



Exposed

April 2018

Issue
21

Product Development Corner

2018 is an exciting one for us. Lots of development and continuation of the work done throughout 2017 to make sure ABACUS continues to provide you with the tools necessary to win and maintain business in an ever increasingly competitive market.

By the time you receive this you should already have seen the new ONLINE CHAT facility available on the ABACUS platform. This continues our mantra of communicating with you in any medium you prefer. Carrier pigeons next, training underway!

We're excited to announce that our BRAND NEW Property Owners PORTFOLIO product will be launched in Q2. I could go into how hard we've worked on this project (we'll save that for the next newsletter) but I want to highlight the benefits you'll experience by using ABACUS for your portfolio business:

- 1 A quick turnaround of quotations due to newly built systems and processes built, from scratch, around the requirements of this product
- 2 Bespoke documentation, ensuring clarity for you and your client, from quotation to on cover
- 3 Combining residential and commercial risks within a single policy
- 4 Dedicated panel of insurers with specific, and proven, expertise with portfolio business

The above is just Phase 1; we'll be delivering more throughout the year so, quoting a well used phrase, watch this space!

Wishing you all a happy and successful 2018.

James

Introduction



As with many of you we are coming to the end of our financial year and I am pleased to report that we have continued to demonstrate strong growth and financial performance across our property product range. Our new business team has seen record levels of business month on month and an improved turnaround of quotations.

Some of you will have noticed the introduction of our new online chat facility which is available on your ABACUS homepage as well as at proposal and quotation. Even though this was a 'soft' launch, it has been embraced by a lot of you and the feedback has been excellent.

We are really excited about our new portfolio product, more about which can be read in the product development corner. We hope it will help you win and secure more business.

In this edition you can also learn a little more about our new business development manager, Ben Brook (Barry's son). He will be assisting Robin in continuing to provide you with support where needed.

On a personal note, many of you will know that I suffered some health issues over the past 18 months and would just like to say thank you for your kind wishes and support. Also, whilst trying not to sound too much like a BAFTA acceptance speech, many thanks to the incredible team at ABACUS who have just been brilliant and ensured that I had one less thing to worry about. They are all truly wonderful.

Thanks go to Andy Shaw of Alternative Insurance for his contribution to this newsletter and, once again (yes this really is like a BAFTA speech), thank you all for your support.

Kind regards

Nick Blunden
Director

ABACUS Caption Competition

We have some great prizes up for grabs in our ever-popular Caption Competition. The prizes for the top three entries are:

**1st £50 Voucher
of your choice**

2nd £25 iTunes Voucher

3rd £10 Next Voucher

To be in with a chance, simply send your caption entry for the photograph above to robing@sabacus.co.uk by Friday 27th April 2018



Can you come up with a winning caption for this image?

Good Luck Everyone!



ABACUS Out & About

Brrrrr.... We come out of the Winter cold and into Spring, but the wheels have been turning quite literally through the sleet & snow throughout the Winter months.

Good to see many of you back at Broker EXPO in November (feels like an awfully long time ago now!). The whole day was very busy, and a fantastic experience as always.

Some of you will have met myself and my colleague Ben Brook over the past month or two. Ben is new to the road, so will soon become accustomed to life on the road, traffic jams, weather conditions & all! In fact it was very soon into Ben's time on the road that he experienced exactly what Mother Nature can throw at you! During a joint trip with myself to beautiful Durham in January, snow fell, and heavily. I'm sure you will all agree that Ben's Focus ST is not exactly ideal for driving in icy conditions, and it came to pass when we found ourselves stuck in a ditch. After a two hours delay, breakdown recovery people very kindly winched the car out and we were able to continue on our journey. Truly a Baptism of fire (or should that be ice?) for Ben.

Hopefully we are now going to be defrosting as Spring arrives. Hope you enjoy this edition, and hope to see many of you soon.

Robin

Terms we cannot cover

At ABACUS, we pride ourselves on being able to offer terms on most risks. There are certain property types or business uses, however, which we currently cannot cover.

As a reminder, these are...

- Thatched Properties
- Grade 1 and Grade A Listed
- Emergency overnight housing
- Refuge centres if drug / alcohol / criminal associated
- Firework (only) retailers
- Petrol stations
- Tyre fitters
- Religious buildings

News round up

Here is a quick round up of news relating to the let property industry ...

Next generation think property ladder is child's play



Research from the [Halifax \(12th Jan 2018\)](#) suggests that the UK's next generation of first-time buyers is facing shocking home truths about getting on the property ladder, with:

- over a quarter of 18 to 21-year-olds expecting to own a home by the age of 25
- one in ten 18 to 21-year-olds thinking Stamp Duty is money to pay for stamps
- a third of young people aged 11 to 14 relying on the Bank of Mum and Dad to cough up the cash
- 21% of 18 to 21-year-olds expect the government to help them on to the property ladder.

