

# High-quality insurance products key to sales growth

**C**ar Care Plan has been delivering warranty, asset protection, cosmetic repair insurance, alloy wheel repair insurance, tyre insurance, roadside assistance and MOT test programmes for more than 40 years and it currently administers more than a million policies each year, but that does not mean there is not still room for growth.

Year-to-date, its turnover is 18% higher than the same period last year, and 2016 as a whole ended 25% up on 2015.

About half its sales are warranty-based, a fifth are GAP insurance, with the remaining 30% split between other products.

Although it administers more than a million policies each year on behalf of more than 20 major motor manufacturer brands and 3,000 franchised and independent motor retailers, Car Care Plan's products are mostly white-labelled.

Group sales director Ben Russell said: "We are completely behind the scenes and that's where we intend to stay. Some of the most prestigious brands in the UK use our products."

Employing more than 400 people across 26 countries and operating from five offices worldwide, about 300 staff members are located in the UK, including about 70 field-based account managers. Each team member is a specialist in their own discipline.

Russell puts the company's growth down to its high standards. Many of these would

be required in any case, to comply with Financial Conduct Authority (FCA) regulations, but Car Care Plan said it deliberately sets the bar high to both pre-empt future regulation and deliver the highest level of transparency to the end user, the motorist.

He said: "Of course, it is imperative the customer is treated fairly, but when you represent some of the biggest household names in the world, your products have to stand up to scrutiny."

"We are seen very much as a partner of our major manufacturers and large dealer group clients. They rely on us to put rigorous processes in place, which meet the stringent and complex regulations governing F&I."

"Our goal is to stay one step ahead to ensure our clients are prepared for any changes which may occur."

While manufacturer-approved used and extended warranties will continue to make up the lion's share of the company's portfolio, take-up of its cosmetic warranty or SMART repair products has grown significantly.

Russell said: "It's a really good product because it helps to keep new and used vehicles pretty much spotless. If someone opens their door into your car in a car park, for instance, your car will probably sustain a small dent. It is probably too small to warrant a repair and drivers simply put up with it, even though it's annoying. With the cosmetic warranty, a specialist comes to you and undertakes the repair."

It's a similar story with alloy wheel repair



insurance, added Russell: "Customers like it because the dents and scratches they would otherwise have left are quickly and easily repaired with little inconvenience."

Car Care Plan also provides a smartphone app to make booking the SMART repair as easy as possible for the motorist.

It includes a 'dent wizard' to enable the damage to be assessed before a specialist is called out.

While such products are not as complex as GAP insurance, which is now governed by its own set of rules (such as allowing a consumer four days in which to research other products on the market before the sale can be concluded), Car Care Plan applies the same strict criteria when it comes to processes and treating customers fairly (TCF).

In fact, the company has found that the same procedures that have created a step-by-step process for GAP sales, including a fully audited trail, have helped to ingrain products in the 'psyche' of the dealership.

Russell said: "Previously, there was no real visibility of how the sale of GAP was managed. Now there's a strict procedure to follow, we know the product is being offered to every customer. We are seeing dealers offering GAP along with other insurance products and the greater exposure is boosting sales, which is reflected in our growth figures."

"When the regulations were first introduced, we thought we would see a drop-off

in GAP sales, but that hasn't happened. Customers are being encouraged to shop around, so we have to be confident we are absolutely offering the very best product on the market. We ensure dealers understand the product and draw customers' attention to its five-star Defaqto rating [an independent rating system for insurance products].

"We are happy for customers to shop around in those four days as we are confident we have the best product on the market."

Car Care Plan said it also prides itself on its claims handling and its wider expertise.

Russell said: "Our field team members are genuine experts on used cars, as well as their products, and provide additional support particularly to our OEM accounts. While we provide training on our products, systems and processes, we believe our real strength is in our thought leadership. We look at the market and analyse the influences and likely outcomes."

One of the things currently taking Car Care Plan's attention is the General Data Protection Regulation (GDPR), the new personal data law which comes into force next May. The company is particularly looking at ensuring the right permissions are in place to resolicit customers.

Compliance continues to be a hot topic. Car Care Plan covers it regularly in its blog and newsletters. Russell said when it tenders for new business, compliance accounts for about a third of the document.

"We apply the same TCF processes across the board whether we are selling insurance or warranty products. We are protecting some of the best-known brands in the UK, so we have to be confident we have the best processes in place."

For Russell, the point of sale provides the best opportunity to sell insurance and warranty products. It does support dealers and manufacturers that want to highlight products online, although he said there is little appetite from clients for a full online service.

"We may offer dealers and manufacturers a portal service where customers can buy their products online, but the view at the moment is these products should be sold face-to-face so they can be explained fully to the customer," he said.

"There is a good argument in sending out high-quality emails highlighting the products available once the car has been ordered and before it has been delivered. Many of our clients do this very successfully."

Russell believes increased digitalisation, such as customer portals that allow for documents to be signed electronically, and the potential of incorporating products as part of the monthly payment plan of a new car are likely developments in the sector.

"Our products are usually tailor-made to our clients' requirements and specific vehicle models," he said.

"This has become increasingly complex over the years, requiring us to develop our systems to manage different pricing and a variety of product configurations. Increased personalisation requires flexibility and software development capability. We think we will see an increasing use of technology, with the development of apps being the next likely stage."

"The secret is to have a consistent process, which is as customer-friendly as possible. The development of our apps is part of that process and we are actively looking at new ways to deliver our service."

**“WHEN YOU REPRESENT  
HOUSEHOLD NAMES, YOUR  
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