

## **RESPONSE TO THE CMA CONSULTATION ON THE PRIVATE MOTOR INSURANCE MARKET INVESTIGATION ORDER 2015**

### **SWINTON GROUP LIMITED ("SWINTON")**

#### **1. Introduction**

- 1.1 On 7 January 2015, the Competition and Markets Authority ("CMA") published a draft Order in relation to its Private Motor Insurance ("PMI") market investigation and invited written representations on the proposed Order from any interested persons (the "Draft Order"). The CMA has specifically requested feedback on the implementation timelines for the protected no claims bonus remedy (the "NCB Remedy")<sup>1</sup> by no later than 6 February 2015.
- 1.2 Prior to making submissions in relation to the Draft Order and, in particular, the implementation timelines for the NCB Remedy, Swinton sets out below brief details of its operations and activities which will be the subject of any Order.<sup>2</sup>

#### **2. Swinton**

##### *Description of Swinton*

- 2.1 Swinton is a wholly owned subsidiary of Swinton Holdings Limited ("SHL") and is ultimately part of the Covéa group (a large French mutual insurance group). Swinton is authorised and regulated by the FCA. Whilst Swinton is predominantly a retail broker, it also sells commercial insurance. Swinton operates in Great Britain and Northern Ireland and does not conduct any business outside of these jurisdictions.
- 2.2 Swinton operates its retail business on a sales channel, not product, basis and transacts its PMI business through its branch network and contact centres. Swinton's primary sales channels are branch (for dealing with both new business and renewals) as well as call centres, internet direct and internet PCWs for dealing with new business. In 2014, Swinton had [X] live PMI policies. A table at Annex 1 provides a breakdown of the percentage of cases and sales values for each of Swinton's sales channels in 2014. Approximately [X] of the policies Swinton handled last year involved NCB Protection, being [X] of its total PMI policies.
- 2.3 The Swinton Private Motor Insurance Panel comprises [X] insurers. A full list of the panel members is attached at Annex 2. Unlike most large brokers, Swinton sells the 'open market wording' products of its panel members. As a result,

<sup>1</sup> The Draft Order clarifies that the term NCB can be used interchangeably with "no claims discount" (NCD) in order to describe how different PMI providers describe the NCB discount and protection offered to customers.

<sup>2</sup> Swinton has previously made submissions to the Competition Commission (CC) and CMA setting out full details of its operations. On 21 February 2012, Swinton provided a response to the CC's initial request for information. On 17 January 2014 Swinton responded to the CMA's provisional findings and notice of possible remedies and on 4 and 10 of April 2014 Swinton provided further comments in response to the CMA's additional data requests.

Swinton does not have its own standard PMI policy that is priced and underwritten by the insurers on its panel. As Swinton sells the 'open market wording' products of its panel members, insurers drive the amendment to the PMI policies and supporting policy documents. As an intermediary, Swinton is able to influence the PMI policies and supporting policy documents; it is not able to set the terms of those policies.

2.4 By way of background, Swinton believes that it will be helpful for the CMA to understand the steps involved in customer inquiries and the numerous IT systems which support those processes. We attach at Annex 3 a diagram setting out Swinton's current IT systems which are used in the sales process. Further details are set out below:

- (i) Once a customer enters one of Swinton's sales channels (online, by phone or in a branch) the relevant retail platform creates a new customer record or, if dealing with an existing customer, locates the customer's details. Swinton itself has a number of retail platforms [X].
- (ii) The retail platform will then transmit the customer's details to a Swinton quote engine. [X]
- (iii) The quote engine will send the relevant information to the insurers' systems who will in turn provide a quote which will be sent back to Swinton's pricing system. [X]
- (iv) Swinton's pricing system then calculates the margin to be added to the quote provided by the insurers' systems before sending the final quote to the retail platform. The lowest quote will then be communicated to the end customer.
- (v) The retail platform interacts with the Swinton documents platform in order to produce the relevant quote documentation.
- (vi) In the event of a purchase, [X] transmit the information to the relevant document system for policy documents to be generated for the consumer and information to be sent to the insurer.

