

Putting the customer first

Customer Impact Survey 2009/10



Financial Sense and Simplicity



'We pride ourselves on the sound advice and friendly service that we give to our customers, the merits of our straightforward financial products and our first class administrative support. Our goal is to set the highest standards in our industry with a reputation for quality and service through everything we do.'

Euan Allison, Managing Director, Forester Life

Flexible, modern products

Foresters offer a range of financial services solutions in tune with today's needs for flexible terms, low charges and clear and simple conditions. The following products have been designed to cater for your financial security and are adaptable enough to change as your circumstances change.



Purchasing peace of mind

Protection in the event of death, critical illness and long-term disability.

Lifestyle Protection Options
Mortgage Protection Options



Stakeholder Saving and Investing*

Low cost solutions to meet your regular savings and lump sum investment needs including options for maximum tax efficiency.



Planning a comfortable retirement*

Saving for your retirement in the Forester Life Stakeholder Pension Plan with valuable tax concessions.



Individual Savings Account (ISA)
Child Trust Fund (CTF)
Savings & Investment Plan

The Customer Impact Scheme

The Customer Impact Scheme was introduced by the Association of British Insurers (ABI) in 2006. The scheme includes a yearly survey of customers of participating insurance companies. This year's survey has measured the experience of over 21,000 customers from 35 participating companies, including Forester Life. An independent research company carried our survey and the information has provided us with feedback about our service and how we can improve the service we provide.

* Stakeholder products which meet Government standards for a straightforward, low-cost, risk-controlled way of investing and saving.

Our Customer Commitment

At Foresters, we have always been driven by our commitments to put the customer first. Therefore we continue to support ABI's initiative to ensure that the needs of our customers are at the core of our business.

300 Forester Life customers took part in the 2009 survey conducted by the independent research company, ORC International. Forester Life remains above the industry average on most key measures, and we have improved significantly on last year's results.



Customer Commitments

When joining the scheme, participating companies resolve to keep three customer commitments at the heart of their business. The survey measures three main customer commitments based on the combined results from a variety of indicators.

- To develop and promote products and services which meet the needs of customers.
- To provide customers with clear information and good service when they buy products.
- To maintain appropriate and effective relationships with customers, providing them with a good service after they have bought a product.



The Results

Despite an increase in consumer confidence, 2009 has been an unstable year economically and therefore unsurprising that industry scores from previous years have fallen sharply. However Forester Life's performance from the Customer Impact Scheme has been extremely positive. We have seen significant improvements in our scores across all areas of customer satisfaction and are above the industry average for the three Customer Commitments.

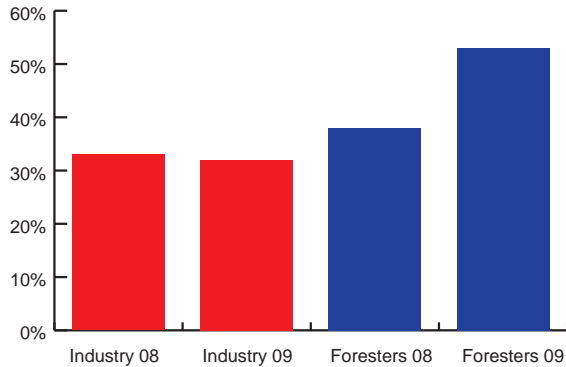


Customer Commitments



Commitment 1

Developing and promoting products and services



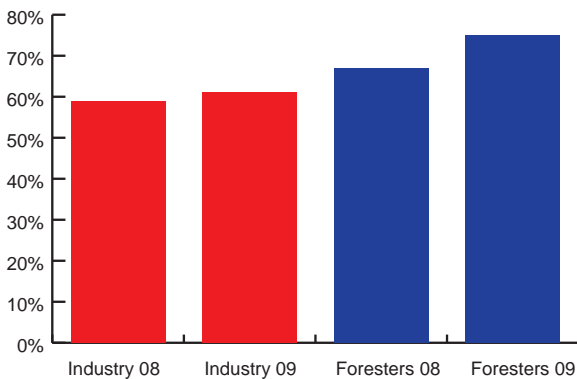
As shown, the industry scores have declined this year 1 point to 32%. Despite this our scores increased 15 points to 53%.

