

SCHEMES

IT'S NOW OR NEVER.

What's missing from your scheme?
Let's put the pieces together.



WHAT IS A SCHEME?

There is no universal definition of a scheme, but the crucial component shared by every scheme is that it is **a bespoke proposition designed for a distinct and scalable customer group.**

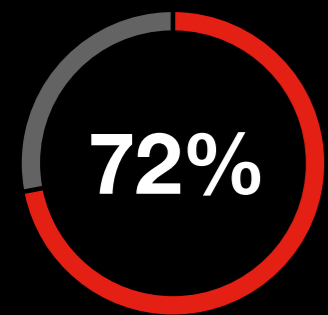
A scheme differs from a traditional insurer-broker partnership in that it is broker-led and builds on key customer insight. It is, by working in partnership, that the insurer and broker develop their clear vision into a bespoke offering.

However you define it, it is clear that the schemes market is growing and is expected to continue on its upward trajectory in the years ahead. Schemes is an integral part of the UK insurance market and represents a huge opportunity for growth for UK brokers.

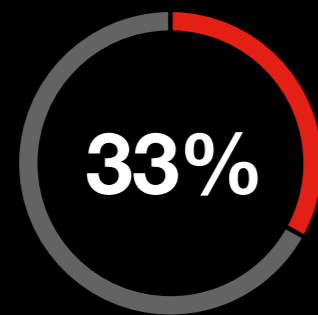
The UK schemes market

Figures from Insurance Age Market Focus Schemes Brokers 2016.

£8BN



of brokers trading schemes.



of schemes traded online.

Why schemes now?

Due to a combination of social and economic factors, there has never been a better time to develop a scheme.

The changing landscape: key trends

Economic downturn

We are moving into uncharted territory. The economy is facing a downturn precipitated by Brexit and the Covid-19 pandemic. We have recently seen huge names in retail succumb to competition from online retailers. We also see opportunities in a changing environment, 2020 saw a 12%* increase in start-ups and huge diversification by businesses to stay relevant, as a broker it has **never been more important to listen to and respond quickly to help your customers navigate successfully.**

Customers driving value and satisfaction

The hardening market that has been threatening to impact the insurance industry for a while is now upon us. Significant rate increases are being implemented across the entire industry. In this landscape, you must be prepared for increased queries from customers on pricing and the increased administration that comes with that, but customers have always wanted value and quality advice. Being accessible and responsive will be key, **a digital scheme can drive these values and a greater customer experience which is flexible to their needs.**

The demand for differentiation (vs. commoditisation)

Customers today are far more astute when buying insurance products. They expect a product or solution to meet their specific needs. Rather than providing a standard, off-the-shelf product it's time to think about offering a product that's been **completely tailored with your end customer in mind.**

Being a specialist helps customer retention, it also allows you to understand a specific sector which enables you to add real value to your end customers.

In this landscape, schemes offer you:

- less volatility in a hardening market;
- more protection from open market pressures;
- added value when under customer pressure;
- new business with better margins;
- a way to show end customers that you truly understand their business and sector.

Why Hiscox?

Hiscox has committed to build a reputation for **specialist insurance that is honest, easy and worry-free.**

This commitment aligns with our schemes proposition, empowering us to create an offering that is responsive, personalised, relevant and niche for our customers.

We have had a presence in the UK schemes market since 2010, we believe this has enabled us to take a fresh approach to the sector, our mission is **to create a new standard in customer expectation through consistent and creative scheme delivery.**

By 2025, our goal is to achieve £250 million of gross written premium (GWP) within our schemes business.

What do we look like today?

A 40-strong team across all elements of scheme delivery including sales, account management, underwriting, research and development, operational efficiency, conduct and compliance, delegated authority management, digital delivery and marketing (see roles and responsibilities below).

We are a key component of the Hiscox UK growth plan for 2025 and currently the fastest-growing area of the business.

We want to be the best, not the biggest scheme-provider in UK schemes market. We are committed to **raising the bar when it comes to broker expectations.**

*SHL based on Companies House data, 2020.

Creating a new standard in schemes

We achieve this in a number of ways...



Empowering you as the expert

A scheme partnership with Hiscox provides full accountability. A joint business plan will be in place, demonstrating clear customer strategies that sit alongside a proposition that has been built to achieve the right goals. A successful scheme needs to be agile, and fundamentally responsive to the customer to ensure it remains relevant and adds value. This can only be achieved by listening to customers, and understanding the data and performance trends both good and bad.

By combining these elements the scheme we build together is sustainable for the long term.

Giving customers the right insurance for them

Hiscox believes that the best schemes are personalised with the end customer in mind, therefore we rely on your expertise in order to understand their insurance needs.

We want to work in conjunction with you, to understand the key issues to enable us to tailor a solution that is right for the customer.

Our process for each scheme will include research and development into the sector, the customers and also the competitors.

Hiscox take an agile approach to delivery, this ensures that our scheme products are delivered within agreed timeframes and are individually managed with you by our **schemes project manager** to suit your needs.

Helping you drive efficiency

Seamless service

With a scheme solution, the broker takes more responsibility when it comes to service. A delegated authority solution empowers you to make the decisions and drive the business as you want to. This should give you a clear advantage when it comes to providing the service that your customers need:

- you create the quotes;
- you bind the business;
- you issue the documentation.

When you have referrals, our **dedicated underwriting team** will get responses and decisions back to you within agreed timescales to help you maintain those service levels and reputation. We have a minimum of two underwriters on each scheme which enables us to be responsive and flexible for our brokers.

