

## A Message from your Chief Executive

I'd like to tell you about some important changes that Teachers Assurance will be making to its service during 2012.

Before I do, may I first thank those of you who took part in our extensive programme of customer research last year. Thousands of you were kind enough to share your views on financial services via questionnaires, surveys and focus groups. This has proved invaluable in helping us determine the future strategy of the Society.

As a mutual, friendly Society, you'll know that we exist for the sole purpose of benefiting our customers and members; we have no shareholders.

In 1877, when we formed, our members' needs were simple; to ensure sufficient provision for retirement. Over the last 135 years, our range of products and services has evolved to accommodate the changing financial needs of the education community that we seek to serve; savings and investments, life assurance, sickness protection, mortgages and home and contents insurance.

It is vital that we continue to adapt and to grow if we are to fulfil our aim to be the 'first choice' financial services provider for those in the education community. As a financially secure organisation, I believe we are well placed to achieve this.

Teachers Assurance was ranked the strongest With-Profits Life Office (when measured by free asset ratio)\* for the 5th year running in 2011. This means that we have the financial wherewithal to invest now for the benefit of both the current and future generation of customers and members.

We have listened carefully to what you have told us you want from us. As a result, we intend to embark upon the following developments for 2012, whilst continuing discussions about our strategy with our regulator (the Financial Services Authority (FSA)):

### **Teachers Assurance - Financial Education Programme**

***You told us: We want information in plain language that will enable us to make confident financial decisions.***

We plan to quadruple the number of school talks and workplace seminars that we deliver across England & Wales, with effect from September. These talks, which are free of charge and highly interactive, provide straightforward factual information on subjects such as your pension scheme, tax efficient savings and investments and buying a home. We aim to ensure that you leave armed with the information you need to make confident financial choices.

You can book one of these talks now by calling our Customer Helpline, free of charge, on **0800 056 0563** or go online to: **[www.teachersassurance.co.uk](http://www.teachersassurance.co.uk)** and click on Staff Room / Book a Money Talk.

***You told us: We'd prefer to do our own research online rather than pay for financial advice, but sometimes the information on websites is confusing and we don't know what to do for the best.***

We intend to build a series of simple to use, innovative and interactive new tools for our website, many of which are tailored specifically for teachers. These will include pension, savings, mortgage and budget calculators as well as assessment tools to see if you need to plug any gaps in your life assurance or sickness provision.

You'll be able to download, print or save the resulting information in the form of a report, which will also contain useful, unbiased information and general guidance on the subject at hand.

We also expect to develop our range of tailored products that are available to purchase online or by telephone (without the need for lengthy application forms).

We want to make sure that our tools are quick and easy to use and provide useful, relevant information to you. We also want to ensure that any new products we design meet the needs of the majority.

\* Source - Money Management August 2011. Results relate to 2010.

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To this end, we are proposing to establish a Customer Panel to test and critique the tools as they are developed and to provide insight into the types of financial product you really want. If you'd like to join the Customer Panel, you'll find details at the end of this letter.

***You told us: Where our needs are complex, we may wish to see a financial adviser and pay for that financial advice.***

The FSA is set to introduce a number of reforms in January 2013 as part of its 'Retail Distribution Review'. New rules will change the way in which financial advice must be charged for.

We have seen a decline in demand for traditional financial advisory services in recent years i.e. where customers purchase products directly as a result of a recommendation by a financial adviser. Instead, we have seen increased demand for information (rather than advice) that enables our customers to make their own informed decisions on which financial products to purchase, how and when.

We have consulted widely within the teaching community and the financial services industry on this matter, particularly in light of the proposed rule changes. As a result, Teachers Assurance has decided to replace its financial advisory service with the financial education and information services outlined above; by investing in its workplace seminars and talks, website content and tools and via a much expanded Bournemouth based Customer Helpline.

Should you require assistance in the future, please call our Customer Helpline, free of charge on **0800 056 0563** in the first instance. If, having spoken to one of our team, you still need the services of a financial adviser; we will direct you to an Independent Financial Adviser in your local area.

***You told us: We work long hours and often don't have the time or energy to deal with financial matters until late evening, at weekends or during holiday periods.***

As well as increasing the number of Customer Helpline staff ready to take your calls, we will extend our opening hours from April as follows:

Weekdays: 8am to 9pm  
Saturdays: 9am to 6pm  
Sundays 10am to 4pm

The team will answer any questions you have on financial matters and can also take your instructions over the phone if you wish to purchase a product without filling in a form or going online.

Later in the year, we will be introducing a 'Live Chat' facility on our website to enable you to get an immediate written response to your questions from one of our Bournemouth based team.

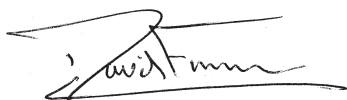
If you haven't done so already, you may wish to apply for access to the secure area of our website known as 'My Plans'. This will enable you to track the progress and values of any savings and investment plans that you hold with us. To take advantage of this service, go to **www.teachersassurance.co.uk** and click on the link from our Homepage.

#### **Teachers Assurance - Customer Panel**

If you'd like to join our new Customer Panel and have your say on how we develop our products and online services in 2012, we'd love to hear from you. We'll notify you whenever we have something to share with you and you can choose whether or not to respond. Respondents will be entered into a monthly draw to win a £100 shopping voucher. For more details and an application form, please email: **bgoldsmith@teachersassurance.co.uk**.

Finally, may I take this opportunity to thank you for your custom. The Teachers Assurance team and I look forward to being of continued service to you in 2012.

With best wishes



**David Furniss**  
Chief Executive