

PARTNERSHIP

dynamism

accomplishment

focus

passion

ability

drive

attitude

success

experience

MICHAEL A. COOKE &
DARREN J. FERNEYHOUGH

Partnership

Darren Ferneyhough and Michael Cooke are the entrepreneurial minds behind the Premier Group and are responsible for its phenomenal success.

Planned in 2000 and launched in 2001 with a single brand, Premier Protection, the business was conceived to enable mortgage brokers and other financial services intermediaries to conduct non-investment insurance business more simply, more efficiently, more comprehensively and more profitably.

Mike's extensive first-hand experience, combined with Darren's IT & marketing expertise, enabled the pair to create a tailored service which delivered significant benefits to insurers, intermediaries their mutual clients. A genuine win-win-win situation.



It is Mike and Darren's belief that the harnessing of technology to streamline data and functionality, combined with a strong focus on customer service was the key factor in the rapid growth and profitability of Premier.

Mike & Darren took Premier from a standing start to more than £12 million annual turnover in just three years before accepting an offer from The Tenet Group for the sale of the business.

Since the sale of the Premier Group in 2004, and the subsequent smooth transition and successful integration and handover of the business which was concluded before the end of 2006, Mike and Darren have continued to work as a partnership delivering insight, solutions, opportunities and value to a number of businesses within the financial services industry, and schedules permitting, remain available to work on a consultancy basis for forward thinking businesses who see an opportunity to benefit from their knowledge, skills, experience and contacts.

Michael Cooke

With over 20 years experience in the Financial Services industry, there are very few aspects that Mike doesn't recognise from personal experience.

Having already fulfilled one early ambition by traveling the world extensively as a crew member of the QE2, Mike joined the Financial Services industry in the late eighties with FPS Management under the wing of mentor Bob Patmore.



Mike served a thorough 'apprenticeship', quickly increasing his skills and knowledge in an exciting era in financial services Mike was constantly among the top 10 of some 4,000 advisers and within a decade, having secured numerous Top Salesman Awards, had moved on to become an international IFA. For two years he worked in the Middle and Far East, providing advice to British expatriates.

On his return to the UK, Mike started his own practice specialising in Mortgage and Protection advice, servicing once more the numerous clients who had placed their trust in him during the preceding decade. It was whilst running this business that Mike first met Darren Ferneyhough and together they formed the concept for the Premier business.

In his spare time, Mike enjoys keeping fit, running and visiting the gym several times each week. Mike also has a passion for sea fishing that he has indulged since childhood, regularly bringing home specimen Bass from both a number of prime spots along Southampton's rivers and the Solent.

Darren Ferneyhough

Darren is the nut and bolts half of the partnership, with the lateral thinking & problem-solving mindset required to turn concepts and ideas into deliverable systems. His knowledge and ability has enabled them to streamline administrative and operational procedures, utilising technology to deliver greater efficiencies and innovation, giving them an edge in competitive markets.

Darren's business acumen, acquired through his experience in a number of different industries was a major factor in Premier's ability to develop from scratch with no external financing and become a major player in it's sector in a very short space of time.

Having enjoyed a successful career the retail and wholesale food industries, in search of a change Darren made the move into IT in 1998 and quickly established his own business in the computer sector employing a number of staff operating a retail sales and service outlet and a web design & hosting consultancy. It was whilst working on an extended consultancy project that he first met Mike and between them they formed the Premier concept.

Away from work, Darren devotes much of his time to his family, with five school-age children he is very much the family-man. He also has a passion for music, having played bass guitar in a band as a young adult as well as producing a self-published album in 1998. Darren is also a self-confessed 'petrol-head' and has enjoyed owning and driving a number of powerful sportscars at various UK and European racing circuits over the years.



The Premier Story



Darren Ferneyhough and Michael Cooke met by chance in the summer of 2000 when their respective businesses saw them occupying adjacent office premises, and over the occasional lunchtime drink they shared their views and ambitions.

It was not long before they realised that Mike's Financial Services knowledge and experience, combined with Darren's IT & operational skills could with some lateral thinking and innovative implementation deliver a groundbreaking proposition to intermediaries in what was at the time a confused market with few and fragmented options available.

