

Customer impact scheme:

talking, listening, advising.

Talking to our customers
and really **understanding**
their needs lies at the heart
of our success.



This is a report to customers of the Co-operative Insurance Society Limited.

Introduction

Since March 2006 we've been a member of the Association of British Insurers' Customer Impact Scheme.

The Scheme is an industry-wide initiative aimed at putting your needs as a customer at the heart of everything we do.

A total of 32 companies are taking part in the Scheme, representing over 85 per cent of the life and savings industry.

Customer commitments

The Customer Impact Scheme aims to improve our service to you and focuses on three customer commitments:

- Developing and promoting products and services which meet the needs of customers
- Providing customers with clear information and good service when they buy products
- Maintaining appropriate and effective relationships with customers, providing them with a good service after they have bought a product.

As a co-operative, these commitments fit naturally with our heritage and our values.

Survey

One of the main ways our progress is checked against these commitments is by taking part in an annual customer satisfaction survey, the first one of which took place in 2006.

Conducted by an independent market research company, this survey gives feedback on how we're doing, and it gives you the opportunity to tell us how we can improve the service we provide.

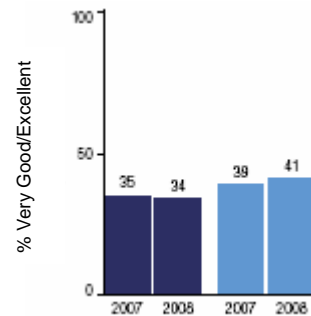
So if you took part in this year's survey, then thank you!

What progress have we made since last year?

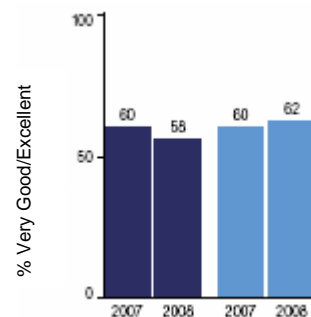
In this year's customer satisfaction survey you've told us that in some areas we've made improvements, but in others there's still some work to be done.

Overall, our satisfaction scores relating to the three Customer Commitments were:

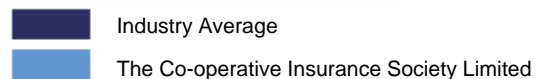
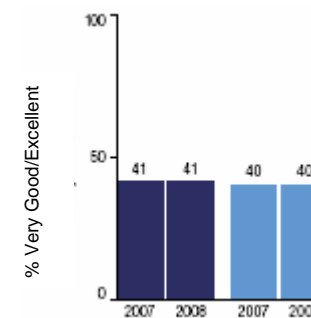
- Developing and promoting products and services which meet the needs of customers



- Providing customers with clear information and good service when they buy products



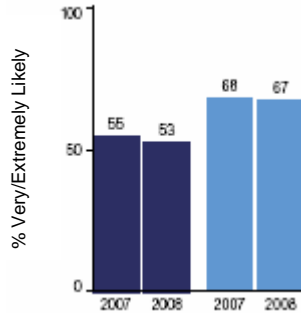
- Maintaining appropriate and effective relationships with customers, providing them with a good service after they have bought a product.



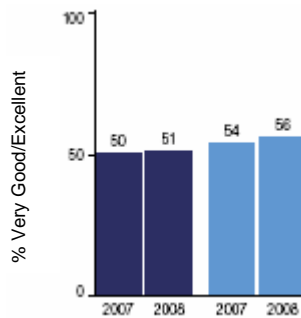
We're pleased with these results that show an improvement on two of the three customer commitments.

When we looked at the results in detail, you told us that, compared to the industry average you were:

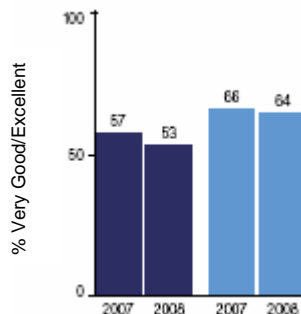
– much more likely to recommend us to friends and family



– more satisfied with the overall quality of the products and services we provide

