

# Customer Impact Scheme

## Clerical Medical Annual Report 2009

### ▶ Our commitment to our customers

Last year was undoubtedly the most challenging year in decades for us and for our customers. We know that providing our customers with the best possible experience right now is more important than ever. This means developing the products they want, explaining them clearly and making our information relevant to them. It means looking after them, making sure their interests are at the heart of everything we do.

We do a lot of research to get customer feedback to see how we are doing and what we can do better. To this end, three years ago the board of Clerical Medical signed up to the Association of British Insurers' (ABI's) Customer Impact Scheme. This scheme helps pension and investment companies like us to improve the experience of our customers and holds us accountable for our performance. We've adopted the scheme's three important commitments:

- to develop and promote products and services which meet the needs of our customers
- to provide our customers with clear information and good service when they buy our products
- to maintain appropriate and effective relationships with our customers, providing them with a good service after they have bought our product.

We're proud to be part of this scheme and we'd like to share with you some of the things it's helped us to achieve over the last year.

### ▶ Developing and promoting products and services which meet the needs of our customers

We take the design of our products very seriously, because we want to develop pension and investment products that are tailored to the needs of our customers. So last year, we:

- launched Clerical Medical Investment Solutions, a new simplified and transparent way for customers to invest in mutual funds.
- completed the development of our trust proposition to ensure that we provide financial advisers with all the options and support for their clients.
- continued to carry out regular product reviews and monthly checks on performance measures, to give us an ongoing picture of how well our products are meeting our customers' needs.

The information we've gathered identified a number of areas where we could improve our design process. And this has had a direct impact on the products we offer. For instance last year, we redesigned our Global Investor product to make it more transparent and give customers greater flexibility.



## **Providing our customers with clear information and good service when they buy our products**

Buying one of our products is a long-term commitment for customers and this needs even more consideration when times are hard. So we need to make sure that customers have clear and reasonable expectations when they buy them. We work hard to ensure that our communications are as good as they can be, to make them clearer for customers and easy to understand. Therefore, last year we:

- redesigned our key features documents to make them simpler, easier to read and with clear next steps. This was a direct result of feedback from our monthly customer panels that we use to review our literature, to see if it can be improved.
- carried out a full and detailed review of our pension application forms, following research. This resulted in a complete redesign of our pension application forms to make them more user friendly, for customers to complete with their adviser.
- introduced a new brand identity, design standards and templates for Clerical Medical. One of the main motivations for this was to help make the literature we produce clearer and more informative.

## **Maintaining appropriate and effective relationships with our customers, providing them with a good service after they have bought our product**

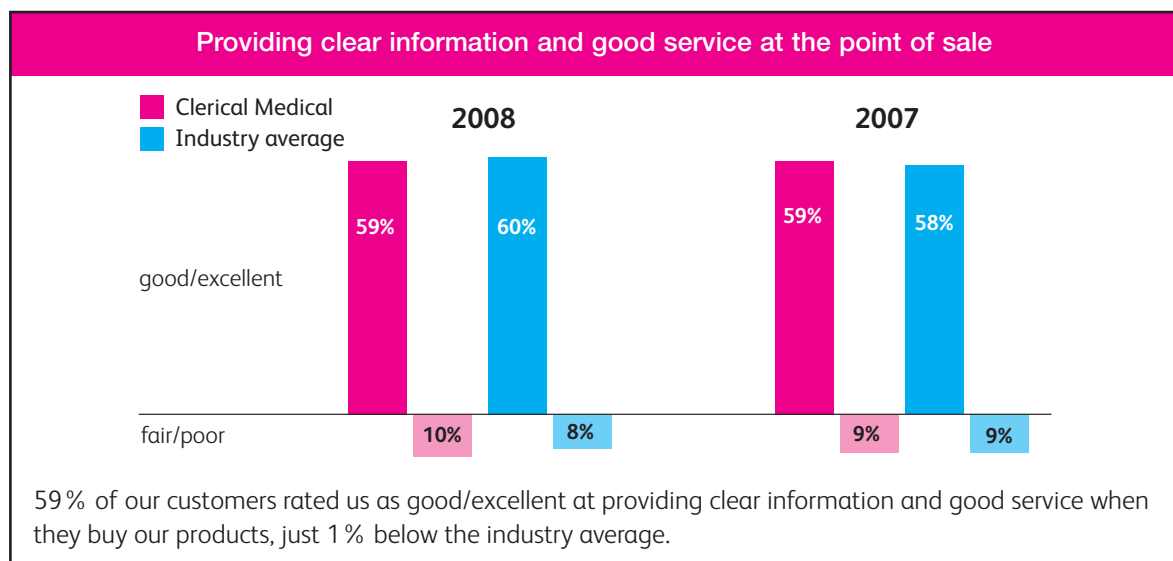
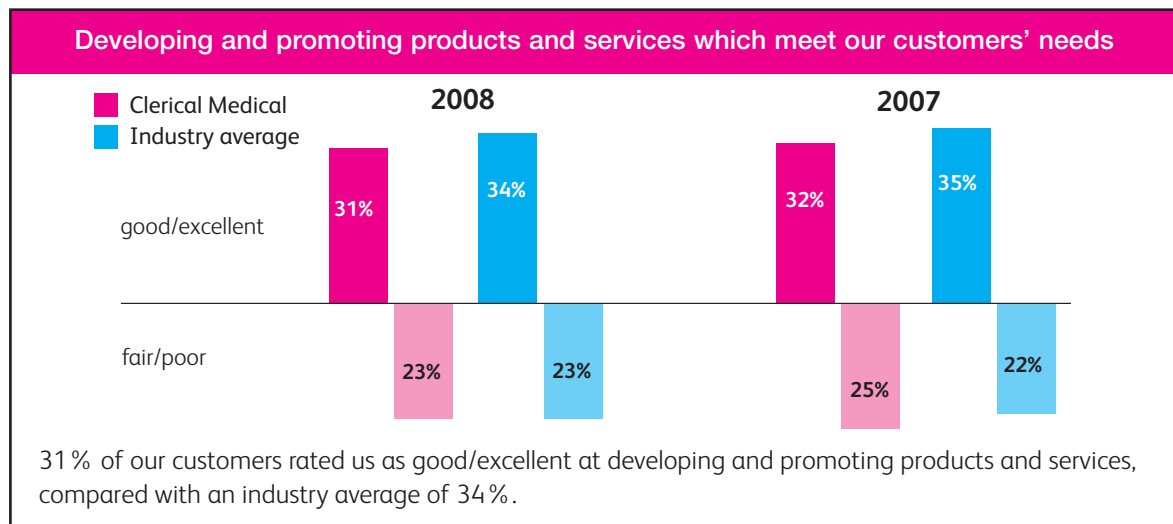
Due to the nature of our products, relationships we have with customers are several years or even decades long. We appreciate that we have responsibilities towards our customers for many years and we believe in working hard to maintain effective relationships with them. We do listen to our customers so that we can improve the service we offer and we're proactive when it comes to providing information. This was particularly vital in what proved to be a testing year for everyone. So last year we:

