Contents Page

1. Definition of the Project

2. Rationale for the Project

3. Background to the Project

4. Methodology, how the Project was run, including budgets

5. Project Team Members/Responsibilities

6. Project Timescales

7. Measured Outcomes and overview of successes and failures

8. Personal inputs and outputs, my Methodology and Project Responsibilities

9. Key learning points

10. Skills and knowledge gained or enhanced

11. Statement of time spent on the project counter signed by Project Manager

12. Appendices

1. Definition of the Project

Implementation of a web portal for distribution of SME Package Business through a panel of Insurers including comparative quote functionality

Following a Business Plan workshop regarding the future direction of Ink Insurance and a successful Tender exercise with a broad spectrum of Insurers, the Managing Director of Ink, Mike Smith, became the project sponsor for the delivery of an online web portal that could be accessed by brokers in partnership with a panel of Insurers to enable e-traded bespoke policies to be quoted and purchased with minimal intervention from Ink. The system needed a reasonable sized risk capture and be capable of generating quotations and documentation at point of sale, invoicing the broker and populating our back-end computer system and it was recognised that there would be subsequent phases for achieving full cycle capabilities and expanding the range of products and number of Insurer panel members offered by the online facility.

The scope of the project was to liaise with our Software providers, Insurers & Brokers externally and Marketing, Business Applications, Business Change, Compliance, Agency, Project Team members, Underwriters & Directors internally to have the technology built, piloted and launched within budget.

2. Rationale for the Project

Following the Business Plan workshop, we recognised that we wanted an offering for package business for our external brokers and that finding a quick & simple to use method for this low income high volume sector of the Insurance market would be a priority. Brokers will inevitably make comparisons between our offering and PowerPlace. The brokers take comfort from knowing that they have compared the market for their clients having input the data once and we take comfort from being able to access this channel of business and gain market share with minimal intervention. The appeal is to monitor quotes that have not been completed or taken up and to be able to positively intervene by phoning the broker and offering our assistance and to channel cases that cannot be written online through our Delegated Authority schemes or through open market quotations with our partner Insurers. With ongoing focus on efficiency to gain competitive edge, we are keen to eliminate double keying and auto population of our computer system and automated invoicing is an attractive proposition for us.

Mike Smith's vision as Project Sponsor:

"Online trading is here to stay. Whether it's booking holidays or buying the latest Ugg boots people all over the world are choosing to do this Online. The personal lines arena has been very quick to adopt this by creating aggregators to help clients buy online but the commercial insurance market is behind in its development. That's predominantly because the commercial market is confusing and clients still want to deal with a broker.

Ink has therefore come to the aid of brokers by combining the best insurers on this new online facility. Not only does it allow them to get comparative quotes for commercial combined, shop, office, property owners and tradesmen but it also lets them print off contract certain quotes and even policy documents all at the click of a mouse.

Ink has prided itself on providing 'one stop solutions' for brokers and this is the next stage in our evolutions"

This topic has been in the Insurance press of late;

"E-trading could be a means of stealing a march on the competition and overcoming the challenging economic climate delegates at the E-broking 2012 event hosted by Insurance Age, have heard"

E-broking 2012 – brokers urged to embrace digital platforms - Insurance Age 26th June 2012 Daily Alert

3. Background to the Project

Following the Tender process Insurers were identified who were willing to work with Ink to deliver branded and exclusively enhanced policy wordings via the e-traded environment for volume business within the package, property owner and commercial combined product sets'. The exclusivity of the enhanced branded documentation was a requirement to raise a barrier to competitor brokers, who might otherwise mandate the policy for transfer.

Provision of a comparative quote portal to the broker panel was seen as a greater new business and renewal traction tool, repeat orders from users would be monitored and a real time referral team would be used to increase strike rates. The Group has a strong track record of acquiring and crucially, integrating businesses so the portal is also envisaged to be a key tool in "rolling over" books of business from acquired brokers. The broker panel consists of Giles Brokers, Westinsure members and Ink Supporter brokers.

