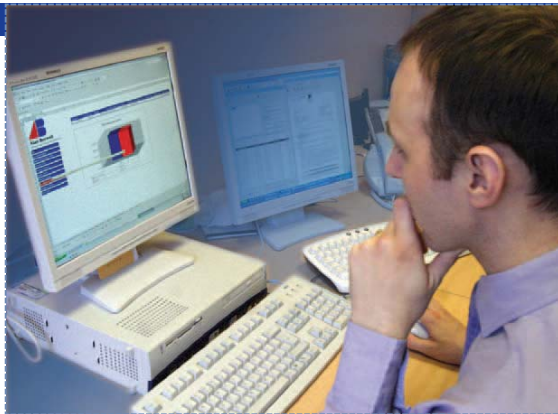


Information Technology Underpins AB Group Success

The Alan Boswell Group is part of an industry that deals with virtual products and handles vast amounts of data. We recognise the importance of new technologies in improving our service & efficiency. With this in mind, we have made substantial investments in our IT infrastructure and support:



Weblinks with our key partners. enable us to access critical documentation over the Internet, track claims, set up instalment facilities, update policy records on-line or request documentation for our clients.

items of correspondence are securely filed in a central database and can be accessed from anywhere within the organisation. When a client contacts us to discuss a case, advisors can call up and view relevant documents instantly. The delays in hunting down paper files are over with the information we need just a few mouse clicks away.

ELECTRONIC DATA INTERCHANGE (EDI)

EDI allows trading partners to interchange data digitally. Well established in the motor insurance market for over 15 years EDI is increasingly being used for other products, such as household insurance. Alan Boswell Group uses EDI wherever possible: transacting over 90% of our private motor business using full-cycle EDI products. We can now process and issue paperwork immediately, eliminating delays and delivering a much better service to our clients.

REMOTE AND MOBILE WORKING

During 2005 we are installing a Citrix solution to enable staff at remote sites to have full, secure, access to all of the databases and document management systems at our head office.

With a dedicated IT department and our own in-house web-developer, the Alan Boswell Group is determined to remain at the forefront of technology developments. We will continue to use IT to drive down costs and deliver the best possible service to our clients.

DOCUMENT MANAGEMENT

During 2004 we introduced document management systems in our Norwich office which have allowed us to dispense with paper records. All post, emails, and other



WEB AND E-COMMERCE

www.alanboswell.com features current news about the Group, enquiry forms for most types of insurance and interactive on-line quotations for residential property owners cover. Over the course of the next year we will be enabling features that will allow our clients access to more quotation facilities and other data.

Alan Boswell

Insurance & Financial Services Group

Spring 2005

www.alanboswell.com

Welcome to our Spring 2005 Newsletter.



The Group continues to grow organically. In the past six months we have made no acquisitions, but have still experienced rapid growth. We welcome many new clients and are grateful and pleased that clients old and new have entrusted their insurance and financial services requirements to the appropriate divisions within the Group.

The change to FSA regulation for the general insurance divisions took place in January 2005. We look forward to the positive aspects of the new Pensions regime commencing in April 2006.

Otherwise you will see from the articles in this Newsletter that our property insurance operations and our farm insurance division are growing fast. 2005 should see the Group achieving a national profile in several other areas too.

If you would like to discuss any of the points raised in this AB Telegraph, please call me on 01603 218001.

Alan Boswell AC11



THE NEW FSA REGULATORY REGIME

The Financial Services Authority (FSA) has added statutory supervision of General Insurance intermediaries to its existing responsibilities for banks and insurers. From 14th January 2005, only those firms authorised by the FSA have been legally permitted to provide insurance services.

Applications for both of the General Insurance divisions of the Alan Boswell Group were submitted at the beginning of 2004 and, happily, we were in the first batch of firms to achieve formal authorisation in November 2004.

Rod Gibson, Compliance & Training Manager said, "It was pleasing to have gained approval from the FSA so smoothly but this is the culmination of our determination over the years to do the right thing – it's part of our business philosophy, if you like. Many of the requirements were already in place as a result of our membership of the General Insurance Standards Council and the fact that we have ISO9000:2001 and are accredited Investors In People. Add to this the experience of our IFA division which has been regulated by the FSA for several years and we have a great recipe for success".

As many of our business clients know, applying high standards requires effort and comes at a price, so we very much

welcome the fact that all firms involved in providing general insurance are now subject to the same requirements. The regulations involve stringent levels of Training and Competence and this should help to improve the quality of service and professional standards across the industry over time. The Alan Boswell Group is totally supportive of the FSA's core aims and our staff have adapted to the changes enthusiastically. Clients can feel reassured – and should not be alarmed by the louder thud on the floor when their policy documents arrive!

INDUSTRY INSIGHT

Approx. 770 insurance companies are authorised under European Economic Area rules to carry on insurance business in the U.K.

Approx. 50 of these are able to carry on both long-term (life insurance, pensions etc.) business and general insurance business.