Premier launches network

PREMIER Protection has launched a network which aims to give brokers access to protection products without losing commission or taking on unnecessary paperwork. Scottish Provident will provide a range of non-regulated products to the network and membership is free. Products include critical illness cover and mortgage protection. IFAs can register at www.premierprotection.co.uk or call 0870 2003040.

Later that year Premier Protection was formed with the initial sole objective of streamlining and improving the processes via which intermediaries sold protection insurance to their clients.

Premier Connections launches back-office management tool

PEACE of mind and improved communications are the aims of a back-office management tool being launched by Premier Connections.

The Southampton-based company is a specialist network offering members access to protection, health, insurance and mortgage IT services.

The launch of the system is designed to eradicate easy-to-avoid communication and logistics mistakes, improving the speed and efficiency with which proposals are handled.

Darren Ferneyhough, operations director of Premier Connections, said: "For IFAs this can remove concerns about what happens to proposal forms.

"Within two days of sending a proposal through we will e-mail a confirmation of receipt, so IFAs can be confident that forms are in



Ferneyhough: receipt confirmation

the right place and have not been lost."

There are three primary features of the system - the recording of

courier details, the tracking of missed premiums and information regarding sub agencies.

Mr Ferneyhough, who played a key role in the development of the system, said: "Each proposal going through the system includes a tracking number for the courier, with a daily e-mail going out confirming the tracking numbers received."

The missed premium reminder is an innovation aimed at preventing errors of communication, while the system can also inform insurers when sub agencies are required and can notify brokers of sub-agency numbers.

Premier Connections has further developments in the pipeline, including the release of a web-based interface for the project, offering a client management tool for users.

With the cooperation of market leading insurer Scottish Provident, they developed and introduced the pioneering master and sub agency structure, which was a major factor in simplifying the previously clumsy arrangements for the organization and distribution of policy related documentation and communications, including in particular commission payments and statements.

Having thoroughly tested their new system with Scottish Provident and a core of intermediaries recruited from Mike's personal contacts, the proposition was launched to the market in March 2001.

A bold and uncompromising advertising campaign was run in the industry press, enabling Premier to recruit over 100 intermediaries to its service in the first six months from launch, and to become a recognised leader in the sector by the following year.

During this same period, Premier negotiated with a number of other insurers, persuading them to adopt its revolutionary agency structure and one by one other leading brands were added to the Premier panel.

Bright Grey joins Premier's panel

BRIGHT Grey has joined Premier's Partnership panel offering.

It has been chosen for Tenet's protection solution for principal and directly authorised firms for its added value product offering and its positive attitude towards service.

Premier's Partnership panel offers its members access to four protection providers - Scottish Provident, Norwich Union, Legal & General and Friends Provident.

Following the deal with Premier's 4plus1 option, customers get to choose from two other key players in the industry - Bright Grey or Axa - to create their own 4plus1 partnership panel.

Michael Cooke, managing director of Premier Partnerships, said: "Bright Grey fits well with Premier's approach to protection business and this is a great win for all involved, especially our customers.

"It is our focus on protection that enables us to identify such valuable opportunities and our close working relationship with Bright Grey will ensure it happens.

"Bright Grey has come into this market with a strong product and extensive expertise and is clearly demonstrating value to all involved.

"Its participation in our partnership panel is another good example of this in practice."

Andy Peters, distribution director for Bright Grey, said: "Premier has a good reputation in the market and is growing fast.

"Its brand new 4plus1 concept is a great opportunity for both of us to consolidate some of our existing business and develop more.

"We are really pleased to be involved with Premier and looking forward to making the most of this valuable partnership."



Cooke: get in early

Premier launches mortgage network

UNREGULATED network Premier Protection is to take advantage of the FSA's enlarged role with the launch of a mortgage network.

Premier, which launched last year, claiming to be the first multi-tie, said it was setting up the arm, Premier Mortgage Network to take advantage of the FSA's new role as mortgage regulator.

With protection also expected to come under FSA regulation, many unregulated networks could lose their traditional markets. National network DBS has already been forced to scrap plans to set up its own unregulated arm.

Michael Cooke, director of Premier Protection, said: "The mortgage market is the natural place for unregulated networks to go.