2.5 As will be apparent, the sales process is multi-layered and it is necessary for a number of separate IT systems and platforms to be inter-operable and to perform individual but related functions. Any changes to those systems will of necessity be complex, time consuming and expensive.

### 3. **The Draft Order**

*Definition of PMI Provider.*

- 3.1 The definition of PMI Provider in the Draft Order includes brokers as well as insurers.<sup>3</sup>
- 3.2 The Draft Order imposes the following requirements on PMI Providers when making an NCB Protection Offer:
- (i) to provide the information set out at Schedule 1a to the Draft Order which includes a standard text and a requirement to refer to details of insurers' step-back procedures<sup>4</sup>.
  - (ii) to provide information set out in Schedule 2 which includes specific text and details of the Implied Price<sup>5</sup> of NCB Protection together with two generic tables which show (a) the different NCB Years for which an NCB Discount applies and the Average NCB Discount associated with each number of NCB Years and (b) the number of NCB Years in the NCB Protection Offer, in one column without NCB Protection and in the other column with NCB Protection, and, the Step-back Formula in NCB Years that would be applied at next renewal in the event of a claim or multiple claims.
- 3.3 Non-compliance with the Draft Order means that claims for loss or damage can be brought by third parties suffering damage, as well as potential enforcement action by the CMA by civil proceedings or other means.<sup>6</sup> Non-compliance with the Draft Order may also be considered a breach of the duty to '*establish and maintain systems and controls that are appropriate to its business*' and thus lead to enforcement action by the FCA.
- 3.4 Given the seriousness of the consequences outlined at paragraph 3.3 above, it is vital that appropriate provisions are made in the Draft Order for parties within the scope of the Draft Order to be able to comply. This response sets out Swinton's comments on the Draft Order and makes submissions in relation to the implementation timelines of the Draft Order and requests that a timetable is set which:
- (i) reflects the substantial amount of work required to implement the provisions; and

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<sup>3</sup> In the Draft Order, a "PMI Provider" is defined as "a PMI Broker, a PMI Insurer, and a group of interconnected bodies corporate comprising multiple PMI Brokers and PMI Insurers, or both." PMI Broker is defined as "a person who is an insurance intermediary who supplies, arranges or administers PMI Products."

<sup>4</sup> Step-back Formula is defined as "a formula applied by a PMI Insurer for determining whether the number of NCB Years that will be offered on renewal is reduced as the result of one or more Claims made within a period of time specified by the PMI Insurer, calculated separately: (a) with NCB Protection; and (b) with no NCB Protection."

<sup>5</sup> Implied Price of NCB Protection is defined "a price to be calculated by all PMI Providers when making an NCB Protection Offer, and that demonstrates the difference in the retail price between the PMI Product which is the subject of the NCB Protection Offer (including, as applicable, any add-on products selected) with, and without, NCB Protection."

<sup>6</sup> Section 167 of the Enterprise Act 2002 – see also paras 5-7 of the Draft Explanatory Note – Consultation accompanying the Private Motor Insurance Market Investigation Order 2015.

- (ii) maximises the likelihood of the broker industry being able to comply with the terms of the Draft Order.

#### 4. **Implementation of the NCB Remedy**

4.1 Swinton sets out below further detail of the practical steps which it considers will need to be undertaken in order to implement the NCB Remedy in particular in relation to the provisions relating to step-back procedures and implied price. The steps identified below are based on Swinton's knowledge as a result of its own operations and systems but they are not unique to Swinton and are likely to be replicated throughout the industry.

