



Institute
and Faculty
of Actuaries

Beagle Street

Dave Wells – Beagle Street

Paul Casey – Hannover Re



17 May 2013

auto  general
car | home | business insurance

Who we are



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and Faculty
of Actuaries

Who we are

Who we are

Who we are

Who we are

Pre 2000 half (50%) of our home and motor sales came through the high street.

SMART PEOPLE
BUDGET

car insurance

home insurance

Our experience of the market



The image shows the exterior of a SMART PEOPLE BUDGET storefront. The storefront has a blue upper section with the company name in white and orange. Below this, there are two large posters: one for 'car insurance' featuring a red car, and one for 'home insurance' featuring a red house. The posters are set against a white background. The storefront is made of brick at the bottom. A vertical text on the right side of the storefront reads 'Our experience of the market'. A small logo with the letters 'b g l' is visible in the bottom left corner of the image.

In 2004 73% of sales came through our call centres.

Our experience of the market



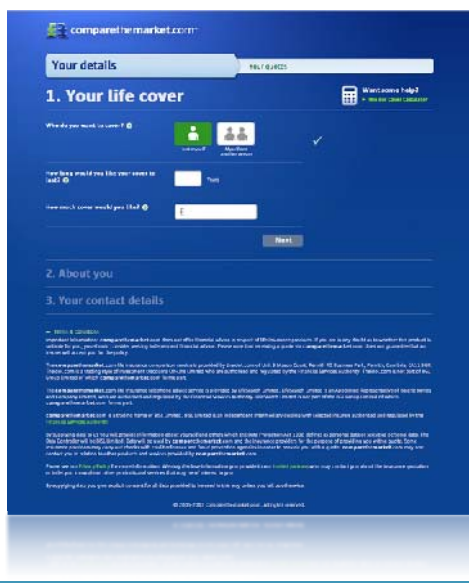
The image shows a row of call center agents wearing headsets. The agents are smiling and looking towards the right. The background is blurred, showing a typical call center environment. A vertical text on the right side of the image reads 'Our experience of the market'. A small logo with the letters 'b g l' is visible in the bottom left corner of the image.

Our experience of the market



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My personal 'life' journey



...current experience of buying life insurance...

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Life customer journeys are over-complicated

Our research shows



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Life products are overcomplicated with unnecessary jargon...

Our research shows

Guaranteed Insurability Options

Guaranteed, reviewable and renewable premium options



Accelerated or standalone critical illness

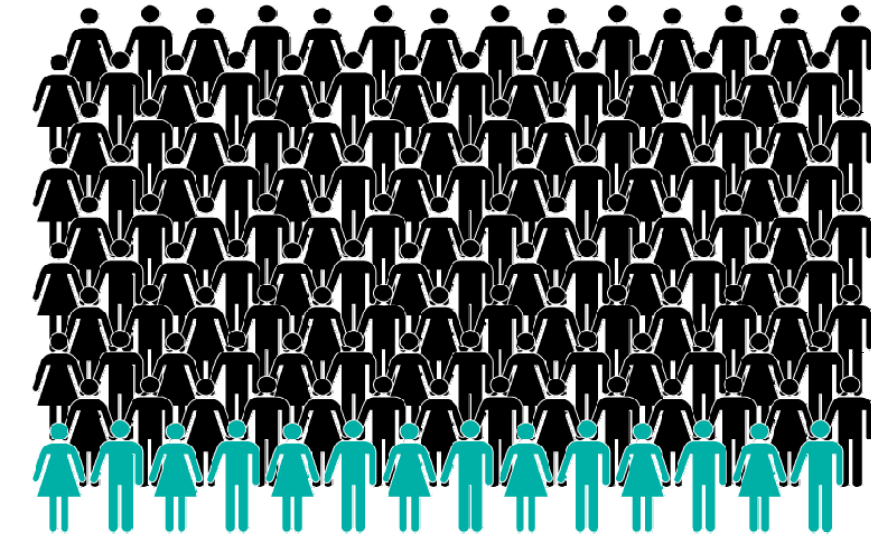
Waiver of premium

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Where people are turning for information

facebook

Only 10% of the market buy online



Our research shows

Why?