"It makes sense for networks and mortgage intermediaries to get in early."

Premier said it also hoped to launch a combined mortgage and protection operation by the end of the year.

Unlike the group's existing network, individuals within Premier Partnerships would be directly appointed agents.

Mr Cooke said: "The operation will get valuable synergies from the combination of two highly-profitable business areas, as well as the additional appointed agency support that attracts individuals from the direct sales-forces of large insurers."

Last year, Premier Protection saw membership double month on month as intermediaries rushed to join low cost non-regulated networks.

Premier said its Protection network now had 176 member firms with about 500 brokers.

Professional
Advisor
12/12/02

Performance tour kicks off

PREMIER Connections, the network for life, medical, general insurance and mortgages kicks off its Preparing for Peak Performance tour in January 2003. Industry experts will share their views on subjects such as life assurance and PMI. "Our objective on the 2003 tour is to show financial advisers how they maximise the performance of their business," said Premier Connections MD Mike Cooke.

- Jan 28 : Reading, Madejski Stadium
- Jan 30: Southampton, St Mary's Stadium
- Feb 4: Bolton, Reebok Stadium
- Feb 6: Leeds, Oulton Hall
- Feb 11: Nottingham, Village Hotel
- Feb 13: Cardiff, Village Hotel
- Feb 18: Birmingham City Football Club
- Feb 20: London, Metropole Hotel
- Feb 25: Edinburgh, Marriott Hotel
- Feb 27: Glasgow, Moat House Hotel
- Mar 4: Exeter, Powderham Castle
- Mar 6: Croydon, Le Meridien Selsdon Park & Golf Course

Mortgages at Premier

INTERMEDIARY life, medical and general insurance network Premier Protection has extended its brand to include mortgages.

The group has undergone a name change and will now be known as Premier Connection and will incorporate four product areas: protection, health, insurance and mortgages.

Premier Connection's managing director Mike Cooke said the objective behind the new brand was to provide members with "best of breed" products and services from financial organisations whose systems, service and support were already proven to be mar-

Premier utilised its streamlined systems and low overhead business model to pursue a successful strategy of recruiting major distributors of protection business, such as MoneySupermarket.com, The Mortgage Lender and Regency Mortgage Corporation to its service.

Many of these moved away from direct agencies with insurers in order to benefit from the added value that membership of Premier offered.

Such was the scale of Premier's negotiating power with the insurers and the value of its integrated service that it was able to convert a number of its former competitors, such as Mortgage Next and Mortgage Intelligence, to become customers, further bolstering the turnover of the business.

By association, being a service provider to such well known and prestigious brands within the industry certainly raised the profile and prestige of the Premier brand.

Some of Premier's high profile clients



IFA COMMISSION

Extras are not thrown in for free

Life insurance firms use marketing tactics to gather clients, but this time it is IFAs that are falling victim to payout ploys

WHEN was the last time you bought a car? Do you remember some of the ploys by dealers in the showroom to entice you to sign on the dotted line?

A few free extras thrown in, no charge for the metallic paint and, by the way, we will do you a great finance deal with interest-free credit.

There is nothing wrong with all that and, reluctantly, most of us accept it as part of the sales process we have to endure when we change cars. At the end of the day, we get the car we want at a price we are willing to pay.

But how would you feel if you found out that the car had actually cost you more than you had been told, or that the interest free credit was not interest free but charged at 5 per cent?

The answer is that you would be pretty miffed. No, you would be downright furious and I suspect that most of us would take steps to put things right – either through the dealer or a higher authority.

You may be surprised to learn, therefore, that these types of sales tactics are common practice when it comes to life insurance. What is even more shocking is that the con-trick is not being played on the consumer but on you, the IFA. Strong accusations, I agree, but nonetheless, perfectly true.

The game of duplicity is being played out around the issue of commission calculations.

In a nutshell, some networks, that sit between insurance companies and brokers, are



DARREN FERNEYHOUGH

expressing the level of commission they pay intermediaries in different ways in order to make their deal appear better than the next company's.

Let me emphasise the word appear because, in reality, there is usually little if any difference in the level of commission actually being paid by networks to brokers.

The real difference between networks – which should be the key criteria for choosing one network

over another – is the quality of service being provided to brokers, a factor often overlooked as brokers chase the elusive best commission deal.