Once the online offering had been built, tested and piloted and the support team received training, it would be rolled out to our brokers through the insurance press, Business Development Managers, e-shot, product page updates on the Ink Website, a flyer was handed out at the Westinsure Expo, Giles brokers were to be informed by Regional Managing Directors, an Ink branch tour undertaken by Mike Smith, MD of Ink, updates to the Giles Buyers Guide, the Giles intranet and Headstart (a marketing publication via email of placement advice).

4. Methodology, how the project was run including Budgets

The project team was put together from across our organisation for our expertise in our business areas. There were 5 key areas overseen by the project manager as follows;

- Business Development, Communications & Marketing which was led by the Regional Managing Director
- Contracts & Policy Enhancements. The Regional Managing Director led Contracts and I led Policy Enhancements
- Training led by me
- Documentation led by me
- Systems and Processes which was led by the System Analyst

The Wholesale Steering Group was kept informed regarding progress against timeline and budget and also for the removal of any internal obstacles. This consisted of;

Ink Managing Director (Project Sponsor)
Regional Managing Director (Project Owner)
Wholesale Managing Director
Operations Director
Deputy Financial Director
Risk and Compliance Manager
Head of Business Change

The project was run on the basis of fortnightly project conference calls where an agenda was set by the project manager and a spreadsheet of action points was discussed with each item having a red, amber, green status.

In between these calls, emails were circulated as matters progressed with each member of the team being asked for their opinion with options and consequences laid out by the project manager. There were also regular telephone calls between a core group of participants which consisted of the project manager, the project analyst, the system analyst and me.

At times when key members of the team had other responsibilities which took them unexpectedly away from the project, the core group decided what we could do in their absence to meet our own action points and who we could draft in as replacements until they became available again to meet theirs, whilst still copying them into the chain of emails so they remained up to date with progress. Examples of this are when the project manager and system analyst were called away for an acquisition which had to take priority over the project for a short period of time.

A risk log was created and circulated with a matrix of the risks encountered, the probability and impact of the risks and the mitigation of risk that could be taken.

The budget is commercially sensitive and has been included as Appendix 1.

The e-trade products are expected to achieve uplift in net income amounting to:

- £x in Year 1
- Double Year 2
- + 25% Year 3
- + 25% Year 4

The project team also established success criteria as to when we would deem the project to be able to be signed off as having achieving the desired outcomes and in conjunction with Marketing devised feedback forms for the brokers in relation to the web portal and the e-trade offering.

A conference call was held on Friday 13th July 2012 of lessons learnt from the project.

The further two phases are envisaged as i) improving the current offering in terms of risk capture and cover offered and ii) increasing the number of Insurers on the panel and the range of products being e-traded to include for example Marine Transit & Mini-Fleet products.

5. Project Team Members/Responsibilities

<u>Risk & Compliance Manager</u> involved with terms and conditions and wordings and agency matters.

<u>Systems Analyst</u> involved in liaising with the software provider and testing the online offering.

<u>Regional Managing Director</u> (Business Owner of the project) was instrumental in negotiating deals and on the Steering Group for removing obstacles.

<u>Ros Hewer – Technical Underwriting Manager</u> initially responsible for Documentation but willingly took on additional responsibilities to assist the project team of; Policy Enhancements, Insurer Liaison, Internal Project Spokesperson, Testing, Training and supporting the support team through the soft launch & responsible for Future Phase Developments

<u>Commercial Director</u> consulted as he was the manager of the team designated to be the support team.

<u>Project Manager</u> was responsible for the project and liaising with all stakeholders including PICOMM.

<u>Marketing Executive</u> responsible for publicising the new facility and devising feedback questionnaires online and approving use of our logo.

<u>Working Capital Manager</u> involved in how reconciliation would work.

<u>Senior Financial Accountant</u> responsible for funding.

<u>Head of Business Change</u> is the reporting line for the Project Manager and on the Steering Group for removing obstacles.

