



INSURERS HIT RESET BUTTON TO DEVELOP NEW PRODUCTS

Ever-changing needs of customers are being addressed as insurance industry responds to the 'perfect storm' of Brexit and the pandemic

The insurance add-on market almost ground to a halt over the past year as the COVID-19 pandemic took hold. With fewer vehicles on the road during the various lockdowns, demand dropped right off.

Added to that, insurance firms have come under increasing pressure from the Financial Conduct Authority (FCA) over concerns that existing customer prices have been continuing to rise at renewal, with new rules clamping down on the practice introduced in September 2020.

But many suppliers have used the downtime to reset and develop new products better suited to customers' ever-changing needs.

Add-ons can include, but are not limited to: protected no claims discounts, uninsured driver cover, windscreen cover, legal expenses, courtesy or hire car, breakdown (UK/European), personal injury cover, personal belongings cover, key cover and wrong fuel cover.

QBE Insurance has been at the forefront of the market. Over the past 18 months it has been focused on building its existing manufacturer partnerships, by realigning current initiatives and routes to market, and launching new ones.

"We have had to come to meet the marketplace where it is today," says Simon Fletcher, head of sales and development UKI – automotive protection division at QBE Insurance. "Because we are always looking to find the new way forward and had put

the right foundations in place, we were already ahead of the curve.

"The past 24 months have been the perfect storm with first the disruption caused by Brexit and then a global pandemic. But, as we emerge from it all, we are starting to see some movement and in the next six-to-12 months we'll start to see the market open and a change in direction in terms of how it interacts with the end customer."

ONLINE TRAINING

QBE has maintained its well-established specialist workforce as well as continuing to provide them with the required remote online training to keep them on the cutting edge. The insurer has also leveraged its digital platforms to support both its manufacturer partners and dealer network in direct B2B transactional sales to increase retention.

"Much of the past 18 months has been around ensuring that customers are at the forefront of everything that we do," says Fletcher. "The next 18 months is about digital interaction and there's going to be a change in the way that these products are sold, communicated and marketed into the end user. That's very much the space we're working towards as a business."

Among the other market leaders, Assurant has extended its partnership with RAC Dealer Network by five years, up until 2029. The new deal includes a full suite of cosmetic insurance products for dealers including scratch and dent insurance,

combined alloy wheel and tyre insurance, and alloy wheel insurance, which covers minor damage to bodywork, tyres and alloys.

Designed to be sold at point-of-sale under the Assurant brand, white-labelled or as the RAC brand, all of the products include 12-, 24-, 36- and 48-month cover periods. They also enable policyholders to access a national repair network to fix chips, dents, scratches and scuffs caused by everyday driving.

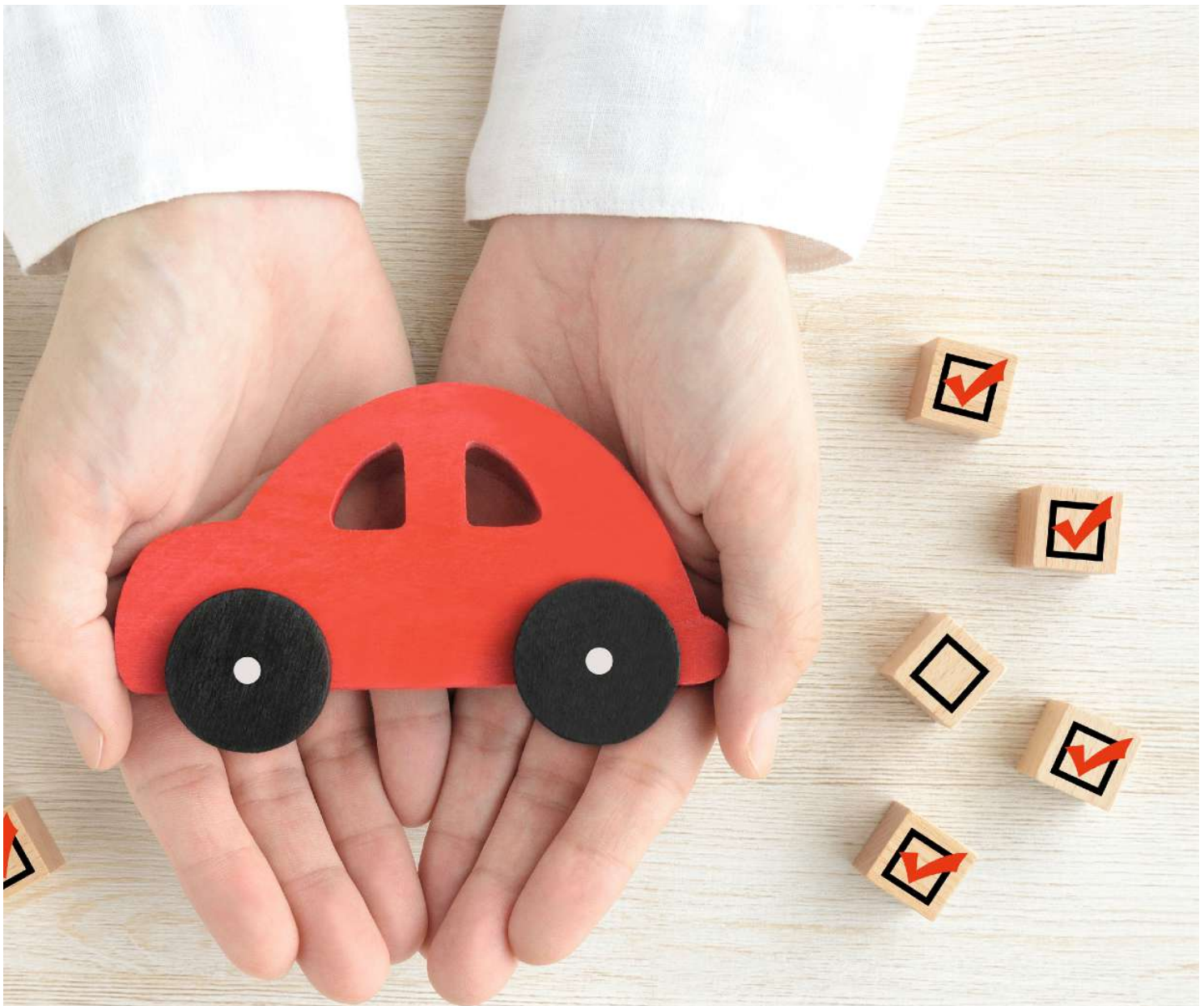
For all three policies, the claims process is designed to be as easy as possible, with information and images submitted through a range of channels including digital, with no need to complete a claims form. Repair can take place at a location of the customer's choice or the vehicle can be taken into a workshop.

