by the appropriate target market. Walkaway percentage is outside of tolerance. A review identified the primary reasons for walkaways as: no contact from the policyholder, a decision not to proceed with the claim, or other unspecified reasons. This is not product specific and has been observed across all household products. A number of actions have been implemented or are scheduled to be implemented this will be tracked through as they embed and data mature to ensure that they have the desired affected.

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 House Guard, 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.