

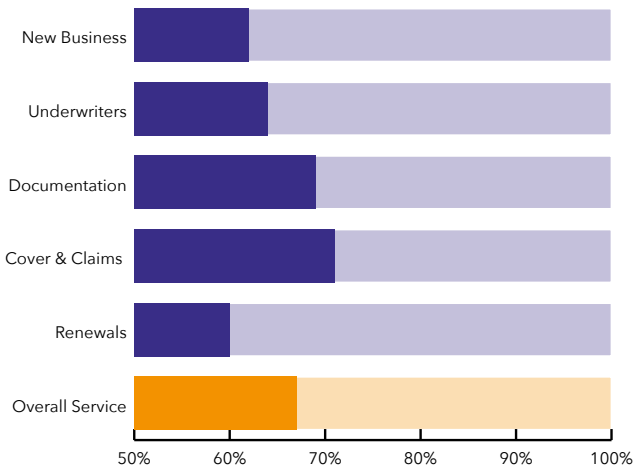
Home & Legacy

This year, Home & Legacy showed a clear and comprehensive decline in service. Its capital providers had tightened up or pulled out, constricting Home & Legacy in every area from new business and underwriting to cover, claims handling and renewals. Price competitiveness had slumped and the book was deflating.

On quoting new business, Home & Legacy ranked 12th with 62%, a seven-point fall. Broker comment, however, had brightened: 8:5 positive and two mixed, to 2019's 6:9 negative and one mixed. Some brokers reported a lively service from Home & Legacy: 'very responsive'; 'pretty quick'; 'a speedy process'; 'always on the ball'; 'usually a quick turnaround'; 'answer the phone quickly and respond to emails quickly too'. Yet others complained of delays: 'can be slow to reply'; 'the worst, very slow'; 'very poor'; 'they are too slow'.

Lockdown and remote working had reduced Home & Legacy's responsiveness, said a Yorkshire-based team

Except for documentation, Home & Legacy ranked either last or second from last in every service area



Home & Legacy	Rank/13	Score	Change vs last yr
New Business	12th	62%	↓ 7%
Underwriting	13th	64%	↓ 5%
Documentation	9th	69%	↓ 5%
Cover & Claims	13th	71%	↓ 3%
Renewals	12th	60%	↓ 12%
Overall Service	12th	67%	↓ 5%

Price Competitiveness: ★★☆☆☆

Market Position



leader: quotes had been taking 'about three days'. It had ceased allocating brokers to any particular individual or team, said an account executive, resulting – in some cases – in 'endless delays in getting cover sorted'.

When we asked brokers which was the best online platform for HNW Home risks, Home & Legacy's HALO system drew 22 mentions: 16 favourable, two unfavourable and four mixed. That compared with 15 favourable, two unfavourable and two mixed in 2019.

For a partner at a Yorkshire firm, HALO was an impertinent gatekeeper: 'Quote portals are for brokers who employ monkeys to type figures out monotonously.' Others liked competitors' platforms better. 'It takes longer to complete quotes than with Artsure and iPrism,' said a South Western broker. But most were happy with HALO: 'a simple, quick and easy system'; 'pretty straightforward'; 'makes submission very easy'. It had a clear-cut question set and an intuitive layout. 'It's easy to use and navigate,' said a broker at a national firm, 'and does not require much explanation to new starters.'

Punch the risk data into HALO and up would come an indicative quote. If it looked of interest, you could firm it up with an underwriter. Unfortunately, that could take a while.

On its underwriting capabilities, Home & Legacy ranked 13th and last with 64%, a five-point fall. Comment split 9:12 negative and five mixed, to 2019's 7:7 and two mixed. Home & Legacy's service team had earned a reputation for tenacity: 'happy to do their best'; 'show a 'can do' attitude'; 'always try to find a solution'; 'the underwriters know their field'; 'very helpful'; 'very capable'; 'very good in wanting to quote for a lot of cases'; 'try to go the extra mile for us, fighting our cause with the underwriters'; 'Home & Legacy are fantastic'. Get the right person on the line and they would make a determined effort to hook the case. 'Even when it has been 'no' on the portal, we have still obtained cover by working together on changing terms to suit both parties,' said a manager at a South Western firm. 'They will always go over and above to cater for our non-standard clients who have more complicated HNW needs.'



