

TELEMATICS

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.

The Telematics scheme can be distributed online via aggregators and through intermediaries, face-to-face or over the phone. The product is sold via few brokers. Telematics is a core Ageas product where Ageas controls the policy wording. Ageas acts as the manufacturer of the telematics 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 Telematics product experienced a growth in policy sales during the 2023 underwriting year, reflecting a strong market presence, with many competitors withdrawing from various sections of the young driver market. Despite a growth in policy sales, the claim complaint frequency remains consistent, suggesting that customers remain satisfied with the product. There are no material concerns regarding the volume or trends of claim-related complaints.

Consumer support

Customer satisfaction remains robust, evidenced by a strong retention rate, marking an improvement from the prior reporting period. Whilst the product experienced a higher number of Financial Ombudsman Service (FOS) claim complaints during the reporting period, these are in low volumes and do not raise any concerns. Upheld FOS complaints present themselves in singular figures and are attributed to feedback and communication as supposed to product concerns, this positive as it indicates that young and inexperienced drivers are happy with the product and claims handling.

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Price and value

The average claim payout vs premium paid demonstrates robust coverage and value for customers. With a significant average claim pay-out vs the average premium paid, it would take a customer three years to recoup the loss of an average claim. The strong combined operating ratio during the reporting period highlights the product's commitment to providing fair value. Claims frequency and acceptance rates are high, showing that customers are utilising the product effectively. The total pre-policy remuneration fees for the top leading brokers all remain within tolerance. The average commission for the product is reasonable and demonstrates that the product itself does not generate excessive profits.

Consumer understanding

Claims frequency and acceptance rates are high, showing that customers are utilising the product effectively. The average claim settlement time has increased. This is a result of claim type, such as personal injury claims, and repair delays and does not present any material concerns. The claim walkaway percentage remains comfortably within tolerance. This is further supported by a very strong claim acceptance rate. The Telematics scheme consistently offers value to all customers, ensuring equitable and satisfactory outcomes across different cohorts.

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 Telematics 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 at the point of claim, supported by strong utilisation and acceptance metrics. Based on the information above, the product continues to demonstrate fair value and is suitable for ongoing distribution over the next 12 months.