TMA GENERAL INSURANCE
SALES MADE SIMPLE

INFORMATION SCHEDULE
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EMAIL: HELLO@TMACLUB.COM

{REDEFINING THE MORTGAGE CLUB}
1. INTRODUCTION

COVERING YOUR CLIENTS GENERAL INSURANCE NEEDS

TMA provide you with 2 options with regards to covering your clients general insurance needs:

- Sell general insurance through TMA GI completing the full advice sales process
- Introduce/refer to our specialist general insurance broker

Within this document we outline both options.

2. TMA GENERAL INSURANCE

TMA General Insurance is a unique online system which enables you to quote and apply residential household insurance sales from a panel of leading insurers. It has been designed to provide a quick, simple sales process with compliance requirements embedded throughout. An advised sale can be completed within as little as 10 minutes, in turn optimizing the long term income potential selling general insurance provides.

KEY BENEFITS OF TMA GENERAL INSURANCE

- Panel of leading insurance
- Immediate cover available with policy number and confirmation of cover
- Qualitative and quantitative quotations comparing both premium and product features
- Simple sales process with 10 minutes quote, apply and comply

ONGOING DEVELOPMENTS

TMA General Insurance will not stand still. With its unique, market leading technology built in-house to ensure we have the ability to continue to develop and enhance the adviser experience and adapt to market requirements.

We have a number of developments already scheduled which include interactive product feature comparison and an exclusive mid networth product. The relationships we hold with the product providers enable us to negotiate bespoke deals for specific client profiles or geographical areas.
**COMPLIANCE**

TMA General Insurance has been designed to automatically generate and save the required set of compliant documentation. Compliance requirements for advised sales have been core to the system build.

During the quote process no questions are defaulted or assumed ensuring the adviser with the client answers all questions required for an accurate quotation. At application stage any specific provider requirements are set out and required to confirm at each point, this helps to prevent critical items being missed which could lead to non-disclosure.

All fact find information is then relayed back to the client on the back of the demands & needs letter. Every attempt to ensure the client has the opportunity to disclose all information accurately and correctly is taken to protect the adviser and ensure the best possible client outcome.

The following documentation is automatically generated by TMA General Insurance:

- Fact find
- Premium comparison
- Product feature comparison matrix
- Provider illustrations
- Application
- Demands & Needs letter
- Confirmation of cover

The adviser is seamlessly taken through the required compliance sales process.

**TRAINING AND SUPPORT**

Full training can be provided to all advisers to ensure quick and effective start up of using TMA General Insurance and selling general insurance. We will also arrange for product providers to deliver training on their products along with sales tips such as overcoming client objections when selling household insurance.
On first view, general insurance may seem to be a very low income generator. However, with an average live expectancy of 6 years, what appears to be a low income generator turns into a significant future nest egg. The commission you received on the new business sale is paid again the following year on renewal – and for doing nothing.

**Household Insurance Commission Rates**

You will receive commission for every household insurance policy sold. The commission payable is a % of the net annual premium. This is paid on new business and every year the policy is renewed.

<table>
<thead>
<tr>
<th>PROVIDER</th>
<th>COMMISSION RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halifax</td>
<td>26%</td>
</tr>
<tr>
<td>First 2 Protect</td>
<td>27.5%</td>
</tr>
<tr>
<td>Legal &amp; General</td>
<td>27.5%</td>
</tr>
<tr>
<td>Paymentshield</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

-% is calculated on the net annual premium
-Rates are subject to change

**General Insurance Income Potential. Why Sell GI?**

On first view, general insurance may seem to be a very low income generator. However, with an average live expectancy of 6 years, what appears to be a low income generator turns into a significant future nest egg. The commission you received on the new business sale is paid again the following year on renewal – and for doing nothing.
We have calculated some income potential based on our following experience:

- Average net annual premium £300
- Average commission 25% (paid on new business and renewal)
- Average annual commission earning per case £75 (for an advised sale)
- 90% retention rate

On the following pages we have set out 4 examples, depending on business volume, of how much income can be generated on an annual basis and cumulatively over the years.

