



Ageas UK
-
Insurance Underwriting
& Claims

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Limited

INVESTOR DAY 2012



Profile

Underwriting excellence

Claims excellence

Conclusions



Underwriting

- Technical excellence
- Data
- Anti-fraud management

Claims

- Process excellence = low cost, high service
- Supply chain management
- Anti-fraud management

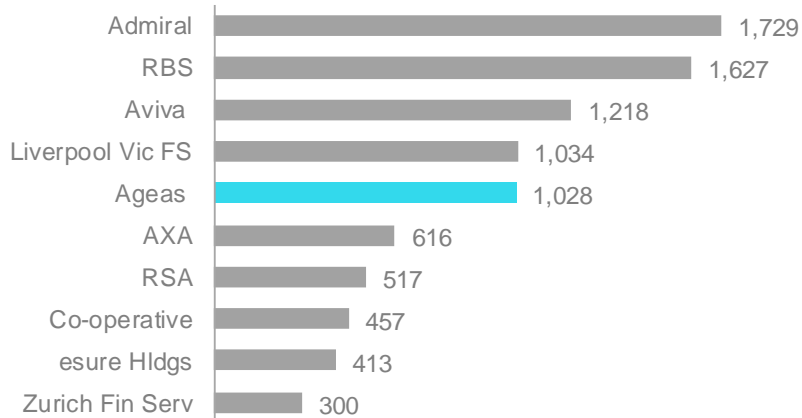
Profile

Key market positions



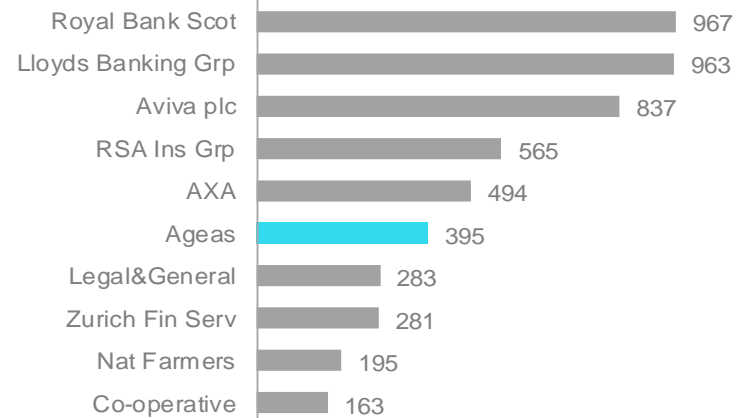
Private Motor

GWP in £ mio



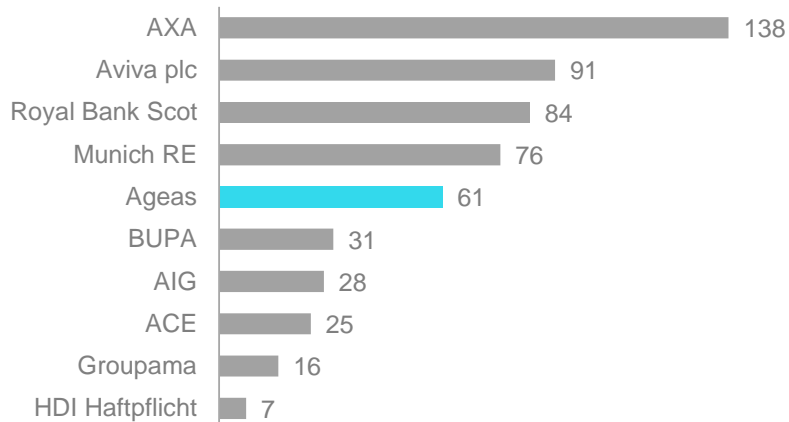
Household

GWP in £ mio



Travel

GWP in £ mio



Source: Datamonitor



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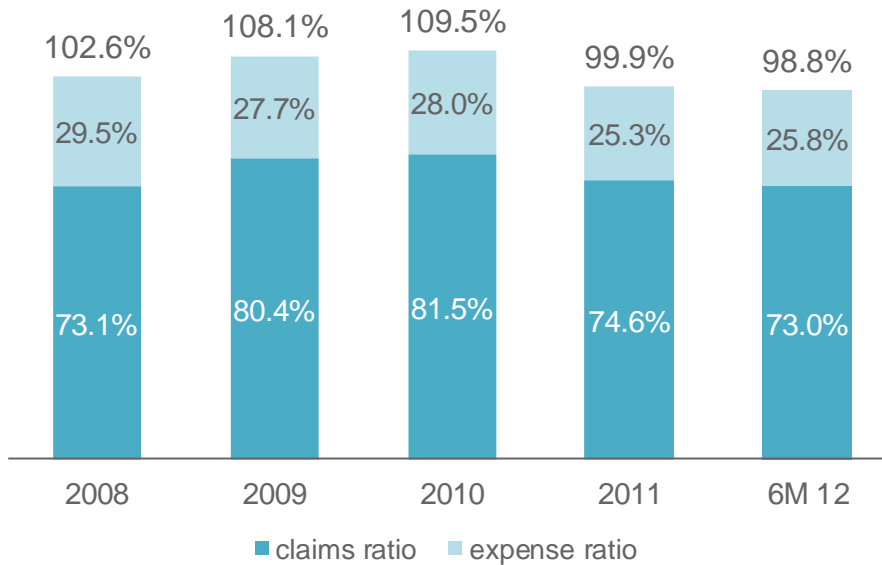
Conclusions

Underwriting excellence

Sustained improvement resulting from corrective measures



Combined ratio 2008 – 6M 12



Following Motor market issues in 2009 & extreme weather in 2010, we are now on an **improving trend**.

Technical Excellence

- Strong technical **discipline**
- **Chartered** status
- Strengthening of **actuarial & pricing team**
- Funded for **extreme weather** on Household line
- AIL has a **10 bp advantage on Motor**: Combined ratio of 96% vs. 106% market average

Data

- Revamp of Motor & Household **rating structures**
- Increased use of predictive **external sources**
- Introduction of **dynamic pricing** starting with credit scoring
- Utilisation of **unique customer data**, eg Tesco & M&S clubcards

