

EXPRESS NEWS

Shaping
our Marketing

Employee
of the Year

Underwriting
Update

The Ogden Changes Explained & How it **Affects You**

There has been a lot of talk recently, in both the insurance and wider press, about the effect that the change in The Ogden rate will have on insurance companies and the premiums charged to your customers.

In February the Lord Chancellor announced that the rate would change from 2.5% to -0.75%.

The rate is used to work out how much should be paid to ensure that a claimant gets enough to cover themselves for future expenses as a result of the loss. It takes into account that if the claimant received a lump sum payment for an injury they will likely have expenses such as future care costs as they get older and as such the money will likely be invested. This could be as simple as leaving it in a bank account or investing in the stock market.

The 2.5% rate assumed a return on that investment so therefore any amount paid in settlement of a claim would be reduced by that figure. It therefore avoids overcompensation or rewarding people for their claim.

Now, in uncertain financial times, the rate assumes that through investment / deflation that lump sum could decrease rather than increase.

The press has been largely negative with insurers in particular being quick to point out the impact this will have. At this stage it essentially means that claims costs will rise and you may have already seen this as RSA have carried out a reserve review on some of the larger personal injury claims.

The discount rate change will obviously be beneficial to claimants (and their solicitors whose fees may be linked to the amount paid). We have already seen some solicitors going quiet on claims and this could be seen as a move to delay any settlement negotiations until after the effect of the rate change becomes clearer.

The impact on Insurers will be significant. Ageas for instance have suggested a £47.3m hit compared to Q4 2016 results. Direct Line have suggested they will delay publishing results until the impact can be properly calculated.

Price Water House Coopers carried out a market exercise suggesting:

'We anticipate an increase of £50-£75 on an average comprehensive motor insurance policy, with higher increases for younger and older drivers: potentially up to £1,000 for younger drivers (18-22

year olds) and a rise of up to £300 for older drivers (over 65).'

Combined with the regular IPT increases we are seeing, premiums will undoubtedly rise.

The impact to Commercial Express and you, our agents, is going to be, initially at least, that the reserves for our personal injury claims will increase.

Ultimately it could lead to increased premiums quoted at renewals but the impact of that is probably some way off and here at Commercial Express we will be working with Insurers to remain competitive and gain the best results for you and your customers.

We will keep you updated as to any changes that take place.

Duncan Pritchard
Managing Director



Our Award Winning Service



Midlands Business Awards
BEST SERVICE
Provider of the Year

We were delighted to have been recognised for our commitment to providing excellent customer care by receiving the Midlands Business Award for Best Service Provider 2017, for businesses with a turnover of over £1m.

Now in its 11th year, the Midlands Business Awards is a positive and dynamic major event in the business calendar for the whole of the Midlands region; providing a platform for any business, from any industry, and celebrating their success stories.

Duncan Pritchard, Managing Director of Commercial Express, comments: "We are delighted to have won this award. Commercial Express is committed to providing the very best service to our customers at all times and are constantly monitoring and reviewing every step of the customer journey to ensure our high standards are consistently met."

"In all honesty we entered this award to find out what the benchmark and criteria were, not expecting to win it this time around. Our business is very digitally-focused but we strongly believe that when an agent does need help or information, they have experienced and knowledgeable underwriters at the end of the phone. Building strong, lasting relationships with our customers is at the core of everything we do."

Duncan adds: "We're delighted to have received this award and will certainly be entering more awards next year. We won this over some strong finalists including Simply Business, and the NHS. We are determined to retain this particular title for years to come."

The CE Team continues to grow

A number of new staff have been appointed at Commercial Express over the last few months.

Mark Williams joined the company as Learning & Development Manager. Mark brings over 6 years' experience in the industry including Learning & Development Specialist for NFU Mutual. Mark's mission is to build a first class learning and development culture to benefit all members of the CE team. He is committed to delivering outstanding learning solutions and developing our staff and our customers.



Mark Williams
Learning & Development Manager

Derek Cluderay joins us as Account Manager for Scotland & the North East. Derek has been working within the Insurance Industry for over 14 years; dealing with personal & commercial clients including underwriting. Derek plans to enhance Commercial Express' existing support in Scotland, whilst illuminating the overall product suite, helping to identify new business opportunities to help our agents grow.

Alex Ceney joins Tom Cartwright and Luke Hanson on the Catering, Event & Caravan underwriting team and brings with him over 5 years working at a brokerage.



Derek Cluderay
Account Manager
(Scotland & North East)
Tel: 07931 860780



Alex Ceney
Catering & Events Underwriter

You are Shaping our Marketing



At the start of the year we ran an online survey with you, our agents, to find out how you like to receive our marketing messages.

Historically we have found that 50% of agents preferred to receive our marketing online in the form of an e-shot or downloadable document, whilst the other 50% preferred to receive it in the traditional printed brochure or leaflet, in the post.

