

945

Advanced Diploma in Insurance

Unit 945 – Marketing insurance products and services

April 2013 examination

Instructions

- Three hours are allowed for this paper.
- **Do not begin writing until the invigilator instructs you to.**
- **Read the instructions on page 3 carefully before answering any questions.**
- Provide the information requested on the answer book and form B.
- You are allowed to write on the inside pages of this question paper, but you must **NOT** write your name, candidate number, PIN or any other identification anywhere on this question paper.
- The answer book and this question paper must **both be handed in personally by you** to the invigilator before you leave the examination room. **Failure to comply with this regulation will result in your paper not being marked and you may be prevented from entering this examination in the future.**

Unit 945 – Marketing insurance products and services

Instructions to candidates

Read the instructions below before answering any questions

- **Three hours** are allowed for this paper which carries a total of 160 marks, as follows:

Part I	1 compulsory question (case study)	80 marks
Part II	2 questions selected from 3 (scenarios)	80 marks

- You should answer the question in Part I, and two out of the three questions in Part II.
- **You are advised to spend no more than 90 minutes on Part I and 45 minutes on each question selected in Part II.**
- **It is recommended that you spend 15 minutes reading and planning your answer to the case study and 75 minutes answering it, and that you spend 10 minutes reading and planning your answer to each scenario and 35 minutes answering it.**
- A case study tests extensively across syllabus learning outcomes, whilst a scenario will be more focused on specific learning outcomes.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- You may find it helpful in some places to make rough notes in the answer booklet. If you do this, you should cross through these notes before you hand in the booklet.
- Answer each question on a new page. If a question has more than one part, leave six lines blank after each part.

PART I**Case study****This question is worth 80 marks**

To gain maximum marks you should include relevant examples and evidence of further reading in your answer

1. Case study

PQZ are a long established insurer transacting general commercial insurance business solely through insurance brokers. To remain competitive, PQZ reacts to and matches the offerings of other insurers. As such, all products are currently reviewed from time-to-time in response to the demands of the market.

Whilst PQZ continues to grow profitably in the commercial insurance market, your research shows that sales for two of the products have been falling. The two products are a Hotel policy and a Restaurant policy. Underwriters have advised that, with this trend, these two products will not be profitable two years from now. These products have not been reviewed during the last four years. However, insurance brokers have expressed concern at their willingness to continue to support PQZ if these two products are withdrawn.

The newly appointed Board has set a target to increase its total premium income from all commercial insurance products from £150million to £250million during the next five years.

Question

As the recently recruited Marketing Director, you are required to produce a report to the Board. In this report:

- Explain what factors would be influencing the declining sales of the Hotel and the Restaurant policies.
- State how you will review the product portfolio of PQZ.
- Discuss the options available for PQZ to achieve its target in 5 years.
- Outline the course of action you would prefer to take.

(80)

PART II**Scenarios**

Answer TWO of the following THREE questions
Each question is worth 40 marks

To gain maximum marks you should include relevant examples and evidence of further reading in your answer

2. Scenario

You are the Sales Manager of TZX, a specialist insurer of classic cars. Following a recent takeover, the new owners believe there is potential for future growth and have set an ambitious target. To support this growth objective, a new sales team has been recruited. You have formulated a sales plan and have determined the marketing support you need.

Question

Prepare a report to the Marketing Manager detailing the specific activities you would like the marketing team to undertake, explaining how this will help achieve the targets in your sales plan.

(40)**3. Scenario**

You have transferred from the UK head office marketing team of an expanding global insurer to its Eastern European operation. This successful and growing operation was established three years ago. The operation has been reliant on head office marketing services to date.

Despite contrary views, you have formed the opinion that the continued growth of the business will be better served by a locally based marketing function.

Question

Prepare a report for submission to the UK Group Board on the advantages of a decentralised marketing function, whilst maintaining brand values within cultural differences. Your report must include reasons why you believe the decentralised approach is the better option whilst addressing other concerns.

(40)**4. Scenario**

ITX provides motor and home insurance products through its in-house call centre and their ITX website. ITX, as a result of competitive pricing and promotional activities, has grown rapidly. Consequently the business is unable to deliver an acceptable level of customer service, as the budget for costs set within the business plan is inadequate. One of the issues is recruiting customer service staff in sufficient numbers and skills.

Question

As the Marketing Manager, you have been asked to write a report on how you would identify and review areas of the business which have an impact on customer service. This report should include how you would maintain customer service within the current budget.

(40)

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