Commenting on the study, a spokesman from the Halifax said:

"Despite being one of the most important financial decisions we're ever likely to make, becoming a homeowner feels like a mystery for Generation Z who will soon be thinking about flying the nest."

"Although our research found that the vast majority of 11 to 14-year-olds understand what a mortgage is, one in 10 aged 18 to 21 think Stamp Duty is money to pay for stamps – so there's clearly a job for all of us to help kids get a better idea of what's involved with taking the first step on to the property ladder."



MEES time for landlords

As from April 2018, landlords need to make sure they are MEES compliant.

The [Minimum Energy Efficient Standards \(MEES\)](#) makes it obligatory for virtually all let properties (both domestic and non-domestic) to have a minimum energy efficiency rating of "E" before they can be legally let.

This applies to new lettings from 2018 and existing in-place contracts from 2020. Exceptions will be rare and based on unusual circumstances.

Landlords are urged to carry out any required remedial works to get their property up to the minimum standards by April 1st – or face stiff penalties.

News round up

Here is a quick round up of news relating to the let property industry ...

HMOs



HMOs produced highest rental yields for landlords in 2017

Last year, HMOs (houses in multiple occupation) produced average yields of 8.9% - the highest of all buy to let property types.

The latest [Complex Buy to Let Index](#) published by Mortgages for Business also reports that this is the first time that yields for this type of property have dropped below 9% since the launch of the index in 2011.

A spokesperson from the company said: "The attractiveness of HMOs as a buy to let investment has increased in recent years not only because of the higher yields on offer but because serious investors are keener to diversify their portfolios."

"With more landlords vying for these properties, prices have been pushed up more quickly than the rents which, I would suggest, is one of the main reasons we are seeing their yields drop, although, I suspect that the granting of fewer new HMO licences is also having an impact."

Multi-units, such as blocks of flats, came a close second in 2017 generating yields of 8.1% compared to 8.3% the year before. By comparison, vanilla properties (these are traditional 2-3 bed houses and flats, that typically match the general lending criteria of mainstream BTL lenders) produced lower, yet more consistent, yields in 2017, averaging 5.6%.

Changes at ABACUS

We are pleased to announce that at ABACUS, we are growing our Sales & Marketing department to enable us to visit and support our Brokers even more effectively in 2018 and beyond.

With their business continuing to grow year on year we have recognised the need to expand this team.

As one of the few Wholesalers / MGA's who actively visit and help Brokers develop their Property Owners Business,

Robin Gentle has been promoted to Head of Sales & Marketing. Along with Director, Richard Burgess, Robin has been the face of ABACUS to Brokers for over 11 years.

A new Business Development Manager has been appointed from within the business and ABACUS are delighted to announce that Ben Brook has taken up this position. This surname might be instantly recognisable for many of their Brokers as Ben is the son of Director, Barry Brook.



Richard Burgess, Director, said of the changes:

"These are really exciting times at ABACUS. We love working with our Broker partners and providing them support and training on our products, coupled with development of their agencies with us. These appointments are a continued commitment to our Brokers and will allow us to see more Brokers on a regular basis."

One of the questions you may get asked as a broker is:

What landlord insurance do I need for a flat?

The following article can be shared with your customers to help them understand what is needed in order to protect their investment.

If you are a buy to let property owner, you might be thinking about the type of insurance you need – both to protect the physical structure of your investment and the smooth running of the business itself.

Particular forms of landlord insurance are available if your buy to let property is a flat – or even a whole block of flats. The cover you choose needs to reflect the many different types of flat that exist, together with the variations in forms of ownership.

Given the potentially wide set of variables in arranging landlord insurance for a flat, therefore, you might want to consult a specialist in the provision of such cover.

Types of flat

With respect to the flat itself, there are a number of possible arrangements, all of which are likely to fall under the broad heading of a flat:

- purpose built – just as the description says, this is a flat built specifically as a self-contained dwelling, in a block of other such flats;
- maisonette – this is effectively a flat which covers two floors, an upper and lower level connected by an internal staircase;
- studio flat – a studio flat on the other hand is typically just a single room, perhaps with a separate

kitchen and of course a separate bathroom;

- mews house – this type of flat may be found most often in or near city centres and the buildings were once stables, which have now been converted, typically with a garage at ground level and a self-contained flat above;
- converted flat – the subdivision of larger properties may be done in order to create a number of flats within the same building;
- tenement – the name is more or less restricted in use to certain cities in Scotland and describes a block of flats, generally built before the 1920s, of between 3 and 5 storeys with 2 or 4 flats on each floor.

