

Acting in the Long-Term Interests of the Police Family

In 2009, Police Mutual continued to focus on 'Treating Customers Fairly' by ensuring that the Society acts with honesty and transparency in everything it does. There are many things that we do well and there are other things we either need to modernise or do better, to ensure we continue to provide our members with what they want.

Customer Impact

The Association of British Insurers (ABI) developed the Customer Impact Scheme to encourage the life, pensions, protection and investments industry to be accountable for its performance regarding its service to customers. The Customer Commitments are the underlying principles of the Customer Impact Scheme and represent a promise to put customers at the heart of a firm's thinking for the duration of the relationship, which reflects Police Mutual's own values and charter. The three Customer Commitments are:

Develop and promote products and services which meet the needs of customers.

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

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

Customer Impact Survey

At the heart of the scheme is the Customer Impact Survey. This is an in-depth and extensive piece of research that provides a snapshot of the customer's experiences and perceptions and is used to measure the performance of all participating companies. The customers who are sampled fall into three categories – recent purchasers, claims/payment customers and general customers (people who have held a product for more than a year). The Customer Commitments and Customer Impact Survey results from 2009 are shown opposite.

2009 Performance

The Customer Impact Survey results, including the three Customer Commitments and Customer Impact Index scores have decreased across the industry, due to a decline in consumer confidence fuelled by the recession. Police Mutual continued to perform strongly with results in all three Customer Commitments and the Customer Impact Index being in the top quartile for the fourth consecutive year. Despite this, the results illustrate that the reduction in bonuses last year and a limited product range all had an impact on our score in the first commitment when compared to 2008. This came as no surprise and at the start of 2010 we responded positively by increasing bonuses on Regular Savings plans and introducing a new range of investment products. We're pleased with the Customer Impact Survey scores and are currently analysing the results of the survey further to identify where we can continue to improve our customer service. During 2009 we introduced a new maturity communication approach to improve the service received by our members and from January 2010 a new payment reconciliation system will ensure members are notified promptly of any issues with their payments.

Future Plans

The decrease in customer confidence in the financial services industry over the past couple of years has had an impact. However, the Customer Impact Survey results are encouraging and continue to show that our members do trust Police Mutual.

2009 was a good year, but we recognise we must change to respond to the new opportunities and challenges ahead. Following a detailed review of the business, key activities and decisions were shared with key stakeholders including our volunteer network. This robust consultation helped shape and develop an ambitious business plan, which will ensure a long-term sustainable Society that focuses on bringing prosperity, reassurance and peace of mind to members of the Police Family. In an uncertain world, we want to build on the trust given to us by so many members of the Police Service and their families by ensuring we continue to deliver benefits to our members. And a number of initiatives are already under way.

Member feedback has helped us to undertake the most significant product development activity the Society has ever seen. Our new investment proposition will make investing easier by offering a full range of investment solutions specifically designed with the Police Family in mind. Our extended product range, launched in early 2010, provides our members with greater choice than ever before.

A brand campaign introduced the Society's new strapline, 'Police Mutual. Owned by you. Run by you.' This focuses on what makes Police Mutual unique in a crowded financial marketplace and consciously seeks to distinguish the Society from others discredited by the credit crunch.

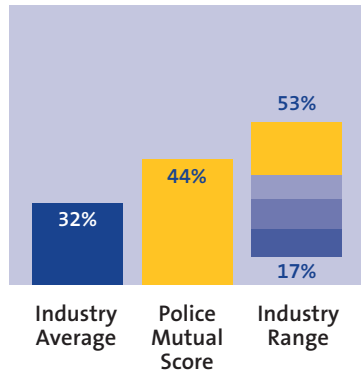
A new-look website, offering new and improved features to enhance the customer experience, launched early in 2010. An interactive savings and investments tool is now available on the site to help members decide which product is right for them, with more web developments planned throughout the year. Also, to make it easier for members to do business with us, a debit card payment function has been implemented.

The business plan will ensure that Police Mutual is positioned as a sustainable and growing Society that meets the needs and aspirations of its members and will help employees of the Police Service and their families feel confident about their financial future. We will continue to use the Customer Impact Survey results and plan to develop other measures to help us understand member satisfaction and advocacy. This member understanding will inform our customer-led approach and ensure that our members' needs drive all of our decisions.