Anti-Fraud management

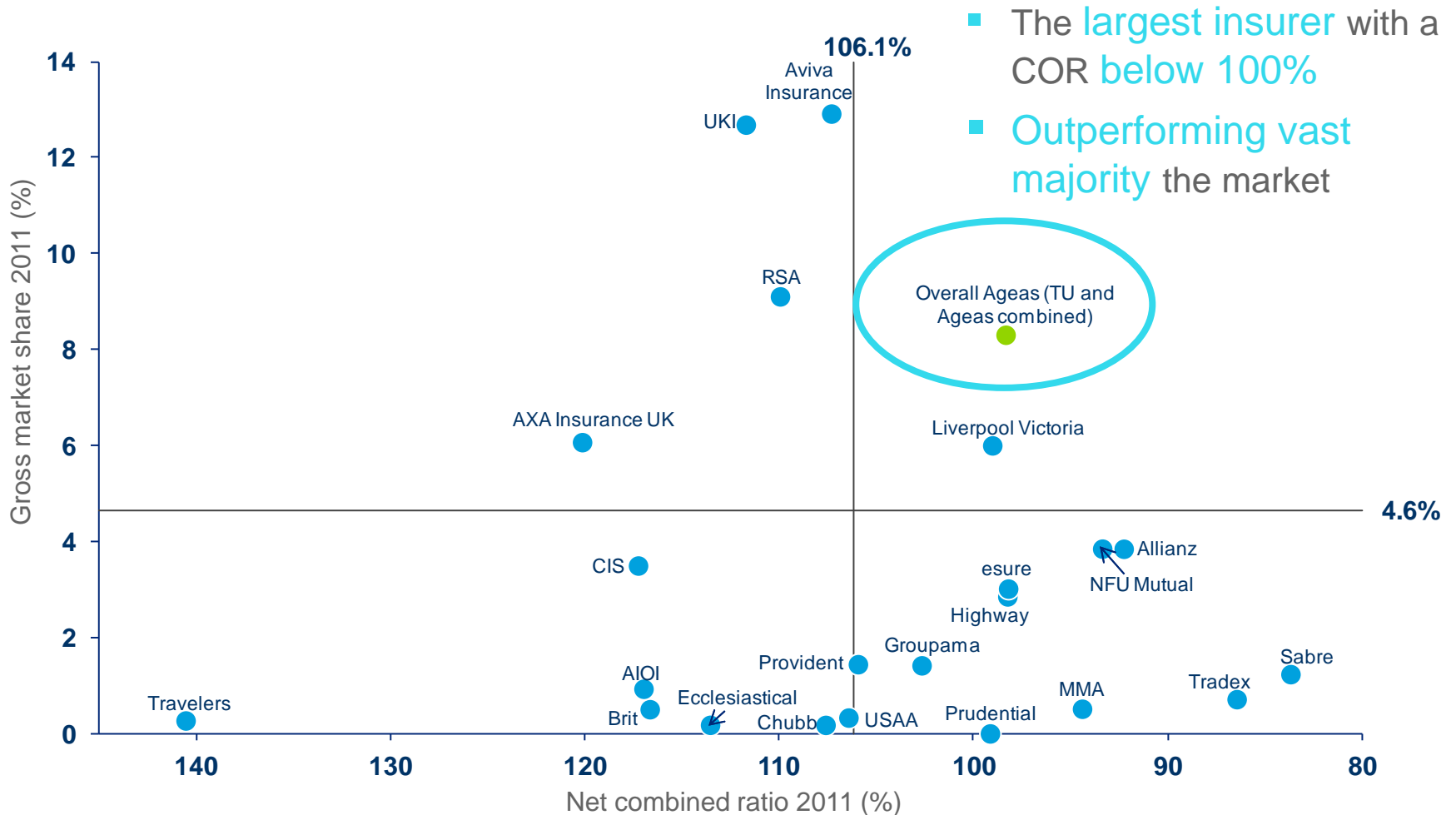
- **Block, validate & reward**
- Signed up to **SIRA** database
- Fraud **investigation team** working with Insurance Fraud Bureau
- Claims Underwriting Exchange (CUE) **at point of sale**

Underwriting excellence

Motor performance better than market norms



Benchmarking of Individual Insurance





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Process Excellence

- The Ageas Way
- Processes designed to deal with customers predicament
- Handled by employee closest to customer
- No call boards/IVR/offshoring
- As much dealt with in 1 call
- Efficient processes = low cost = high service

Supply Chain Management

- Innovative/quicker settlement
- Identify new and upcoming providers or independents
- Solution Centres – working closely with small but more innovative repairers
- Have our own overseas Assistance Service

Anti-Fraud management

- Every call handler trained to spot fraud
- Care flag system
- Supplemented by investigation team

Principles:

- Concentrate on **customer service** and desire to get car back quickly
- **Disturb** fabric of car **as little** as possible
- Increased **repairer profitability** – **sustainability** of supply chain
- **Consume less**

Results:

- Average key to key time now **6.3 days** (market 12-14)
- Best 20 repairers consistently **under 3 days**. PMC 1.8 days

Claims excellence

Ageas scores consistently highly vs. competitors on Service satisfaction 

- **Top 3** claims provider compared to market
- Ageas scores **consistently highly** vs competitors on service satisfaction
- **“World Class”** status, Institute of Customer Services
- **Claims Innovation awards** 2012
- Joint top for **Personal lines** Claims Service, 1st for Personal lines Underwriting Service - Insurance Age Sentiment Survey May 2012
- Top for Personal lines **E-trading Service**
 - Insurance Times ‘Broker Service Survey – Personal lines’ 2011