Types or ownership and tenure

Not only does your landlord insurance need to reflect the type of flat you are going to let, but also the status of your ownership or tenure of the property. There are a number of possibilities. Some of the key distinctions are described in detail by the [Home Owners Alliance](#) but fall broadly into the following categories:

Leasehold

- conventionally, this has been the most common form of ownership when it comes to flats;
- ownership of a leasehold flat is through payment of a lease to the freehold owner (effectively the landlord) of the flat;
- the freeholder is typically responsible for arranging building insurance, but if you are the landlord of the leased property you

may nevertheless want to arrange insurance for any contents you own, landlords liability cover and loss or rental income in the event of the flat becoming temporarily uninhabitable.

Freehold

- if you own the freehold, you own not only the building, but also the land upon which it stands;
- in the case of the typical flat – where there is another dwelling either above or below – it might be difficult to acquire sole freehold;
- if you own the flat freehold, however, you may want to consider the importance of buildings as well as contents cover, as suggested by the [Money Advice Service](#).

Shared freehold

- one of the ways in which owners of leasehold flats may gain freeholder rights is to share the freehold between them – and employ a management company to take care of common areas;
- in these circumstances, you might also agree to share the costs of building insurance – but make your own arrangements for cover for your contents.

Q & A

How to run an *affiliate programme*



Affiliate marketing can be a very effective way for insurance firms to win more business. If you want to see if you can benefit from this form of marketing, here is a quick guide to getting started.

Research your campaign

First of all, you want to decide upon some important factors such as:

- who the affiliates are who you want to attract;
- how many you need;
- a revenue expectation for each;
- how much commission you are willing to pay;
- how much revenue overall you want to earn through affiliates;
- how much net profit you want to earn.

Getting some figures in mind at this early stage will provide you with direction when you get your affiliate campaign going.

Choose a suitable platform and commission model

There are many affiliate programmes for brokers available, so research these to find one that is suitable for you. Research your competitors and find out who they use and what commissions they provide, which can help to give you a better idea of where to start.

Try to decide on your commission model at this early stage as well. Will you work on a pay per sale commission, or would you prefer pay per lead? Will it be a fixed amount for commission, or a percentage of the sale?

Some ideas of affiliate platforms

- Webgains
- Monetise
- AffiliateWindow
- Linkshare

Clarify the details for affiliates

Develop a page for affiliates on your website where you clarify all the details. This should include an agreement that they abide by, as well as payment terms (how often, minimum earnings before you make a pay-out, etc.) and a policy for refunded orders.

Find affiliates

Once you have sorted out the details of your affiliate marketing campaign, you will need to start looking for affiliates. If you are using an affiliate platform, you may find that marketers start coming directly to you. However, you can also reach out to affiliates yourself:

- invite your customers to join your programme;
- advertise it clearly on your website, in your newsletter, on your blog and via your social media channels;
- discuss it in affiliate forums and answer questions;
- submit your programme to various affiliate directories;
- use affiliate recruitment agencies.

Provide marketing materials

You want to make things as easy as possible for your marketers, so provide them with as much marketing material as you can. This could include:

- banners and logos;
- articles for reprinting on their sites and in emails;
- reports;
- promotions.

Keep in contact with your affiliates on a regular basis. Send them marketing emails, newsletters and new promotions, as well as helping them with tips for how to promote your product. Essentially, do everything you can to make it easy to promote your product and make more sales.

Build up your affiliate marketing platform

Building up an affiliate marketing platform takes time, but there is no reason why you cannot do it. Simply follow the steps above, and you could soon have an army of affiliates generating a considerable amount of business to your website.

Product exposed

UK holiday home insurance

Owning a second home is something **over 160,000** Brits do, meaning that the demand for holiday home insurance is ever increasing. Here are some frequently asked questions (FAQs) your customers may ask about UK holiday home insurance cover ...

Does the policy cover the costs of alternative accommodation for any guests, should the property be damaged before or during their stay?

If your property is damaged by an insured event (so, flood, fire, etc.), then we will pay for the costs of alternative accommodation, up to set limits.

If my holiday home is being used purely by myself and my family and is not let to paying guests, can I use home buildings and contents insurance?

If you have a second or holiday home (so a property that is not your main residence) then you will need holiday home insurance. This is because your second home is unlikely to be occupied all the time, so will face greater risks.

A standard owner-occupier buildings and contents insurance policy would not cover these extra risks.

Failure to source the correct cover (i.e. holiday home insurance) will not only mean that any claims will be invalid but you could also find yourself in trouble with your second home mortgage provider.

This is because having appropriate insurance in place will typically be a condition of your contract with them. If you have the 'wrong' type of cover, you could be forced to pay any outstanding mortgage balance with immediate effect as well as face charges of fraud.

Does your policy include public liability injury to guests and third parties?

