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

OPTIMA PLUS

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

Optima Plus saw sales stabilising following a period of growth. Cancellation rates have increased, higher cancellation levels are expected due to the type of specialist cover, where changes in vehicle ownership or usage naturally led to policy cancellations. These will be monitored to ensure that no material level of concern develops. Complaints levels were very low and stable, suggesting customers are generally satisfied and that there are no wider concerns with the product.

Consumer support

The product experienced no Broker or Underwriting Financial Ombudsman Service (FOS) complaints in the review period, with only one complaint being escalated. This was an isolated case and not thematic. This is supported by a strong claims acceptance rate and low repudiation levels, suggesting that customers have a clear understanding of their policy and associated endorsements, with no evident concerns regarding value across the distribution or claims journey.

Price and value

The Optima Plus product continues to demonstrate strong value for customers, with the average claim payout vs premium paid demonstrates robust coverage and value for customers. Loss ratios for the product remain within tolerances, highlighting a fair balance between earnings through premium and expenses via claim costs. Claims frequency and acceptance rates are high, showing that customers are utilising the product effectively. The average commission for the product is within tolerance and demonstrates that the scheme alone does not generate excessive profits.

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Consumer understanding

Claims frequency and acceptance rates are high, showing that customers are utilising the product effectively. The average claim settlement time, whilst having increased, remains within acceptable limits, ensuring timely support for customers. The claim walkaway percentage is within tolerance and indicates that customers can utilise the product in the event of a claim, further supported by a very strong claim acceptance rate. The Optima Plus 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 Optima Plus 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.