Others were more conscious of Home & Legacy's downsides: 'too many junior underwriters with no authority'; 'very robotic'; 'too many questions'; 'like a conveyor belt'; 'ask questions that are not really that relevant'; 'very screen-driven when it comes to discussing a risk'; 'I never speak to the same person twice'; 'we speak to different people all the time'; 'inflexible on rates and acceptance criteria'; 'very rigid'; 'make a lot of endorsements'; 'impose onerous conditions and warranties'; 'very black and white with their delegated authority'; 'there is no room for negotiating'; 'I can tell their panel of insurers are tightening their criteria'.

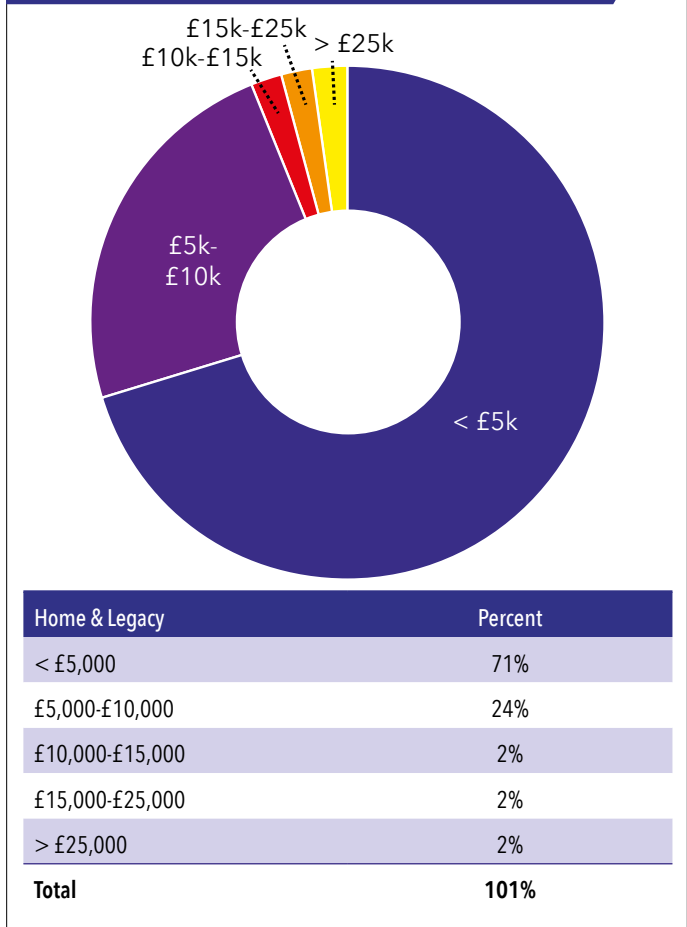
For many, dealing with Home & Legacy had become an unrewarding chore. 'It's never the first person you speak to,' said a broker at an East Midlands firm. 'The answer is almost always 'computer says no' and the amount of times I've heard 'I'll refer it to the underwriters' is unbelievable.' Junior staff did not impress. 'Some come across as very uninterested, aren't willing to work to find a solution and often have to refer to the underwriter or insurer that sits behind them,' remarked a South Western broker. As intermediaries, he said, they added no value: information got lost in translation and in the end, the ultimate decision-makers ended up taking a more adverse line than if he'd been able to speak to them himself. When we asked brokers which individual underwriter had most impressed them during 2020, people at Home & Legacy earned only two mentions, no change on 2019.

On documentation, Home & Legacy fell five points to 69%, ranking ninth. Comment was 6:5 positive and one mixed, to 2019's 10:6 positive and one mixed. Frequently all went well: 'great documents'; 'issued very quickly'; 'normally very accurate'; 'usually right first time'. Yet some brokers had found Home & Legacy 'really slow' with documentation. Said a West Midlands account exec: 'Waits of a week are not uncommon nowadays.'

