

OPTIMA CLASSIC BIKE

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 Classic Bike scheme is predominantly distributed online and via intermediaries. The product is sold via many different brokers. Optima Classic Bike is a core Ageas product where Ageas controls the policy wording. Ageas acts as the manufacturer of the Classic Bike 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 Classic Bike scheme experienced a year-on-year increase in policy sales, reflecting a strong market presence. This growth occurred organically, without any strategic expansion plans, and was largely driven by a major bike insurance provider exiting the market - resulting in increased opportunities for other insurers. The cancellation frequency remains moderate, suggesting that customers are not encountering undue barriers when choosing to cancel. The scheme continues to demonstrate strong retention and a low complaint rate, both of which are positive indicators of customer satisfaction. The distribution approach for the Classic Bike scheme is designed to deliver fair value and positive outcomes for customers. It remains straightforward and transparent, with a clear commitment to third-party oversight and monitoring.

Consumer support

The Classic Bike scheme demonstrated effective complaint handling, with only one Financial Ombudsman Service (FOS) complaint recorded during the review period. Notably, the single complaint was rejected by the FOS, which reflects positively on internal resolution processes and alignment with FOS expectations.

Price and value

The Classic Bike scheme continues to offer fair and competitive pricing, with low premiums and modest average commissions. For brokers with the highest exposure, total pre-policy remuneration - including fees - sits above internal tolerance levels. This is primarily driven by the naturally low premium levels associated with motorcycle insurance.

Where broker remuneration exceeds tolerance thresholds, a broker remuneration assessment is undertaken to ensure continued fair value for customers and alignment with regulatory expectations.

Loss ratios remain within acceptable bounds, indicating that the product is effectively supporting customers when claims are made. While the current combined operating ratio (COR) is below threshold, this is largely attributed to a temporary absence of large claims.

Consumer understanding

The claims frequency remains below internal thresholds, however this is deemed appropriate for the Classic Bike scheme and reflects the seasonal, recreational nature of its target market. Acceptance rates have improved since the prior year and remains within tolerance, suggesting that customers generally understand their coverage and are submitting valid claims.

All repudiated claims during the period were related to theft, with 90% due to non-compliance with garaging endorsements. This trend has been proactively addressed through revised endorsement wording, informed by consumer testing, with improvements expected to take effect from late 2025.

Walkaway rates remain low, reinforcing customer confidence in the product. Although average settlement times exceed 100 days, this is typical

for motorcycle claims and has not resulted in complaints - indicating no negative impact on perceived value.

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 Classic Bike, 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 and 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.