- launched a completely new annual statement for group pensions. Feedback from customers told us that the old statement was difficult to use, so we developed a new one that presents the pension value and income prediction more clearly.
- provided packs to customers who were considering surrendering their policy, ensuring that they had all the information they need readily to hand. For example, we explained to bond customers how they could get the money they need now but still retain their longer term investment, which was good news for many.
- continued our monthly customer panels, to review literature and extended this to include a new adviser panel. We did this to ensure that we produce materials that make it easier for advisers to help their clients.
- gave our customer service staff professional training to make sure they had the right skills to help customers in the worsening economic climate.
- introduced a new mechanism to confirm our customers' change of address details when they moved, so we can keep in touch.
- further improved the way we handle claims and payments. We're pleased that this improvement is reflected in this year's survey results. We've moved ahead of the industry average.
- increased our capability to respond to queries by phone, to make things simpler and easier for customers, as we committed in last year's report. We now resolve over 80% of queries in a single call.

## ▶ The 2008 Customer Impact Survey

A major part of the Customer Impact Scheme is an in-depth customer survey which we carry out every year. It's our chance to find out how well we're doing and where we could improve our service.

The results from the previous year in 2007 showed that we'd improved, where the year before we were behind industry averages on a number of customer commitments. We're pleased to say that in 2008, we have maintained this progress and we're broadly in line with the industry averages.



It's important to us that we're with or ahead of industry averages on our key commitments, and we believe that the work we did in 2008 will form a solid foundation for future improvements.

Last year's results also show that:

- 82% of our customers agree that we 'treat our customers fairly' a little up on the year before, compared with an industry average of 86%
- 83% of our customers agree that we're 'easy to do business with', 2% better than 2007 but slightly behind the industry average of 86%
- 71% of our customers agree that we 'really care about our customers', which is an improvement but below the industry average of 76%
- 47% of our customers were 'satisfied with our customer service', 1% down on the year before and 4% below the industry average of 51%
- 47% of our customers would 'recommend us to someone else', compared with an industry average of 53%
- 45% of our customers were satisfied with the 'overall quality of our product or service', the same as 2007 but below the industry average of 50%
- 38% of our customers were 'satisfied overall with the product they purchased', compared with an industry average of 42%.

Listening to our customers tells us what we are doing well, what we can do better, and where we need to focus our efforts. We were able to make several improvements in 2008, which have really helped our customers. However, we recognise that we can still do better and that the downturn creates fresh issues for our customers. So this year, amongst a whole range of initiatives we're going to:

- review the annual statement pack we send to customers and see what we can do to make it clearer and easier to use.
- provide surrender packs for more customers on more products who are considering cashing in their policy, to help them make an informed decision. The feedback we've received to date demonstrates that they're helpful.
- look to improve all our application forms just as we've done for our pension products last year.

If you would like any more information about the results of our 2008 Customer Impact Survey, please contact us at [customerimpact@clericalmedical.co.uk](mailto:customerimpact@clericalmedical.co.uk)



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**customer  
impact**

Meeting the customers'  
needs by putting them at  
the heart of our industry

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