

MorganAsh News

Winter 2010

Welcome

Special points of interest:

- Project with Hannover Life Re (UK) to analyse the Tele-Interview MI
- Case study — Wesleyan
- Seminar 23 March 2010
- Ways to improve sales and conversion rates

Welcome to this winter edition of our Newsletter.

We publically announce our co-operation with Hannover Life Re (UK) in analysing Tele-interview data. This is producing great results, and will benefit our clients significantly.

We were delighted to pick up the “Outstanding Achievement” award at this years Cover excellence awards. It is great for all the team here to get the recognition of our success and hard work. We would like to thank all those who voted for us.

We enclose a case study with Wesleyan Assurance Society, who have had great success with their MorganAsh Tele-Interviewing and an article on understanding the value of the answers as well as the questions.

In Ireland Bank of Ireland Life launched their new Income Protection product to the broker community using MorganAsh Big T Tele-interviewing. This is the first large player to launch Big T in the Irish broker market and has been very well received. In January we also welcomed Cirencester Friendly Society as a new client.

In the UK developments from the law society seem set to change insurance law and the termination of the collective agreement on GPR fees between the ABI and BMA all point to the increased use of Tele-Interviewing.

We will be holding our next seminar on **23 March 2010** in London, please book the date in your diary, we look forward to seeing you there.

Best regards

Andrew Gething

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Increase sales and conversion rates with interactive appointment booking

Key Facts

- Advisers book interview appointment at the point of sale
- Booking takes place on-line or over the phone
- Reduces turn around time
- Improves conversion rate
- Overcomes fear of “loss of control”
- Improves sales

2008 saw many of our customers adopt our new appointment system, with great success.

The Adviser agrees and books the interview appointment time with the applicant at the point of sale. The booking can be done on-line interactively or over the phone.

This increased speed of turn around, can be down to 1 day, where required.

Apart from speeding up the service, this has some subtle extra benefits:-

By gaining commitment for the appointment with the applicant, the adviser is acquiring a further social tie in with the applicant to the purchase of the policy, by obtaining their ongoing commitment to the next step the next day.

The process is liked by advisers as they stay in control of the appointment booking process, negating any previous fears of loss of control.

The systems can be configured to provide

different levels of detail of information to individual salesmen, regional sales administration teams and head office administration teams.

In addition, feedback on the progress of the case is available to both salesmen and administrators should this information be required.

The system is interlinked with the MorganAsh resourcing system, so that the appropriate resources are available to meet the consumer demands.

“It is important to offer customers choice, and the ability to choose convenient and precise appointment times. It is unfair on consumers to have to wait around expecting a call “in the afternoon”

Andrew Parker, Head of Operations, LifeSearch.

Advisers can book their Tele-Interview appointments, within ½ hr slots or immediately. Other industry systems are commonly not integrated with the available resources and are hence limited to offering morning, afternoon, or evening slots and only a day in advance.

If an adviser does not know the appointment time then simply picking “not known” triggers the traditional approach, where MorganAsh then phone the applicant to arrange the interview appointment time.

For direct to consumer the appointment

Interactive appointment booking (Continued)

system is available on-line, for consumers to book their appointments directly. This can be integrated into existing web sites and extranets.

“Speed and consumer service are paramount, our telephone mortgage team have been using the system since the start of the year, and are delighted. They can book the time of the appointment while on the phone with the consumer thus speeding up the process.”

**Noel Freeley, Chief Underwriter,
The Co-Operative**

All methods of booking can be used providing choices for the adviser and applicant alike.



These systems and processes are continually evolving and while the core systems and processes are standardized, most implementations are bespoke for each company and their distribution channels.

Installations

- A direct sales force now uses this approach entirely. Their regional sales administration teams monitor the progress of cases. This allows any issues to be ironed out quickly out in the field.
- A direct mortgage tele-sales team use the on-line version to book the interview appointments. At the end of the sale they agree the time with the consumer and simply book the appointment on-line.
- A direct field sales force recently upgraded to this method, and reduced their interview cancellation rate by 50%, to the delight of the sales managers.
- A company used the method as an integral part of their proposition with their new product launch to the broker community, with great market success.
- A bank assurer has recently taken the systems in house, so their back office administration teams can book the interview appointment times.