These features have a **valuable role**

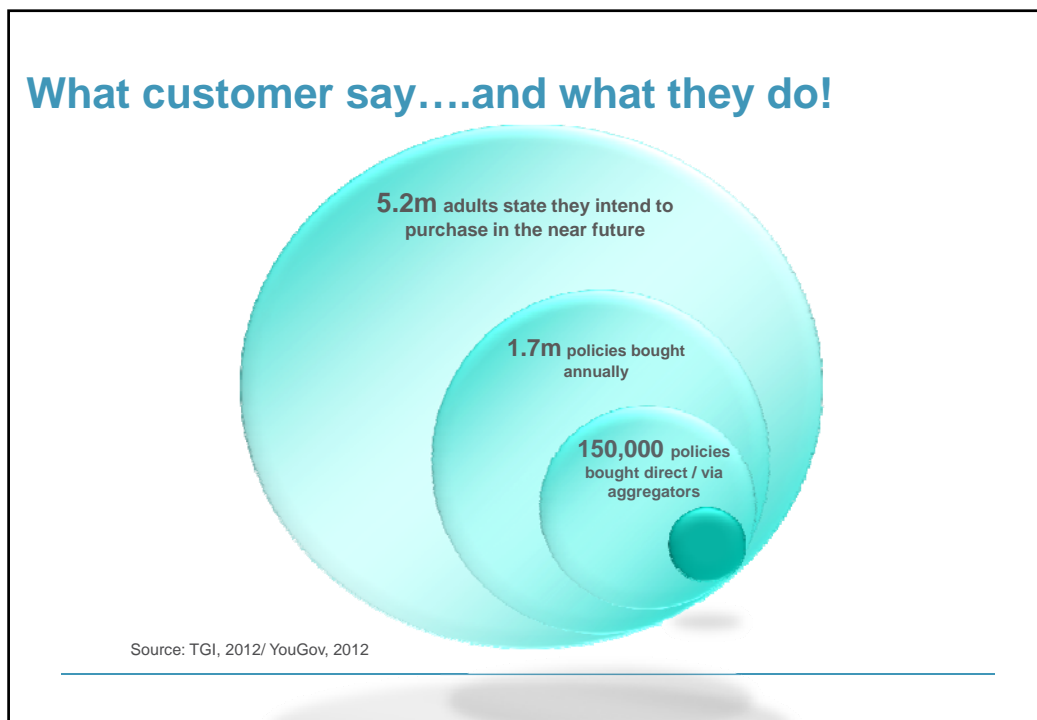


Getting 'proper' advice means **peace of mind**

People aren't buying online because they want **security** and **reassurance**









BEAGLE STREET

To make life insurance accessible to everyone

Price | Simplicity | Ease of use
Help when needed

Our purpose

Our offering

Term Insurance

Critical Illness


No medicals

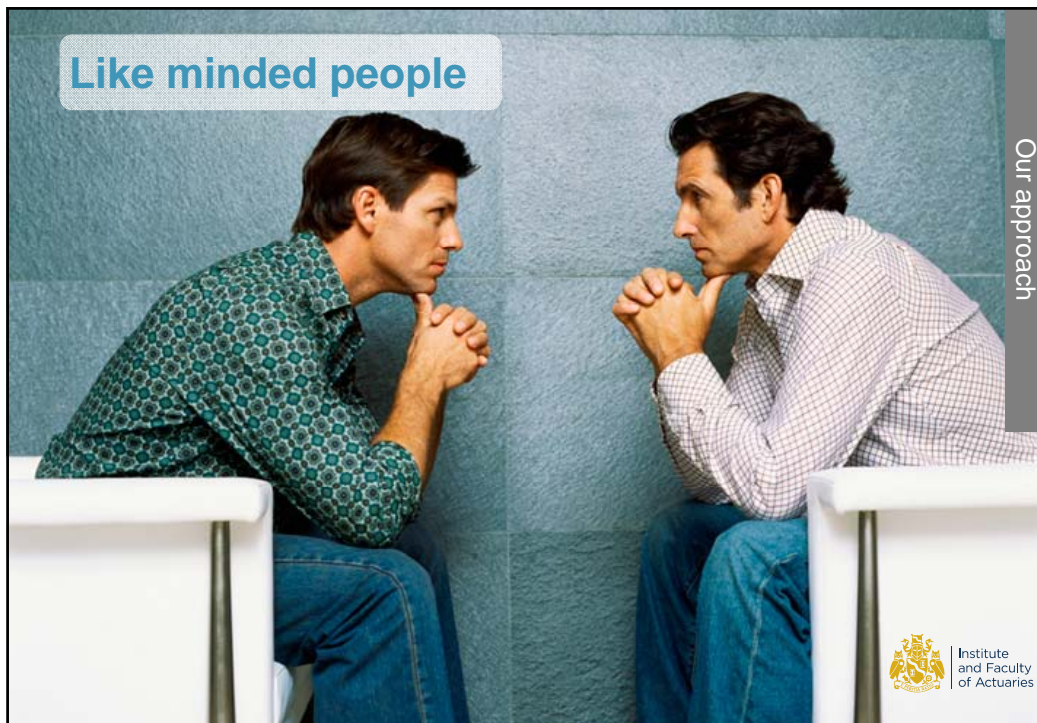
