



FROM THE 15th NOVEMBER
LIFEQUOTE WILL MAKE ARRANGING LIFE INSURANCE
EASIER THAN IT HAS EVER BEEN BEFORE

BRIEFING PACK

Attached:

- Press Release
- Background to the development of Express Underwriting
- Sample sensitive 'point of sale' medical questions required by insurers online systems
- What the 'experts' say about Express Underwriting
- What customers say about their Express Underwriting experience
- Sample Express Underwriting proposal
- Sample standard proposal
- Sample customer preparation leaflet
- About our staff
- The process

PRESS RELEASE



FROM THE 15th NOVEMBER LIFEQUOTE WILL MAKE ARRANGING LIFE INSURANCE EASIER THAN IT HAS EVER BEEN BEFORE

For the last 18 months the management team at LifeQuote has been developing and trialing a radical new service designed to make it significantly easier for advisers to arrange life and/or critical illness policies.

We call the service Express Underwriting and from the 15th of November we will be making it available to all advisers. Advisers can access the service by logging on to www.lifequote.co.uk.

Express Underwriting creates real benefits for all:

Making 'Life' easy

LifeQuote's Express Underwriting forms have no medical or family history questions, which mean they now only cover one sheet of A4 paper as opposed to the 12 – 20 pages usually required by insurers. This will save advisers time, encourage them to write more insurance policies and removes them from having to ask intrusive and sensitive medical questions, the answers to which customers never really expected to have to tell their financial advisers. **(See the sample 'point of sale' underwriting questions page attached).**

Customers are then called, at a time they have indicated is convenient to them, by LifeQuote's Express Underwriting team who work through all the relevant questions and answers with them. The Express Underwriting team has been trained to the highest standards and have all passed a course developed by LifeQuote in association with a Chartered Insurance Institutes underwriting trainer.

If customers ask about any product or advice matters they are immediately referred directly to their advisers, as the Express Underwriting team are not authorised or licensed to give financial advice of any sort.

The service leads to a quicker underwriting decision for the majority of customers, with immediate cover as an option for some. Customer feedback confirms they prefer this method of arranging cover. **(See the Customer Comments page attached).**

Removing the possibility of Adviser liability on disputed claims

The initiative removes the potential liability on advisers for mis-keying data, misstatements and making errors with online systems, as the responsibility for collecting and inputting answers to insurer's detailed medical questions rests with Express Underwriting. LifeQuote record all Express Underwriting calls to assist with any claims disputes in the future.

Improving the profitability of insurers

Insurers receive fully completed questions and answers in the knowledge that the answers to their questions have been completed by experienced individuals with underwriting training and who are dealing with customers directly, all the time recording the call. In addition they tend to experience less 'NTU's', less administration and we anticipate better claims experience.

At the launch Richard Verdin, LifeQuote's Sales & Marketing Director said "As a service company we have sought to offer advisers a superior way of writing business. With Express Underwriting we have taken the very best practice for life insurance in the US and applied it, with modifications, to the UK. In doing so we have created a unique new business process that will bring value to customers, advisers, insurers and re-insurers."

Rob Quayle, Operations Director at LifeQuote commented "This service has been 18 months in the making and it has taken a huge amount of effort from all those involved and we could not have delivered Express Underwriting without the support we have and continue to receive from the insurance companies involved."

Contacts

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Notes to editors:

Express Underwriting is a service operated by LifeQuote; LifeQuote supports advisers active in the life assurance, general insurance and mortgage markets with quick and simple life, critical illness and other pure protection solutions including technological and administrative support.

LifeQuote forms part of the Skipton Group

Background

Against a backdrop of future regulation, the rise of rules based underwriting tools, together with the increasing level of sensitive and intrusive medical history questions being brought forward into the sales process by insurers, we saw an opportunity for a new business that could offer a service that divorced the financial advice from the process of disclosing personal medical and family history information.

It is the case that many advisers feel awkward asking some customers the detailed questioning now required by insurers up front (*see sample questions attached*), and that customers can be unprepared to disclose such details to their mortgage and/or financial adviser.

It is for these reasons that insurers can experience problems with disclosure, which then goes on to effect NTU & NPW rates, persistency and also claims. All of which can seriously damage profitability and, in the event of disputes, reputation.

It is a fact that regulation will make the advisers role more transparent and that advisers will be accepting far more responsibility for disclosure (particularly where they key the answers into online systems) through the introduction of changed terms of business contracts from insurers and also statutory regulation, bringing with it the Financial Ombudsman Service.

During 2002 the management team at LifeQuote were introduced to a new business process for arranging life insurance that was beginning to gain interest and some momentum in the USA, this process is called tele-underwriting.

We immediately recognised that such developments could be translated for the UK creating real benefits by improving the experience of intermediaries, their customers, the insurers and re-insurers.

Following a visit to a number of insurance, technology and underwriting businesses in the US, the team set about building a version that would be relevant to the UK market. Because of our experience as intermediaries we built a solution that was, and is different to any other attempted in the UK, which we've named 'Express Underwriting'.