Our policies include up to £2m public liability for guests and third parties.

Is employers' liability for injury to domestic staff, such as cleaners or gardeners at my second property included in the cover?

Our UK holiday home insurance policies include up to £5m employer's liability cover for domestic staff.

Is my permanently installed jacuzzi / hot tub / swimming pool covered under the buildings section of the holiday home insurance?

Yes, fixed fittings are covered, but there are some exclusions. For example, if your swimming pool / hot tub / jacuzzi is damaged by storm, flood or weight of snow or damaged by frost, then typically you will not be able to make a claim.

Are freezer contents covered?

No. We do not offer freezer contents cover within our second home insurance policies.

Are any discounts available when I buy my holiday home insurance from you?

Yes, if you have had at least three years' claim free under your existing holiday home insurance, we will discount your premiums up to 20%.

Is malicious damage to contents covered?

Yes it is, provided the person who causes the damage has a lawful right to be within your property (for example, if they are a paying guest).

What happens if my property is left unoccupied for more than 30 days?

Please let us know. As long as you advise us that the property will be unoccupied for more than 30 consecutive days, your insurance policy remains valid.

Note that there are certain obligations you will need to fulfil, such as making regular, logged inspections of the property (typically every 30 days). We may also ask that you drain down the heating system.

Details can be found within your policy document.



ABACUS Q&A

Ben Brook



Introducing our new Business Development Manager, Ben Brook...

1. Tell us what you do in your current role.

I'm on the road servicing brokers and promoting the ABACUS products/brand

2. Why would a broker support ABACUS?

The ease of the ABACUS system with competitive priced products and if you have any questions the staff are happy to help.

3. What are you excited for in 2018?

A couple of holidays planned and a couple already booked, looking forward to skiing, and going fishing in Norway!

4. Do you have any nicknames?
Just Brook

5. What is your favourite sports team?

I'm a football fan (Chelsea)

6. What hobbies do you have?

I play the odd game of football and clay shooting on a weekend. My other half owns a horse so that takes up any spare time I have.

7. What car do you drive?

Ford Focus ST

8. What is your favourite drink?

Beer or a cider.

9. Which celebrity would you like to meet?

Tom Hardy

10. Let's hear a story from a memorable event with ABACUS...

The ABACUS Staff BBQ is always one to remember each year. Lots of food and drink with everyone having a good time. The only problem is the clean up operation the next day is a nightmare

Our current product range

As a little reminder, here is an update to the list of our current product range ...

- Residential Property Owners (RPO)
- Unoccupied Residential Property Owners (URPO)
- Commercial Property Owners (CPO)
- Unoccupied Commercial Property Owners
- Legal Expenses
- Rent Guarantee
- Holiday Homes UK
- Terrorism
- Tenants Contents
- Renovations
- High Risk (not poor quality)
- Portfolio



Got a question or need some help and advice?

Then ask Robin!

Most of you have met Robin Gentle, (previously our Business Development Manager and now our new Head of Sales and Marketing) either at ABACUS dos, broker events, or when he is on the road visiting different agencies.

And as you know, he is friendly, approachable and above all, very knowledgeable about ABACUS, our products, and our services.

What you may not realise is that Robin isn't just available to help when he is in your area – he can be contacted by telephone or email whenever you have a product query or need some help and advice.

Simply email Robin on: robing@sabacus.co.uk or give him a call on 07887 477 209 – he will be more than happy to help!

Broker Spotlight

Andy Shaw

Alternative Insurance



1. Tell us about your brokers

Alternative has been trading since 2013 and Alternative looks to trade in niche areas. Alternative caters for the standard local markets but we have no appetite to compete against aggregators. We still offer good service and try to make a difference for the client.

2. What are your plans for 2018?

To continue to grow and we have some new products that will be launched over the next 12 months.

3. Why do you support ABACUS?

Easy to deal with and a fast turnaround on quotes. Over time we have developed a strong relationship with the Abacus team.

4. What is your favourite sports team?

Norwich City

5. What hobbies do you have?

I have coached junior football for the last 5 years and this keeps me busy.

6. What is your favourite food?

Indian

7. What car do you drive?

Volvo XC60

8. What is your favourite drink?

Peroni

9. What is your favourite holiday destination?

Portugal

10. Let's hear about a memorable event with ABACUS.

The pre BIBA dinner is always a good event.

We pride ourselves on listening and acting upon the feedback you provide. It is this approach that has allowed us to build the products, service and systems you experience today.

If you have any queries, or you wish to tell us about your experience with ABACUS, we always enjoy hearing from you.

We welcome any feedback you may have – good or bad!

You can contact us by phone on 01702 606 312, by fax on 01702 606 369, or by email at agency@sabacus.co.uk.

We look forward to hearing from you.

We want
your
feedback!



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