

# Creating value for our stakeholders

Our multi-brand, multi-product and multi-channel business offers different propositions to maximise choice for customers. We believe this approach enables us to provide good value for customers and sustainable returns for our shareholders.

## Our core strengths

### Customer focus

Customers are at the heart of everything we do. Our brands, products and distribution channels aim to make insurance much easier and better value for our customers.

### Talented people

We invest in our people, encouraging everyone to aim higher. Our talented people constantly strive to improve and innovate to exceed the current and future expectations of our customers.

### Brand power

Our well-known and trusted brands offer customers decades of experience, knowledge and service. The scale of being Britain's leading motor insurer and one of its leading home insurers<sup>1</sup> gives us a platform for product development.

### Data and technology

Continuing our history of disrupting the insurance market, we are harnessing the power of technology and data to make life easier for both our customers and our people.

### Capital and financial strength

Our cash-generative business model underpinned by proven underwriting discipline, claims excellence and cost control helps us to meet our customers' needs whilst targeting sustainable returns for our shareholders.

Note:  
1. Measured by in-force policies (see page 7).



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## Our diverse proposition

We reach diverse customers by offering a range of products through many routes to market.

### Eight brands

so that our customers can choose the proposition that suits them

### Four segments

representing a range of products and services

### Multiple channels

so that customers can choose how they wish to engage with us

#### Direct

Price comparison websites

Partnerships

Reinvest  
in the business



Find out more on pages 4 – 9

## How we generate returns

We target sustainable returns for our shareholders through a combination of investing in future capabilities, improving efficiency and careful risk management.

### Pricing

We seek to ensure our prices reflect the risks being underwritten by using data and actuarial techniques.

### Claims

Our new propositions, such as Fast Response (see page 41) and our expanded network of accident repair centres delivering our seven day repair proposition (see page 21), not only get customers' lives back on track quickly but also aim to deliver high operating efficiency resulting in excellent claims cost control.

### Cost control

Once again, we reduced our expense ratio during 2018, absorbing our investment in future capability. We aim to continue to make progress against our strategic initiatives with a focus on cost and efficiency.

### Investments

As we gather premiums and provide for future claims payments we use these assets to invest in a diversified investment portfolio.

### Risk framework

The Board has an established risk management model that separates responsibility into 'Three Lines of Defence' (see page 44 for more details).

## Sustainable value

Our objectives are to create value for all our stakeholders, putting our customers first and investing in our people, to support the communities we live and work in, and to generate sustainable profits for our shareholders.

### Customers

Net Promoter Score

**145.6pts**

### Employees

Engagement

**81%**

### Communities

Percentage of staff who fundraised or volunteered on the Group's time

**28%**

### Shareholders

Dividend per share

**29.3p**

**Dividends**

**Premiums**  $-$  **Net claims**  $-$  **Costs**  $+$  **Investment and other income**  $=$  **Profit**



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