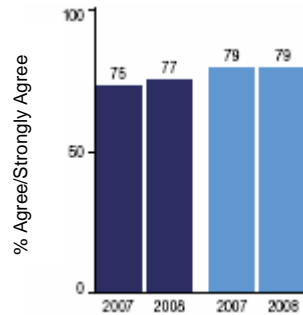


– much more satisfied with the overall sales process – that is, in the way you bought your product



■ Industry Average
■ The Co-operative Insurance Society Limited

– more likely to agree that you feel cared about as customers than those with other companies



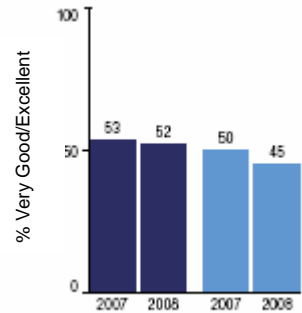
It's great to know that in these areas you rate our performance to be better than the industry.

In last year's report we mentioned some areas where more work was required to improve our service to you.

This year's results show that in some of these areas there's been a modest improvement but in other areas there's still more work to be done.

For example, you told us that you were:

– less satisfied with the service provided by our customer contact centre



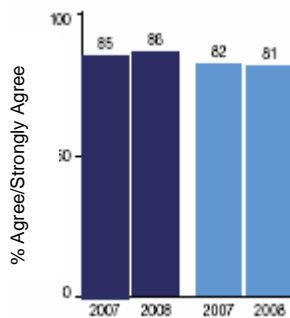
We acknowledge that we've fallen further behind and that there's more work to do.

We recently put in place a detailed training programme for our colleagues so that they're better able to help you when you contact them. We've also reviewed how the customer contact centre is structured. Certain teams have been merged to create single points of contact for your queries, and we've improved processes to speed up our service.



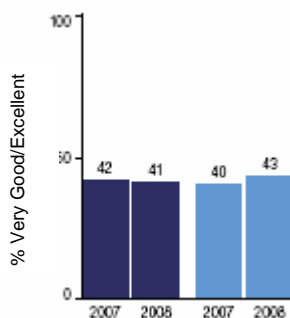
We listen to our customers and are always looking for ways to improve our service.

– less satisfied in terms of the ease with which you can do business with us



Although we remain below the industry, we're continuing to look at how we can improve. This year we've introduced leaflets and updates to help you understand what we do. For example, we've developed a new leaflet for all customers who apply for a protection policy, explaining what the underwriting process is and what the possible next steps and outcomes are. We've also introduced a monthly fund fact sheet for our financial advisers, with investment market and fund updates, so that they can provide you with more detailed information. And we've also improved the way we handle your custom so that we can minimise delays and let you know what's happening more speedily.

– less satisfied with the quality of the documentation that we send



■ Industry Average
■ The Co-operative Insurance Society Limited

To address this we've improved the clarity of some of our marketing and claims documents, and introduced guidelines for using clear language and layout in all our correspondence with you. For example, we've reviewed the yearly statements that we send you and have identified how we can improve them. Some changes have already been implemented whereas others will be made once the outcome of a review of customer communications is complete. It's worth mentioning that we've improved on last year and are now ahead of industry.

What we're doing to improve our customer service

Using your feedback from last year's survey, together with guidance given by the Customer Impact Scheme, we produced a list of actions to improve our service to you.

Thanks to your comments we've also in the last year...

- Held a Plain Language seminar for over 100 colleagues
- Commissioned additional customer research to help us identify the issues that concern you and to find out what you thought of the improvements we'd made
- Developed a new brand style which should make documents much easier to read and provide a consistent approach.

And using the results of this year's customer satisfaction survey, we've identified some further improvements...

- Better training for colleagues so we're better placed to help you with your questions

- We'll look to develop new products and sell them through new channels, so you can buy the right product for your needs in the way you want
- We'll look to improve how we communicate with you once you've bought your product from us, so you've got all the information you need when you need it
- We'll continue to support and adhere to the Financial Service Authority's 'Treating Customers Fairly' initiative, which will help us to continue to put you at the heart of everything we do.

We're always looking to improve our service to you and look forward to receiving your feedback and comments in next year's survey.

Meanwhile, we can be contacted easily through our website at www.cis.co.uk or by calling one of our Customer Contact Centre Advisors on 08457 464646.