<u>Project Analyst</u> assisted the Project Manager.

6. Project Timescales

SUMMARY OF HIGH LEVEL TIMELINE

Activity	Deadline
Request Software Quote	13th October 2011
Gain PICOMM approval and raise Project Order	7th November 2011
Negotiate with Insurers & approval of documents	30th November 2011
Delivery of build	4th January 2012
Testing	23rd January 2012
Demonstration at Expo	27th January 2012
Deliver training to Ink Online Support Team	1st February 2012
Pilot brokers go live	6th February 2012
System Go Live	15th February 2012

The System Analyst requested a quote from the software provider on 13th October 2011 and the Project Manager sought PICOMM approval and raise the Project Order by 7th November 2011.

PICOMM is the Priority Investment Committee and consists of;

Group Operations Director
Head of Internal Audits
Group Development Director
Head of Business Change
Deputy Financial Director
Wholesale Managing Director
Group Compliance Director

I established contact with each Insurer to gain agreement to risk captures, override premium referral process, obtain Insurer position with regards to full cycle transactions, agree Ink policy enhancements, agree dual branding and have the documents approved by Compliance & Marketing Departments by 30th November 2011.

The software providers were to deliver the build including documents loaded by 4th January 2012 and testing was scheduled for 14 days including re-tests of fixes. On 27th January 2012 a demonstration of the Web Portal was to take place at the Westinsure Expo in conjunction with the software provider.

I needed to write a training manual and deliver training to the Support team on 1st February 2012 and to support them in person during "go live"

Marketing were to launch the facility on 13th February 2012 with Log-Ins being issued to brokers on 15th February 2012.

7. Measured Outcomes and overview of Successes & Failures

Ink Online was launched as a pilot on 20th March 2012 to one Giles broker and two external brokers, and this soft launch was extended to 15 brokers on 11th June 2012 and consists of the following carriers and products;

	Tradesman	Property Owners	Shops	Offices	Commercial Combined
Insurer A	✓				
Insurer B	✓	✓	✓	✓	✓
Insurer C	✓	✓			
Insurer D	✓	✓	✓	✓	
Insurer E	✓			✓	✓

The project was deemed to be a success in terms of it being delivered on Specification Budget and with brokers keen to sign up to use it. A success is that it has been favourably compared to PowerPlace by our Trainer (and by brokers taking part in the soft launch) who used to work with PowerPlace, which cost far more and was longer in development.

A success is that Insurers who did not originally join the panel have now enquired about being included in the future, such as Insurers F, G, H and I.

In terms of failures; it was not delivered on time as the original delivery date was 15th February 2012 and it is still in the soft launch phase rather than on general release because there were particular delays with Insurer B and we needed them on the panel in order for a meaningful number of Insurers and products to be comparable. The critical success criterion is yet to be met in terms of number of policies taken up and income but until it is on general release we accept that this is the case. The other critical success criteria are; 80% answer yes to the question "will you continue to use ink online" in the future & the conversion rate of quotes to new business being 15%.

Positive intervention with incomplete quotes and quotes not taken up will naturally flow from Ink Online going national rather than the current soft launch phase.

Business Change & Business Applications resource allocated to this project was not on budget as delays have meant far more resource has been required in terms of the Project Manager & System Analyst before they could sign off the project.

An issue to address is that we have not developed a renewal function and need to have renewal functionality within 12 months and the budget for the renewal function has been signed off for delivery this financial year. It was delayed because our software provider had to concentrate their efforts on getting the Ink Online offering out and will now focus resource on renewals.

A failure that can be addressed in future phases is that Insurer H & F who originally committed to be on the panel had to delay being included due to where they are with their own strategic plans and financial budgets.

8. Personal Inputs and Outputs, my Methodology and Project Responsibilities

My key responsibility was to liaise with Insurer's and to be the only person from the project team to communicate our requirements to the Insurers'.