Case study

Wesleyan Assurance Society

Key Facts

- MorganAsh full nurse interview selected due to professionalism and excellent customer service
- Material non-disclosure on the Tele-Interview 3.6% compared to 5.7% found on General Practitioner's Reports (GPRs)
- Tele interviews provide a greater or equal quality of information to the GPR on 98 % of cases
- Cases requiring further medical evidence reduced by 54%
- Mandatory GPRs due to Non-Medical limits removed up to age 45

Wesleyan Assurance Society was founded in Birmingham in 1841 and is a mutual life office. Wesleyan provides tailored financial advice and products to niche professional customers in the medical, teaching and legal professions through its distribution brands Wesleyan Medical Sickness, Wesleyan for Teachers and Wesleyan for Lawyers. Wesleyan is a financially strong mutual and was named UK Life Insurer of the Year at the prestigious British Insurance Awards 2008.

One factor that makes Wesleyan different to others in the financial services market place is that it focuses on developing a real insight into its target professional customer groups. The career structure and financial needs of

a hospital doctor for example, are different to those of a GP or a dentist and so Wesleyan employs specialist sales and marketing teams dedicated to working with just one client sector. Wesleyan aims to build a relationship with clients throughout their career—from starting out through to retirement.

MorganAsh began work with Wesleyan in March 2008. One of Wesleyan's key criteria is excellence in customer service, and the MorganAsh method was selected for its customer service and professionalism. The MorganAsh nurses have the life experience, medical knowledge and conversation management skills as well as an unparalleled reputation for customer service. MorganAsh Tele-Interviews all applicants in a Big T service.

“Our aim is to demonstrate professionalism and expertise when dealing with customers in our niche target markets. Our Financial Consultants are experts in identifying the financial needs of clients and providing appropriate advice, while MorganAsh nurses are experts in gathering medical information. These skills compliment each other perfectly and enable us to issue protection policies and communicate underwriting decisions to our clients more efficiently ”

Martin Walker, Wesleyan's New Business Operations Manager

Wesleyan Assurance Society (Continued)

After the service had been live for 9 months Wesleyan undertook a study comparing the information received from the Tele-Interview, the GPR and nurse screenings.

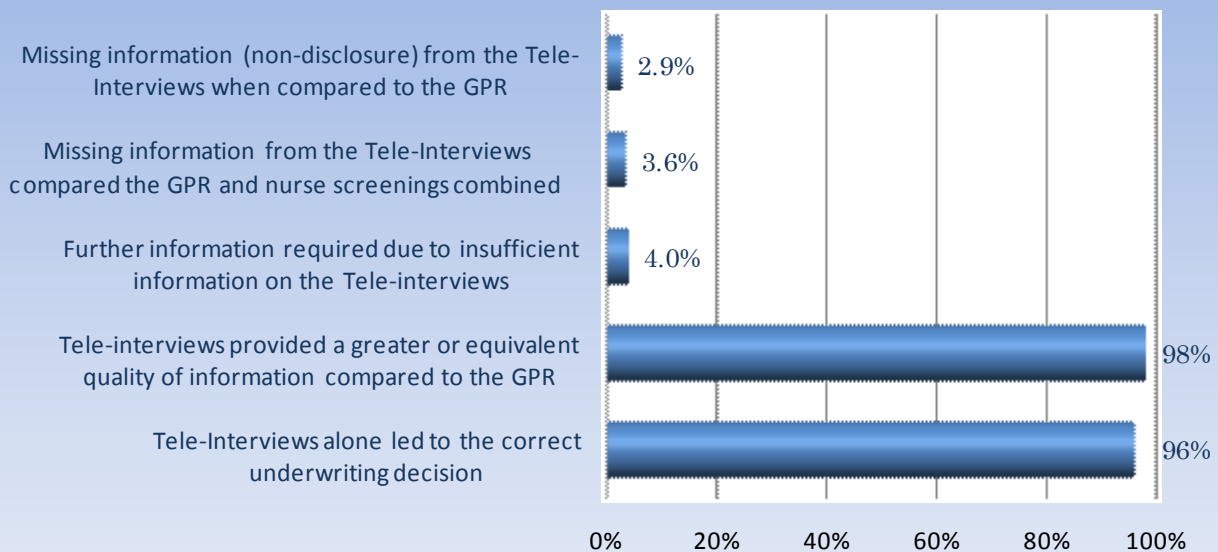
The Tele-interview proved to be providing high quality information, greatly improved from that of the paper application forms. In 98% of cases the Tele-interview provided a greater or equivalent quality of information to that provided by a GP on a GPR. In 96% of cases the Tele-Interview alone led to the correct underwriting decision. Medical evidence was obtained in line with medical limits. In only 4% of cases was further medical information required after the Tele-Interview, due to insufficient information on the interview.