This time around however, we found that over 88% of you prefer to receive our marketing digitally, and we also found that there has been a great increase in the number of our agents who are regularly checking or posting on social media.

For this reason, our marketing is evolving. Our messages are being communicated in the formats you desire – you will be seeing much more videos, e-shots and downloadable guides rather than leaflets and printed brochures in your in-tray.

This enables us to communicate with you in a much more interactive, interesting and engaging way, and means our messages are sent to you faster and are therefore totally up to date. We also ensure any important product updates or information are posted on our social media sites, so if you don't already follow us our details are below:

Twitter: twitter.com/CommercialExp

Linked in: linkedin.com/company/commercialexpress-co-uk

We will be continuing to send out hard copies of our newsletter, as feedback suggests this is one piece of marketing our agents like to keep and pass around the office.

Check out our YouTube page

Check out the Commercial Express YouTube page at

bit.ly/2ijQc5Y



to see our latest product videos. We have recently added three new videos highlighting the key benefits of our Catering, Event and Caravan schemes.



Here you can also view our Corporate Video, see our fundraising efforts for Birmingham Children's Hospital, and watch a number of video tutorials on our Residential and Commercial Property Owners' Schemes along with 8 step by step guides on how to use our online system.

Fast Food Scheme

Ideal for takeaways including fish and chip shops, coffee shops, sandwich bars and restaurants, you can provide the correct cover for your clients with our Fast Food & Restaurant Policy.

For more information speak to Sarah, Lee or Sally on 0800 978 8007



Charity update

We are now in the second year of our charity efforts for the Commercial Express nominated charity Birmingham Children's Hospital. We raised £7,500 last year which was presented to BCH in December, and a video of our fundraising efforts can be seen on our Youtube page.

We have organised a number of fun office events over the last few months, including a Pancake Day sale and 'Guess the number of Mini Eggs' over

Easter, plus we are holding a foosball tournament in March / April.

You can find out more about our Charity efforts on the charity page of our website, where we also feature your charity achievements, so if you have a story or are involved in a fundraising event, please email efarrell@commercialexpress.co.uk



A cheque presented to BCH in December last year

Our Insurers booklet

An insurer's financial rating is important to both you and your client when deciding between different insurance carriers as for one it's a way to subjectively determine an insurance organisation's financial strength. Or to put it another way, its ability to pay claims. To obtain a financial rating, an insurer must go through a comprehensive evaluation by an independent third party, such as AM Best, Standard & Poor's or Moody's to name a few.

The importance of a financially stable insurance company has never been more critical. In the UK we have seen the failure of a growing number of rated and unrated insurers. Poor liquidity, under-pricing,

under-reserving, and management and governance issues are among the main recurring issues.

We at Commercial Express appreciate how important working with the right insurer is to our agents. We need to ensure you have the confidence to recommend our products to your clients. Therefore we have produced an informative booklet which sets out the financial strength of our carriers and which products they underwrite.

You can download a copy from our website on the link below

bit.ly/2nX5vm9



Aviva Risk Transfer

As part of a recent review of our Terms of Business Agreements along with feedback from our agents, you will be delighted to hear that risk transfer has been granted for our Catering Van facility underwritten by Aviva.

This means that all Commercial Express schemes now benefit from risk transfer. It is our intention to reissue the Terms of Business Agreement within the coming months.



We offer specialist cover for licensed trades with our Public House Policy.

Key features of our Public House Scheme:

- Damage to garden furniture – Up to a maximum of £500 on any one claim including theft
- Household Goods available up to a limit of £100,000
- Loss of Licence available up to a limit of £100,000

For more information speak to Sarah, Lee or Sally in the SME team on 0800 978 8007

Employee of the Year



As you may be aware, at the end of each year Commercial Express holds an awards ceremony for its staff, where individuals and teams are commended for their efforts during the previous 12 months. This is run in conjunction with the Christmas Party, where black tie attire is encouraged and a private venue is hired for the night.

The award that is most sought after by all of the staff is the coveted Employee of the Year. This award acknowledges the member of staff who has consistently demonstrated their dedication to both the company and to their role, with a positive, can-do attitude, going out of their way to ensure our customers receive the very best service.

Account Manager Phil Lackie was awarded this title at our Awards ceremony in December. Phil splits his time between visiting our agents in the South West and Northern Ireland – no small feat for a man who recently became a dad. Phil has worked for Commercial Express for over 6 years.

Kristian Bartlett, Regional Sales Manager comments: "Phil has been an integral part of the company since he joined in 2011. 2016 was simply a fantastic year on both a commercial and personal level for an equally fantastic individual."

"His passion and desire to ensure his agents receive nothing but the very best service from all at Commercial Express is unrivalled and infectious to others."

"In addition to promoting quality service Phil brings great commercial awareness and an unwavering can do attitude to the business. He is gregarious in that he is the first to acknowledge his success has been a long sustained team effort, there are many people within the business and not to mention many of his agents whom he now classes as dear friends, who have contributed to the fantastic results in 2016."

