

MINUTES

MEETING: Anglia Region – Regional Managers Forum

DATE: 27th June 2007

TIME: 4.00pm

VENUE: The Davis Group Offices, Newmarket



Peter Foster introduced the meeting. He thanked guests for attending this first Regional Managers Forum and explained the thinking behind the concept. He told guests that BIBA was keen to get feedback from insurers in order to develop the relationship between brokers and insurers and make it more useful for all concerned. He explained that this was the first meeting of its kind and if it were successful it would be likely to be repeated in the various BIBA regions.

Reporting Mandates and Letters of Appointment

The reporting mandate is usually a 5-day process but letters of appointment are variable.

It was agreed that the letters of appointment were usually sent immediately and at the same time a letter would also be sent to the outgoing broker. Some comments have been received from outgoing brokers concerned about whether the client is actually aware of what they are signing at this point.

It was stated that the current local climate had led to much more 'to-ing and fro-ing' recently. In order to avoid problems some insurers require the request on headed paper rather than email. There should be clear guidelines as there can be confusion over who receives the commission at changeover.

Can there be a legitimate reason not to transfer?

It was agreed that it would only be if there was outstanding premium or if it is part of a unique scheme with specific cover linked to the broker in question.

When transferring policy there is often a gap in cover between insurers because of a delay in issuing documentation. As a result some brokers require copy of previous schedule to check cover so that there can be no grey areas.

Are letters of appointment frequent? Yes, at least one a day is average for insurers.

It was suggested that a voluntary refusal to take new appointments within 2 weeks of the renewal date – however it was pointed out that this might even increase the possibility of change.

Is there a way in which insurers can be involved in the renewal agreement along with brokers?

It would mean that insurers would need to have lots of info at their fingertips. It was agreed that in general insurers would like to get closer to the clients.

Contract Certainty

It was mentioned that some insurers send out 10 pages of information and others a mere 10 lines. Are all insurers in fact sending out the same information?

This depends on how they categorise clients – either as retail or commercial. It was agreed that as long as the agent is contract certain then contract certainty is achieved. However there is a great variation as to the interpretation of contract certainty.

Perhaps BIBA should lead the decision on what is required to be contract certain.

Subjectivity can make the situation more difficult. A case may be delayed going on cover until certain documentation, eg business plan, has been received by the insurer. Can any of these subjectivities be avoided by insisting on certain information in advance. What can brokers do to help insurers in this respect? Pre-cover surveys would be useful.

Proposal Forms

Are full proposal forms always required?

There were mixed views on this. There may be a move towards electronic versions but the proposal form acts as a security blanket for brokers.

It was agreed that it was good business diligence to get a client signature but that a full proposal form is not always necessary. The fact find can be the basis of submission. One suggestion was to have a statement of fact for larger clients and proposal forms for smaller or less sophisticated clients.

Insurers generally agreed that proposal forms could be dispensed with but this is more difficult for brokers especially as they disclose evidence of previous claims.

The statement of fact could become standardised and replace the proposal forms and include previous claims info.

Insurers who have already dispensed with proposal forms said that in fact the contract certainty situation was improved and trade was easier.

Is the market way too relaxed about claims experience? Are underwriters sometimes happy to skirt around the claims experience, especially in this soft climate? Underwriters will always take a view on claims experience and question brokers for details.

Should the attacking broker do more to get full claims experience as clients may forget to disclose? This would be difficult to do. Perhaps there should be a national database of claims experience or documents/schedules could be issues with claims experience details.

Claims Services & Market Input

Everyone strives to get this right but there is broker frustration around client perception of the experience of finalising claims. Can more be done to improve communication between brokers and insurers to keep clients better informed when a claim is in progress?

Some insurers build their entire brand around resolving claims quickly which means the customer experience is improved.

Can some of this be handed to the broker – especially in the case of low value/high volume cases? Alternatively, can more junior staff be given authority to issue low value cheques.

Do brokers always choose insurers whose claims service is good and ignore cost? Cost is important but the claims service is also paramount.

Why is it easier to settle household claims more quickly than commercial? Maybe the household model is the one for commercial to move towards.

Use of preferred suppliers can often slow the whole claims process down.