

# Case study

## National Farmers Union Mutual

### Key Facts

- Volumes of policies up 40% in Q1 2008
- Requirement for GPRs reduced by 52% from 48% to 23%.
- Now underwrite from the Tele-interview alone on 74% of applications, up from 46% .
- Medical limits reduced by reinsurers

The National Farmers Union Mutual (NFUM) sell their protection products across their tied agency network of 350 agents. On the general side the agents transact the business themselves but with regard to life they act as introducers to the 120 Financial Consultants.

Over 90% of NFUM customers have more than one insurance product from NFUM, and their customer loyalty is probably the best in the industry. However, the sales of protection are far lower. NFUM hence took a strategic move to upgrade their protection business, with a concerted effort to improve sales and penetration across the loyal NFUM customers.

The first goal to improve sales was to remove the barriers to selling, notably the long turn round times of an average of 3 months, inconvenience and resistance to selling protection.

NFUM decided to move to Tele-Interviewing and, after an extensive review of the market, selected MorganAsh to provide its Tele-Interviewing services.

MorganAsh commenced Tele-Interviewing on the 1<sup>st</sup> August 2007 and immediately improved the process. All applicants are interviewed over the phone about their health by the MorganAsh nurses in a confidential situation and at a convenient time for them.

**“Life Getting Easier/We’re Coming to You”.**

Due to the existing poor confidence in protection, NFUM used the launch of Tele-Interviewing as a catalyst to re-launch the protection sales. They embarked on a communication campaign to the field sales force telling them of the improvements on the way, and the benefits Tele-interviewing will bring. This was branded with the slogan “Life Getting Easier/We’re Coming to you”.

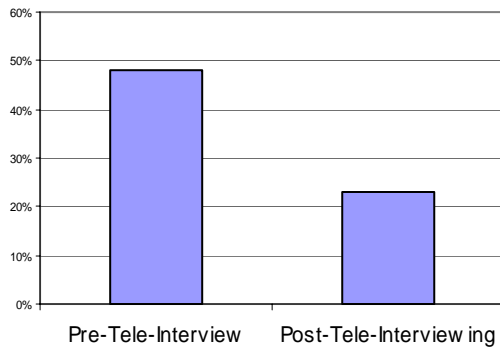
Although NFUM have their roots in farming, they now service a wider clientele from the rural community. NFUM applicants are hence, typically older than most protection providers. However, the information gathered by MorganAsh is so superior compared with previous approaches that NFUM have managed to reduce their requirement for GPRs from 48% to 23%.

*(Continued on page 2)*

# MorganAsh

# National Farmers Union Mutual

Percentage of GPR's required



Applications can now be underwritten from the interview alone from 74% of applications, up from 46% of applications before MorganAsh Tele-Interviewing was adopted.

*"To support Tele-underwriting and to ensure that we were able to act on the report alone, our reinsurers approved major changes to our medical limits thus reducing further, the need for independent evidence"*

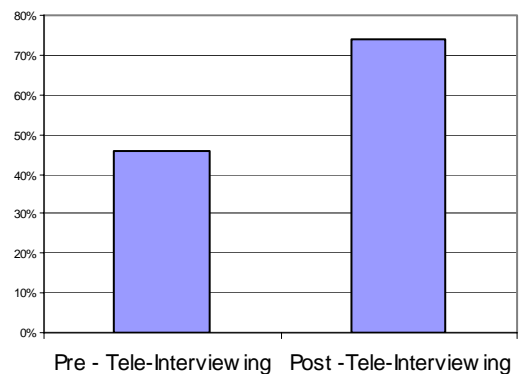
Sean McCarthy; Life Underwriting Manager, NFUM

The net effect of the improved new business process is that NFUM has already halved the mean turn round time from 63 to 37 days, and revenues have risen significantly.

NFUM hit targets set by their Board for the processing of protection business for the first time ever in late 2007, they issued 58% of business within 30 days (target 50%) and 96% within 90 days (target 90%). In addition, in 2007 they issued 128% of the total issued 2006 protection policies.

Although there have been many changes made to the overall protection process there is no doubting the central role that Tele-underwriting played or the impetus it instilled.

Percentage of cases not requiring further information



In early 2008 NFUM reported a 40% growth in volumes due to Tele-Interviewing and other new business process improvements. This is impressive considering the market has generally declined by 10%-20% over this period.

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