Dealers can use an online dashboard to track sales of the products, as well as for Assurant's guaranteed asset protection (GAP) insurance products. The supplier also provides training and marketing support to help them promote their benefits and make them an integrated part of their sales process.

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products that are, we believe, market-leading in terms of the protection and value-for-money that they offer," says Kellie Grocott, RAC director of sales at Assurant. "They are designed to fulfil and exceed the high expectations that consumers rightly have when buying RAC-branded products and services.

"They're intended to be offered by the RAC Dealer Network as an option within any car sale they make, enhancing the overall proposition and tailoring it to individual customer needs. Interest has already been impressive from dealers and car buyers."

Elsewhere, AutoProtect has been focused on developing and extending its SMART product. Drawing on its UK-wide mobile repair team, Shine!, the offering links claims and repairs, helping dealers to provide a better customer experience.

The product's success has been borne out in the figures, with 50% of all customers having made more than one successful claim. Additionally, feedback rating for claims experience from more than 2,500 of its customers was 4.9 out of five.

"Continuous improvement is part and parcel of our approach and this has been evidenced by the extension of our SMART with the addition of Lease

SMART, a product option developed to reflect the increasing appeal and distinct nature of personal leasing," says Stephen McCombe, head of sales at AutoProtect. "We were convinced that SMART represented a high integrity growth opportunity for dealers that would enhance their reputation and retention, and this has proved to be spot on.

"It is the linking up of the customer journey that has made such a difference. Now, we are working to share the good news with more dealers."

ONE-STOP SHOP

WMS has also been developing its new GAP insurance and service plan products as part of its Safe&Sound range. This one-stop shop provides dealers with all they need to give the customer peace of mind that their vehicle is covered for its in-life service, maintenance and repair (SMR) needs through monthly payments.

In the event of a write-off, the amount of compensation is covered by the customer's GAP insurance.

Car Care Plan has also been gearing up to tackle the untapped potential of insurance products designed specially for used vehicle buyers. Among its target markets have been buyers of newer used

cars with alloy wheel insurance and cosmetic repair cover.

Take up by dealers has been strong so far. After satisfying the FCA that these products have a high claims frequency, many dealers have made them primary products in their sales portfolios alongside extended warranty and MOT test cover.

Their value is reflected in the growth in customers with vehicles on personal contract purchase (PCP) who make claims on their cosmetic or wheel repair cover towards the end of their finance agreement to ensure the car is returned in good condition.

There have been several significant deals by smaller players too. Honcho announced in June that it had partnered with SilverBullet to provide insurance services as part of the online car buying journey.

Dealers using the SilverBullet platform will now be able to offer insurance products to online car buyers at the point of sale.

SilverBullet enables dealers to manage their stock and handle the full new and used car sales journey, including the management of finance applications and the end-to-end sales, purchase and delivery processes. **ALEX WRIGHT**