4.2 Swinton believes that most, if not all, brokers will be faced with accommodating the work stages set out below:

- (i) analysis of the Draft Order and consideration of legal and other expert advice on how it impacts their business processes as well as implementation requirements;
- (ii) the preparation and provision of the relevant information by insurers;
- (iii) consequential changes to IT systems to allow the information to be incorporated into the insurer systems on one end and broker systems/ customer facing websites, stores or telephone sales at the other end. Once broker systems are compatible with insurer systems, brokers will also have to carry out further internal alterations to their numerous channels, pricing and other bespoke systems;
- (iv) all testing and monitoring to ensure all amendments to IT systems have been undertaken to the appropriate standard and are fit for purpose; and
- (v) all necessary changes to sales practices, documentation, call scripts and training modules to ensure that the relevant information is provided to customers in a way which is informative and assists them in undertaking a proper assessment and thus making an informed choice.

#### *Information by insurers.*

4.3 Brokers are dependent on the provision of the relevant information by insurers to enable them to provide information about and sell products to consumers. In the first place therefore, brokers will need to be provided with the relevant information by the multiple insurers with which they deal. As the CMA is aware, step-backs procedures vary insurer by insurer and the implied price of NCB Protection will also vary between insurers. Brokers will not currently hold any

step-back or implied price information in a tabular, or any other suitable format and are entirely dependent upon being given that information by insurers. It is not clear when this information will be made available by insurers to brokers and, in particular, when the information will be made available in a format which will enable it to be compatible with their systems. It has been suggested that it may take up to 18 months for the information to be provided in a compatible format to brokers and for broker systems to be adapted to provide the information to customers.

4.4 From the perspective of Swinton, it cannot take any implementation action without close collaboration and co-operation with insurers, the insurance industry's Electronic Trading Practices Group (ETPG)<sup>7</sup> and systems houses because:

- (i) Swinton is not in possession of the information required to be disclosed under the Order, and is therefore dependent on insurers and software houses to modify their systems to provide the information;
- (ii) many detailed implementation considerations have not yet been resolved by ETPG which are necessary in order for the information to be transferred to Swinton's automated systems; and
- (iii) Swinton is not aware of any insurer or software house that have actually started to adapt their systems in accordance with the Draft Order. Swinton believes that insurers and software houses are waiting for the CMA's Final Order and confirmation by ETPG of the industry technical specifications.

4.5 In addition, some of the information provided by insurers is likely to require clarification, amendment, further analysis by or discussion within brokers. For example, the implied price that will be provided to Swinton by the insurers will be on a net basis. It will not necessarily be the price differential between the quote with and without NCB Protection. Swinton will need to consider whether there is any need to recalculate the implied price provided to it by the insurers and, if so, how to make the implied price provided to it by the insurers relevant to Swinton.

#### *IT system changes*

4.6 The additional information to be provided to consumers requires extensive changes to insurers' systems, changes to the software house solutions including, but not limited to, all existing packaged solutions and bespoke broker systems encompassing analysis of necessary system changes, development of computer

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<sup>7</sup> A forum for insurers, software houses, intermediaries and industry bodies, to resolve industry-wide issues impacting electronic commerce insurers.

programmes and amendments to pricing algorithms, sales journeys and adviser websites.

- 4.7 We attach at Annex 4 a list of the steps which will need to be undertaken as part of the modification of IT systems which we believe will be common across the industry. The table has been prepared by ETPG which is an independent industry body which develops and sets the insurance industry's e-trading standards and models. As an independent body, ETPG has estimated that the IT changes necessary to implement the Draft Order in the broker industry will take approximately 18 months to formulate and adopt across the industry. Accordingly, its current estimate of the date by which the industry as a whole will be able to comply with the Draft Order is September 2016. This estimate may change as further work is undertaken to identify, develop and finalise the appropriate technical specifications and standards.
- 4.8 The extensive changes identified at paragraph 4.6 above essentially involve changes to IT systems as follows:
- (i) Changes to Insurer Systems - In order for software houses to make the required changes to standard and bespoke broker systems, they will first have to work with the different insurers in the industry in order to modify and amend their systems;
  - (ii) Changes to Broker Systems to be made by software houses - In order for brokers to be able to receive the new information from the insurers' modified systems, software houses will have to alter the standard or bespoke broker software systems in a way which means that they are compatible with insurers' systems so that they can receive, read and communicate the additional information. For example, as will be apparent from paragraph 2.4 above, [X]; and
  - (iii) Changes to Broker Systems to be made by brokers - Once brokers' systems have been amended by the software houses, brokers will then need to alter their own internal processes which will involve making changes to their sales channels, pricing and other bespoke systems.
- 4.9 The difficulty of this exercise is only compounded by the fact that software houses will only be in a position to start altering brokers' systems once the required work has been carried out on the insurers' systems. Certain software houses will be requested to alter systems simultaneously for numerous insurers and brokers which in itself is likely to have an effect on the speed at which the IT work can be undertaken. Furthermore, brokers will only be in a position to make the further required changes to their systems once the software houses have altered brokers' systems to be compatible with the insurers' upgraded systems.