Full online assessment

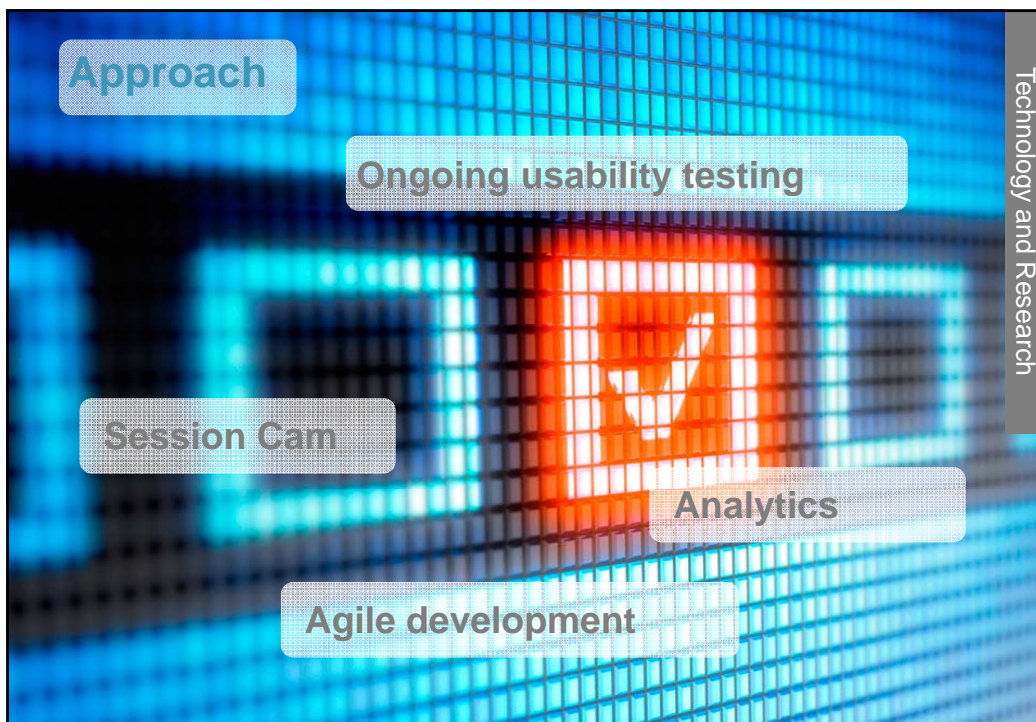
Through in 15 minutes

With a good customer experience

Our offering

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Your quote

The quote we've supplied so far is a quick quote. To provide a final quote we need a little more information about you, your health, occupation and lifestyle. This will take about 10 minutes, you can [save your information](#) at any point and complete it later.