During the development stages of the service we worked closely with some of the UK's largest and most forward thinking insurers and re-insurers, learning as we went, refining and fine tuning all aspects and gradually opening up the service to business partners. Express Underwriting is now being made available to all advisers who can access the service through LifeQuote (www.lifequote.co.uk).

Express Underwriting has to date processed applications for 11,000 of our partners customers and some of their comments about their experience are attached to this press release.

Sample 'point of sale' underwriting questions

Example sensitive questions which can be asked as part of the insurer's online submission process.

Male or Female

- Have you ever taken an overdose of drugs, attempted suicide or had suicidal thoughts?

Female only

- Have you ever had or do you currently have any change to your breasts, for example any lump or cyst, rash, discoloration, inverted nipple, bleeding or discharge from a nipple or any other abnormality?

Male only

The question is pre emptied with this statement "We have to ask some questions which you may find intrusive or embarrassing".

- Do you belong or have you ever belonged to any of the following groups?
 - Homosexual
 - Bisexual
 - Intravenous drug user
- Are you now or have you ever been a sexual partner of any of the above groups?
- Do you or have you ever had a sexual partner who is or was from Africa or Asia?
- Have you ever been tested or treated for more than one episode of a sexually transmitted disease?

About our staff

We only recruit staff with experience gained in customer services.

Their experience can have been gained either face-to-face or over the telephone.

Their telephone manner must be excellent – in fact that is how we first interview them.

We build on peoples existing customer service skills by putting the staff through a three-week training programme covering:

- Ours and Insurers systems
- Medical terminology
- Telephone techniques
- With guidance from the Chartered Insurance Institutes underwriting trainer we also developed an intensive course called 'An Introduction to Underwriting' covering:
 - Lifestyle Factors
 - Environmental Factors
 - Circulatory System
 - Nervous System
 - Skeletal & Muscular System
 - Respiratory System
 - Endocrine System
 - Digestive System

We recruit staff that are knowledgeable, and have the capacity to show empathy and compassion towards those they interview by telephone.

None of our staff have any background in financial services advice and they are not authorised or permitted to give information or advice about the products themselves.

Any customer that asks questions not related to medical underwriting or other relevant disclosures, will be immediately referred to their financial adviser.

What the experts say about Express Underwriting

LifeQuote's Express Underwriting is an innovative and customer focused telephone based process. It delivers high quality application completion and disclosure, which enables efficient underwriting resulting in improved customer experience.

Russ Whitworth, Chief Underwriter, Legal & General

LifeQuote have invested heavily in creating a well trained, customer friendly, Express Underwriting unit and through this, they continue to demonstrate a commitment to pioneering new methods of transacting business with an emphasis on improving quality and establishing consumer confidence.

Alun Beynon, Head of Sales, Individual Protection, Scottish Equitable

We wanted to work with LifeQuote because they specialise in the back office areas that can help to make us more efficient and therefore help us to serve our customers better. Their quotation engine is one of the easiest to use I have seen and their approach to speeding cases through underwriting is quite unique.

Patrick Bunton, Director, London & Country

LifeQuote have researched the protection market extensively over recent years and have defined a clear strategy and invested heavily to deliver it – as a result they are at the leading edge of e-trading in the UK financial services market.

The development of Express Underwriting takes online protection to another level and one that is difficult to replicate without considerable development of your systems and people. Key to its success is the fact that it is customer centric and every effort is made to make the application as simple as possible.

**Johnny Timpson, Head of Distribution Development & Technical Support
Protection Products, Scottish Widows.**

It is the combination of LifeQuote's understanding of insurers and reinsurers needs, together with their insight into adviser and customer behaviours that has led them to deliver a unique service based on tele-underwriting principles.

From our experience in other markets, I have no doubt that their approach will lead to better experiences for both customers and advisers. This will also lead to improved risk management process that will lead to better claims experience and reduced indemnity costs.

Jason Hurley, Head of Sales & Marketing, Reinsurance Group of America UK

It is essential that product providers support a development like this – they have to respond to advances in distribution and technology in order to secure market share. MORE TH>N favours placing business only with companies who can support Express Underwriting through LifeQuote going forward. We know it makes a massive difference to the customer, speeds the application process and eliminates concerns about disclosure.

Graham Hollebbon, Head of Personal Finance Product at MORE TH>N

LifeQuote have clearly spent a lot of time working through the process and have created a new way of doing business. Their approach maximises the benefits that technology can bring, but there is also a clear focus on people. They've built an impressively customer focused tele-underwriting team and have obviously invested heavily in training.

Peter Hamilton, Head of Protection Marketing, Friends Provident

LifeQuote's technology and full service offering made the decision to use them very easy. We are particularly impressed by the way they have re-engineered the whole application process through Express Underwriting offering real benefits to our staff and customers.

