

VAN 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.

 ageasbroker.co.uk

 Ageas Broker

 AgeasBroker



Ageas Broker Van for the 2023 UWY consists of two products: Ageas Commercial Vehicle (ACV) and Vanguard. The Ageas Broker Van scheme is predominantly distributed online and via intermediaries. The product is sold via many different brokers. Ageas Broker Van is a grouping of core Ageas Van products where Ageas controls the policy wording. Ageas acts as the manufacturer of the van 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 Broker Van product has experienced steady growth in policy sales, reflecting a strong market presence. A higher cancellation frequency is not unexpected, given the scheme's recent launch. Some volatility is typical in the early stages of a new product.

The Vanguard scheme has shown a consistent upward trend in cancellations, which can be attributed to several factors. These include the rollout of the ACV product, where some brokers initially placed business on Vanguard in error and subsequently re-broked onto ACV. Additionally, certain mid-term adjustments (MTAs) led to cancellations when newer vehicles could not be quoted due to limitations in the vehicle file.

Initial investigations have not identified any concerns suggesting that the cancellation rate reflects poor value or customer dissatisfaction. The Risk & Governance team will continue to monitor this metric as part of quarterly product reviews, with the expectation of a decline over time.

There are no material concerns regarding the volume or trends of claim-related complaints.

Consumer support

Customer satisfaction remains strong, supported by a healthy retention rate despite the recent launch of ACV. The product has recorded a low number of Financial Ombudsman Service (FOS) claim complaints, and while the upheld rate may appear elevated, volumes remain low and do not raise any concerns. This is further supported by continued reductions in complaint volumes over time.

Complaints relating to claim settlements - particularly around "payment too low" - are being monitored monthly by the claims department, following enhancements to the settlement calculation process. These improvements aim to ensure fairer and more consistent outcomes for customers.

Price and value

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

Loss ratios are within acceptable bounds, confirming that the product is effectively supporting customers who make claims. While the current combined operating ratio (COR) is below threshold, this is attributed to a temporary absence of large claims rather than under-pricing. Historical performance suggests this is a short-term fluctuation, and there are no concerns regarding the product's long-term sustainability or ability to deliver fair value.

Consumer understanding

The Ageas Broker Van product demonstrates strong consumer understanding, evidenced by high claims frequency, a low repudiation rate, and a high acceptance rate. These indicators suggest that customers clearly understand what is covered and when they are eligible to claim.

The low walkaway rate further supports this, indicating satisfaction with the claims process. Average claim settlement times are well within tolerance thresholds, reflecting efficient claims handling and a positive repair experience for customers.

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 Broker Van, 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.