Kristian adds: "Plus, what makes Phil a deserved Employee of the Year, is that he still feels he has unfinished business and new records to achieve in 2017. Congratulations Phil, you truly deserve this award."

Phil comments: "Winning Employee of the Year at Commercial Express is the proudest moment of my 20 year career in Insurance. I was delighted and honoured to have been awarded this accolade especially considering the brilliance of my colleagues in other departments who contribute so much to the success experienced over the past six years."

"Last year in particular stood out with record levels of growth achieved on my panels."

"This is a great opportunity for me to highlight and say thank you to my fantastic agents in both Northern Ireland and the South West and Wales who have worked and grown with us in our journey. We couldn't do it without you and I look forward to many more years of mutual success."

Underwriting Update

Please see the recent underwriting updates to a number of our schemes:



- Amendment to clause relating to Unmanned Launderettes. The requirement to empty the machine every day has been amended to 3 times a week.

Unmanned Launderette - Section D Money

It is a condition precedent to liability that:

- All coin operated machinery must be emptied 3 times a week and log kept.
- Money cover in respect of coin operated machines is restricted to £500 each and every claim when the premise is open within its normal trading hours.
- Money cover in respect of coin operated machines is restricted to £500 and all security devices are in full and effective operation whenever the premise are closed for business.

Money in cash tills and register are excluded when the **Premises** are open and left unattended

- Following feedback from some agents we have made adjustments to the Dry Cleaner wording.

Originally the Dry Cleaner wording made no reference at all to spontaneous combustion. Therefore, we were offering the cover with no requirements or conditions at all by not excluding it.

When we introduced the new Insurance Act wording it specifically excluded this cover specifically.

As this was drastically reducing our offering on an important part of the wording we immediately rectified this error. This time we updated the wording with the relevant requirements and conditions, in line with the rest of the market as follows.

Machinery

You must ensure that machinery and plant or equipment performing or forming part of any process of performing or forming part of any process of production, manufacture, testing, repair, service, alteration, cleaning or other treatment, other than dry cleaning machines, are in operation only when the **Premises** are attended by **Your Employees** otherwise all claims caused by or arising out of fire and/or explosion will be excluded.

Tumble Dryers

You must ensure:

(i) that the doors of tumble dryers are interlocked with the motor and the source of heat so that these are cut off when the door is opened to a maximum of 75mm and cannot be energized until the door is shut and the doors are fitted with magnetic or similar catches which readily allow them to be opened from inside or outside.

(ii) that tumble driers are in operation only when the **Premises** are attended by **Your Employees** otherwise all claims caused by or arising out of fire and/or explosion will be excluded.

Front Loading Washing Machines

You must ensure that the doors of front loading washing machines are interlocked in such a way that the machine cannot be started until the door has been shut and the lid cannot then be opened until the cage has come to rest otherwise all claims caused by or arising out of fire and/or explosion will be excluded.

Top Loading Washing Machines

You must ensure that the lids of top-loading washing machines are interlocked so that it is not possible to start the spin cycle unless the lid is shut and the lid cannot then be opened until the spin motion has ceased and the cage is at rest otherwise all claims caused by or arising out of fire and/or will be excluded.

Dryer Lint Screens

You must ensure the dryer lint screens are cleaned daily otherwise all claims caused by or arising out of fire and/or explosion will be excluded.



Short Term Unoccupied – Lloyd's

- When the premises are unoccupied we offer different options of coverage for different premiums. These are Gold, Silver and Bronze.

Gold cover previously offered full perils. However, Escape of Water was only covered all gas, water and electricity mains supplies are kept disconnected and water systems drained. Effectively we were not covering Escape of Water. It also meant that if Gold Cover was selected then there was no option for a fixed central heating system to remain in operation provided the heating system is linked to a frost-stat and a minimum temperature of 4°C is maintained.

Therefore, we have adjusted the wording to simply exclude Water or oil escaping from any fixed water or heating systems or domestic appliances, across all 3 unoccupied cover options of Gold, Silver and

Bronze. Now the insured can maintain a central heating system as above, when unoccupied.

- Point 7 of the Unoccupied Buildings Obligation in the policy wording has been amended as per below.
 - 7. tanks containing fuel or other flammable liquids are drained and purged within 14 days of the Buildings becoming Unoccupied (Not applicable if property in Northern Ireland)
- 'Not applicable if property in Northern Ireland' has been added.



Point (b) of Combustible Materials & Waste section – has been amended as per below.

b) When the Premises are Unoccupied all loose or moveable combustible items or materials other than fixtures and fittings are at all times removed from the Buildings and cleared from the Premises.

'other than fixtures and fittings' has been added.



Catering Schemes

For all your Outside Caterer, Catering Van or Catering Trailer needs check out our Catering schemes or speak to Tom, Luke or Alex on 0800 978 8007



Tom

Luke

Alex

Please visit and view our short Catering Video here bit.ly/2ng1tBZ



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