

## Q&A Lorega: Broker service survey aftermath

By Savan Shah | 26 January 2018

**Lorega's group managing director, Neill Johnstone speaks to Insurance Times' lead researcher, Savan Shah to discuss the strong performance in the Insurance Times Commercial Lines Broker Service Survey**



**Lorega was top in the Insurance Times Commercial Lines Broker Service Survey for the second year running for customer service – Why do you think brokers rate the Lorega service so highly?**

Thank you, it was a great honour to be recognised by our brokers for excellent customer service, for the second year running in the Broker Service Survey. Customer service is hard wired into everything we do at Lorega. We try and

make it part of our everyday life. Part of this comes down to the culture of the business, which was set up with the customer in mind.

Some insurance businesses start with their own internal business process – with the customer journey at the end of that process. This is often driven by their need to make the process cost efficient, but it can end up disadvantaging the customer. With some insurers, particularly for commercial claims in excess of £5,000, it is the internal claims process which dictates the speed of response, which may not be at the convenience of the customer. Where this continues, the market will be ripe for disruption, with customers demanding a better process.

Our business starts from the other end. We believe that the customer comes first. We contact them within an hour of notification of the claim and undertake to visit the policyholder within the first twenty four business hours – wherever they are in the UK. The customer can't wait for an appointment a week later; they need help there and then. We believe this is very much in line with the FCA's recent thinking with regard to claims.

We have always been a business which helps customers by providing expertise when it is needed. In our claims business, we are there when the broker needs us to help their client. If their client's building has been flooded or burnt down, the customer will be in a distressed state. Our aim is to provide practical advice and take immediate steps to ease the situation and then to progress their insurance claim as quickly as possible to get their business back up and running.

Similarly, we feel that it is normal to respond quickly, efficiently and expertly in the way we interact with our brokers. Our customer service team start with the idea that we are here to help and this translates into all of our daily interactions with our broker partners; from our website, to our online broker trading systems, to the way we answer the telephone, to the training support we provide.

**You mentioned the recent FCA survey, with regard to claims experience for SME businesses. Is this supported by your own experience?**

The FCA survey in May 2015 into the claims experience for SME businesses, found that there was a gap between SMEs' expectations and the claims service they received and that, overall, there was a poor perception by SMEs of their claims experience. At the time, the FCA said that they would engage with firms, senior figures in the industry and relevant trade bodies to discuss the findings and changes which may be required to improve the outcome for SME customers.

Last year, Lorega undertook their own survey, using Censuswide to interview over 250 SME business owners and found that, two years later, the perception with regard to claims had changed little. With over half of the respondents saying that SMEs received no explanation of their claims responsibilities and 70% saying that the interim and final claims amounts were not agreed promptly. In addition only 16% had a visit from the Insurer's loss adjuster in 24 hours of reporting a claim and six out of ten said they received no advice on loss mitigation.

We believe that more needs to be done to change the way the insurance industry is perceived by customers.

**Underwriting expertise and flexibility is a concern for many brokers, with many giving poor ratings to insurers who are not able to provide this service – how does Lorega score so highly in this area?**

There's no secret as to how we provide a good service to our brokers. Our expertise is based on having the right people, with the right level of experience to react to the needs of our brokers and their clients. It helps that many of our staff have been with us for a long time and we have very low staff turnover. We have a simple approach to the delivery of our services, based on over thirty years of experience in helping people. Our business model is designed specifically to meet the needs of our brokers and their clients with experienced staff and a user friendly underwriting process.

Unlike many insurance products, we do not have a proposal form. The sale of our insurance products is designed to be straight forward and, if any of our brokers do have a question, then our underwriting

team are there to support them. Our team are empowered to resolve any of the issues which may arise and are happy to help. Our aim is to deliver the best possible experience for the brokers we are dealing with.

### **How do you maintain broker loyalty, when there is often a limited shelf space for add on products?**

Lorega has over 600 agencies with brokers across the UK. Our on-boarding process is straight forward and efficient and the follow up support is comprehensive and professional, with training available to a broker's staff to explain the benefits of the products we offer.

First and foremost, however, we are able to maintain a strong relationship with brokers because of the quality of the service we provide when one of their customers experiences a loss. We ask each customer what they think about our service and over 95% of those who have had a claim tell us that they would recommend our service to others.

With a complex loss, the appointment of a member of our Chartered Loss Adjusters enables the broker to feel that their client's claim is being handled in a professional manner. Ultimately that buys loyalty.

### **How do you balance online interaction with personal service for brokers?**

We believe that it is important to have the ability to cater for the different needs of each of our brokers. Our online system was developed to make quoting and binding risks as straightforward as possible, to enable us to offer a flexible and personal service. Making it as easy as possible for brokers to work with us means we can spend more time helping them, either face to face or on the phone.

We are particularly proud of our online system. Feedback we have received from our brokers is that it is a straightforward and easy way to do business with us. These were factors which helped us to achieve first place in the ranking for e-trading in previous Broker Service Surveys.

When it comes to servicing brokers, we believe that it is important to deliver excellence at all levels, all the time, for everyone.

### **How do brokers deal with the difficult market conditions ahead?**

It has been a soft market for as long as I can remember and I believe that this is the new norm. Brokers are aware of this and have been able to react and adapt accordingly. In some respects, a hardening of prices may bring new challenges, with brokers having to justify the increase in rates.

That said, I believe that brokers need to be clear about the value they add to the process. With the advisory sale there is an opportunity for brokers to demonstrate how their experience and knowledge

of risk can help business and home owners to manage that risk appropriately. In particular with regard to the adequacy of the sums insured, which the FCA highlighted as an area of concern when it comes to a claim.

The advantage of our insurance products is that they help the broker to provide an enhanced customer experience in the event of a claim. That's a very good reason to think that the customer is likely to renew their insurance with the same broker in the future.

### **What's in the pipeline?**

We are always listening to our brokers, in terms of what they feel the market needs and how we can improve on our own service. The recent launch of both Cyber Recovery and HSE Recovery are good examples. If there are areas where expertise is needed, then that's a problem we can help with.

We also have an ongoing customer service programme which continually challenges the way we interact with our brokers and their clients. It's a really collaborative process, continuing to work with our brokers on ways to enhance the service we provide.

In the year ahead, we will continue to launch new products and services, aimed at working closely with our brokers to deliver exceptional service.