4.10 For Swinton, this means that a number of its systems will require modification in order to comply with the Draft Order including:

- (i) Swinton's pricing engines [X] - so that they are able to receive the additional information from the industry quote services;
- (ii) Swinton's internal systems - to present the additional information and the revised sales scripts [X];
- (iii) Swinton's websites - to present the additional information to customers;
- (iv) Swinton's 'fulfilment' materials, including extensive changes to existing letters to include the new information, in both printed versions and eDocs service; and
- (v) Swinton's management information, which stores and analyses the additional information, in order to validate that it is being received correctly from insurers, and that it is being sent correctly to customers.

4.11 Whilst the changes themselves will take a considerable period of time to implement, the complexities of the IT changes are exacerbated by other outstanding issues in relation to Swinton which will also require resolution in advance of implementation:

- (i) [X] This will need to be determined.
- (ii) [X] Again, a resolution as to how best to communicate this information to customers will need to be found.
- (iii) There are also significant complexities in relation to renewals of PMI rather than new quotes. [X]

#### *Testing and monitoring*

4.12 The changes required are numerous and multi-layered and reflect the complexity of the PMI information supply chain particularly for brokers. The systems will have to be developed, coded, tested in several modes (including regression testing) and integrated into documents. Systems will need to be tested to ensure that they operate correctly and to identify any errors which may occur. The amended systems will need to be tested and monitored in a live environment as well as in a controlled environment.

#### *Non-IT changes to systems*

4.13 It will be apparent that the changes to IT systems in order to implement these proposals will be substantial. In addition to the IT changes described above,

changes will also be required to all hard copy documents provided by brokers to customers, sales scripts and guidelines for sales staff. Additional training will need to be undertaken for telesales staff and branch personnel in order to ensure that the information is given in a way which means that it is comprehensible but does not disengage the customer. Swinton is particularly concerned about the scale and complexity of the changes which will be required in relation to hard copy and other communications with customers which will involve the provision of information to customers in a way which will be informative and comprehensive without being overwhelming and confusing.

## 5. **Estimated costs for changes**

5.1 Swinton estimates that the direct costs involved to implement these IT changes will be approximately [X] million not including any associated costs. At this stage Swinton has not estimated [X] and so on.

5.2 [X]

## 6. **Obligations on the CMA in relation to remedies.**

6.1 The CMA must accept final undertakings or make a final Order within six months of the date of publication of the market investigation report. This six month period includes a period of formal public consultation. The CMA has the power to extend the timetable for the implementation of an Order (by four months) where there are special reasons for doing so - special reasons will include that the remedy raises complex practical issues<sup>8</sup>. The CMA should have regard to the principles of effectiveness and proportionality as well as the outcome of its consultation in setting out an appropriate time in which an Order should be implemented.

6.2 The CMA's own guidelines acknowledge that it has an obligation to identify remedies which are effective,<sup>9</sup> capable of being implemented, reasonable and proportionate. The remedies should not be more onerous than necessary or should be the least onerous available.

6.3 The CMA must also consider implementation costs and any risk of the market being distorted as a result of a remedy when considering implementation.

