

Reporting against Customer Commitments 2010



Our customer commitment performance and progress as measured by the ABI



Welcome

Welcome to our first Customer Impact Report. This is the first year that we have participated in the Association of British Insurers (ABI) Customer Impact Scheme, although we have for a long time now carried out our own customer satisfaction surveys using an independent research agency. The key difference here is that this has enabled us to benchmark our performance. However as part of our ongoing duty to you, the customer and to reflect our full commitment to treating customers fairly, we have joined this scheme in addition to carrying out our own ongoing research.

We were pleased with the outcome of the survey and it's good to know that Wesleyan customers rated our customer service standards significantly above the industry benchmark.

This is important to us as we move ever further forward in our mission to be the provider of choice for our professional clients in the medical, dental, legal and teaching markets. Our pledge to our customers is that we will be a strong and profitable business providing tailored products and services to meet their personal, professional and business needs. Just a quick overview of 2009 shows that we are indeed delivering on this promise:

- Market leading investment performance on our main With Profits fund
- 12.7% increase in new business sales
- Payouts on 25 year endowments are 43.6% better than average based on Society research
- The only life office to receive a 10/10 rating in the respected industry survey by Cazalet Consulting for five consecutive years
- Two major product launches - Practice Protector Plus, a group locum insurance product and Private Clients Insurance Service
- Cutting edge electronic customer sales system introduced in 2008 and awarded Best Use of IT in Insurance at the prestigious FST 2009 awards
- Wesleyan named Business of the Year at the National Business Awards Regional Finals

We will never be complacent as there is always room for improvement. As a mutual we have no shareholders to satisfy and can therefore concentrate on taking the right long-term decisions to benefit you, our customers. Annual participation in the Customer Impact Survey in particular will allow us to benchmark our performance year-on-year against measures which are important to you.

A handwritten signature in black ink, appearing to read 'Craig Errington'. The signature is stylized and written in a cursive-like font.

Craig Errington
Chief Executive Officer, Wesleyan Assurance Society

What is the Customer Impact Report?

At Wesleyan we put our customers at the heart of everything we do and joining the Customer Impact Scheme is our Board's way of making this a public commitment. The Scheme is part of our industry's commitment to drive up customers' experiences and to hold companies like us accountable for our performance.

As part of the scheme we have signed up to three core customer commitments:

- Developing and promoting products and services which meet the needs of our customers
- Providing customers with clear information and good service when they buy our products
- Maintaining appropriate and effective relationships with our customers, providing them with a good service after they have bought a product

The annual survey is a key part of the Customer Impact Scheme and it gives our customers the opportunity to tell us what's important to them and what we can improve. The results will help us to continue delivering those things which you value and work harder to improve those areas where you say we could do better. 34 life and pension companies took part in this year's survey and over 21,000 customers of these companies were surveyed by ORC, an independent research agency, working on behalf of the ABI. The survey provides an unbiased picture of how you rate us.

In this report, we'll show you how we performed in the survey and what we plan to do over the next year to deliver an improved customer experience.

You can find out more about the Customer Impact Scheme by going to www.customerimpact.org

Who is the ABI?

The ABI (Association of British Insurers) represents the collective interests of the UK's insurance industry. The Association speaks out on issues of common interest; helps to inform and participate in debates on public policy issues; and also acts as an advocate for high standards of customer service in the insurance industry.

The Association has around 400 companies in membership. Between them, they provide around 90% of domestic insurance services sold in the UK. ABI member companies account for almost 15 per cent of investments in the London stock market.

For more information about the ABI and their work, go to www.abi.org.uk

82% of you say that we 'really care about our customers'

89% of you say that we 'are easy to do business with'

90% of you say that we 'treat our customers fairly'

60% is our Customer Impact Index. 9% above the industry average

¹ The CI index relates to 2 key questions on the survey; rating of overall quality of products and services and likelihood of recommending the Wesleyan to another person.

How did we do?