'Forester Life treats its customers fairly'

95%
(industry average 85%)

Commitment 2

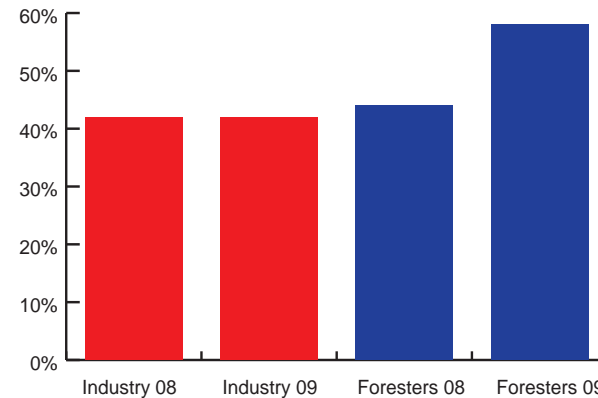
Giving clear information and good service at point of sale



We improved 8 points from last year to 75%, and are now 14 points above the industry average.

Commitment 3

Maintaining effective relationships



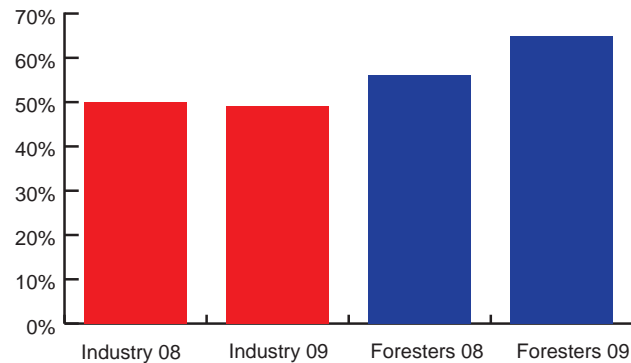
A significant improvement of 14 points saw our score move to 58% from last year, 16 points above the industry average, 42%.

The scores represent Very Good/Excellent customer votes

What we did well

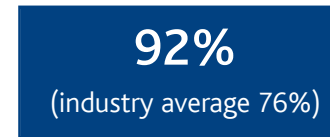


Overall quality of product and service

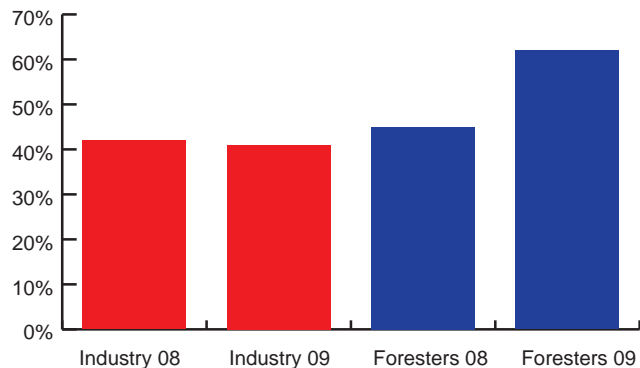


This year we improved our quality of service by 9 points to 65%, whilst the industry average slipped to 49%, leaving us 16 points above industry average.

'Really cares about its customers'

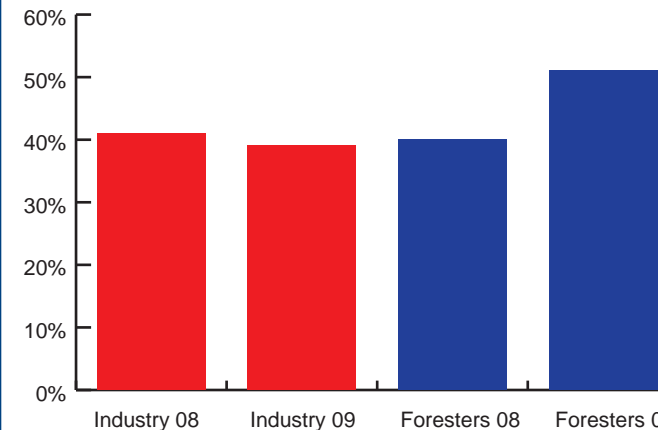


Overall satisfaction with product purchased



The industry has fallen 1 point to 41%, while the customer satisfaction of our products increased by 17 points to 62%. This was an excellent score given the volatile nature of the market in recent years.

