

News-Marque



Welcome to the new issue of News-Marque, the Chaucer Insurance Newsletter.

Email your comments and feedback to newsmarque@chaucerplc.com. We award £100 worth of vouchers for the most constructive comment.

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Issue 7

Foreword



Kim Barber

News-Marque is packed full of topics relevant to our market place that I am sure you will find of interest.

As you will have heard The Hanover Insurance Group, Inc. announced on 20th April that it had made an offer to acquire Chaucer Holdings PLC. I am pleased to inform you that from 1 July we have joined the U.S. based insurer.

We have been in discussions with The Hanover since September 2010 and firmly believe that a combination of our two companies will provide significant benefits to Chaucer. We look forward to an exciting new future as part of a wider group.

This is a strategic partnership with growth at its core and as such, we will focus on achieving greater scale and diversity for the Group. Together, we will have the financial strength and stability of being part of a combined company with US\$4bn of premiums.

On a day-to-day basis, it is very much 'business-as-usual' for Chaucer. Chaucer Insurance will continue to trade under the Chaucer brand across our UK operations.

We thank you for your business to date and we look forward to continuing our relationship with the added benefits and opportunities that being part of a wider organisation brings.

Kim Barber
Practice Head – UK Insurance

Commercial Overview



Chris Dixon

Throughout 2010 and 2011 there has been a lot of coverage regarding the rate increases for motor insurance.

These increases were inevitable with increased litigation in the market and claims reaching an all time high. The temptation when comparing insurance quotes is for the client to choose the cheapest policy. As we all know this can mean buying an unsuitable policy.

Chaucer Insurance remains competitive in the markets we choose to compete in and products and service remains consistently high.

Chaucer Insurance has continued to focus on profitable growth and as part of that we appreciate the importance of supporting our broker network.

To maintain our continued development we have reorganised the broker division to include Corporate Accounts and an intermediary development team. This will continue to ensure that the maximum support and communication is available to our broker network.

Corporate Accounts will be headed up by Nigel Spokes who has over 30 years experience in the insurance industry. Nigel's vast experience will enable him to provide the bespoke service that the largest Brokers in the UK require.

Make and model?

Jim Wylie is the new Head of Intermediary Development Team. This role incorporates the development of business through the Regional Development Managers and Intermediary Development Advisers. Jim has worked at Chaucer Insurance for four years and has a wealth of industry experience to bring to the Division.

“Chaucer Insurance remains competitive in the markets we choose to compete in and products and service remains consistently high.”

Regional Development Team: Steve Knighton and Ken Turner are the Regional Development Managers focussed on developing an assigned panel of regional brokers on a geographic split; North and South. Steve and Ken have over 60 years combined experience in insurance and will be out in their respective regions developing broker relationships.

The Intermediary Development Advisers are new to Chaucer Insurance. This innovative office based initiative, will enable greater contact and support with brokers. The IDA will provide full support to brokers enabling Chaucer to be the insurer of choice for the chosen business.

On a final note, the Chaucer Commercial Combined product is now launched and is featured in this issue of News-Marque. To find out more why not call us on our dedicated Commercial telephone number 01227 284004 or visit our website www.chaucer-insurance.co.uk.



Chris Dixon
Head of Motor Division



a



b



c

Name each make and model pictured above and be in with a chance to win an iPod nano!

Email your answers to:
newsmarque@chaucerplc.com

The closing date for entries is Friday 26th August 2011. For competition terms and conditions, please email newsmarque@chaucerplc.com

Chaucer Focus

Our intrepid fraud team

Motor insurance fraud is estimated to cost the UK insurance market over £2.1 billion annually. Opportunist claims are bad enough; however, many fraudulent motor claims are orchestrated by highly organised and sophisticated criminal gangs.

We take fraud very seriously at Chaucer Insurance and have a highly skilled unit working in partnership with experts to combat fraud.

Fraudsters put everyone else's premiums up and we will do everything we can to try and reduce these claims for the sake of all the innocent customers out there.

At Chaucer Insurance our ability to identify evidence and manage fraudulent motor insurance claims has meant we have currently discovered seven fraud rings involving Chaucer Policyholders or claimants. [Here is the story so far...](#)

“The Chaucer Fraud team have uncovered activity involving illegal/fake brokers and fraudulent policies.”

Fraud rings broken by Chaucer

During 2009 the Chaucer Fraud Team discovered seven fraud rings involving Chaucer policyholders or claimants.

These rings encompassed a total of 32 claims, with a potential cost to Chaucer Insurance of over £750K. Chaucer has so far successfully repudiated 25 of these claims and where possible will be taking civil action to recover any outlays Chaucer have incurred. Details of the first fraud ring we discovered are on the next page and what we now know is that these details are common to most fraud rings.