Worse, Home & Legacy docs could be badly structured, hiding a tangle of potential problems. Risk information needed careful checking. 'Home & Legacy add various contents sections together, which makes it hard to establish if the sums are correct,' said the owner of one independent firm. 'Home & Legacy's documents are poorly laid-out, difficult to read and have sections which include various other sections, but not specified sections,' explained an East Midlands broker. 'You really have to know how to read their documents. The clients have no hope.'

On cover and claims, Home & Legacy footed the table with 71%, a three-point fall. Comment was 4:3 positive and three mixed, to 2019's 3:2 positive and one mixed. Some claims had been painless. 'Very smooth,' said a

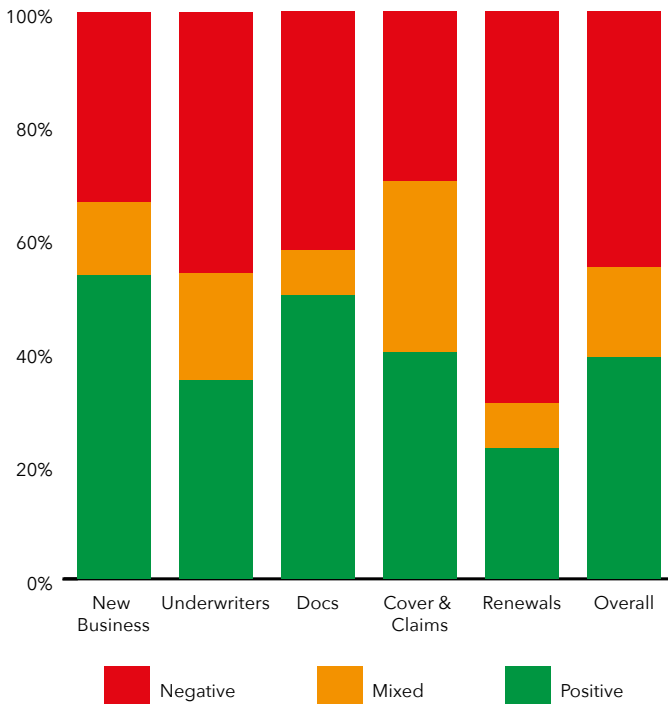
Compared with 2019, fewer respondents were placing risks over £10,000 premium with Home & Legacy



West Midlands account exec. 'Claims have been dealt with quickly and efficiently,' said a claims handler in the South East, 'and without fuss.'

Other brokers had been far from impressed. 'They stick to the wording and are completely out of touch with the true spirit of a HNW policy,' fumed an account manager in the South East. A South Western broker said Home & Legacy had made a number of clients feel it was looking for a way not to pay: 'One claim was delayed for months because they were waiting for a drone survey to be done to confirm the roof was damaged in a storm, rather than by poor maintenance.' Home & Legacy's claims service needed a rethink, said a broker at a mid-sized independent. 'The process is too long and complicated, often requiring proof that doesn't make sense. On smaller claims, many of our insured end up giving up due to exasperation.'

On underwriters, renewals and service overall, negative comments on Home & Legacy outnumbered the positive



Home & Legacy	Positive	Mixed	Negative
New Business	53%	13%	33%
Underwriters	35%	19%	46%
Documentation	50%	8%	42%
Cover & Claims	40%	30%	30%
Renewals	23%	8%	69%
Overall Service	39%	16%	45%

As for renewals, Home & Legacy's score dived 12 points, to 60%: 12th place. Comment was 3:9 negative and one mixed, to last year's 7:4 positive and one mixed. The three reported efficient service and fair premiums. 'We retain Home & Legacy at 80 per cent,' said a manager in the South West. Home & Legacy was 'always' pushing for the biggest rise in rate, said the owner of a London firm, but it would negotiate.

Yet brokers were having increasing difficulty with Home & Legacy renewals. It had become 'extremely slow' in issuing terms, said the owner of a West Midlands firm. 'When you do receive them, the premiums are excessive and there are always new clauses and conditions. They are becoming really obtrusive to deal with, putting up

premiums excessively at each and every renewal and although we understand rate increases, they need to be in proportion to the risk – and they are not.'

