

# 945

## Advanced Diploma in Insurance

### Unit 945 – Marketing insurance products and services

April 2016 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**

You are the Marketing Director for PQZ General Insurance (PQZ) who are a long established general insurer. PQZ transacts business insurance, written as a property and casualty package of covers, for small businesses. PQZ has branch offices in four cities and business is introduced from insurance brokers. The intranet website is available for those brokers who want to administer policies electronically.

The premium income for PQZ has not grown during the last three years. Although the account has been profitable during this period, the level of profit continues to fall. The view of the Board is that competitors are growing by attacking PQZ's most profitable business.

The Board requires you to recommend ways of bringing profit back to acceptable levels. Your initial response to the Board is that competition and soft market conditions would prevent an increase in premium income growth through price increases.

You have now had time to conduct research for new opportunities to grow the premium income which has included discussions with the Heads of Underwriting, Claims, Information Technology, Finance, Human Resources, as well as insurance brokers. This research has identified the following points:

- All the department heads agree that PQZ has the currently unused capability and resources to handle the complexity of larger risks.
- There are direct writers who are new entrants to the market for small business package policies who have plans to grow their market share.
- Whilst brokers know PQZ as an insurer that only writes small business package policies, PQZ frequently receives requests from brokers to write larger risks.

**Question**

Prepare a report to the Board that:

- reviews the areas identified and evaluates the opportunities arising from the research;
- makes recommendations as to how PQZ can bring profit back to acceptable levels taking into account any additional 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 evidence of further reading in your answer**

**2. Scenario**

The computer system for RRR Insurance (RRR) has been hacked and some of the clients' personal data has been stolen. The information technology department has restored the data and new security procedures have been introduced. The Board of RRR is concerned that, as a result of the adverse publicity, customers will lose confidence in RRR.

You have been recently appointed as a marketing consultant for RRR to manage this situation.

**Question**

Prepare a report to the Board that:

- examines how customers' confidence can be restored;
- reviews any further actions, if any, that may be necessary.

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

Perrin Insurance Company (Perrin) provides insurance for most types of commercial businesses which is transacted through insurance brokers. You are a member of the Marketing Team and have conducted research to identify new business opportunities.

Your research has identified that insurance brokers in two regions would place more business with Perrin if there was a local office.

**Question**

Prepare a report for your Marketing Manager that:

- examines the issues in changing the business structure to develop this opportunity;
- justifies the use of resources required to support this opportunity.

**(40)**

**4. Scenario**

RES Insurance Company (RES) is a general insurer providing private motor insurance direct to customers.

A motoring magazine has conducted a reader survey on the customer service provided by insurance companies. This survey has placed RES as the lowest ranking of insurers in customer experience.

Internal research shows RES's pricing is competitive but customer complaints on claims service have increased recently.

**Question**

You are a member of the Marketing Team for RES and have been asked to prepare a report for the Marketing Manager that:

- examines how RES could identify the needs of its customers that are not being currently satisfied and how service delivery can be monitored;
- recommends how RES should respond to this reader survey.

**(40)**

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