

RNS Statement re Company Event

New Scheme Insurance Arrangements

MOTABILITY OPERATIONS GROUP PLC

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MOTABILITY OPERATIONS GROUP PLC

NEW SCHEME INSURANCE ARRANGEMENTS

Motability Operations Group plc ("Motability Operations") which, together with its subsidiary Motability Operations Limited, delivers the Motability Scheme, is pleased to announce that after a comprehensive competitive tender process, it will be moving its insurance provision from RSA, who has been a long-term supplier to the Motability Scheme, to the Direct Line Group (DLG).

This change will ensure that the Motability Scheme continues to offer a worry-free service and excellent value for money to its customers. The new insurance proposition will provide a market-leading customer experience through an integrated, aligned and well-managed supply chain. Customers will benefit from a modern technology platform supporting interaction across all channels. The new arrangements will take effect circa 18 months from today's date for an initial ten years.

Similar to the existing arrangements with RSA, DLG will provide insurance, and will reinsure 80% with Motability Operations' reinsurance captive. The captive's net exposure is contained through the placement of a conservatively structured reinsurance programme into the reinsurance market.

DLG intends to provide the existing customer-facing activities through the continued use of the dedicated Motability unit in Liverpool, ensuring seamless continuity of service for customers.

Andrew Miller, CEO at Motability Operations, said ... *"As well as future-proofing our service, the new insurance proposition will offer the potential to grow the Scheme and provide increased flexibility to customers. We are confident these arrangements with DLG position us well to support the continued delivery of worry-free motoring and value for money to our customers. I would like to thank the team at RSA for their ongoing support and commitment to the Motability Scheme as we transition to the new arrangements."*

Penny James, CEO at DLG said:

"I am delighted that we are partnering with Motability Operations whose work so aligns with our purpose of helping people carry on with their lives, giving them peace of mind now and in the future. Our digital capabilities and strength in vehicle repair combined with Motability Operations' fleet of modern vehicles, means together we are ideally placed to deliver a first-class service at a time of rapidly changing motor technology. We look forward to welcoming the colleagues from Liverpool who will be joining us to deliver that exemplary customer experience."

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