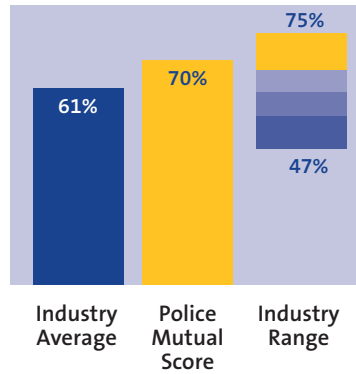
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Customer Commitments – Results

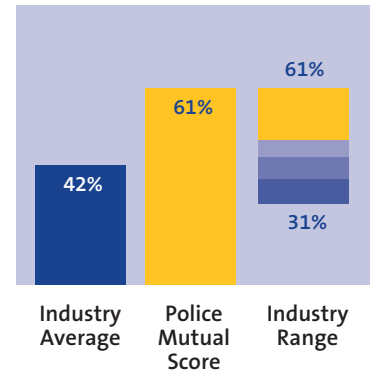
1. Develop and promote products and services which meet our members' needs



2. Clear information and good service at the point of sale



3. Maintain effective after-sale relationships

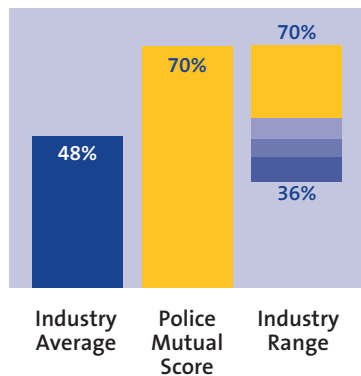


Scores show % saying 'excellent' or 'very good'.

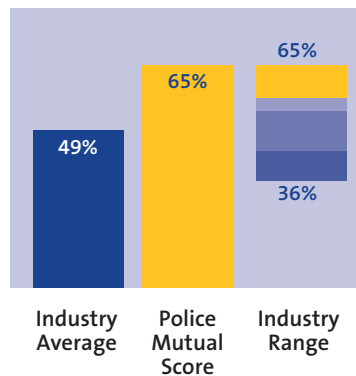
The results for Police Mutual for 2008 were 49%, 71% and 64% respectively.

Customer Impact Survey – Highlights

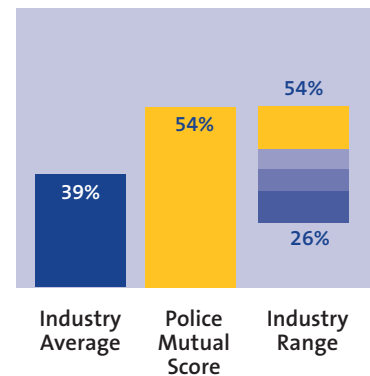
Overall how would you rate the claims and payment process?



How would you rate the company's sales process for clarity of information?



Thinking about the statements and personalised letters you might have received from Police Mutual in the last 12 months, how would you rate them?

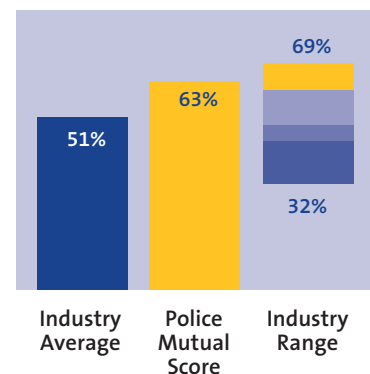


Scores show % saying 'excellent' or 'very good'.

Customer Impact Index

The ABI has also developed a Customer Impact Index which can be used as a benchmark against which to measure progress. This index is considered to be a useful indicator of members' overall satisfaction.

Scores from participating organisations range from 32% (lowest) to 69% (highest) and for the fourth year running Police Mutual was in the top quartile. This continues to demonstrate the exceptionally high standards that the Society strives to achieve on a consistent basis.



Source of data – Association of British Insurers (ABI) Customer Impact Scheme