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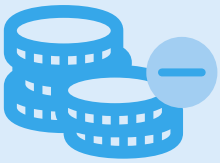
Case study

Barnardo's improves group life assurance employee benefits with First Actuarial

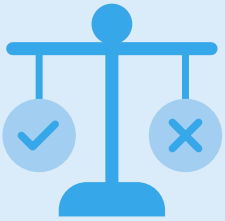
BARNARDO'S

Leading UK charity, Barnardo's, needed to review the group life assurance market as its policy approached renewal. First Actuarial listened carefully to Barnardo's objectives and negotiated a cost-effective group life assurance premium. They also modelled the feasibility of self-insurance and secured favourable voluntary life assurance terms for employees.

Key outcomes



Minimised group life assurance cost increase



Self-insurance feasibility modelling



Favourable terms for voluntary life assurance

The challenge | Cost-effective renewal following multiple claims

Barnardo's group life assurance policy was close to expiry. The charity needed to identify potential providers and premiums for renewal. When they discovered that their pensions consultant, First Actuarial, also provided group protection services, they requested a market review.

Darren Marquis, Pensions Manager at Barnardo's, explains a key challenge: "In recent years, we had experienced an unusually high number of deaths in service. As a charity, we needed to minimise the extra renewal costs this would cause."

As part of the market review, Barnardo's also asked First Actuarial to explore two areas:

- Self-insurance
  Could Barnardo's save money by taking on the risk of life assurance themselves?
- Voluntary assurance
  Was it feasible to offer employees the option to pay for additional cover?

The solution | A full market review with extra options

Pre-market review meeting

With Barnardo's permission, First Actuarial approached the charity's existing insurer for details of its current life assurance cover.

They then held a pre-market review meeting at which representatives from Barnardo's set out their requirements.

In the meeting, First Actuarial also advised them of recent legislation and tax changes that could affect the market review. And they outlined all the value-added wellbeing services Barnardo's employees were already entitled to under the existing policy, including a digital GP.

"Even at this early stage, I found the First Actuarial consultant impressive," says Darren. "The hand-holding was reassuring, even though I've been through a number of market reviews."

Life assurance data audit

First Actuarial carried out a full data audit. They rationalised several defunct categories to eliminate any impact on insurers' quotations.

Market review

Having elicited all relevant information from Barnardo's, First Actuarial went out to the market and gathered quotations from insurers.

They presented the options in a market review report.

"It was an excellent report," says Darren. "Specialist terminology isn't always easy for the lay members of our Pensions Management Committee to understand, but the report made it very clear. The Committee members were just as impressed with First Actuarial as I was."

Barnardo's were happy to follow First Actuarial's recommendation of retaining the incumbent insurer.

Voluntary group life assurance

Quotations from insurers included costings for voluntary group life assurance. First Actuarial explained the specifics of voluntary cover to Barnardo's, and outlined issues to consider.

First Actuarial persuaded the insurer to hold the terms for a period while Barnardo's made a decision.

Self-insurance

First Actuarial modelled a small number of self-insurance options, including part-insurance and part self-funding. This gave Barnardo's an indication of likely costs.

First Actuarial also made it clear that self-insurance would incur risks for Barnardo's. These included an ageing workforce, which put the charity at risk of more claims, and the fact that very few employers self-insure.

The outcome | Cost-effective cover from a trusted insurer

Minimised group life assurance cost increase

The rigorous market review demonstrated that Barnardo's had the most competitive insurer. First Actuarial had negotiated the best possible group life assurance terms for Barnardo's.

"We like our existing provider and we're happy to stay with them," says Darren. "As claims increase, so do premiums. We were expecting that, but First Actuarial obtained the best terms available in the market. We can't ask for more than that."

Self-insurance feasibility modelling

The market review showed that the self-insurance route was not a desirable option at that stage, as the risks were significant.

"If more employers opt for self-insurance in the future, then we might move in that direction," says Darren. "But we don't want to be guinea pigs."

Favourable terms for voluntary life assurance

First Actuarial gave Barnardo's the information they needed to decide on voluntary group life assurance. This is an attractive addition to Barnardo's employee benefit package.

"First Actuarial negotiated favourable terms for employees to pay for additional life assurance cover of up to ten times annual earnings," says Darren. "We recently added this option into our suite of employee benefits, and I fully expect it to prove a popular option."

Throughout the market review, Barnardo's valued the quality of service First Actuarial gave them.

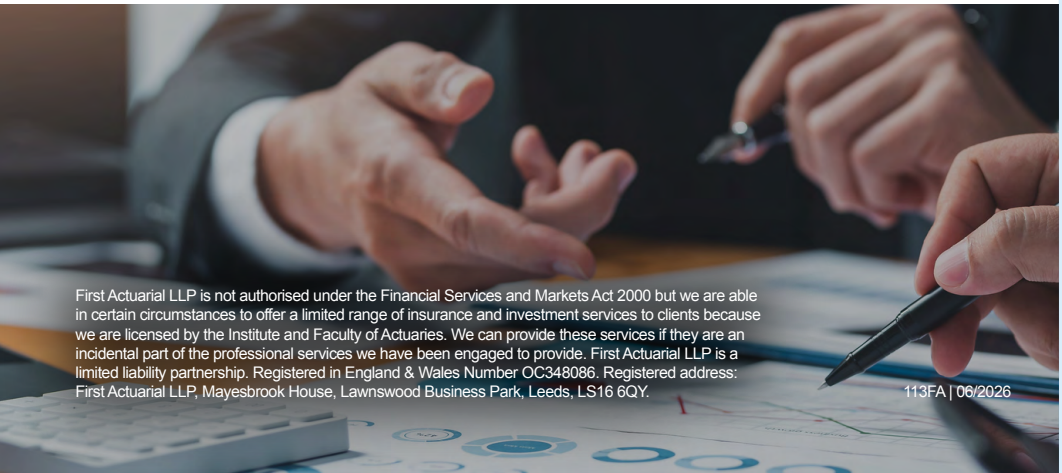
"I found it really professional and helpful," Darren concludes. "Our consultant clearly has a good reputation in the industry, and that came across. She didn't have to go away and think about anything – she always responded straight away. And she held our hand in unfamiliar areas. Everything worked well."

"After conducting our 2025 biennial review of advisers for our life assurance provision, First Actuarial's quotation was 44% lower than that of the incumbent.

As a charity, we're cost-sensitive and have little hesitation in moving providers for financial reasons.

Despite the lower price, First Actuarial's market review report was more extensive than anything we had received in the twenty years in which we've been conducting these biennial reviews."

Darren Marquis, Pensions Manager, Barnardo's



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