So how is the con-trick being worked? In order to understand what is happening, it is necessary to go back to the introduction of the Lantro commission calculation tables.

All commissions coming from the insurers to the networks are based on Lantro tables, which for term products, state an initial commission of 35 per cent of the premiums paid during the earnings period and, for permanent health insurance products, an initial commission of 30 per cent.

In the early days of Lantro all commission was paid as earned but many providers switched to an indemnity commission basis to make their offering more attractive.

This gave brokers the benefit of commission

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One size should fit all, but commission is tailored to suit different intermediaries

KEY POINTS

- Some networks are expressing the commission they pay intermediaries in different ways in order to make their deal appear better than it is
- In the early days of Lantro all commission was paid as earned but many providers switched to an indemnity commission basis to make their offering more attractive
- A very simple solution to this anomaly is for providers to express commissions as a percentage of the annual premium

This strategy enabled Premier to increase its turnover considerably, a factor which together with aggressive advertising and deliberate close cooperation with the media, gave Premier and its founders considerable standing in the industry.

2002 and 2003 saw significant growth at Premier, in terms of membership numbers and staffing levels. The company moved to larger premises and monthly turnover broke through the £1,000,000 barrier. Several overtures were received during this period from major operators who could see numerous benefits in acquiring the business.

Anticipating the impact that the imposition of FSA regulation on its membership in late 2004 and on its sector in early 2005 would have, Mike and Darren investigated a number of possible strategies to maintain Premier's development through these changes, eventually deciding that the optimum route would be a strategic partnership with an established regulated network.

This led to extensive talks with a number of the market leaders culminating in the purchase of the entire shareholding of the Premier business by The Tenet Group in September 2004.

Following the sale of the business, Mike and Darren were retained by Tenet as Managing Director and Operations Director respectively initially to ensure a smooth transition of the business into the group, however as always their talents were quickly put to use in developing initiatives both within Premier as well as elsewhere in the group.

Despite this, the business was completely integrated into the Tenet Group by the summer of 2006 to an extent that Mike & Darren were able to hand over the reigns of the business completely with a sense of pride in all that they had achieved in the preceding 5 years and comfort in seeing the business having grown up and now able to manage without them.

INTERVIEW: MICHAEL COOKE

Beating bureaucracy

With more brokers expected to join networks in the next few years, they will have to diversify to attract members. Ben Marquand talks to Michael Cooke, managing director of Premier Connections about a new kind of network

What is Premier Connections and when was it launched?

Premier Connections is a change of trading name for Premier Protection. Premier Protection launched in 2001, but the branding Premier Connections was launched at the start of this year. We have formed strategic alliances with other companies that we feel can deliver what our lenders require in the market.

What services do you offer?

Our core business is protection-based products, term assurance, critical illness, and income protection – primarily products regulated by the Association of British Insurers (ABI). Our proposition was to focus on products that offer a good margin of profit for the lender. They are also some of the few products not regulated by the Financial Services Authority (FSA), so as a lender you are not bogged down by the regulatory constraints, paperwork and bureaucracy that comes with being part of a regulated network.

What is your mortgage proposition?

It is two-fold. We have a deal with some of the largest mortgage clubs, which has just been launched this year, and there is also a deal with the Professional Mortgage Payers Association (PMPA), which again is a new offering. We recognised the need for a mortgage proposition, but did not want to form a conventional alliance with a single package because if you are committed to one package and their service standards let you down it reflects badly across the whole network. This way our members can decide which package suits them.

Do brokers need any expertise to use the different services?

We vet brokers before they join. In addition, the ABI's code of conduct is there to ensure companies like ourselves adhere to good practice, and it is our responsibility to ensure lenders are adhering to this. However, mortgage business is a separate issue. Brokers would not be able to transact business with any PMPA clubs unless they are MCB-registered. By doing so their fitness and competency requirements would have been taken care of.

What relationship do your brokers have with providers?

One of the first things we decided was not to have one agency that brokers played all their business through. We wanted to set up something where they could interact with the provider or lender directly as if they had their own agency number. Everyone who joins has their own sub-agency number, which means they can chase commissions and get answers over the phone without going through us. This means they can act upon any queries quicker because the paper chain has been cut.