My first task following the October 2011 project meeting was to research which enhancements we were going to ask for. I decided to do this in a generic format rather than gathering each Insurers policy wording and ask for individual enhancements based on each wording. I compared the wordings of Towergate, Hiscox & Arista online and the wordings I had available to me for the Insurer I scheme that I oversee and the enhanced Giles Insurer B wordings already used within the Giles Group. I purposefully chose Towergate because they are our rivals and Hiscox because out of the Business Plan workshop was the view that they are the "best in breed" for wordings.

I set up a table for Property Owners, Package & Commercial Combined and listed out what we were looking for by Section and had columns for each Insurer's response. I sent these across to Insurers for their comments. This spreadsheet has been called upon time and time again, when Ink Online launched, for the Ink Online support team, for Business Development Managers to sell to brokers who were interested in signing up to use it, for Insurer's who wanted to compare which enhancements they wanted to sign up to in comparison to others on the panel & for our Underwriters who want to familiarise themselves with each Insurer's offering.

I had meetings in person and over the phone with Insurer's regarding the technical specification and what they would need to do to be able to appear on the web portal, such as agency agreements, having an agency number, having their I-market offering pointing at the correct identification number, gaining their agreement to meet their own costs with the software provider and deadlines for having the branded documentation ready to be loaded on by our software provider for the test and then live systems and advise them of our logo requirements and style guide in terms of how it was to be displayed.

I needed to understand where each Insurer was on their e-trade journey to understand if they would be offering "full cycle" or "quote & buy" and when they were scheduling in funding to progress to "full cycle" capabilities and any other future developments that would impact upon Ink Online and whether they could deliver MTA's and cancellations through Ink Online or manually. I also gauged their opinion on service levels for e-traded products on refer.

I needed to negotiate with them regarding premium over-rides within parameters and regarding the referral process, whether it could be managed by us with authorisation codes or by the Insurer's referral call centre.

I participated in project team calls to update them as to negotiations with Insurer's by producing tables of their responses so we could keep track of their varying demands and needs.

The project manager assigned to this project was new to the Company and hadn't previously worked in Insurance so I had regular calls with her to explain some of the terminology which had been used. We found that speaking to each other after the group call allowed her to catch up with the jargon without having to ask questions during the call.

She also came to my office for a "catch up" day where we went through all areas of the project that were causing her concern from a lack of experience of Insurer dealings.

I was the Lead for Documentation, deliverables;

- Agree documentation with the Insurers, Marketing & Compliance Departments
- Organise for approved documentation to be branded
- Organise for approved documentation to be passed to our software provider & Business Applications Department

However, the Regional Managing Director passed some of his Lead commitments to me from the outset as he felt they sat well with liaising with Insurer's and with my Technical Underwriting Manager role. These were;

Lead for Policy Enhancements, deliverables;

- Agree Ink policy enhancements with each Insurer

Lead for Training, deliverables;

- Prepare a training plan (to include both product and system training)
- Organise and deliver training activities as specified in the training plan

I was on the project team and consulted to give my opinion for every decision for the following;

Business Development, Communications & Marketing, Contracts & Systems & Processes

As the project progressed I stood in when other project team members were called away such as the Project Manager and System Analyst being diverted to an acquisition for a short time and I delivered the training to the Ink Online support staff because our Trainer couldn't make the dates when the training needed to be delivered. He was available for the original planned dates but not the delayed date. As people temporarily left and rejoined the project due to other deadlines and responsibilities I was in the core group that continued the project team conference calls.

I was involved in deciding what the success criteria should look like and in completing feedback forms from the Ink online website so Marketing could check that they were receiving the feedback.

I was heavily involved in testing the Ink Online offering when it was delivered by our software provider before we released it and in compiling an "issues" log of the defects, the rectifications and issues that could not be fixed for launch but could be considered in a future phase for improving the usability of Ink Online.

Whenever a message needed to go to anybody outside of the Project Group I was the person who delivered it so that a consistent message was delivered and so that all responses to the communication would come to me to feedback to the rest of the project team.