**EXAMPLE 1: ADVISER SELLS JUST 5 GI POLICIES PER MONTH**

**POTENTIAL INCOME 5 GI PER MONTH**

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>£4,500</td>
<td>£8,550</td>
<td>£12,195</td>
<td>£15,475.50</td>
<td>£18,427.95</td>
</tr>
</tbody>
</table>

**CUMULATIVE INCOME 5 GI PER MONTH**

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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</thead>
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<tr>
<td>£4,500</td>
<td>£13,050</td>
<td>£25,245</td>
<td>£40,720.50</td>
<td>£59,148.45</td>
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</tbody>
</table>
Example 2: Adviser sells 10 GI policies per month

Potential Income 10 GI per month

Cumulative Income 10 GI per month
EXAMPLE 3: ADVISER SELLS 50 GI POLICIES PER MONTH

POTENTIAL INCOME 50 GI PER MONTH

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>£45,000</td>
</tr>
<tr>
<td>2</td>
<td>£85,500</td>
</tr>
<tr>
<td>3</td>
<td>£121,950</td>
</tr>
<tr>
<td>4</td>
<td>£154,755.00</td>
</tr>
<tr>
<td>5</td>
<td>£184,279.50</td>
</tr>
</tbody>
</table>

CUMULATIVE INCOME 50 GI PER MONTH

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>£45,000</td>
</tr>
<tr>
<td>2</td>
<td>£130,500</td>
</tr>
<tr>
<td>3</td>
<td>£252,450</td>
</tr>
<tr>
<td>4</td>
<td>£407,205.00</td>
</tr>
<tr>
<td>5</td>
<td>£591,484.50</td>
</tr>
</tbody>
</table>
Example 4: Adviser sells 100 GI policies per month

Potential income 100 GI per month

Cumulative income 100 GI per month
FIRST2PROTECT- EXETER GI INTRODUCER SERVICE

Too busy to sell general insurance, or have a non standard case to place?

You have access to refer your GI business to our specialist general insurance broker

AN INTRODUCTION TO FIRST2PROTECT INTRODUCER SERVICE

The Exeter GI business has existed for well over 20 years. Up until the last 4 years the primary focus has been to offer general insurance services to internally generated leads, which were mainly sourced from the Financial Services Divisions. In recent times this service has expanded to include leads from a number of third party introducers and this has been very successful in developing good long term income for those partners.

The business understands the mortgage client well and their journey. It has developed a policy book of over 60,000 units primarily from selling to customers conducting a mortgage and/or buying a property. Plus it is able to provide Landlords insurances. We strive to get the most competitive premiums in the market to ensure we win new business and sustain the renewal book.

First2Protect GI comprises around 100 staff, of which half conduct advised sales. Post sales administration, mid-term adjustments, and renewal re-broking are all handled in Exeter, and there is a dedicated team who maximise the retention of existing business.

Sales are usually generated from outbound calling, and the team achieves over 85% contact rates. The quality of contact rates are directly related to the level of client warming undertaken by the introducing entity, however we also encourage hot-keying leads in real time as this increases conversion substantially.

EXTENSIVE PANEL OF UNDERWRITERS

With over 15 Insurers on panel you have access to one of the most extensive panels in the market. Insurers include: Aviva, AXA, Allianz, Covea, ABC, Towergate, UK Gen, Home & Legacy, AON UK, Plum, Abacus, Powerplace, Prestige and Zurich.