In addition to the identification and investigation of fraudulent claims, the Chaucer Fraud team have also uncovered activity involving illegal/fake brokers and fraudulent policies.

In essence individuals are posing and illegally operating as insurance intermediaries and arranging multiple insurance policies via the internet using fabricated or false details.

The internet scam commonly works as follows:

1. The customer contacts the fake broker in the belief they are a legitimate company and provides the personal details and either bank details or funds to pay the premium
2. The fake broker places the risk on cover with an underwriter, manipulating the material details of the risk to secure the cheapest possible premium (e.g. risk address, occupation, no claims discount, mileage, driving history and driving licence status)
3. The premiums are then paid to the underwriter or genuine intermediary in a variety of ways. Whilst the premiums will sometimes be paid for using the policyholder's genuine details, often they won't be paid at all, rather the details of stolen bank account details or compromised credit cards will be used by the fake broker.

To date Chaucer has identified and cancelled over 110 of these 'fake broker' type policies.

Tour of Lloyd's competition winners!

Operation Luxembourg

In early 2009 we uncovered a group of fraudsters operating in the West Midlands. As we began to unravel the ring it became apparent that a further 20 insurers were affected with more than 70 claims linked to the fraud.

A network of individuals in Birmingham were incepting entirely false policies, using compromised credit cards, for TPO/cheapest possible cover via internet sites. Policyholders were described as retired professionals such as teachers or police officers.

Chaucer and our specialist solicitors (Hill Dickinson) were the lead investigators for the market on this case. Once all the evidence had been compiled this was passed to the West Midlands Police. All claims have been successfully repudiated as a result of the investigation.

You can help

If you have any issues relating to insurance fraud please contact a member of the Chaucer Insurance Fraud Team on 01227 284874.

Alternatively you can contact the free and confidential fraud line, run by Insurance Fraud Bureau, on 0800 328 2550.

As the IFB say: *'Beat the cheats, report the fraudsters'*.

When we investigated the suspected fraudulent claims we found:

- The policyholders did not exist, the identities had been made up
- Listening to call recordings of the reported claim, it was revealed that the callers voice and behaviour did not match the policyholder descriptions i.e. sounding much younger than the age supplied
- Policies were all cancelled following instalment defaults
- Common bank account details, phone numbers and addresses were used
- The insured vehicles were 'cloned' from sales sites such as Auto Trader
- Witness statements from the 'true' vehicle owners confirmed they were still in possession of the vehicles and they had not been involved in any accidents
- The repairer's address was a 2nd floor, single room office, registered to an accident management company, who also owned the storage facilities

If you were fortunate enough to visit our stand at Broker Expo or BIBA Scotland you would have had the opportunity to win a prize that money can't buy - a guided tour of the Lloyd's Building.



The tour took place on 3 February and was followed by lunch at a top London restaurant. The guided tour was given by Chaucer's' very own history buff, Ken Turner.

The lucky winners were:

Duncan McGregor

H&R

Iain Gott

Mark Richard Insurance

Roger Harrison

John Russell Insurance

Ken's enthusiasm and knowledge of the history of Lloyd's is second to none. In Ken's own words:
"Lloyd's is the world's oldest and leading specialist insurance market. Lloyd's is unique and an institution that I am proud to be involved in. I've had a great day sharing this with Duncan, Iain and Roger".

Product & Industry News

In this issue we highlight E-certs, Spent Convictions, our improved referral services, motor trade rating changes, Trade-Marque+ now being available to InsurEcom users and the new Continuous Insurance Enforcement initiative.

Electronic Certifications (E-Cert)

Electronic Certifications is a new approach to rapidly delivering certificates of insurance and this is something at Chaucer Insurance we are committed to providing.

However, at the moment we cannot authorise any of our brokers to issue them on our behalf. It is harder to adopt E-Certs than it initially seemed.

The reason for this is that the process must be adhered to precisely in order to properly safeguard our exposure. At the moment this is proving problematic. Once we have overcome these issues we will introduce E-Certs.

As soon as we can efficiently and safely manage the situation appropriately we will use E-Certs and let you know.

Spent Convictions

Don't forget - motoring & criminal convictions which are spent under the Rehabilitation of Offenders Act 1974 must be disregarded when placing a risk. We cannot and will not use these to influence the acceptability of a risk so please do not refer them.

The following is a guide to help show when a sentence is spent.