Let's start by making sure you're happy with your quote for £150,000 Life insurance over 15 years [change](#)

£130,000 for only £5.39 per month	£140,000 for only £5.66 per month	£150,000 for only £5.93 per month	£160,000 for only £6.19 per month	£170,000 for only £6.46 per month
--	--	--	--	--

Continue >

or save it for later

Your quote...

£5.93
per month

• 28yr old
• Non-Smoker

Quote valid until 15/05/2013

?

Life Insurance FAQs >
About Beagle Street >
Feedback >

0800 058 2929

(Mon-Fri 9am-5pm, Sat 9am-4pm)

Take a look at our short film about life and Life Insurance

BEAGLE STREET

22 May 2013

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Your confirmed quote...

You can add the option of critical illness cover from 10% to 100% of the value of your life cover and, if you have children, the option of critical illness cover for them...

Life insurance

£150,000 [Change](#)

15 years (Level term) paid in the event of death

£5.93

per month

Enhance your cover by adding

Critical illness ⓘ

£15,000 [Change](#)

Paid in the event of serious illness

£1.97

per month

Add +

Child Critical illness ⓘ

£3,750 [Change](#)

Paid in the event of serious illness of your children

£0.07

per month

Policy start date

10/05/2013 [Change](#)

£5.93

per month

Buy now >

Your quote is valid until 15/05/2013

[Contact us / Feedback](#) [Help](#)

Mr David Wells

Save and Come Back Later

[Sample policy document](#)

BEAGLE STREET

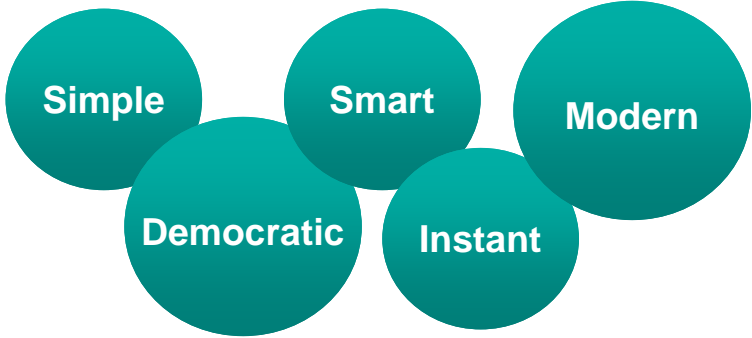
22 May 2013

30


15

What we stand for

Our positioning principles



Simple Smart Modern
Democratic Instant



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Our current position

Where are we today?

30%
of aggregator
market


Fair proportion is
Direct

Fulfilling needs of self-directed
Customers



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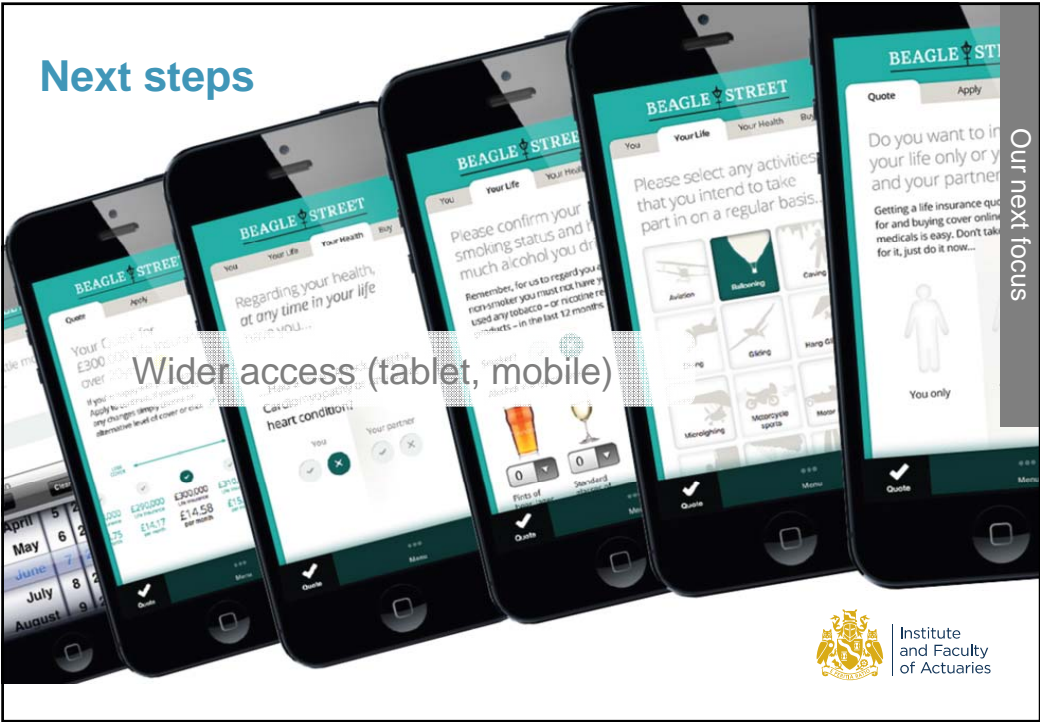
Next steps