6.4 The CMA has already undertaken consultation about the length of time the NCB Remedy would take to implement. A number of submissions were made in which it was submitted that the six month lead time proposed by the CMA to

<sup>8</sup> Market Studies and Market Investigations: Supplemental guidance on the CMA's approach – January 2014 -CMA 3 paragraph 4.7 –'for example where consumer testing of the detailed implementation of remedies is necessary, where proposed remedies give rise to complex practical issues, or where an additional consultation is required to address material changes arising from comments in earlier consultations.'

<sup>9</sup> Para 336 of Guidelines for Market Investigations: Their role, procedures, assessment and remedies – CC3 - 'A remedy should be capable of effective implementation, monitoring and enforcement.'



implement the NCB Remedy was not sufficient in particular in relation to brokers. Those responses are summarised in Appendix 11.1 of the final PMI Report. The responses of several insurers and brokers are summarised below:<sup>10</sup>

- (i) Although the specific time it required was omitted from the public version of its reply, Ageas strongly suggests that it would require more than 6 months to implement the remedy. Ageas highlighted that, *'the process and software changes required to generate and provide the information envisaged by the CMA are considerable [...] to a large extent, the time that it would take for the required software changes to be made would be out of Ageas UK's control. This is typical across the intermediated market.'*<sup>11</sup>
- (ii) In its response to the Provisional Decision on Remedies ("PDR"), AXA estimated that it would require *'a minimum of 12 months from the making of the enforcement order.'*<sup>12</sup>
- (iii) The ABI stated that it believed that *'the six month lead-time significantly underestimates the time needed by insurers, software house and the intermediary market to update their systems.'*<sup>13</sup> The ABI stressed that *'time will be needed to ensure the required information is provided to customers on all distributor sites (including insurers' direct sales).'*<sup>14</sup>
- (iv) The AA highlighted in its response to the PDR that it believed *'the proposed time for the implementation of Remedy 4B is too short.'*<sup>15</sup> The AA also pointed out that as it is *'structured as a broker with a panel of insurers, each of which operates different NCB scales [...] the relevant NCB scales would have to be disclosed every time a quote is based on an insurer's rates. If a customer requests a number of quotes, then the different insurers on the panel may be cheapest for each quote iteration, and each iteration will lead to a change in the disclosed NCB scales. The dynamic element of such changes will require complex adjustments to the AA's website.'*<sup>16</sup> The AA pointed out that in order to comply with the CMA's envisaged remedy, it *'would have to create and maintain a database containing step-back date for*

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<sup>10</sup> Para 71 of Guidelines for Market Investigations: Their role, procedures, assessment and remedies – CC3.

<sup>11</sup> CMA Market Investigation Into Private Motor Insurance - Ageas UK's Submission In Response To The Provisional Decision On Remedies – Dated 4 July 2014 - Paragraph 5.10

<sup>12</sup> CMA Market Investigation Into Private Motor Insurance - AXA UK Plc – Response to the Provisional Decisions on Remedies – Dated 4 July 2014 -Paragraph 5.3

<sup>13</sup> CMA Market Investigation Into Private Motor Insurance - Response of the Association of British Insurers - Paragraph 5.14

<sup>14</sup> CMA Market Investigation Into Private Motor Insurance - Response of the Association of British Insurers - Paragraph 5.14

<sup>15</sup> CMA Market Investigation Into Private Motor Insurance - Response Of Saga And The AA To The CMA's Provisional Decision On Remedies - Paragraph 30

<sup>16</sup> CMA Market Investigation Into Private Motor Insurance - Response Of Saga And The AA To The CMA's Provisional Decision On Remedies - Paragraph 30

*each insurer in formats suitable for publication.*<sup>17</sup> The AA envisages that the CMA should provide for a 12 month period for implementation following the making of any enforcement Order.<sup>18</sup>