Missing information (or non-disclosure) was only found on 2.9% of the Tele-Interviews

when compared to the GPR and only 3.6% when compared to the GPR and nurse screenings combined. Materially inaccurate information from the Tele-Interview found on the nurse screening mostly related to height, weight and blood pressure.

As a result Wesleyan has made extensive changes to their non-medical limits, increasing them by 35% and reducing the amount of cases when information is ordered by 50%. For all those applicants using a Tele-Interview there is no automatic evidence requested up to the age of 45. Some clients prefer not to have a Tele-Interview and for these clients a paper medical questionnaire is available. Lower non medical limits apply where a paper medical questionnaire is used.

Key Performance Results



Answers are more important than questions

When designing application processes for protection the industry focuses on what questions are to be asked – but gives scant regard to the answers that may be received. It is proposed that this is misguided as it is the answers received that are more important than the questions asked.

Our heritage has led us this way. In the days of the paper application form, providers could only control the interview process by means of dictating the questions as there was no way of controlling the answers. This has been exacerbated with the advent of on-line systems, in that great importance has been put into the design of questioning systems, and this has extenuated the belief in question design.

Yet in our ordinary lives, we know that whenever we ask a question, we get slightly different answers to the one we ask and we naturally correct and qualify this in our conversation – depending on the answers. Every day we get answers to emails when the replier has missed the point of the question. In reality, we rarely get a straight answer to a straight question.

When visitors to MorganAsh sit down and listen to live Tele-interviews, they always come away amazed at how much conversation has taken place. The surprise is mainly due to the person having spent their working life designing questions, with the belief that they will get the appropriate answers, in reality this is not the case.

In a recent press article, a leading chief underwriter wrote:-

"Is 'Have you ever had cancer?' such a difficult question to ask?"

The answer is **Yes** – interviewing about cancer is difficult to do, it is an emotive and sensitive issue for most people, and the answers are not as clear as we would like.

Here are some actual real life answers we have received from this question. "Have you ever had cancer": -

"I have a rodent ulcer"

"No" – but later revealed to have a melanoma

"Never had cancer, I had DCIS"

"No" – but later revealed they had Waldenstroms Macroglobulinaemia

"No" – but did have an abnormal smear test

The answer wanted to the above questions is "Yes" as all the above applicants have a type of cancer, but the answer the consumer gave was "No". This is normal human behaviour - we should not be surprised by it.

The approach that many consumers take to having a serious condition is to categorise the condition as something else in their own minds. They may consider they don't have cancer, they have a "melanoma" or "anaemia" or simply "mild smear changes". This may be encouraged by the treating physicians as part of the process to deal with the emotional issues.

Answers are more important than questions (Continued)

Asking questions is easy – it is understanding the answers that is difficult.

When discussing someone's own health, the answers are never simple.

Cancer can be a frightening and difficult subject. If the consumer answers "Yes", then what should the response be? It may be they are only just recovering or have recently been diagnosed - the response needs to be empathetic to their situation. We should treat customers as we would like to be treated ourselves with compassion.

It is no wonder that non-disclosure was so high prior to quality Tele-Interviewing. The simple fact is that asking a simple question does not get a straight forward answer and, for complex and emotive medical issues, this problem is exacerbated.

The medical interview is an important part of the sales process. Done insensitively by someone who lacks medical knowledge, it can be a deterrent to the sale. Done correctly by a trained medical interviewer, it

enhances the sale process. Is this so surprising? We all know when we engage with a person who knows their topic and in whom we have respect, then we are more inclined to trust them and to progress with the sale. We would not dream of having the financial fact find undertaken by someone who does not understand the financial

aspects, so why do we turn a blind eye on the medical issues.

Consumers are likely to spend as much time going through the medical questions as they are the financial questions. The medical interview is hence an important part of the sale and it is hence important that the medical interview is undertaken by

someone who knows what they are talking about and gives a good impression to the consumer.