The Key Customer Commitment Measures

Overall the results of the survey were very positive for Wesleyan as we scored above the industry average in most areas. Obviously we are pleased with this outcome but also recognise that there are some areas where we could do better and we'll be making improvements in the coming months.

To follow is more detail on how we performed against the three core commitments.

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

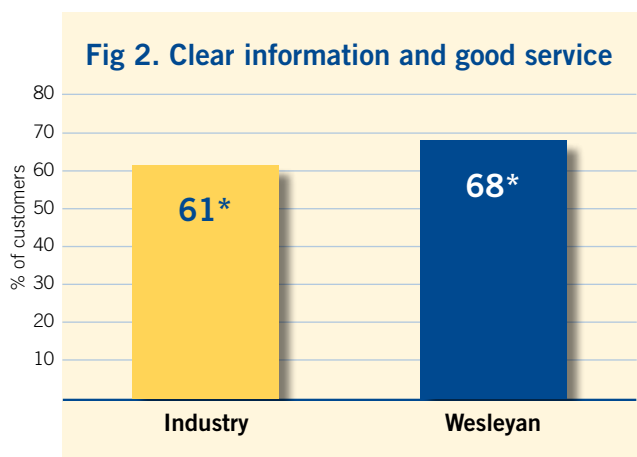
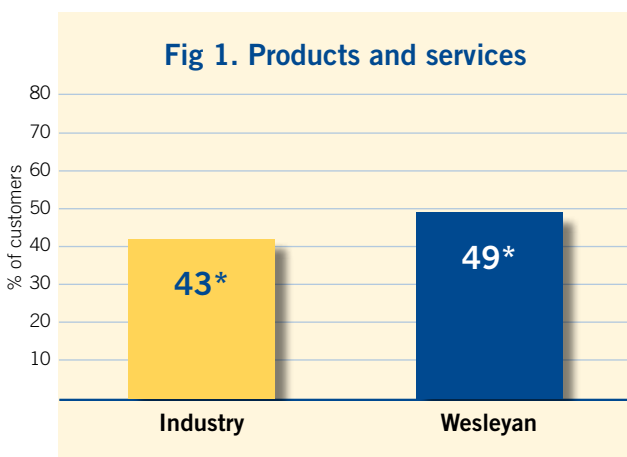
We scored 6% ahead of the industry average in this area which is pleasing (Fig 1). For customers who had bought a product within the six months prior to the survey, our scores were significantly higher. This indicates that recent changes in our processes are working.

We are committed to providing tailored products and services that meet your personal and professional needs. We carry out extensive research to understand what you want from us and our products.

We also consult with our Advisory Boards members, eminent professionals from the medical, dental, teachers and legal markets who work closely with us to help shape our products and strategy to meet the needs of our customers.

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

In this area we were 7% ahead of the industry average (Fig 2). This may reflect the recent introduction of a new state-of-the-art customer sales system which uses a tablet pc allowing our financial advisers to interact more directly with customers. It also increases our ability to provide lifelong all round financial care as it incorporates features that make it easier to keep in touch with our clients and alert to their financial needs. It has advanced presentation features allowing clients to see how the analysis of their financial needs is conducted. We have also completed a full review of our point of sale documents.



* Percentage of customers scoring excellent/very good

How did we do? (continued)

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

With 45% we scored 3% above the industry average. We recognise that this is an area which we can improve upon and we will be looking closely at our communications strategy to identify the best way of doing this.

The letters we sent you for personal pension business rated significantly above the industry average but we let ourselves down with our protection business communications. These rated below the industry average of 39%. This is due in part to the protection business administration using older I.T systems. We are of course looking to make improvements.

We were however pleased with your comments on the professionalism and effectiveness of our Financial Consultants. They came almost top of the scoreboard when it came to understanding your needs and doing what they said they would (Fig 4). Their knowledge of our products rated at 80%, only one point short of the highest score. However, you also said that our 'after sales' service could be improved. We are now looking into how we can do that.