We offer the following core products to complement your customer proposition

FOR HOMEOWNERS AND TENANTS

➡ Buildings & Contents Insurance

➡ Cover for accidental damage and personal possessions

➡ Home Emergency with 24/7 access to approved tradesmen for emergency repairs and no excess

➡ Family Legal Expenses providing legal assistance to cover disputes, identity fraud
SPECIFICALLY FOR LANDLORDS:
- Property Insurance including accidental/malicious damage and liability cover
- Contents Insurance for furniture, carpets and furnishings
- Rent Protection in the event a tenant fails to pay rent
- Legal Expenses Cover including tenant disputes
- Home Emergency with 24/7 access to approved tradesmen for emergency repairs and no excess
- Portfolio Insurance for landlords with multiple properties

FOR SPECIALIST AND NON-STANDARD RISKS:
A growing number of customers now have properties that can be problematic to insure. We have a dedicated specialist team providing a more bespoke service dealing with risks such as high value buildings/contents, non-standard construction, unoccupied properties, previous subsidence or flooding. We can insure 99% of risks presented.

Not only do we achieve great conversion rates at new business, 88% of customers stay with us at renewal. Our customer satisfaction survey, which is sent to every policyholder, shows an overall satisfaction of 90+% last year, and 88% of clients would recommend us to their friends and family. We are aware of the need to maintain high levels of customer service and Treating Customers Fairly is at the heart of what we do.

RENEWALS
There is a dedicated team who ensure that the market is approached at renewal and if applicable, alternative prices are offered to the customer. The objective is to retain 80% of customers at renewal. Current renewal retention is consistently above 85%. It is the building of the renewal book over a 3 to 5 year timeframe which makes GI so compelling. Due to the levels of renewal retention and ongoing payment of commissions, the value of the GI book to PI Financial will exponentially increase over time and all for just a straight forward warm introduction. However the future embedded value of a GI book can only be realised by the GI broker controlling renewals and re-broking to defend competitor pricing. First2Protect with its highly competitive pricing provides this service and has been the key to the development of its own business.

PREMIUM, COMMISSIONS AND CHARGES
The panel operates on net rates and a default commission rate is applied – which is the same for all insurers across the panel. There is no commission bias whatsoever. Sales Consultants have the ability to amend the commission up or down within limited tolerances and this is overseen on a daily basis to ensure the average commissions being charged are close to the default amount. This ensures that First2Protect remains competitive and maintains conversion ratios at target.
CONVERSION RATES

Selling GI to customers who are taking out a mortgage to fund a home purchase enjoy a good conversion rate. Typically 75% of customers take a quote, and we would expect around 45-50% of them to agree to the best price and product. This fantastic “front end” conversion rate can only be achieved though highly competitive prices. Allowing for fall through and changes of mind, the final penetration rate ought to be hitting 30%. However these numbers can vary for a wide variety of reasons, such as mix of homebuyers to re-mortgage, how well the customer is primed to receive the GI call, and the timing of the GI interaction within the mortgage application/completion process.

KEY BENEFITS OF INTRODUCING TO FIRST2PROTECT

► Build up of embedded renewal income, effectively delivers significant income “while you sleep” in future years.

► Gives the introducing firm the opportunity to remove their customer from potential cross sells on mortgage deals and protection covers which can occur if customer insures B&C elsewhere.

► Enables difficult to insure properties to be offered good cover at competitive prices thereby not holding up mortgage completion.

► You demonstrate the full width of your service and support to the customer through an introduction to a great GI service with highly competitive prices.

FIRST2PROTECT GI REFERRAL COMMISSION RATES

You will receive commission for every insurance policy sold. The commission payable is 17.5% of the net annual premium. This is paid on new business and every year the policy is renewed.

SUMMARY

You have the option to either embed general insurance sales within your current business through the use of TMA General Insurance to complete an advice sales process, or refer to First2Protect, or even a combination of the two. For example, standard home insurance dealt with in-house but more specialist or non-standard business being referred.

We hope this document also demonstrates the potential general insurance sales have for every business, in delivering incremental and sustainable income. In addition, aiding the retention of your client bank and ensuring best possible client outcome.

SUGGESTED NEXT STEPS

We would welcome the opportunity to provide you with a demonstration of TMA General Insurance, and run through First2Protect Introduction options in more detail in order to establish the best solution for your business and start to take things forward.