Insurancetimes

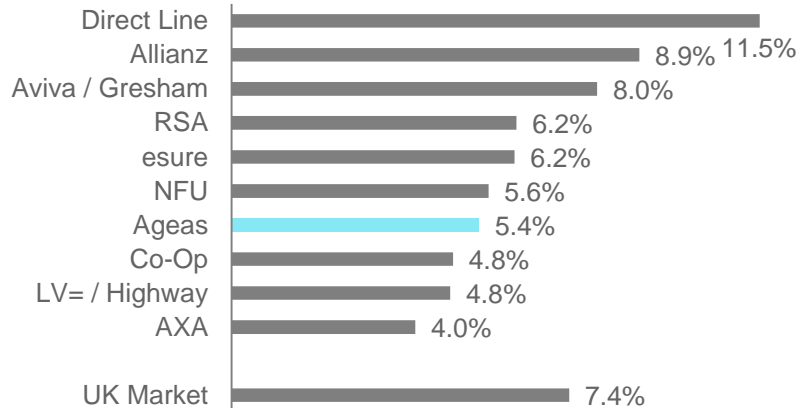
Claims excellence

Low cost: Operate at lowest level of cost



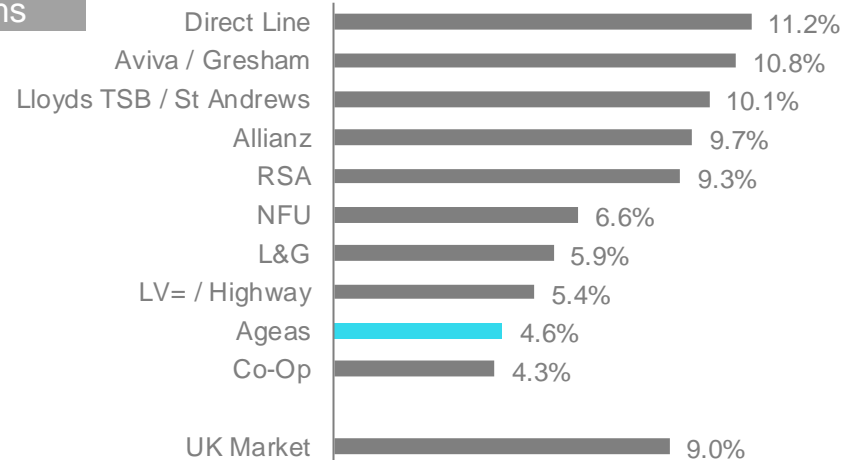
Incurring claims handling expense / net incurred claims

→ One of the most efficient for claims operations



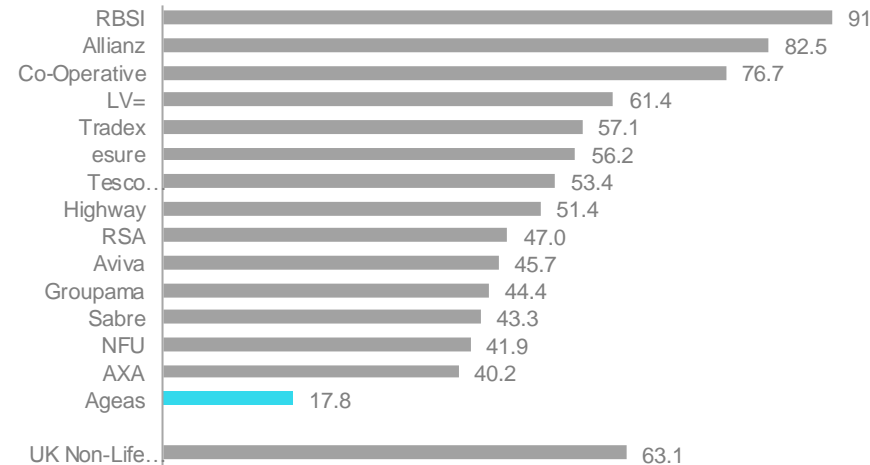
Household claims mgmt costs / net incurred claims

→ Ageas almost half that of UK Market average



Estimated Unit Cost Production (Private Motor 2011)

→ Lowest unit costs of production in Motor



Source: FSA 2010 returns and Ageas internal analysis
Figures concern Ageas Insurance Limited



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- Technical excellence in underwriting **driven by people & processes**
- **Motor** performance well **above market** norms
- Market **leading reputation** for service & claims innovation
- **Delivered** whilst maintaining **low cost** model

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