Approx. 150 are authorised for long-term business only and the remaining **570** are authorised only for general business.

Quite an assortment to keep Brokers busy!



Alan Boswell Insurance & Financial Services Group

Harbour House, 126 Thorpe Road, Norwich NR1 1UL
High Street, Attleborough NR17 2EH

Tel: 01603 218000 Fax: 01603 762862
Tel: 01953 455600 Fax: 01953 456400

Email: insurance@abib.co.uk

www.alanboswell.com



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Member of the



Eastern Alliance Limited

BNEWSROUND

FARMERS LOOK TO CUT COSTS



The Common Agricultural Policy (CAP) reform will simplify subsidy payments by replacing ten major CAP payment schemes with one new single payment. Farmers are concerned about possible resulting subsidy cuts, allocation reductions and pressure on their incomes.

Now is therefore the right time to seek an independent quote from a specialist Farm Broker in order to save money.

Alan Boswell's Farm team have been able to achieve substantial savings on most of the quotes requested by new Farming contacts. The Farm Department which has been established for many years has grown considerably. Insurances are tailored to individual circumstances and by using the Group's wide experience in

all types of insurance including specialist schemes, associated areas to land ownership such as holiday cottages, fishing lakes and golf courses can easily be catered for.

Farmers are also attracted by our very competitive legal expenses package policies.

Two notes of caution:-

- Many Farmhouses are very underinsured for the correct level of re-building costs. (We can provide free valuations for this aspect).
- Vehicles including diggers and tractors are frequently left unlocked and unattended with the keys left inside. If the vehicle is stolen this will negate the cover – so watch out!

If you have any Farm insurance queries or would like advice or a quotation please contact IAN PAYTER on 01603 218011.

PROPERTY INSURANCE - THE FOUNDATIONS FOR GROWTH

The Group's property insurance departments are rapidly expanding in all areas. In the past twelve months the property division has achieved a massive 33% growth and there are exciting prospects for considerable further growth.



Continued I.T. developments have helped to make the operation highly efficient and new forms of cover are regularly being developed. Online quotation, cover and payment facilities are being rolled out to the members of many of the considerable number of associations and institutions that use Alan Boswell Group for their property insurance needs.

With projected property related premiums in excess of £10,000,000 in the forthcoming year, this is a significant part of the Group's business and indicates the level of our expertise and our increasingly national profile.

REMOVAL OF RENEWAL COVER NOTES

From 1st May 2005 all commercial motor insurance providers will be removing their 15 day cover note protection that provided customers with indemnity against liability to third

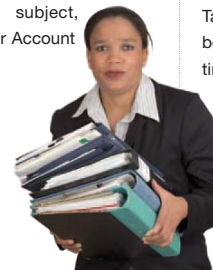
parties. This cover note protected those customers who had not paid their premium before the renewal date, but did in fact intend to renew their insurance cover, by providing them with continuous RTA cover. This service is being withdrawn in compliance with the Insurance industry's obligations in respect of the Motor Insurance database (MID) and Uninsured Driving.



EMPLOYERS LIABILITY - OR NOT ?

A recent important E.L. development concerns Sole Trading Companies. For these small operations, it is no longer a legal requirement to have E.L. cover. However there is a BUT! Sole Traders need to understand that if they take on temporary, seasonal or any form of helpers they will need E.L. cover. Short period E.L. cover is not widely available, so it may be necessary to keep an annual contract running. If any clients have any queries on this subject, please contact their Account Executive.

It is important to establish the precise legal position!



RADICAL CHANGES TO PENSION FUND PLANNING

Most people will be aware that from 6th April 2006 the U.K. Pension regime will change fundamentally. The most significant aspects of the new rules – in particular as to what precisely a pension fund will be allowed to invest in, have not yet been agreed in detail, so it is vital to seek advice from your ABCO contact over the next few months.

The new regime dramatically changes fundamental historic pension rules. Annual contribution restrictions, contribution carry back and forward provisions and many other rules will be altered to a simpler system of two key controls governing the maximum benefit from tax relief, a lifetime allowance (being a fund total of £1.5 million or less) and annual premiums of £215,000 or less from an employer or up to 100% of personal earned income.

There will be greater freedom to invest in a variety of assets including residential property, holiday homes, commercial properties, works of art, fine wines. The list is potentially endless.

Tax-free cash sums will in general simply be 25% of the accumulated fund at the time benefits are drawn. Company Directors and members of Occupational Pension schemes must act to protect their tax free cash if it is likely to be above this level.



Employers and Company Directors need to understand the new system in detail and be aware of the impending transitional arrangements and the major implications concerning funds that could be over funded and the effect that this may have on remuneration strategies.

Everybody must ensure that they understand the new provisions in detail well before next April. **Please contact Gary Steward on 01603 218002 if you would like a copy of a booklet entitled 'Pensions – the new tax regime' or would like to seek advice from an ABCO registered representative.**