

D Exercise 3 and Exercise 4 (Track 5)

- Jessica King:* Mr Werner, could you tell me how you entered the insurance business?
- Hans Werner:* Yes, I'd studied sales techniques and then spent a year in the States as a car salesman. When I came back to Germany I stayed in the car business, exporting cars. I was arranging export plates and dealers' plates insurance. Then one of the big insurance companies asked me to work full time for them.
- Jessica King:* So you started off as a tied agent?
- Hans Werner:* Yes. Later on, I wanted to offer a broader range of products so I went independent. I'd been dealing with a lot of expats due to the license plate insurance and the fact that I could speak English, and they started asking me about other kinds of insurance such as house contents and so on. Then they recommended me on and that's how I got into the expat community. I get a lot of recommendations, especially from Americans. People ask around: "Do you have an insurance salesman?" and that's how I get a lot of customers.
- Jessica King:* How else did you find business when you started out?
- Hans Werner:* I advertised in an English language magazine that had quite a wide circulation in Munich amongst expatriates. That brought me a fair bit of work. I've stopped doing that now as it isn't necessary any longer.
- Jessica King:* And before you started advertising in that magazine?
- Hans Werner:* Well, if a salesman retires or changes jobs, the insurance companies often pass on their details to other salesmen. You can get customers that way too.
- Jessica King:* How many insurance companies do you tend to work with?
- Hans Werner:* Right now I offer products from about six or seven companies.
- Jessica King:* How do you decide which to work with?
- Hans Werner:* It depends on the range of their products and their tariffs.
- Jessica King:* Don't a lot of people buy insurance direct with insurance companies or online?
- Hans Werner:* I think that insurance companies' call and service centres have turned a lot of people off. They've given up calling direct because they often don't like the way they're treated and passed on from one person to another. In the past, they used to offer very good service but this has changed. I hope it will change back again. And online ... well quite often if you buy online, you don't get exactly what you need.
- Jessica King:* Yes, I can relate to that from personal experience. I took out legal insurance online without reading the small print, and then when I needed it I found out that I wasn't covered.
- Hans Werner:* See? If people come to me, they can tell me exactly what they want and I can get it for them. Take household contents as an example. A company might have 5 different tariffs, covering all sorts of different things and with different exclusions. I can get a policy tailored exactly to the customer's needs. I've got a lot of experience working it out. You don't get that on the internet. And, again, still looking at household contents, it's often important to make sure you get replacement value cover.
- Jessica King:* What's that?
- Hans Werner:* It's the real cost of replacing an object. There's also actual cash value. Some objects, such as television sets, which may have been expensive to buy, lose their value quite quickly. If the cover is for actual cash value, the insured just gets what the devices were worth when they were broken or damaged. That can just be a few euros. It won't be enough to get a new television.
- Jessica King:* Are there any other advantages to the customer going through an independent broker? I mean, if there's a dispute about a claim, can you achieve anything that an individual claimant can't?

- Hans Werner:* Sometimes I can negotiate a little leeway. For example, the insurance company might take into account whether the customer has other insurance policies with them.
- Jessica King:* So do you go to your customers or do they come to you?
- Hans Werner:* It depends. Some come to me and I go to others. I've never even met some of my customers. It's all been done by email.
- Jessica King:* Which products do your customers mostly buy?
- Hans Werner:* House contents, of course. Personal liability, legal protection, life insurance. Self-employed people often need pension plans or private health insurance.
- Jessica King:* Can you describe your typical working day to me? If there is such a thing!
- Hans Werner:* My work is quite varied. I tend to make visits in the afternoons, so I spend the mornings preparing for them.
- Jessica King:* I assume the mornings aren't entirely spent dealing with new customers and their needs?
- Hans Werner:* Not at all, sometimes a customer has had, for example, an accident, and needs advice about a claim.
- Jessica King:* Is there a lot of administrative work?
- Hans Werner:* Yes, most business is done by email nowadays. And there may have been changes of tariff, so I need to inform the customers about that. I'm busy all day, and sometimes into the evening.
- Jessica King:* Into the evening?
- Hans Werner:* Yes, I've had calls up to 10, 10.30 pm Someone working late in the office and thinks of a question. Or someone has an accident and needs advice.
- Jessica King:* Doesn't that bother you?
- Hans Werner:* Not at all. I like the job. I like talking to the customers and giving them a personal service.
- Jessica King:* Have you ever had customers trying to defraud the insurance company?
- Hans Werner:* Well, occasionally I think people have tried it on with their reading glasses. Replacement isn't covered any longer by normal health insurance. But the insurance companies got wise to this. Or someone might try to claim car damage that hasn't happened the way they say.
- Jessica King:* Have there been any recent changes in the industry?
- Hans Werner:* Yes, there's a new European law. It came into effect in 2007. Independent brokers now have to have their own liability insurance.
- Jessica King:* Why is that?
- Hans Werner:* Well, if you're a tied agent, you have the insurance company behind you, so to speak, so that if you give wrong information you aren't personally liable. But as an independent insurance broker you need to be very careful that every bit of information you give is accurate. So now it's obligatory to have professional liability insurance.
- Jessica King:* Anything else?
- Hans Werner:* When I first set up in the business, all I needed was police clearance that I didn't have any criminal record. And then I went to what we in Munich call the Kreisverwaltungsreferat – I don't think this exists in England, so there won't be a proper translation, maybe the Department of the District Local Authority or something. I asked for permission to work as an independent broker. Now, besides the liability insurance, you need a further police statement that you are not insolvent and that you aren't in debt before you set up. You go to the IHK (that's the chamber of commerce) with all these documents and get an insurance number. I think this is a good thing and it will help to regulate the industry so that only serious, professional people work in it.
- Jessica King:* It has been very interesting talking to you. Thank you so much for giving up your time.
- Hans Werner:* Not at all. I hope it's been helpful.