Sentence	Length	Period (Adults aged 18 and over when sentenced)	Period (Minors aged 17 and under when sentenced)
Imprisonment/ Young Offenders Institute	> 30 months	Forever	Forever
	6 - 30 months	10 years	5 years
	< 6 months	7 years	3 1/2 years
Community Service	Any	5 years	2 1/2 years
Fine/Compensation	n/a	5 years	2 1/2 years
Absolute discharge	n/a	6 months	6 months

Motor Trade

Chaucer Motor Trade is proud to announce that May was its biggest month for NWP since the product launched.

Multiple pricing amendments went live last month which were to thank for the growth. Additional changes for June should help us all achieve further development. We hope you are also experiencing a positive impact on your conversion ratios and you should find the following profiles more competitive:

- Mechanics and Body Repairers
- £15,000+ Level of Indemnity
- Split Indemnities for Non Sales
- Experienced Traders
- Mature Driver

We have developed a NEW Occupation Checker and an updated Postcode Checker to assist you with your motor trade quotes. The checker spreadsheet is designed to give you the confidence that the occupation and/or postcode will be acceptable or not prior to completing a full Extranet quote. To access this spreadsheet please refer to the Extranet.

Trade-Marque+ now available to InsurEcom users

Chaucer Insurance is delighted to launch Trade-Marque+ to InsurEcom users. Using the latest research and pricing techniques, Trade-Marque+ has been created to provide our broker network with both a flexible and sustainable product.

Trade-Marque+ is designed to help limit the number of software system downgrades and declines in order to provide quotes for a larger proportion of your client base. Trade-Marque+ gives your customers a wide ranging policy with some excellent key features, as shown on the right.

We are confident that Trade-Marque+ will help you to develop and grow a commercial vehicle account with us and we look forward to receiving your full support.

Key features & benefits

- 12.5% commission
- Guaranteed courtesy van*
- New van replacement*
- Unlimited stereo cover if standard
- Approved repairer network
- 30 days European Cover
- Medical Expenses of £150 per person
- Full cycle EDI
- Full premium and underwriting guarantee

** Subject to terms and conditions*

Continuous Insurance Enforcement

Continuous Insurance Enforcement went live on 20th June 2011.

The initiative of CIE makes it an offence to own a vehicle which should be taxed (isn't SORN) and is not insured. It is designed to further the fight against uninsured driving and compares the MID records with the DVLA database for taxed vehicles i.e. if a vehicle is taxed it ought to be insured and vice versa.

At Chaucer it is important that we work closely with our brokers to make sure the following happens:

1. Reach the target of submitting 99.9% of all data within 40 days of the effective date.
2. Make sure the completeness and integrity of data is of the highest possible standard.

What this means for you and the client:

If the information provided by you to the insurer is not compliant then the customer's vehicle could be impounded and/or the client could be committing an offence. It is important that we all make sure our staff take great care in entering all data correctly and quickly to avoid this happening.

Currently Chaucer operates at a rate of 99.6% of all data being available within 40 days - this is outstanding. We would like to thank you for the hard work you put in to support us. However, our aim is to work closely with you to increase this to the desired 99.9% within 40 days.

You can see from these figures that between us we are working extremely well and delivering a great service. However, as a broker you can help us by making sure that all applications are correctly and accurately completed online and sent to us as soon as possible.

We will keep you informed of any further developments that take place. More will follow in due course.

Think Commercial Think Chaucer

Chaucer have successfully written a wide range of motor insurance products for over 80 years and more recently we have moved into the commercial insurance market with our General Liability policy. More recently our Commercial Combined policy became available.



Russell Guyver, our Commercial Development Underwriter, is responsible for bringing the new Commercial Combined product to market...

Why is Chaucer launching a new Commercial product?

We've been successfully writing Chaucer General Liability since 2008 and have been quietly building a reputation amongst our brokers for service, flexibility and speed of response. More and more often clients are asking for a one-stop shop for their commercial policy needs. Chaucer Commercial Combined allows us to extend the approach we've taken to liabilities and apply it to a range of property covers also.

Is now a good time for entering the market given soft rating environment and no shortage of capacity?

Despite market conditions, we know that brokers are often dissatisfied with the service they receive from some of our competitors. Keen rates count for little if delays in receiving quotations, poor documentation and an inexperienced or inflexible underwriting approach puts up trade barriers. Whilst trading conditions continue to be difficult, we believe that there is real demand and opportunities for an insurer to develop mutually profitable trading relationships with key brokers.

Does the market need another 'SME' product?

Our offering is significantly different. We continue to be a liability-focused underwriter that doesn't shy away from unusual risk aspects. High risk trades, non-standard occupations, heat work away, higher risk locations, work overseas and unusual products are all aspects we cater for under our liability product.