- (v) Whilst they did not specify a specific amount of time they envisage as being necessary for the required changes to be implemented, both Zurich and CIS General Insurance Limited also expressed uncertainty regarding the implementation time required by insurers, software houses and the intermediary market. Zurich further suggested that *'the 6 months lead time significantly underestimates'* the time needed for the market players to update their systems.<sup>19</sup>

## 7. Timing of NCB Remedy

- 7.1 Currently, the CMA has proposed an implementation deadline for the provision of information in relation to the NCB Remedy of 1 September 2015. Swinton has grave concerns about its ability, and the ability of the broker industry generally, to be able to comply with this deadline.
- 7.2 In light of the above matters, Swinton submits that it would be appropriate for the CMA (i) to clarify the terms of the proposed Order as soon as possible so that industry participants are able to start the planning and development process for implementation, (ii) to provide for an implementation date for the Final Order relating to the NCB Remedy of no earlier than September 2016. Swinton notes that the implementation date of no earlier than September 2016 is proposed on the basis of the current estimate of the ETPG that this date would allow sufficient time to implement the necessary IT and other changes. However the ETPG's work is continuing and Swinton requests that the CMA liaise with the ETPG in order to ensure that September 2016 remains an appropriate deadline with which all participants in the industry will be able to comply.
- 7.3 Swinton understands that the overall aim of the NCB Remedy is to *'ensure that PCWs and PMI Providers give consumers more transparent information about NCB Protection, including information assisting consumers to assess the value of NCB Protection at the point they consider purchasing it'*. Swinton fully supports that aim.
- 7.4 However, as noted above in section 6, the CMA has an obligation to ensure that its remedies are capable of being implemented, effective, proportionate and do not distort the relevant market. In Swinton's submission, the implementation

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<sup>17</sup> CMA Market Investigation Into Private Motor Insurance - Response Of Saga And The AA To The CMA's Provisional Decision On Remedies - Paragraph 31

<sup>18</sup> CMA Market Investigation Into Private Motor Insurance - Response Of Saga And The AA To The CMA's Provisional Decision On Remedies - Paragraph 32

<sup>19</sup> CMA Market Investigation Into Private Motor Insurance CMA Market Investigation Into Private Motor Insurance - Zurich's response to the provisional decision on remedies- Page 4

timelines for the NCB Remedy means that the NCB Remedy is unlikely to fulfil any of the above requirements for the following reasons:

- (i) Technical standards and models still need to be drafted, agreed and finalised so that a clear pathway for implementation is identified and capable of being followed. Sufficient time must therefore be given to implement technical standards and models (once identified) such that the information is able to be provided to the consumer in a comprehensive and clear way. The current timelines do not permit brokers to implement those technical standards and models which, as noted above, have not yet been developed.
- (ii) The NCB Remedy needs to be capable of being implemented by all participants in the market – insurers and brokers alike – at the same time. It seems likely that insurers will be in a position to sell their products directly to customers in compliance with the Draft Order at an earlier stage than brokers as insurers hold the required information and will be able to implement the necessary IT changes in advance of brokers. Brokers who are selling insurers’ products as intermediaries, may not be able to sell such products in compliance with the Draft Order as the information will not have been provided to them in sufficient time for them to implement the necessary IT and other changes.
- (iii) The NCB Remedy can only be effective if it is implemented in a way which permits consumers to compare step-back procedures and implied prices. Without wholesale and comprehensive implementation by the industry (insurers and brokers alike), customers will be unable to carry out that comparative exercise and will be unable to understand the range and value of NCB Protection on offer in the market.
- (iv) The NCB Remedy is disproportionate in that it fails to recognise the different positions of insurers and brokers and proposes to apply a similar implementation timeline to both. A failure by the CMA to acknowledge the different positions of insurers and brokers means that the NCB Remedy discriminates against brokers and potentially causes disproportionate harm to their businesses.
- (v) The NCB Remedy risks distorting the market by applying the same abbreviated implementation timelines to insurers and brokers with the risk that insurers will be able to comply within the deadline whilst brokers will not. Inevitably, insurers will prioritise the provision of information necessary (and consequential IT system changes) to undertake direct sales rather than the information necessary for sales

to be effected by brokers. Insofar as brokers are excluded from providing NCB Protection because they are unable to comply with the current implementation deadline, this will ultimately lead to a reduction in competition and consumer choice.

