

MOTORCYCLE

Target Market Statement

This document is created for advisers and distributors to give information in relation to the target market and distribution arrangements for the product. It is intended to provide guidance on the appropriateness of the product for certain customers, what they can take from it, and detail those for whom it would not provide good outcomes. Ageas's intent is for this document to meet the requirements under the FCA PROD rules.

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1 Our intended customer(s)

Who they are (i.e. their characteristics):

- They are between the ages of 16 and 75.
- They have a privately owned motorcycle up to £40,000 if engine size is over 125cc or up to £15,000 if engine size is 125cc and under.
- They have been a resident of the UK, NI or Channel Islands for at least three years and hold a Full or Provisional UK Motorcycle licence.
- They must not have had any more than two previous accidents and/or theft claims in the preceding three-year period.
- They must be able to meet the affordability thresholds in place. (i.e. they can afford to pay the annual or monthly premiums for the full 12 months).

Why they are buying insurance (in order of importance):

1. It is a legal requirement to ride their motorcycle.
2. To avoid costs if the vehicle is damaged.
3. To avoid liability if others are injured; and
4. To cover against theft of the vehicle.

What they want from it:

- Sufficient cover to meet RTA requirements whenever they use the vehicle. This will likely be for Social, Domestic and Pleasure use (including commuting to a place of work) for themselves and named riders. They could also want business use, as options are available at an additional cost for vehicles over 125cc.
- They would like Comprehensive or Third-Party Fire and Theft or Third Party Only cover, in order to protect against loss or damage to their vehicle (and having to otherwise bear the cost of repairs/replacement).
- A balance between price and cover; and
- An easy and supportive claims journey.

2 What the product offers the customer

Features:

- Ageas Motorcycle fulfils the legal requirements of insurance, and holding a policy will meet the requirements of the RTA.
- Ageas Motorcycle offers a choice of either Comprehensive cover for the standard perils of accidental damage, malicious damage, fire, and theft, or, Third-Party Fire and Theft cover for the standard perils of Fire and Theft for over 125cc vehicles and Third Party Only for Motorcycles 125cc or under. These options also cover damage and injury to a third party (above the level required by the RTA) if the rider is found to be at fault.
- Some other items are also included on Comprehensive and Third-Party, Fire and Theft cover, for example cover for replacement locks, new motorcycle replacement in the event of a total loss (for bikes less than six months old) and riding abroad for up to 90 days (with the potential to purchase an additional 90 days).
- Ageas Motorcycle can be used for Social, Domestic and Pleasure (including commuting to a place of work) for the policyholder and named riders. Business use options are available at an additional cost but cannot be used for hire and reward or courier use.
- No Claims Discount (NCD) can be used and earned on Ageas Motorcycle, with the option to protect NCD if certain criteria are met.
- Policies cover a period of one year, and customers may renew their motorcycle insurance policy if certain criteria is met.
- Mid-term changes to the policy are permissible if acceptance criteria is met. This accommodates changes in address, changes to the vehicle or changes to the named riders on the policy. Additional premium and fees may apply.

What is our sales pitch to customers (i.e. why us?)

Ageas Motorcycle is a mass-appeal motorcycle insurance product that offers Comprehensive, Third party Fire and Theft and Third Party Only covers to meet the needs of those that just want to get on the road and protect their motorcycle against the standard insurance perils. It balances offering the cover customers want day-to-day, with the need to offer competitive prices. It is backed up by award winning customer and claims services. For example, Ageas won 'Claims Service Solution of the Year - General' at the Insurance Times Claims Excellence

Awards 2022, for its Green Parts Programme, and has been recognised by the ICS for our excellent level of customer service.

3 How the product can be distributed to customers?

- Ageas Motorcycle can be sold through Software Houses (including via aggregators and brand websites), face-to-face, via telephone or postal application.
- This product can be sold with or without advice depending on your preference and in line with FCA regulations.

4 Groups of customers to be aware of and monitor to ensure good outcomes:

- Customers with a low value vehicle, typically <£500. A combination of excesses (either compulsory or voluntarily chosen) may mean we are unable to offer a repair or provide a settlement as the excess exceeds the value of the vehicle. Policy value would need to be justified via other means.
- Customers who already have plans to replace the insured vehicle with another. The additional cost of insuring the newly purchased vehicle may exceed the customer's expectation, OR we may be unable to offer cover for the replacement vehicle and Ageas will cancel the policy.
- Long tenure (4+ years) customers, ensuring their objectives and desired outcomes are still met by the product.
- Vulnerable customers, ensuring their circumstances don't lead to a lower level of value.

5 Customers to whom we should not be selling this product

- Riders who only require Third Party Only cover on vehicles with over 125cc engines. This cover is not available, and these customers would be better suited looking for specific products that cover these items only.

- Riders of motorcycles valued at more than £15,000 with engines of 125cc or less or more than £40,000 for over 125cc engines. These customers may be better suited to specialist high-value vehicle policies offered within the market.
- Riders who require short term cover of less than 12 months. These customers may be better suited to specialist short-term policies offered within the market.
- Customers who wish to add rider(s) that fall outside our acceptable age range. Younger riders, for example, customers may be better suited to other policies offered within the market.
- Riders with more than two previous accidents and/or theft claims in the preceding three-year period. These customers may be better suited to specialist policies offered within the market.
- Customers who intend to rent out their vehicle to another party or intend to use the vehicle for other hire purposes, such as a courier or delivery rider. These customers may be better suited to specialist hire and reward policies offered within the market.
- Customers who want to cover more than one bike and have additional riders on the policy. These customers would be better suited to family insurance offerings or offerings from other insurers that meet this need.

6 Behaviours/practices on this product that could cause harm?

- As price is a key objective for this product, indicators that this is too high for the benefit provided would suggest customer harm. For example, a GLR below 30%, or a commission over 30%, would be a trigger.
- As low excess is a key objective for this product, excessively high compulsory (or combination) excesses may cause customer harm.