I attended a Giles office to pilot the offering and was the contact person for the Business Development Managers who had questions from their soft launch pilot brokers and for the Ink Online support staff to refer to if they couldn't answer the broker's query.

To resolve issues with Insurer B and the software provider we took advantage of them both being exhibitors and sponsors at our Giles National Conference by having an unplanned meeting to iron out misunderstandings.

I have learnt to use Web Ex to be able to train the external brokers remotely using a conference call and demonstration of the facility remotely. This saves money and makes use of innovative computer capabilities.

In terms of fitting this round my day job, I made the decision to scale back the peer reviews that I was doing because all the Regional Underwriting Managers that I audit had a green audit, so instead of doing quarterly reviews I decided to do half yearly reviews. I felt comfortable with this because I am copied in to audits that our Audit Department conduct remotely so if they had come across anything irregular it would be flagged to me anyway.

I combined meetings with Insurer's about Ink Online with meetings with them for scheme reviews of our delegated authority performance.

I scheduled dealing with this project in my outlook diary even if it wasn't for a meeting, such as "check enhanced wording received from Insurer D" or "chase all Insurer's for a response regarding availability for conference call" and that helped me to keep track and meet all deadlines.

I delegated some of my work, such as training new starters to my peers that were not a part of the project team but I also combined training the Support team with spending some time training them in other areas that where training needs were identified by the use of a Skills Matrix I compiled.

I found working from home on occasions helped me meet tight deadlines, I opted out of a re-testing session so that I could continue checking the documentation that was coming in as that was deemed of more importance at the time and frequently worked out of other offices where I wouldn't be interrupted by day to day issues.

Even after I left the project to cover for staff vacancies I have continued to answer questions from people on the project team and forwarded them relevant emails and questions from the Ink Support team and continued to speak to Insurers who wish to join, such as Insurers F & G and taken part in a lessons learnt conference call so we can prepare ourselves for future phases to be successfully delivered.

9. Key learning points

- We needed the technical specification of the build much earlier than we received it in order to have meaningful discussions with Insurer's, as they were not clear what we were building and we were not clear if their offerings would fit with our build.
- We should have provided a demonstration of the product build to the Insurer's and to the right technical person at the Insurer's. Some Insurer's misinterpreted our needs as B2C instead of B2B.
- There could have been less secrecy as to who was on the panel and this would have led to more open discussions. Tri-party calls with our software providers would have been helpful and this is definitely going to happen with Insurer F for mini-fleet to be added to the offering.
- We could have limited the number of people speaking to our software provider to the System Analyst in much the same way that I was the Insurer contact. We sent up to 30 emails a day to them during the testing phase which overwhelmed them.
- The Test system was unavailable at times when it needed to be available or we needed to schedule in bigger gaps between testing, fixing and re-testing.
- We compounded difficulties for the software provider by changing the specification as a result of the testing when these tweaks could have been left for future phases.
- The Test system is notoriously unstable and we were assured that the end product would work ok when in reality we had to rectify problems with the live system too.
- Project Team calls were frequent at the beginning and diminished at the critical points when we were all working to tight deadlines
- We didn't have the full build at the testing phase and as it was delivered behind schedule Business Applications weren't given the opportunity to test it first, which is the usual protocol.
- There were no penalties for the software house for delivering late and they did not commit sufficient resource to cope with the volume of defects and we didn't have one key contact for managing the defects.
- We didn't give Insurer's access to test their offering simultaneously to us testing it and this meant Insurer's tested it after us which delayed the launch.
- We struggled to differentiate between portal defects, software defects and Insurer defects
- It would have been better for the software provider to flag known problems rather than us find them independently.
- The training of Ink Online support staff happened too soon as the soft launch date was subsequently put back while defects were rectified.
- For the next phase we will wait until all the Insurer negotiations have been concluded before engaging the resource of the wider project team.
- Loading additional Insurer's on our version of software meant Ink Underwriters could access their e-trade offerings in addition to broker's accessing them which gave them additional e-trade carriers for non portal business.