Overall satisfaction with customer communications (statements and letters)



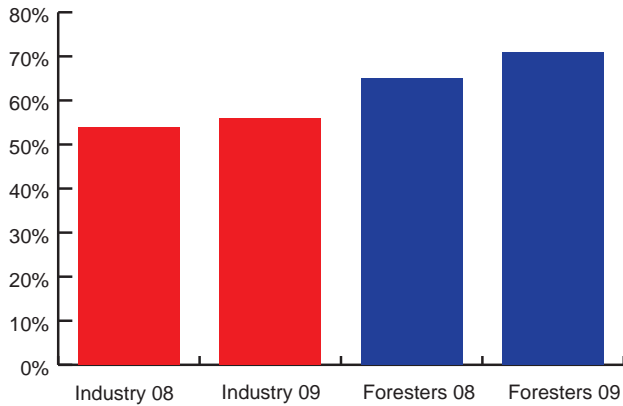
The satisfaction with our communication has increased from 40% to 51% with the industry falling to 39%.

The scores represent Very Good/Excellent customer votes

What we did well



Overall rating of sales process

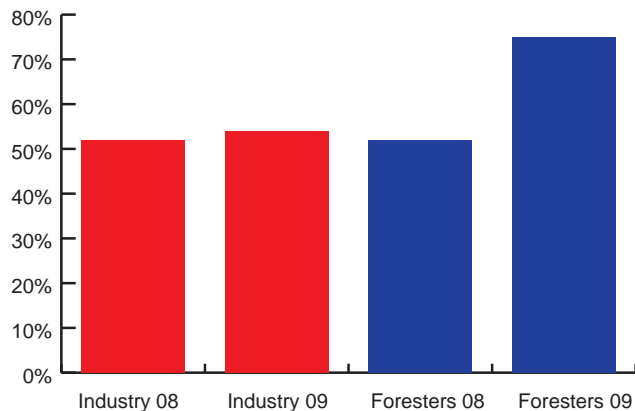


The industry saw an overall increase of 2 points to 56%. We stayed above the average by increasing 6 points to 71%.

'Easy to do business with'

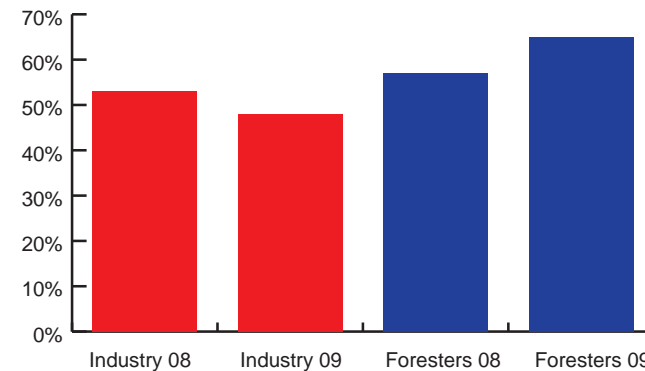
92%
(industry average 86%)

Rating of customer service centre



Last year we were level with the industry average at 52% however we increased 23 points to 75%.

Rating of claims and payment process



The industry dropped last year by 5 points to 48%. We improved by 8 points and are now 17% above industry average.