More people through the journey


Our next focus

Next steps



Wider access (tablet, mobile)

Our next focus



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Next steps

Bring in new customer types



Our next focus

Next steps

Continue
to talk to
customers

and evolve
quickly




Our next focus

The future

Life insurance distribution will
change dramatically

The customer journey
is always
evolving
over multiple devices

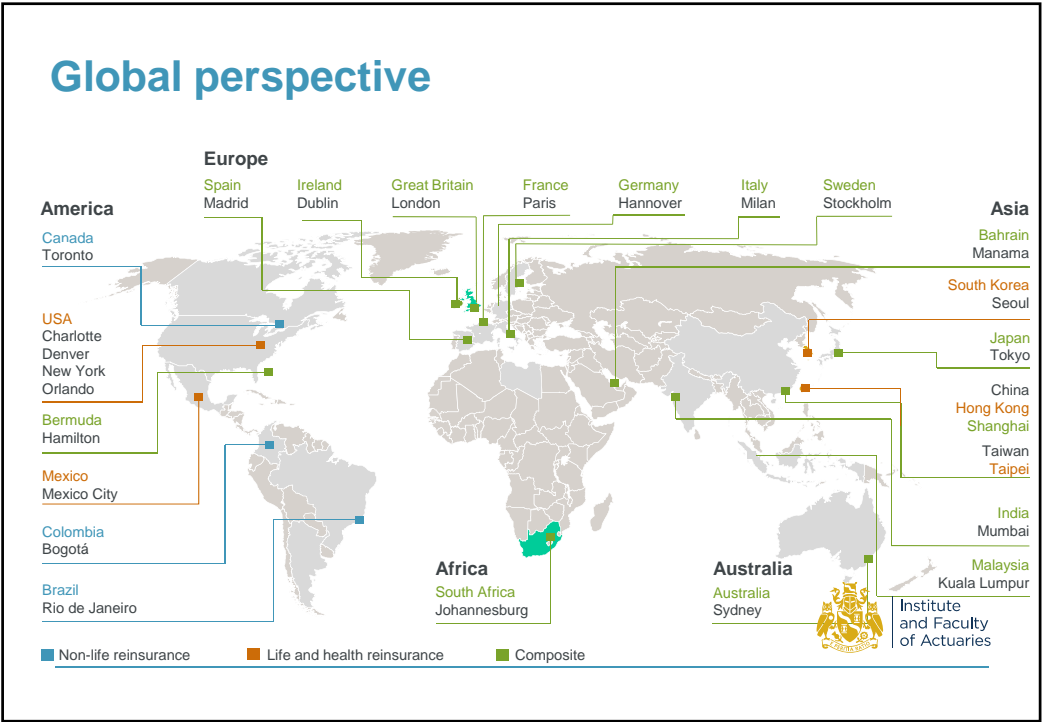
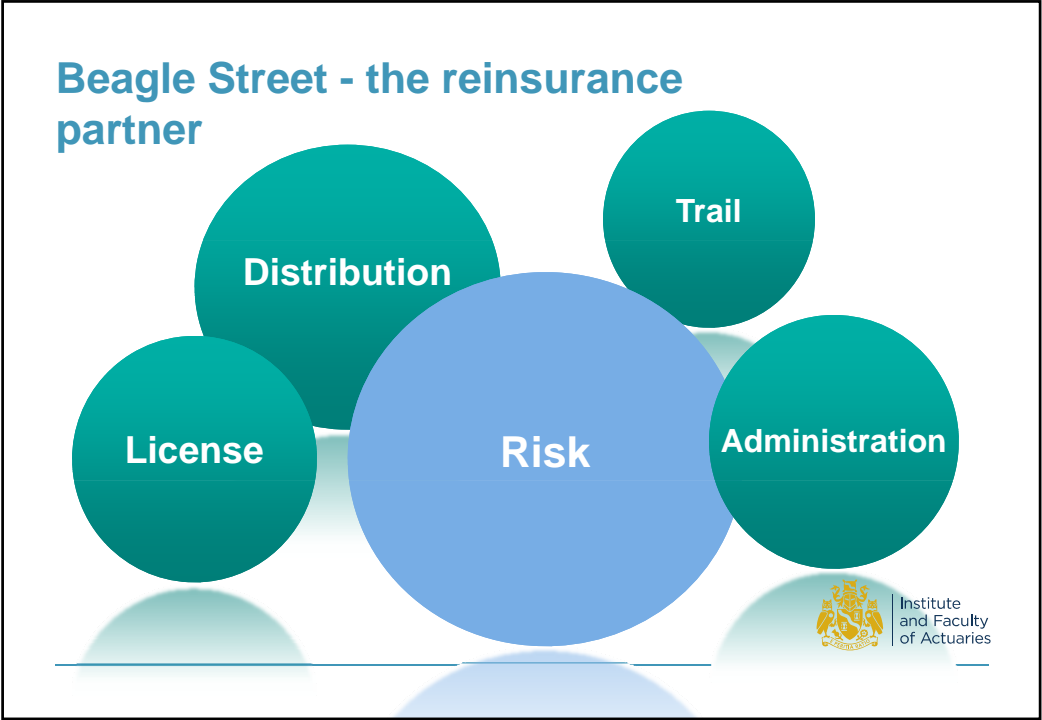
New
entrants and
existing players



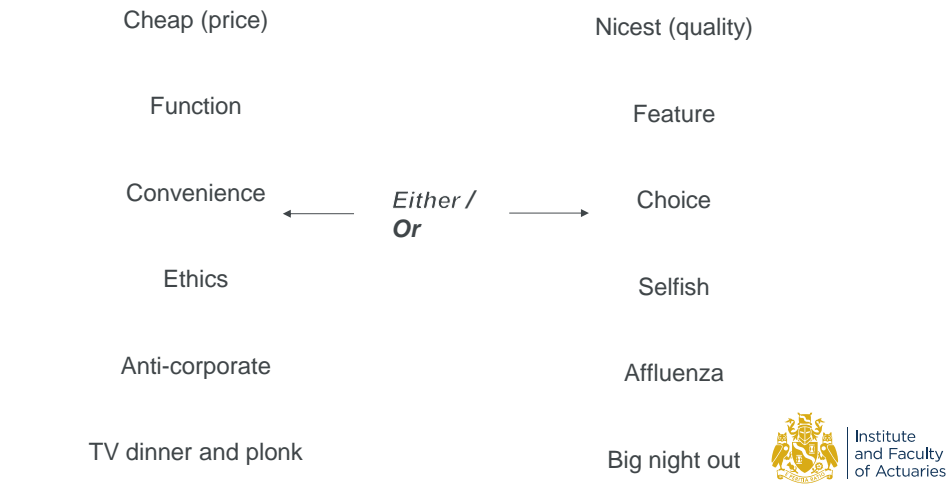
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The future





