



Increased profitability and simpler processing.

Winsover Howden and Tactica Premium Finance: A broker Case Study

A horizontal graphic with a blue and purple color scheme, featuring a grid of glowing squares and lines, suggesting a data visualization or digital interface.

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Winover Howden achieves increased profitability and simpler processing with Tactica Premium Finance.

Winover Howden has been running the Tactica Premium Finance Service for just over one year: a year which has seen explosive growth in the broker's photographic scheme business, as well as the signing of a major new commercial customer – and all this in the face of a severe economic downturn. How has the broker achieved this and what part has Tactica played in this success?

Careful organic growth

Winover Howden is a family business, based in Lincolnshire, with its roots in Francis Howden (founded 1974) and Winover Insurance Services. These two companies merged in 1997, as reflected in the current name. The broker offers predominantly commercial insurance. Organic growth has been accompanied by carefully selected acquisitions: T.H. Watts in 1999 and then, in 2002, the general insurance business of Beard Pipe and Benbow, which greatly expanded the London operation and brought with it the photographic scheme.

This scheme, *'Photo-Shield'*, was a small scale operation when taken on board, contributing only about £80,000 in premiums, but it has 'exploded out of all proportion' according to CEO Chris Wood, and Winover Howden is now recognised as the prime provider of photographic insurance in the country. Addressing purely the professional photographic market (and there are an estimated 50,000 professional photographers in the UK alone), Chris estimates potential premiums in this area to be worth a staggering £16m.

Winover Howden has always offered premium finance as a service to its customers, but as this was not a profitable business, it was not promoted particularly heavily. About half of the broker's business was under finance – a combination of premium finance, originally through one of the *'big two'* external premium finance providers, and insurers' own schemes.

Chris was not happy with the arrangements for premium finance: Winover Howden did not make much money; the rules were set by an external premium finance provider; and there was little flexibility. *'The charges on any mid-term adjustments (MTAs) and in the event of defaults were huge too,'* he adds. He wanted to have more control over the financing side, as well as to increase the value of the premium finance operation.

Then Tactica knocked on the door and presented a new approach: a premium finance facility that would enable Winover Howden to set up an *'own brand'* service, with access to funds at a reasonable cost through a panel of banking partners and access to modern systems to administer the facility. In short, Winover Howden would have much more control over the premium finance process.

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Taking on a new approach to Premium Finance

The decision to proceed was quickly taken. Chris selected Zurich Bank as funding partner from Tactica's banking panel and members of staff were given browser-based access to the system which, having been developed specifically to support the premium finance operation, addressed all of the processes required.

The broker has been running 'live' for a year now so, over that time, what contribution has Tactica made to Winsover Howden's business?

Unlike the previous experience of premium finance, Tactica has given the broker the opportunity to earn additional income – to provide financing to its clients at a reasonable cost and to be in a position to select the rate to be charged.

'With Tactica I have the flexibility to alter the rate and also to decide whether or not I will charge the customer for the financing,' says Chris. 'I can decide to charge a flat rate of 0% or 10%; to charge for MTAs or not to charge – I'm in control of that decision.'

And the Tactica business model has also provided the flexibility Winsover Howden was looking for.

'On the funding side Zurich has fitted perfectly into what we're offering,' adds Chris. 'Through Tactica, we have access to a bank and one which for the most part understands very well how the insurance industry operates and is prepared to give us the flexibility we need.'

When it began to use the Tactica facility, Winsover Howden had around £1m premiums under finance (PUF). Then, towards the end of 2008, the broker won a major contract with one of the biggest players in the construction industry. This new customer alone presented a requirement for £1m in funding for premiums.

'This was significantly bigger than anything we had handled before,' says Chris, 'and it was also considerably higher than any previous funding we had arranged through Tactica. One of the reasons we won the contract, however, is that we had the ability to provide the funding ourselves – we were in control of the situation and didn't have to go away and negotiate with a third party. That definitely helped give us credibility with the client.'

About 50% of Winsover Howden's business was under finance prior to Tactica – a combination of premium financing and direct finance from the Insurer. The figure is now between 60-70%, with the majority of this under Winsover's own premium finance service.

Winsover Howden has seen an increase in renewals too.

'It plays to customer inertia,' says Chris. 'We send out a renewal notification, but the easier option for the customer is just to let the direct debits continue, rather than to go out and research the market again. This is a very useful facility from the client perspective, so they are happy to continue.'

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Simpler processing with Tactica

In terms of use of the Tactica administration system, while the input is similar to the previous application being used, there are inevitably changes to the processes involved and Winsover Howden's staff are still becoming accustomed to these.

'The processing is simpler with Tactica – everything is handled through the system, but we are so busy at the moment it is difficult to get the time to do the training properly,' admits Chris.

And does Tactica help Winsover Howden to comply with the FSA's Treating Customers Fairly (TCF) initiative? Chris feels that by virtue of Tactica offering a standard system and one which allows brokers to provide greater transparency to their clients, then it certainly does help – even though the TCF requirements themselves are rather vague, and experience has shown that clients do not always like the idea of 'greater transparency' as this inevitably means more paperwork for them.

The past year has been a very positive one for Winsover Howden despite the chaos seen in other parts of the financial services industry. How has the broker escaped the knock-on effects?

'It really hasn't affected us', concludes Chris, *'particularly not the photographic business. Plus we have secure funding via Tactica so we don't have to go to market – it would perhaps be a very different story if we did!'*

While other financial services businesses may be retrenching and issuing profit warnings, Winsover Howden is planning for growth: there are plans to expand the photographic side into Ireland and Chris is also keen to win more big commercial deals on the back of the Tactica facility.

So, rather than being something that is offered purely as a necessary service, premium finance the Tactica way has given Winsover Howden funding, flexibility and full control over the financing operation.



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A horizontal banner with a blue and white data visualization background, featuring glowing lines and squares. The text "putting the broker in control" is overlaid in white.

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