Clearly we need to improve our Customer Relationship Centre which scored in line with the industry average. We are busy looking at your responses to understand why and to see what we can do better.

We are currently reviewing the annual bonus statements which customers receive on an annual basis. Based on your feedback we are redesigning the packs to make them clearer to read and understand.

Obviously, things can go wrong so we were pleased that overall we scored remarkably well for complaint handling when compared to the industry with the highest percentage of customers putting us in the very good to excellent category. We also found that while our customers are more likely to contact us with a complaint compared to others in the industry, the nature of the complaint tended to be fairly straight-forward.

In the timescale available since we joined the Customer Impact Scheme, we were unable to provide details of customers who had recently made a claim or received a payment from us. Their opinions were therefore not measured in the survey but will be included next year.

Fig 3. Written communications

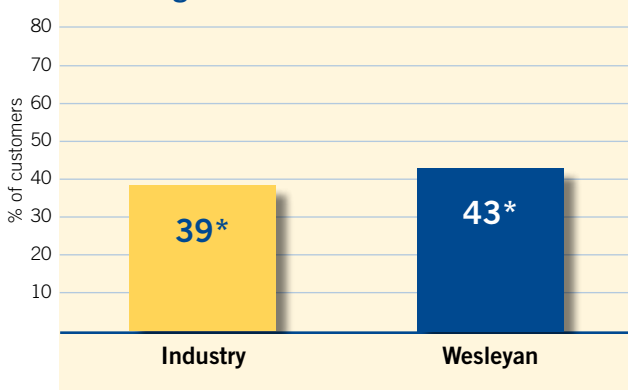
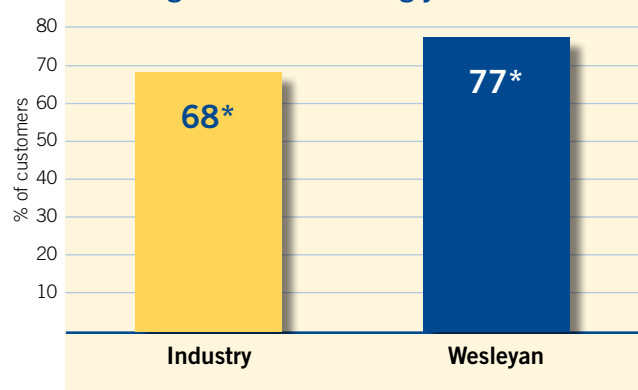


Fig 4. Understanding your needs



* Percentage of customers scoring excellent/very good

What will we be doing over the next 12 months?

We have analysed the results of the survey and over the next 12 months we will continue to improve the quality of products and service provided in-line with what you told us. While the Customer Impact survey is an important benchmark for how we're performing, we won't restrict ourselves to seeking feedback just once a year. We will continue to carry out regular surveys so that we can get a more immediate response to how you found our products and services. This will allow us to make improvements on a more regular basis and monitor any trends that might arise.

We cannot guarantee that we will get it right every time but we promise you that we are continuously looking for ways to improve our service and performance so that we truly are your provider of choice.

Some of the initiatives being considered;

- Looking at our letters to make sure they are as clear and relevant as possible
- Review of our opening hours to ensure we are there when you need us
- Making sure it is easy to contact your Financial Consultant
- Further training of staff to extend our 'one and done' service
- Making sure our product features and benefits are easy to grasp

We hope this report has been useful to show you some of the highlights of the Customer Impact Survey and how well Wesleyan is doing when compared with the industry as a whole. Our Customer Proposition places you at the centre of our business and we are always looking at ways to deliver not only strong investment performance and payouts but also a positive and differentiated customer experience.


If you would like to tell us what you think about the report or comment on any aspect of our products or services, please contact us either by post or e-mail at:

E-mail: customerimpact@wesleyan.co.uk

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To find out more about us you can also visit our main website www.wesleyan.co.uk





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