7.5 ~~[X]~~ In addition, consumers will suffer as they will be restricted in terms of the choice of NCB Protection suppliers. Consumer welfare will not be enhanced by a reduction in competition.

7.6 Insofar as the CMA believes that the period between the publication of the CMA's Final Report and the publication of the Draft Order could be employed to plan for the implementation of the Draft Order, that is not the case. Until the recent publication of the Draft Order, the nature and extent of the obligations on brokers have not been clear which has hampered any planning process. This means that the period of time between publication of the Final Report and the Draft Order should not be taken into account as time during which implementation could have taken place and therefore should not be used as a reason not to extend the proposed implementation timelines.

## 8. **Conclusions**

8.1 Swinton believes that the consequences of an inadequate implementation timeline are likely to be serious for brokers and consumers alike. The integrity of the retail insurance market and competitive conditions in that market will also suffer. If widespread compliance with the protected NCB Remedy cannot be achieved in time for the deadline, the most likely outcome will be fragmented and uneven compliance, which will neither achieve the objective of the NCB Remedy nor enhance competition in the market place. In the event of fragmented compliance, consumers will be provided with information from some suppliers but not others. It may well be that some NCB Protection suppliers will be forced to exit the market until their full compliance can be ensured.

8.2 In light of the foregoing, Swinton requests that the CMA work closely with the industry in order to agree a realistic and achievable timetable for the implementation of remedies which will allow brokers to comply with the Draft Order for the benefit of consumers. Swinton would be happy to assist the CMA further in relation to any questions arising from this submission and would be happy to attend a meeting with the CMA in order to discuss its concerns.

**6 February 2015**

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**ANNEX 1**

[ ✕ ]

**RESPONSE TO THE CMA CONSULTATION ON THE PRIVATE MOTOR INSURANCE  
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**ANNEX 2**

[ ✕ ]

**RESPONSE TO THE CMA CONSULTATION ON THE PRIVATE MOTOR INSURANCE MARKET INVESTIGATION ORDER 2015**

**ANNEX 3**

[X]

**RESPONSE TO THE CMA CONSULTATION ON THE PRIVATE MOTOR INSURANCE  
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**ANNEX 4**

<b>Stakeholder activity</b>
<b>Direct Insurer</b>
Changes to quote and policy documents
Front end web interface changes
Application changes
Product Changes
<b>Intermediated Insurer</b>
Analysis of NCD/PNCD stepback rules (if applicable)
Draft NCD 'template' document for SWHs highlighting the dynamic fields.
Draft rules for populating the dynamic fields (scenario based).
Changes raised with each SWH for product rating and/or document changes - for new business and renewal
EDI message changes - Renewal Invite
Test changes
<b>Software House A (where product changes are made by SWH)</b>
Analysis of system changes for documents and rating
Development, implementation and testing
System changes to support dynamic data in EDI renewal messages
Changes to the aggregator interfaces
<b>Software House B (where product changes are made by Insurer)</b>
Development of URL provision
System changes to support dynamic data in EDI renewal messages
Load new versions of policy summaries and key facts
Work with insurers to integrate updated versions of schemes and document changes.
Manually create and then develop/test new document type (1-2 weeks per insurer/scheme)
Accommodate insurer testing and provide support
Schedule Changes
Changes to the aggregator interfaces
<b>Broker With Own Inhouse System or Broker Using Bespoke SWH System</b>
Same steps as either SWH A or B depending on technology/responsibility for product changes
Changes to bespoke systems to receive implied price information
Create a repository to store and interrogate that information
Changes to the aggregator interfaces
Develop new scripts and collaterals (documents/emails)