

In 2008, Police Mutual continued to focus on 'Treating Customers Fairly' by ensuring that the Society acts with honesty and transparency in everything it does. The senior management of the Society takes this initiative seriously and will continue to demonstrate that the fair treatment of customers remains central to the corporate culture.

Customer Impact

The Association of British Insurers (ABI) has 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 scheme was developed to complement the Financial Services Authority's (FSA) Treating Customers Fairly initiative and the FSA's wider move to more principle based regulation. Police Mutual has been a member since the launch of the scheme in March 2006 and this is the third year of reporting our results. You will find below an update of the latest 2008 survey results.

Customer Commitments

The Customer Commitments are the underlying principles of the Customer Impact Scheme and represent a pledge 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 2008 survey is the third full survey under the Customer Impact Scheme. It has grown further this year with an increase in the number of participating organisations making this one of the most comprehensive surveys of financial services customers undertaken in the UK. 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 scale of the survey means that the results are a reliable indication of members' views of both the industry as a whole and the Society's and will help identify where improvements can be made.

2008 Performance

Police Mutual has committed to report progress and performance against the Customer Commitments and has achieved the top score in all three Commitments for the second time in the past three years and improved on the scores it achieved in 2007. This is an excellent result.

In last year's Report and Accounts the Society reported on work being undertaken to continue to improve communications and streamline the application process. The Society is particularly pleased to report improved scores in these areas. In addition the survey results confirm that improvements in the maturity process introduced towards the end of 2007 have been well received by members resulting in improved scores in all aspects of the claims process.

Our scores for being customer focused are industry leading.

Future Plans

Whilst the results are pleasing, Police Mutual is always looking to improve its service to its members. Projects planned for 2009 include the piloting of touchscreen noticeboards in Police Stations, which allows a greater number of Police employees to interact with the Society and facilitate call-backs, therefore improving communication.

Another initiative is the payment reconciliation project which benefits members by improving the Society's ability to respond with greater effectiveness to enquiries. The Society will be able to notify members more quickly of any issues with their payments and from an enquiry perspective information will be more transparent so that the Contact Centre and Payments team can provide an improved service when answering members' queries.

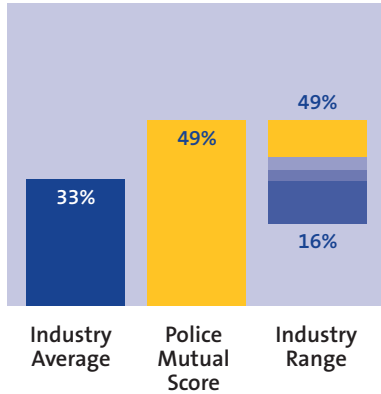
A project that re-unites members with their money from unclaimed plans will continue in 2009. A plan can go unclaimed for any number of reasons and Police Mutual is doing everything possible to track down people who haven't informed the Society of their change in contact details and inform them that their plan has a value.

A review of the surrender process is planned for this year with the aim of further improving communication and ensuring members are aware of the implications of surrendering their plan and providing them with potential alternatives to enable them to make informed decisions.

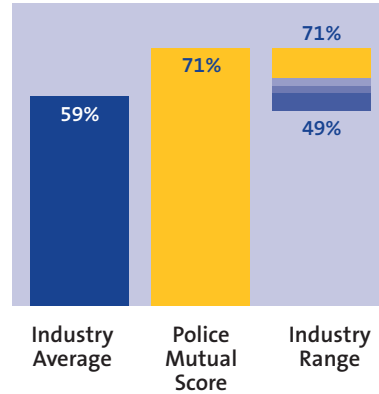
Police Mutual will continue to focus on making it easier for its members to do business with the Society by improving its telephone and website application processes for all of its products.

Reporting against the Customer Commitments

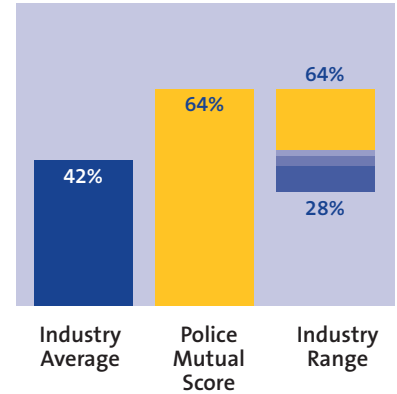
1. Develop and promote products and services which meet our members' needs



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



3. Maintain effective after-sale relationships



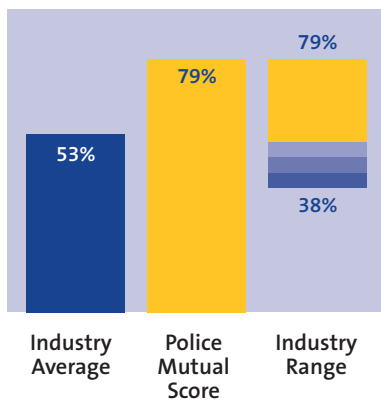
Source – Association of British Insurers (ABI) Customer Impact Scheme

The results for Police Mutual for 2007 were 47%, 66% and 59% respectively.

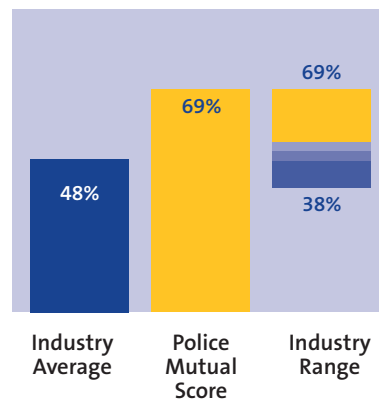
Detailed reviews of the underlying data are currently underway to understand the changes year on year in specific areas.

2008 Highlights

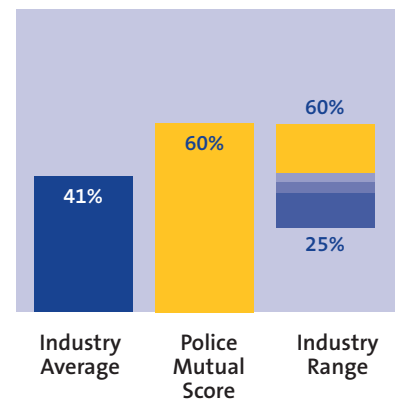
Overall how would you rate the claims and payment process?



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?



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

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 25% (lowest) to 71% (highest) and for the third 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.

Customer Impact Index