Polarised purchasing



The role of brand varies

Consumers less loyal leading to
brand dilution

Adopting new technologies
facilitating

easy market entry

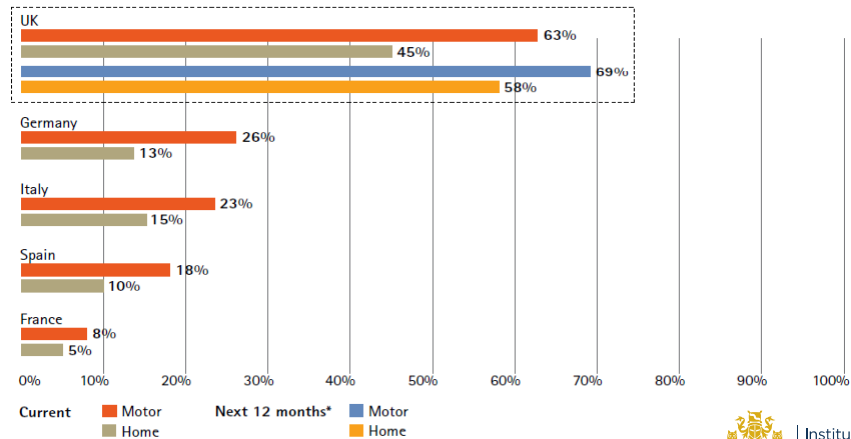
Strong and established direct
channel with

brand dilution



Growth of the online insurance customer

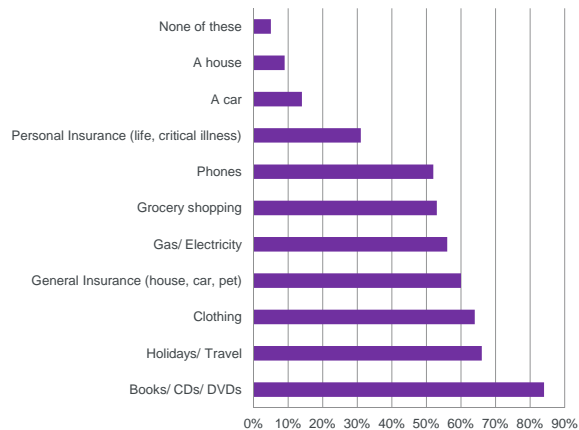
Percent of consumers buying online



Source: Accenture Multi-Channel Distribution Consumer Survey 2010?

It's not only what you buy but how you do it

"Are you comfortable buying the following online?"



- Online confidence is stronger for impulse and lower risk purchases
- Consumers are less confident using online for longer term/more complex purchases
 - yet **31%** were comfortable buying personal protection online



The Syndicate: Where are we on the consumer's radar?

Online shopping attitudes

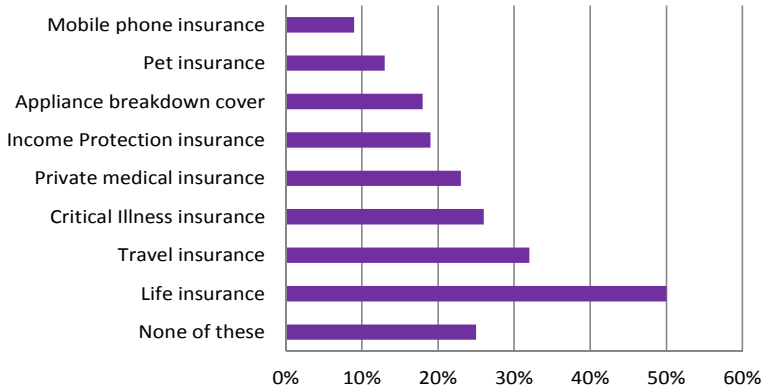
“Are you comfortable purchasing the following online?”



The Syndicate: Where are we on the consumer's radar?

Online shopping attitudes

“Which of the optional insurance covers do you see as essential?”
(Top 3)



The Syndicate: Where are we on the consumer's radar?

