

Renewal transparency

April changes

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Ageas, the crew behind you.

Renewal transparency – what you need to know

With the FCA's new rules taking effect in April this year, now is the ideal time for a reminder about the new requirements. By planning ahead, we can work together for the benefit of your customers and your business.



Renewal transparency – the rules in brief

In a nutshell, the new rules are all about giving customers more confidence in the insurance industry. Confidence in us, confidence in you, and confidence that you've provided an insurance policy that still works for them.

Insurers and brokers both have to proactively and regularly remind customers that it's a good idea to shop around for the most appropriate policy. In practice, the FCA asks for this to be done with two rules.

The first new renewal transparency rule states that customers have to receive their usual renewal reminder before their policies' renewal dates, showing:

- the annual cost of their previous year's insurance premium; or,
- the annual premium including mid-term adjustments.

It goes without saying, these reminders mustn't lead to confusion. If a customer's circumstances changed mid-term, for example, then there can be a suitable and relevant explanation about how that affected the premium. At Ageas, we know how important it will be to make sure these explanations are written clearly and in plain English – because that helps build trust.

The second new renewal transparency rule is also very straightforward:

- customers must be given a reminder to check their cover is still appropriate and that they may wish to compare cover and costs with other providers.

Renewal transparency – prescribed wording

Where it is the fourth renewal or more some of the new wording we must use has been prescribed by the FCA. This is the messaging to encourage customers to compare cover / price with other providers, which must say:

‘You have been with us for a number of years. You may be able to get the insurance cover you want at a better price if you shop around.’

This is in addition to the message to check the cover is still appropriate.

Often customers stay with the same broker for years simply because they’ve decided that’s the right thing to do – a judgement that’s likely to be based on good service and trust – which is a reflection on your business.

And now... from the crew to you:

We're confident that you will see these rules the same way we do. They're a positive step that helps us raise the profile of our industry's integrity.

Customers need to be confident we're both here to help them find the right policy for their needs, so these reminders are an ideal way to refresh your relationships for all the right reasons. Remember, we're here to support you.

Tips from the crew to you:

1 “Customers’ renewals may have rolled over for the last four years, but the chances are their situations will have changed. Following up on renewal reminders will be an ideal way to re-engage with clients who may not have reviewed their cover recently.”



2

“ Get in touch to talk about value for money: large price differences between policies usually mean fundamental differences in benefits. Is the other policy as extensive, can you walk them through the small print? Are legal services included? Are benefits the same? ”

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