How many brokers do you have and how many are on the mortgage side?

We have 480 member firms, which totals around 2,000 practising consultants. The majority of which are already selling mortgages; they just

were not selling them through us because we did not have a mortgage proposition until now.

How do you become a member, and do you offer support?

They would need to fill in an introductory pack, which gives us enough information to decide whether they will be compatible or whether a business development manager has to investigate further. Applicants are also credit checked and references are sought. We offer training on products, and also sales training to help them to explain the benefits to clients.



Will mortgage and general insurance regulation force more brokers to join networks?

It will certainly encourage brokers to think more about joining a network. They will have a choice of either joining some form of association or to be regulated directly through the FSA. Being part of a network means the entire necessary infrastructure they need in place is already there, so they can focus on generating business and seeing clients.

What compliance systems do you have in place?

We are in talks with an organisation that can deliver a metro-based system for compliance on mortgages. For example, rather than paying a network £2,000-£3,000 a year in fees for them to deliver the full mortgage compliance requirements, you could opt for a metro-based system. If you wanted an audit facility that would be available separately at a couple of hundred pounds instead, which would be a one-off payment.

Will there be a noticeable difference with regards to compliance when the FSA takes over as statutory regulator in 2004?

Of course, but to what extent I just do not know because it has yet to be determined. But it is certain the FSA will be under the spotlight to deliver full and exacting compliance requirements, because that is what the public expect. Without a doubt it will be more onerous than what we have now.

Will all mortgage networks have to diversify to attract brokers in the future?

In order to survive I think you need to specialise in something, and Premier Connections has always concentrated on protection. But as a necessary a lender would expect the full service from one network, rather than attempt to get other products from various other networks as well. Networks have to diversify and in the future will have to offer additional services, but this may well be achieved through outsourcing deals with providers and lenders.

Ben Marquand is editor

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Premier Statistics

March 2001 to July 2006

Total number of clients insured	75,000
Ongoing Annual Premium Income	£29,000,000
Total Sum Assured	£7,780,000,000

Expert Consultants

After a short break in the late summer of 2006, Darren and Mike formed a new business partnership, trading as 'The Money Helper' to realise various different ambitions and began to put plans and preparations in place. While much groundwork was being undertaken to facilitate consumer-oriented operations in certain financial services vertical markets, their core activities over the following 2 years was renting out their considerable expertise and experience to forward thinking businesses with a desire to grow and the wisdom to pull upon this valuable resource to help them to do so.

While working as consultants for and with a wide range of financial services companies from private to plc status, Mike and Darren were able to not only add value to the businesses concerned through innovation, promotion, distribution and training, but also broadened their own experience and knowledge as a result of being immersed in different areas and markets within the industry.

Some of the businesses that Darren and Mike worked with during their consultancy projects are shown below.



Retail Operations

Since leaving the Tenet Group in 2006 and whilst working on consultancy projects, Mike and Darren also worked on the development of their retail operations with specialist propositions in the specific vertical markets of Finance (Loans & Mortgages), Debt Solutions (DMPs & IVAs) and Insurance (General Insurance & Protection). Of these Mike and Darren's core activity is in the sector where they have the most experience, knowledge and expertise - Insurance.

Through the brand The Insurance Helper supported by the website www.theinsurancehelper.co.uk Darren and Mike provide insurance products and services to UK consumers and business clients delivering knowledge, solutions and cost savings in abundance. A measure of the quality of the services provided is in the substantial volume of referred clients, with most satisfied clients telling their family and friends about their experience with The Insurance Helper.

The Future

Mike & Darren continue to work in and develop the retail operations, in particular through The Insurance Helper, whilst also developing some ongoing projects in the retail and intermediary arenas in both additional product groups and technology platforms respectively and with a firm eye on the potential that taking their extensive knowledge and experience into other global markets holds.

In addition to these activities and ongoing projects under development, Mike and Darren remain open to discuss becoming involved in other projects or being retained as expert consultants either at home or abroad if the project or role appeals to their interests sufficiently.

energy

positivity

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groundbreaking

proficiency

ambition

acume

determination

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expertise

enthusiasm

flair