10. Skills and Knowledge gained or enhanced

I have benefited greatly from working with Project Managers in terms of Red, Amber Green flagging of issues, using time-lines and understanding key milestone dates and "drop dead" dates.

I have learnt that you need to build extra time into any plan as a contingency. My skills have been enhanced in terms of speaking up when you don't understand something, such as when I was at a software Demonstration and I asked questions and the Project Manager confided afterwards that she also didn't know and was glad I asked for clarification.

I have learnt not to take comments at face value in terms of the manager of Ink Online support telling me that the team were very keen to add this string to their bow and then finding out they were reluctant to take on the extra workload at a time of redundancies.

My knowledge of Insurer's wordings and their e-trade capabilities has increased through in depth discussions with them. I have been very organised and methodical in collating their differing responses and used negotiation skills when I have persuaded them to enhance their wording to match other panel Insurer's who were willing to enhance to a greater degree.

I have had my eyes opened to the differences between some Insurer's "can do" attitude making the process extremely smooth and others less willing to be flexible where the journey has been far more protracted as a result.

I have had to be sympathetic to the different needs of the stakeholders and diplomatic when encouraging the Ink Online support staff to take on the additional responsibilities.

I have learnt about the dynamics between internal Departments and our external Insurer's and this will stand me in good stead for future projects as well as learning who the key decision makers are how to present things in a manner which will appeal to them.

A key learning is regarding "timing" in the sense that we wanted to include the AIRMIC clause but because legislation is still going through parliament the Insurer's are not receptive to leading the market, but this will become a hot topic for the industry in the future.

I have learnt to write a training plan, write and deliver a training manual, assess what should go into feedback forms and what success criteria we should be measured against.

The post-analysis process has been invaluable in reflecting upon ways to make future phases run smoothly and improved my analytical skills.

11. Statement of the time spent on the Project

I started on the project on 10th October 2011 and left the project on 24th April 2012. During this period I spent 440 hours on the project in Glasgow, Birmingham, London, Rayleigh, Halesowen & Leeds as per Appendix 1 attached.

WORD COUNT: 4,788

12. Appendices

1. Budget
2. Insurer & Software Provider Index

BUDGET

Costs	Capital Expenditure	Ongoing Transaction Costs	Total
Web Portal Build	£23,400 (inc. VAT)	£9,300 (inc. VAT)	£32,700 (inc. VAT)
Transaction Costs	-	£3,340 (inc. VAT)	£3,340 (inc. VAT) Year 1
Marketing – Promotional literature for launch	£1,080 (inc. VAT)	-	£1,080 (inc. VAT)
Marketing 2 Website links	£204 (inc. VAT)	-	£204 (inc. VAT)
Internal Resources (Business Applications & Business Change Departments)	£5,950 (based on 10 days from Business Applications and 24 days from Business Change)	-	£5,950
Total	**£30,634 (inc. VAT)**	**£12,640 (inc. VAT)**	**£43,274 (inc. VAT)**

Notes: The annual transaction costs have been calculated as follows:
- £2,790 for quote/renewal acceptances based on 286 per product in Year 1 – first 100 per annum free
- £450 for MTA acceptances (based on 175 per product in Year 1 – first 100 per annum free
- £100 for postcode lookups 8,750 look ups per annum, this is based on a conversion rate of 20%

On the assumption that the average premium is £350 with commission of 9% and generating income of £31.50 per policy, Ink would need to sell 972 policies to cover the capital cost.

Assuming a retention rate of 77.8% (current micro SME rate) Year 2 transaction costs would increase to £10,410 for quote/renewal acceptances.

APPENDIX 1.

INSURER & SOFTWARE PROVIDER INDEX

Insurer A	Ageas
Insurer B	Allianz
Insurer C	Groupama
Insurer D	LV
Insurer E	QBE
Insurer F	RSA
Insurer G	NIG
Insurer H	MMA
Insurer I	Axa
Software Provider	Acturis

APPENDIX 2.