Four different brokers mentioned RSA's exit from Home & Legacy's panel. Clients whose risks it had underwritten had had to be shifted to other carriers. 'Rates have shot up,' reported one account executive. 'Some of their renewals have gone up 50 per cent or more,' said another, at an Eastern Counties firm. 'Home & Legacy have serious problems,' said a third, in the South West, 'and we have had numerous examples of 50 per cent-plus premium increases.'

Even on claim-free cases, said a broker at a small independent firm, Home & Legacy would not – or more



accurately, could not – move: ‘They even refused to offer terms on a risk a week before renewal was due,’ she said, ‘leaving us in a difficult position to find another option for the client.’

When we asked brokers which market had most impressed with its provision of surveys and risk management support, Home & Legacy got one brief mention. When we asked which had seen the biggest change in its share of their firm’s HNW Home book, two brokers had Home & Legacy’s share increasing, while a third said it had retained most of the ex-Aviva business he’d transferred in 2019. But 12 brokers said their Home & Legacy book had shrunk. Most cited steep rate-rises, restricted acceptance criteria and a general lack of appetite, though indifferent service and cover and a six per cent interest charge for monthly direct debit payment were also mentioned. Much of this business, it seemed, had moved over to Artsure and Horizon.

The Judgment

On overall service Home & Legacy ranked 12th with 67%, dropping five points and two places. Core comment totalled 30:34 negative and 12 mixed, against 33:28 positive and six mixed last year.

For some brokers, Home & Legacy still seemed to deliver an eager and efficient response. But this year, more and more reported delays. The HALO system was easy to use and well-liked, but the underwriting situation had taken a definite turn for the worse. Over the years, Home & Legacy staff had earned a reputation as terriers in getting business written and that hadn’t gone yet. Squaring the circle, however, was getting ever harder. Home & Legacy’s capacity providers were either tightening up or, in RSA’s case, baling out. Rates had soared, broker sentiment had soured and there was often little staff could do but read off the screen and promise to refer the case upwards, seldom to much avail. Combine that with the challenge of lockdown and unsurprisingly, staff morale seemed to have fallen.

Documentation was variable. Sometimes it was fine, but brokers often complained of delays or a confused layout that created potential for problems. It probably depended on the carrier. Renewal terms were increasingly coming in late, often with new restrictions on cover and eye-popping rate-rises.

www.homeandlegacy.co.uk

Established in 1995, Home & Legacy is a broker and underwriting agent specialising in MNW and HNW home, motor and landlord insurance. Acquired by Allianz in 2006, Home & Legacy is a wholly-owned subsidiary but operates as an autonomous unit.

Home & Legacy’s entry-level policy, Principal Home, is available direct. Three higher-level policies – each with optional motor cover – are offered via brokers: Prestige Home (contents above £75,000); Ultra Home (above £150,000); and Ultimate Home (£250,000). Home & Legacy’s panel features a range of supporting insurers.

In 2016, Home & Legacy replaced its e-trade offering with HALO (Home & Legacy Online), a ‘fast, powerful and intuitive’ online trading platform developed by Acturis. HALO offers a panel of quotes from multiple insurers inside two seconds, with web chat and policy management functionality. In January 2019, Home & Legacy took over the BIBA HNW scheme from DUAL.

For the year to 31st December 2019, Home & Legacy reported revenue of £8.6m (£9.4m), a pre-tax profit of £2.15m (£2.9m) and a net profit of £1.73m (£2.38m). For household risks, its reported quote conversion rate was 14% (16%), with a retention rate of 74% (79%). The average policy count for 2019 was 33,217 (35,917), a 7.5% fall.

Claims handling had tightened too. Straightforward claims seemed to be settled fairly and without delay – but if there was any sort of doubt, it seemed, Home & Legacy wanted clear proof, even if that took months. It was panel members’ money: there was no pool of surplus cash for goodwill pay-outs. In the end, though, it is no good expecting HNW underwriting and claims handling for MNW prices. Most capital providers have learned that to be a mug’s game.

With Azur’s SMART offering, Confidas building its book and Artsure hoovering up business right, left and centre, Home & Legacy faces increasing competition. Financial results for 2019 (see box) show the impact: conversion down, retention down, policy count down, revenue down, profit down. The 2020 results should make interesting reading.