Consumer sentiment around buying protection

- Despite relatively low saturation in the personal protection market, **75%** of consumers believe they have sound knowledge of the benefits when making a purchasing decision
- Information overload and negative connotations around insurance – make the shopping experience more daunting for the consumer
- Lengthy application process and jargon have a negative impact on consumer engagement
- With lack of post purchase communication and price leading the buying decision – the opportunity for loyalty is missed



The Syndicate: Where are we on the consumer's radar?

Vital factors

- Easy to understand product information (benefits and exclusions)
- **50%** are more likely to buy short term policies (e.g. 1-5 year)
- Over a third expect to gain a quotation price online in 2-5 minutes



The Syndicate: Where are we on the consumer's radar?

The price ceiling

- Consumers are rarely willing to pay more than **£20** a month for protection insurance
 - **46%** of consumers were willing to pay up to £20 per month for protection products
- PMI was the only product where the consumers were willing to stretch slightly more to £30 – what is it that people value more?
- Price has become an overriding decider over cover
- Distribution under pressure to deliver “the best deal” to secure business



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The Syndicate: Where are we on the consumer's radar?

Target market



‘the mass
indifferent’



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Simple by design

Access

Ensuring we address key distribution challenges by consumer segment touch point

Inclusion

Endeavouring to spread the benefits of insurance by expanding the scope of coverage to more people

Certainty

Designing and pricing 'real' insurance products that deliver on their promise



Simple is as simple does

Transparent terms with

one standard exclusion

Affordability and value for money through a

broker standard journey

Comprehensive cover with conditions
which add value

and no more



Simple journey via complex rules

- Complete rules review and rewrite to achieve target STP with minimal target drop off
- Screen wording and help text production
- Offline help and journey scripting
- Agile rules development
- 3 major rules updates



Iterative process

PD, pricing, journey
**lead by
customer**

feedback and journey
DATA



Product and price flexibility

The image displays two screenshots from the Beagle Street insurance website. The top screenshot, titled 'Your quote', shows a summary of a quote for £150,000 Life insurance over 15 years at a rate of £5.93 per month. It includes a 'Continue' button and a 'Feedback' link. The bottom screenshot, titled 'Your confirmed quote...', shows the same quote with additional options for critical illness cover. The confirmed quote details are as follows:

Product	Sum Assured	Rate
Life insurance	£150,000	£5.93 per month
Critical illness	£15,000	£1.97 per month
Child Critical illness	£5,000	£0.07 per month
Policy start date	10/05/2013	£5.93 per month

The website also features a 'Beagle Street' logo and a 'Buy now' button.

Building rapport

► Product simplicity does not guarantee true understanding and recollection of product benefits

- engagement and involvement at the point of purchase as well as post purchase
- raising the profile of protection in the eyes of the consumer – bring it into the day to day life
- need to review the way benefits are explained, product names and the use of jargon
- challenge assumptions around the need for insurance
- bring insurance into the range of solutions considered by consumers when addressing their financial vulnerability

► Professional advice is not a preferred route for all

- consumers want to feel in control of their purchasing decision
- happy to research online; confide in family members and close friends for advice
- 31% were happy buying online; D2C and advised sales both have their role to play

Building rapport

- **Consumers of tomorrow are still lacking experience of personal protection**
 - need to change focus from traditional buying triggers (house buying) and move towards a needs based approach
 - an existing expectation of value for money and service standard influenced by online purchasing needs to be put into context of personal protection
 - combat perception of insurance being a luxury people can't afford and that the products are too expensive
- **Over reliance on Savings needs to be addressed**
 - Saving is important but current levels are insufficient to cover recreational and "rainy day" needs
- **Brand loyalty – a matter of trust**
 - 67% would be less likely to cancel a protection policy if the provider valued their loyalty
 - Once trust is established a deeper relationship can be established through tailored communication. Starting with choosing the right product to avoid disappointment at the point of claim.



The Syndicate: Where are we on the consumer's radar?

Moments of truth

Paying valid claims
promptly