We'll continue to target these risks on our Commercial Combined policy, with either a wageroll / turnover or per capita rating basis for liabilities.

How will the product be serviced?

Our dedicated commercial team will provide quotations within our 48 hour service standard. All documentation is contract certain and delivered electronically. Expert advice is available via our direct telephone lines.



What does this mean for the existing liability product?

Stand-alone liability cover for new business and renewals will continue to be available both from our underwriting team and via our Extranet site.

What is our target market?

We cater for a broad range of trades and occupations both in contracting trades and premises-based occupations. Most of our clients are small businesses trading from a single or few sites with total property / business interruption values of less than £10m. Construction, manufacturing, engineering and distribution sectors are key areas for growth.

How will the claims function be handled?

Dedicated claims telephone numbers are available to our clients to facilitate a speedy response to incidents as they occur. Control of the claim lies with our experienced team in our main UK office in Whitstable. We take pride in the claims service we deliver and we don't use offshore call centres.

What market penetration is sought?

At Chaucer we realise that we are in this for the long term. Our aim is to develop sustainable trading relationships with those brokers who value a partnership approach. We don't intend to buy into the market one year and pull out the next. Our Regional Development Managers will work closely with our brokers to plan a progressive development strategy that suits us both.

How does this fit into Chaucer's broader strategy?

The Commercial Combined launch is part of our plan to expand the Chaucer product range over the course of the next few years. Our aim is to enhance Chaucer's market presence in the UK and build upon our distribution channels in order to support our overall plans for growth. Broker development is a key element to this strategy.

Want to know more?

For more information about our Commercial Combined product and latest updates visit: www.chaucer-insurance.co.uk/commercial or call our dedicated Commercial Team on 01227 284004. Alternatively speak to your Regional Development Manager for further information.

Key features:

- 48 hour turn around on new business quotes
- Access to decision makers
- Direct contact telephone numbers
- Dedicated in-house claims handling
- Flexible underwriting tailored to meet your clients' needs
- Competitive rates
- Competitive commission
- Wide cover
- Direct access to a Lloyd's market
- Lloyd's security
- Instant electronically delivered policy documentation
- Liability sections available either wageroll/turnover or per capita
- Work away and higher risk trades available
- Low minimum premiums

The policy will be suitable for:

- UK domiciled business
- Property total sums insured up to £10m
- Tradesmen and contract trades
- Premises based trades in engineering, manufacturing and distribution
- Single or few locations

We will be able to provide cover for:

- Property Damage
- Business Interruption
- Terrorism (UK)
- Money
- Employers' Liability
- Public Liability
- Products Liability
- Contractors' All Risks
- Stock in Transit
- Deterioration of Stock
- Loss of Licence
- Employee Theft (Fidelity)
- Legal Expenses

Your questions answered

We receive a high volume of diverse questions relating to all aspects of our business. Here is a recent selection of the most frequently asked. If you have a question for the Chaucer team, please contact us on 01227 284040.

Can the correspondence address and the overnight location of the vehicle address differ on the risk?

Yes, we accept Auto-Marque and Trade-Marque+ risks that disclose different address for correspondence and overnight location of the vehicle that is on cover with us. However, when the correspondence address and overnight location of the vehicle differ on the risk, we require the premium to be rated on the higher rated area out of the two disclosed addresses. If you are unsure how to do this please contact our Intermediary Helpline.

No, we do not accept Bike-Marque risks which disclose different addresses for correspondence and the overnight location of the motorcycle, unless risk has been referred to us and addresses have been agreed before offering the quotation to the client.

Why have we not received our cancellation credit?

Check first of all that you have returned the certificate to us or whether there has been a claim, this may be the reason for you not receiving your cancellation credit.

Will Chaucer Insurance transfer NCB from husband to wife and vice versa?

We will allow NCB to be transferred between husband and wife, providing you obtain written confirmation from the NCB holder.

We have processed a change of vehicle on a Chaucer policy. Can the policy holder add their old vehicle onto the policy until it is sold?

Auto-Marque – Yes, for a maximum of two weeks – additional premium £20+ insurance premium tax per week.

Hi-Marque – Yes for up to four weeks – additional premium £20+ insurance premium tax per week.

Commercial Vehicle – Yes for a maximum of two weeks – additional premium £20+ insurance premium tax

Classic Car – please refer.

You can either process full cycle or issue a manual cover note and send this to us by email, fax or post.

What is your administration fee? And is this compulsory?

Our administration fee of £15.75 is charged on all mid-term adjustments or cancellations that are over the 14 day cooling off period. This fee cannot be removed.

If the vehicle is kept at a different postcode to the home address which postcode should we use?

