TMA GENERAL INSURANCE
SALES MADE SIMPLE

INTRODUCER OPTION:
INFORMATION SCHEDULE

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{REDEFINING THE MORTGAGE CLUB}
OVERALL SUMMARY

- Build significant ongoing annual renewal income from GI sales
- Enhance service proposition - especially by helping source competitive insurance for hard to insure properties
- Prevent competitors from selling GI to your customers and the cross selling
- Introduce to a highly regarded insurance broker with very competitive pricing

INTRODUCTION

This document provides an overview of how the TMA General Insurance operation in Exeter (First2Protect) works and provides clear reasons as to why you should offer GI, plus suggests some next steps to plan a way forward for you to build a lucrative book of general insurance business.

WHY CHOOSE FIRST2PROTECT GI INTRODUCER SERVICE

First2Protect 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 of LSL. 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 clients primarily from selling to customers conducting a mortgage and/or buying a property. Plus it is able to provide Landlords insurances. First2Protect strive to get the most competitive premiums in the market to ensure they win new business and sustain the renewal book.

First2Protect comprises of around 100 staff, of which half conduct advised sales. Post sales administration, mid-term adjustments, and renewal re-broking are all handled in by First2Protect, 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 they also encourage hot-keying leads in real time as this increases conversion substantially.

First2Protect offer the following core products to complement your customer proposition

**FOR HOMEOWNERS/ TENANTS:**

- Building and 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/maliceous 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. First2Protect 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

**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
CUSTOMER EXPERIENCE

Not only do First2Protect achieve great conversion rates at new business, 88% of customers stay with them at renewal. Their customer satisfaction survey, which is sent to every policyholder, shows an overall satisfaction of 90+% last year, and 88% of clients would recommend them to their friends and family. First2Protect are aware of the need to maintain high levels of customer service and Treating Customers Fairly is at the heart of what they do.

RENEWALS

There is a dedicated team who ensure that the client is approached at renewal and if applicable, alternative prices are offered. 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 you 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 RATES

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.

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

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.
**COMPLIANCE**

The key risk is the suitability of new sales, and that as expected is monitored closely on a daily, weekly, and monthly basis. All calls are recorded, and there are 3 Compliance Officers on site who conduct call evaluations according the agreed T&C scheme.

The network principal regularly audits call evaluations to ensure moderation and consistency. Any call fail which is due to something which has or will cause customer detriment, is the most serious classification and the Sales Consultant is taken off sales immediately and is re-trained and re-tested. T&C is reviewed monthly, and trends, concerns, abnormal results are analysed and action taken.

**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.

**SUGGESTED NEXT STEPS**

We would welcome the opportunity to run through First2Protect Introducer options in more detail in order to establish the best solution for your business and start to take things forward.