Colin Bell, Chief Operating Officer, Purely Mortgages

What our partner's customers say about Express Underwriting

"First class service!" JM, Mid Glamorgan

"A pleasant surprise to be dealt with so professionally and pleasantly!" JT, Hampshire

"A lot easier than filling in a form." DB, Edinburgh

"I find it helpful to be able to talk to someone in that if you are unsure or have queries on anything you can raise the question and keep asking for clarity until necessary." AW, Surrey

"Call was dealt with very efficiently and sensitively. Well done." IE York

"Everything was very quick, efficient and professional. Thank you for your time." WF Glasgow

"Excellent service. Refreshing not to press a 'series of options' buttons to get the service you 'might want'." PP, Swindon

"I found the whole process very quick, simple and efficiently handled. Thank you!" JB, Glasgow

"Friendly, good communication, took out all the hassle of forms to be filled." UK, Manchester

"From the first enquiry to the end of the underwriters call the whole process was courteous, efficient and stress free. Great service - many thanks." K & LF, Shropshire

"Your staff are extremely polite and personable on the phone and make the process quick and convenient." M & CS, Preston

"Great service, hassle free, professional and in a timely manner." C R London

"I found the whole process was very quick and easy to do and understand. A great help!" N & CS, Cumbria

"I posted the letter Saturday lunchtime and by Monday lunchtime it was sorted - very impressive." PH, Essex

"I received a very polite and helpful telephone call and I would highly recommend you to anyone else." J P, South Yorkshire

"I was generally very happy with service and value for money." NB & JF, Kent

"I was very pleased with the friendly approach." TF, Kent

"It was a pleasure to deal with such polite and friendly staff." PH, West Yorkshire

"It was first class service with all the help I could have wished for." CR, Leeds

"Just first class service." A & NW, Leeds

"Your member of staff who called me back was very friendly and efficient. I didn't feel that I was having to go through the usual phone application process." JR, County Down

"My application for such an important policy was handled quickly and efficiently." AD, Perthshire

"The person who rang was friendly and helpful. Well done!" CC, Bolton

"The service was excellent and we would like to thank you very much!" H & MM, Ross-Shire

"Simple straight forward process, relevant to those of us who are short of time." AL, Oxfordshire

"The 'ringback' appointment card system is ideal for busy working people. The telephone service gave the opportunity to ask questions and therefore increased confidence that all aspects were answered correctly." IW, Lee-on-the-Solent

"All the staff were very pleasant, easy to understand and very helpful, would recommend to a friend." PA & PS, Nottingham

"The individual who dealt with my case was very friendly and efficient." EF, Huddersfield

"The kindness, patience and professional friendliness was excellent." WG, Bolton

"The lady I spoke to was really lovely, a credit to your company - thank you." H & JG, High Wycombe

"The lady on the phone was very polite and made me feel like I wanted to answer the questions." TM, Avon

"The lady we spoke to was very nice, sensitive but funny too! A pleasant and quick experience and call was sooner than expected." JS & SH, Surrey

"The lady who phoned me had a very friendly manner and made every detail very clear. Thank you." CH, West Yorkshire

"The operator that I spoke to was very friendly and was knowledgeable. Much better completed over the phone. Overall the service was excellent." JP, Northumberland

"The person was very polite and helpful." L & GG, Kent

"Thought the person who phoned me very polite, knowledgeable and had a good telephone manner." AC, Bristol

"Very friendly, helpful and knowledgeable personal service. Did not once appear 'bored' with questions etc. Thank you!" NA, West Midlands

"Very good service and a lot easier than filling out forms." AM & SG, Norfolk

"Very good, very friendly, very helpful." W & TS, Suffolk

"Very impressed with the whole service." KT & AG, Nottingham

"Very pleasant, competent staff." MC, West Yorkshire

"Very pleased with service, quick and convenient, thanks." AF, Leeds

"Very polite and helpful." AR, Somerset

"Very polite, informative and extremely courteous service." PM, Lancashire

"Well scripted questions, easy service to use." AG, Surrey

"What a fantastic service. Thank you!" CH, Norfolk

"I will recommend to others, thank you." RC, Gloucester

"Will use you again." JK, Devon

"I would recommend to others." G & JM, Ayrshire

"Your phone agent was very polite and helpful." HH, Somerset

"A very good service." AD & ST, Kent

"Excellent Service." MA, West Sussex

"Excellent service - thank you!" KM, Worcestershire

"Excellent service that I am extremely satisfied with." PM, Luton

"Good friendly manner." RG, Plymouth

"Good friendly service." MH & SW, Lancashire

"Great service!" JG, Argyll and Bute

"Peter made it very easy." AB, Dorset

"Phone call very relaxed and professional." CK, Dorset

"Quick and easy." D & DL, Sheffield

"The staff were most courteous." SL, Lancashire

"The adviser was friendly and helpful." AD, Lancashire

"Very efficient and quick." DP & CN, Milton Keynes