Trading efficiency

Our specialist scheme operations team can further improve efficiency on each scheme.

In order to remain responsive and relevant to customers we need to ensure we understand the following:

- where referrals are coming from;
- what trends are evolving and were they expected in the agreed business plan;
- where a solution is digital, are we seeing the trends and activity we expected;
- can we identify areas within the customer journey that are creating a negative trend that needs corrective action.

We also deliver efficient methods of trading by leveraging developing technology within the insurance market. This includes creating automated solutions and quote and buy solutions.

Schemes account management team

Our Schemes Account Management team provides support and guidance to all of our broker partners. Scheme communication and collaboration, supported by clear business plans enables us to work with you to ensure we have clarity on where we want to take the scheme next and what the opportunities look like.



The Hiscox schemes team: roles and responsibilities

Over the last 10 years our dedicated schemes team has continually evolved, we have created a 40-strong team with expertise across all disciplines to create a greater scheme for our brokers.

What you can expect from each area of our team:

Underwriting (new business)

- team of highly-skilled, experienced underwriters;
- create bespoke solutions from scratch – nothing is 'off-the-shelf';
- technical expertise in creating customer centric products;
- work completely in partnership with brokers using shared knowledge to create something unique;
- financially model opportunities to understand what areas are driving performance.

Underwriting (existing business)

- team of 12 dedicated underwriters;
- deal with the day-to-day referrals on scheme business;
- identify trends, commonalities within referrals – increase broker empowerment to drive down referral numbers;
- grow understanding of sectors to help understand growth/cross sell opportunities.

Operations – scheme analyst

- team of 6 operational analysts;
- review trading efficiencies – suggest alternatives/improvements;
- responsible for bordereau creation and management;
- build delegated authority agreements;
- creating research and development reports for brokers;

Operations – project manager

- guide you through the scheme build process;
- creation of a project plan with specific deadlines for all parties;
- drive weekly review meetings to make sure everything is on-track.

Operations – e-commerce manager

- understand how digital trading can enhance your service delivery;
- guidance on solutions and how each would fit best with you and your customer needs;
- drives delivery of new systems;
- works in conjunction with third party providers – the link between insurance and technology.

Sales – new business

- driving opportunities – uncovering new broker partners;
- understand where we can add real value whether product, trading solution or growth;
- demonstrating how we've helped brokers drive their scheme forwards.

Sales – account managers

- team of account managers covering the entire uk;
- responsible for the day-to-day running of schemes;
- troubleshooting on any issues from underwriting, service and claims;
- driving a joint business, planning and budgets;
- formal reviews to make sure we're both delivering on gwp and profit;
- creatively evolving your scheme by looking at wider distribution opportunities.

Our 40-strong schemes team have expertise across all areas of schemes. The team are there to serve all your scheme needs and its continued development.

This is one example of how a selection of our scheme experts could support you:

Underwriters	Project managers	Account managers	E-commerce experts	Claims and sales teams
True bespoke	Role created in 2019	Guarantee clear accountability	Enhance online client journey	Bespoke reporting identifying trends
Build modular products	Ensure consistent delivery	Clear plans and goals including key dates	Provide wider distribution options	Create exclusivity
Stronger metrics and average income per client	Build new skills and reach key deadlines	Drive mutual success	Increase sales	Allow brokers to increase margin and sales

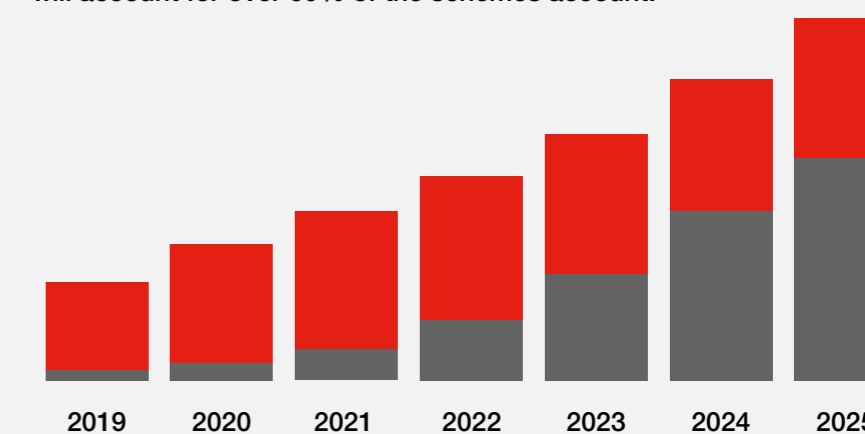
Moving your scheme to a digital world

E-commerce can be key to maximising your investment in a scheme as highlighted by the consumer buying and scheme market trends below.

Consumers are changing their buying criteria:

- **52%** say that technology plays a prominent role or is ingrained into almost all aspects of their day-to-day lives.
- **57%** have bought business insurance online.

If current market trends continue, by 2025, digital schemes will account for over 60% of the schemes account.



The scheme has really enhanced the way we work, now offering our clients a tailor-made, simple solution that allows them to obtain bespoke quotations and incept their policy online. This has streamlined the way we do business and will help us achieve our exciting growth plans. I would not hesitate to recommend Hiscox as a partner to any insurance broker.

Gill Henderson
Managing Director
Brownhill Insurance Group Limited

What's **missing** from your scheme?

Consider us the final piece of the puzzle.

Here are our key contacts for Hiscox schemes.

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