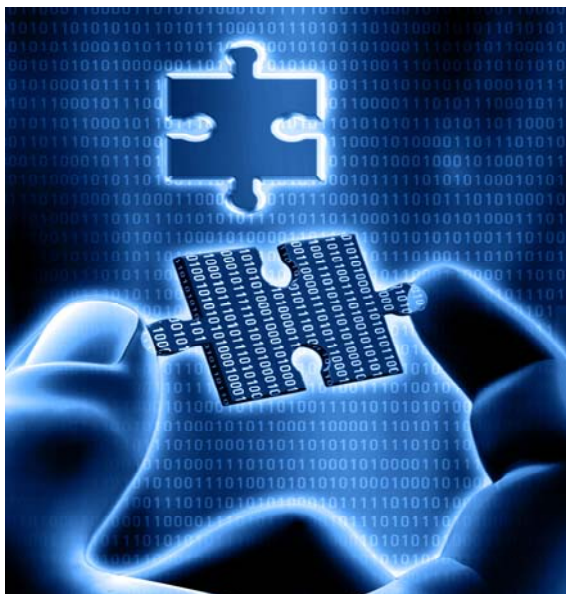
Whoever does the medical interview, IFA or Tele-Interviewer, they must be able to understand the answers. Some IFA's are certainly good at this, but many are not. Turning a blind eye to this will only continue to stifle protection sales.



Analysing the Data

In summer 2008 MorganAsh began a project with Hannover Life Re (UK) Ltd to analyse the protective value of the questions and answers in the Tele-Interviewing process.

We (Hannover and MorganAsh) believe there is great value in the data from our Tele-Interviewing and that we can learn to improve the whole process by analysing this data.



Hannover Life Re (UK) bring experienced research, underwriting and actuarial resource as well as an independent view.

After consulting with our clients, we have provided anonymous data for this study.

The first piece of analysis focused on build, i.e. height, weight, BMI, dress size, waist & collar size. Hannover Life Re (UK) support these practices and strongly recommend the benefits of incorporating these factors into the evidence gathering and risk assessment process.

This analysis has been extremely worthwhile. From the work done to-date we are concluding:

- Undertaking detailed actuarial analysis of the data collected through our interview and analysing its protective value is worthwhile and will save time and money to those who use it.
- The data we collect from the Tele-Interviews is of high quality and extremely valuable.
- We will be making recommendations on improvements to our scripts.
- Hannover can work with you in designing and agreeing protocols to offer changes to reinsurance rates when this Tele-Interview data is available.
- Hannover can recommend best practice on what information is collected at Tele-Interview, and how this is subsequently used in the targeted collection of further evidence.
- We expect the improved targeting of further evidence to reduce further evidence collection, and hence costs.

We are now working with Hannover Life Re (UK) to extend this analysis to look at other areas of interest.

Hannover Life Re (UK) and MorganAsh will be reporting on the findings and recommendations to our clients in due course,

SCOR Global Life Worldwide Tele- Interview survey

SCOR Global Life, in conjunction with Select X, have just completed a worldwide Tele-Interview survey and will be presenting the results across the UK and Ireland in a series of 4 workshops entitled Tele-interviewing – The Bigger Picture.

The workshops will concentrate on all aspects of tele-interviewing and how it can be applied in which circumstances and will consider both underwriting and claims aspects.

The events are being held in the following locations on the given dates:

London	11 th February
Manchester	16 th February
Dublin	2 nd March
Bristol	15 th March

Places at each of these events are limited contact Gina King by e-mail at gking@scor.com

MorganAsh Tele-Interview Seminar 23 March 2010 London

The next MorganAsh seminar will be on 23rd March in London.

The programme goes beyond Tele-Interviewing, examining the whole new business process:

- Improving sales & conversion rates
- Reducing requirements for further medical evidence and reducing turn a round time
- Claims experience on Tele-Interviewing
- Customer case studies
- Analysing the MI for financial gain

New business managers, sales managers, CEO's as well as chief underwriters should attend.

For more details please contact Dennise Leather at seminar@morganash.com

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Contact MorganAsh

+44 (0) 870 143 6869 - UK, Head office

+49 (0) 800 1013199 - Köln, Germany

To book your seminar place;-

Seminar@MorganAsh.com