The scores represent Very Good/Excellent customer votes

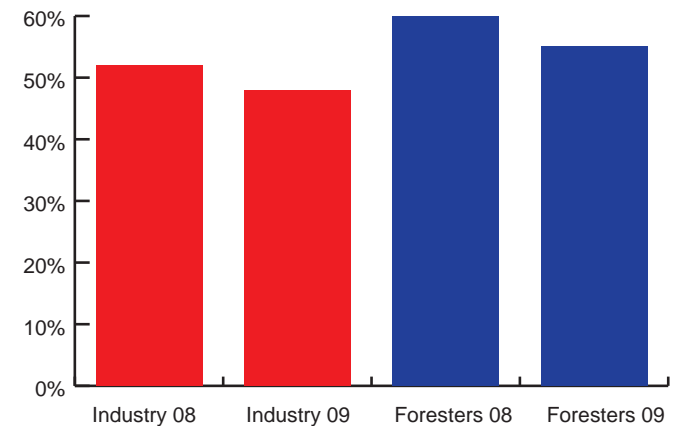
Where we need to improve

Although we have worked very hard over the last year to improve our service and products for customers, there are still areas for improvement. Even where we have outperformed the industry, we will work hard to ensure that we stay above the industry average and to keep delivering quality service to our customers.

One main area that we will strive to improve upon next year is the category of customer confidence in the reputation of the industry.

When asked if they agreed that the industry has a good reputation, only 55% of our customers agreed, compared with 60% last year. However given the 4% decrease in the industry average to 48%, illustrates that the market as a whole has suffered due to the economic downturn.

With this mind, we will still aim to improve the reputation of the industry by offering good quality straightforward products and financial security to our members so that their financial goals are reached.



Making things better - what we did in 2009

Here are just some of the things we've been doing over the last year to improve customer outcomes:

After a successful pilot exercise, for certain protection applications we have introduced tele-interviewing with qualified nurses together with subsequent independent underwriting. These measures help to make the application process more efficient and ensure the application is accurately assessed.

We continued work on our major project to replace our administration system which aims to further improve the customer experience.



We undertook focus groups to allow us to gain a better knowledge of how customers understood some of our products, their views on our literature, and how we could communicate key considerations about saving and investing more effectively in future.

Feedback forms for complainants were revamped to try to allow us to extract more meaningful data. Internal management information was used to allow us to reach decisions more quickly, whilst ensuring that the investigations remained both thorough and fair.



We have continued to survey our customers on their understanding of the products and services we have provided and this information gives us a vital insight into what is working well and any areas that can be improved.

Last year we promised to continue to focus on personal attention and quality service at all times, and to improve on any areas where we didn't perform as well as the previous year. The results from this survey showed improvements in these areas, often significantly higher than the industry average



How we will improve in 2010

Communications

In 2010 we will continue to conduct our own Customer Understanding Surveys. This is a continuing process building a picture of the effectiveness of our customer communications and aiming to ensure that Forester Life customers understand the nature and purpose of the products they have purchased.



Improving our service

We will also continue to seek regular feedback from our customers on the quality of the complaint handling process, and will continue to view further ways to gain feedback in order to keep improving our service. Forester Life is still investing time and resources in a new administration system to further enhance the effectiveness and operation of our customer service. Our network of professional financial advisers continue to provide a home based personal financial planning service backed up by award winning laptop technology.



The next 5 years

The Customer Impact Scheme is entering its fifth year, and the ABI have set out a clear vision for the Scheme for the next 5 years - 'customers understand the products they own, how they are performing and trust that the industry is working for them'. The ABI have developed five strategic aims so that this can be achieved.

At Forester Life we look support the Scheme in every way and therefore we aim to support this five year plan by continuing to improve our communications and point of sale service so that customer really understands what they are buying. We will also continue to update our website and yearly statements to give customers a clear understanding of how their products are performing.





Forester Life Ltd is authorised and regulated by the Financial Services Authority. Forester Life Ltd is registered in England number: 2997655.

Registered Office:
Forester Life Ltd, Foresters House,
Cromwell Avenue, Bromley BR2 9BF
T: 08457 990011
F: 020 8628 3500
E: customer.services@foresters.co.uk

www.foresters.co.uk