We always rate on the highest rated postcode. Please check this by running through new business on both areas before incepting the policy.

The new business quote is referring, what shall I do?

If the Chaucer rate is more than 30% cheaper than the next guaranteed rate then please send us a copy of the full quote printout with a list of the top 10 insurers to unguaranteedquotes@chaucerplc.com or fax 01227 773873.

Claims Service

improves efficiency

We have launched the first of several automated processes that will improve the efficiency of our claims service to the customer and to you, our intermediary partners.

Can the cover be increased to comprehensive cover mid-term through the policy without a change of vehicle?

The simple answer is no. Cover can only be increased at renewal unless the vehicle has been changed mid-term. This applies to all Chaucer Insurance products.

New business Auto-Marque for insured or insured and spouse has another vehicle earning maximum no claims bonus on another vehicle, can they have an Introductory Discount?

You need to run the quote through your system as nil bonus, but answer 'yes'; to use of another vehicle. The system will automatically apply a discount if the risk meets the rest of the criteria.

Will we cover a vehicle that does not belong to the policyholder?

Yes but only if the vehicle belongs to the policyholder's spouse or is registered in the name of their company. This is applicable to all Chaucer products.

Phase One

Chaucer Insurance will be able to send out automated updates triggered by key events in the claims process. This includes repair authorisation, instruction of engineers etc and provision of key contact details to policyholders for our repairers and other relevant suppliers

“In the near future we will include a web view facility so that you and the customer can track the key claims events online.”

How the process works

When a policyholder calls us directly by telephone and advises us of the claim, we will ask them how they would like to be updated on the progress of their claim. The policyholder has the choice between:

- Text
- Email
- Letter through the post
- No notification required

Once the policyholder selects the method of communication, they will receive automatic updates on key stages of the claims process via text, email or post.

We hope this will provide added value to you and your customers' ensuring the claims process is as simple and stress free as possible.

Subsequent phases

In the near future we will include a web view facility so that you and the customer can track the key claims events online. Updates will be sent to you when this facility is available.

The Big Interview

Mike Webster

Our Private Car Underwriter speaks to News-Marque about life before Chaucer Insurance, Profit for Sanity and the biggest challenges facing the motor insurance market.



Tell us a bit about your career and why Chaucer Insurance?

"I started my life in insurance in the early 1990's with another Lloyd's Syndicate called Eversure Motor Policies and moved to Lombard General Insurance a couple of years later. At Lombard I worked on broker referrals and was part of a successful broker facing team. In 1997 I changed jobs and joined Hastings Direct as their Head of Technical Referrals, helping to build a team to deal with direct and broker technical referrals, indemnity queries etc. Still working for Hastings, I changed direction at the start of the noughties to being responsible for the pricing and performance of the broker business that Advantage wrote, which was approximately £32m in 2009.

I decided to move from Hastings as I was ready for a new challenge and Chaucer Insurance has a great reputation in the market. As Private Car Underwriter,

I am very much looking forward to working closely with our broker network and having the opportunity to further develop a profitable book of business for the company."

What is the best piece of advice you could give someone starting to work in Insurance?

"Without a doubt the phrase that I remember on a daily basis is 'Profit for sanity, volume for vanity'. I'm not sure who this quote can be attributed to but it is spot on. Although I have heard Duncan Bannatyne make this statement on Dragons' Den."

What do you think the biggest challenges facing the motor insurance market are at the present time?

"I would say that it would have to be fraud and claims farming. I am confident that Chaucer has a good structure in place to deal with this, but it is a challenge for all insurers at the present time."

Outside of work, what are your passions?

"Like most fathers I'm a committed family man and spend as much time as possible with my wife and daughter. We regularly go swimming together and I am embarrassed to say my daughter (Megan, aged 8) is now a stronger swimmer than myself!"

So will you be joining the Chaucer Insurance triathlon team this year? I hear they are looking for swimmers.

"The simple answer is probably no. I am not sure I would be considered an asset!"

Any other interests?

"I follow Manchester United and try to get to as many games as possible in a season, my family are dedicated Charlton fans so I follow their results as well.

I am also an avid U2 fan and go to see them live when possible. I'm probably giving my age away now but I enjoy 80's films such as Ferris Bueller's Day Off, the Back to the Future films, The Terminator. Having said that, two of my favourite films more recently would be I Am Legend and 28 weeks later. I also secretly enjoy watching the many Disney / Dreamworks films I have to watch!"

Is there someone in particular that you'd like to see interviewed by News-Marque?

Send an email explaining why to newsmarque@chaucer-insurance.co.uk and keep an eye on future issues.