

# 945

## Advanced Diploma in Insurance

### Unit 945 – Marketing insurance products and services

April 2015 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 further reading in your answer

**1. Case study**

TIC is a long established UK only general insurance company providing a range of commercial insurance products through insurance brokers. TIC is in year three of a five year growth plan to increase its gross written premium from £350 million to £550 million.

Two years ago TIC brought in an experienced team to develop and launch private motor insurance distributed only through aggregators. This team is behind TIC's budgeted revenue targets. TIC has received critical reports from the Financial Conduct Authority for producing misleading statements in its private motor promotional material which has been withdrawn and not replaced.

TIC has recently recruited a team to launch a new home insurance product through aggregators to help the economy grow. The Board considers the home insurance product as strategically important to its growth plan.

At the last Board meeting the following three key issues were raised:

- TIC is critically behind its schedule to reach the five year target.
- The motor product has not been as successful as originally planned; there were concerns over launching the home product at this time.
- The company needs to ensure that all promotional activity is fully compliant with all regulatory authorities.

**Question**

You have been appointed as the Head of Marketing responsible for all the company's products.

The Board have asked you to write a report which:

- analyses possible causes and evaluates required actions, to address **each** of the **three** key issues raised above;
- justifies the need for any increased resources.

**(80)**

**Part II questions can be found on pages 6 and 7**

**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 further reading in your answer

**2. Scenario**

CIG is a large firm of general commercial insurance brokers that is expanding. It has recently acquired two other similar insurance broking businesses in different regions. These newly acquired insurance broking offices are to continue trading under their own brands. Each of these businesses has their own marketing team.

You are a member of the CIG marketing department that provides a range of marketing services to the existing branches of CIG.

**Question**

Your Manager has asked you to prepare a report that:

- reviews the issues in maintaining separate marketing teams;
- provides an evaluation of the options available;
- gives reasons for the actions you propose in the report.

**(40)****3. Scenario**

You are a member of the marketing department of RST Insurance (RST). RST's growth with existing products is flat and the Board is under pressure from shareholders to accelerate growth. RST is therefore reviewing the opportunities to increase premium income from their existing customer base and by winning new customers.

**Question**

The Marketing Manager has asked you to prepare a paper that examines the growth options available and assesses the external factors that will influence this growth.

**(40)**

**4. Scenario**

You are the Marketing Director for MAH Insurance Company (MAH) that provides motor and home insurance through insurance brokers. A major retail organisation has approached you to provide motor and home products to its customers. These products will be distributed through the retail organisation's call centre. The Board is concerned that the brokers will feel they are competing against MAH and will not place business with the company.

**Question**

The Board has asked you to prepare a report examining how the company's products can be distributed through the retail organisation without impacting upon the broker relationships. Your report should evaluate the actions MAH could take to manage the relationship with its brokers.

**(40)**

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