

Case Study



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BEST BUY CANADA

At Assurant Solutions, our goal is not to win awards. Yet, when one of our clients honors us with a special recognition, it's a great verification that we are delivering exactly what we had hoped. In 2006, Best Buy presented us with the "Partner of the Year" award due to our continued commitment to identifying and implementing customized solutions that helped their business succeed.

Over the years, we have remained dedicated to providing superior customer service to all of our clients. We strive to serve as a "listening partner" that adapts to evolving market conditions and continues to gather insights on our clients' needs and priorities.

In 2009, we commissioned the Partnership Expectations survey* which solicited input from a targeted sample of insurance decision makers, agents and brokers. The survey revealed that seventy-eight percent of respondents said they expect superior customer service during and after the economic recovery. We also went directly to the source—our clients and customers—to obtain important insights on what efforts are most impactful and why and how we—as their business partner—can be most helpful.

The Most Successful ESC Program in Canada

For Best Buy, the fastest-growing specialty retailer and e-tailer of consumer electronics in Canada, extended service contracts (ESCs)—are an important driver of business success.

"At Best Buy, we offer our customers a unique shopping experience and focus on differentiating ourselves from other big-box retailers via our commitment to providing unmatched customer service," said Phil Arrata, vice president of service operations and financial services, Best Buy Canada. "It is important for our customers to feel confident in their purchases, especially today, and we have found that these efforts help us improve customer loyalty and retention."



Real-Life Solutions to Real-Life Problems

At Best Buy, there is a constant need to create value-added services that make extended service contracts relevant in the eyes of the consumer.

"It's extremely important that our ESC program appear seamless to our customers, so that they view us as an all-purpose service provider for their consumer electronic needs," added Arrata. "With Assurant Solutions' help, we continue to come up with original ways to provide a better customer service experience."

A great example is the Product Exchange Program developed for cell phones. Consumers don't like to be without their cell phones for any amount of time. With this new program, should a consumer's cell phone break or have problems, it could be returned to a Best Buy Canada store and immediately replaced free of charge.

However, the real creativity is the payment model created by Assurant Solutions. Instead of requiring an upfront lump sum at time of purchase, the cost of the ESC is added to the customer's monthly cell phone bill.

"This was a ground-breaking departure from the normal way in which extended service contracts are billed," explained Arrata. "Assurant Solutions worked with us to provide an innovative and adaptable solution that fulfilled a pressing need in the marketplace. Based on the early results, consumer feedback, and store feedback, we know this is an attractive solution for our customers."

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Making a Product Required Instead of Optional

Extended service contracts provide consumers peace of mind, a rare achievement in this economic environment. Nonetheless, whether consumers don't understand the value of the coverage or simply don't want to pay an additional expense on top of the product price, they continue to view ESCs as an optional purchase and frequently choose to do without. In order to engage consumers on the value of an extended service contract, and motivate them to buy, it is important to provide timely and relevant value-added services and solutions.

The Relationship Grows

The partnership between Best Buy Canada and Assurant Solutions has continued to evolve over the years. Since 2001, Assurant Solutions was solely responsible for handling the administrative side of Best Buy Canada's program—which included supervising the call center, managing the network of service providers, paying the claims, etc.—while the underwriting side of the business was handled by another provider.

In 2004, Assurant Solutions was awarded the underwriting responsibilities for the full ESC program. Assurant Solutions cemented its long-term relationship with Best Buy Canada in 2009 and won a renewal of the ESC contract that will run through 2013. ■

About Best Buy Canada

Best Buy stores in Canada are a division of Burnaby, BC-based Best Buy Canada Ltd., a wholly owned subsidiary of Best Buy Co., Inc. (NYSE: BBY). Best Buy is Canada's fastest-growing retailer and e-tailer (www.BestBuy.ca) of consumer electronics, computers and entertainment products and also operates the Geek Squad (www.GeekSquad.ca), a technology service provider specializing in computer support and home theatre installation. There are over 60 stores in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nova Scotia.

About Assurant Solutions

Assurant Solutions businesses develop, underwrite, market and administer specialty insurance, extended service contracts and other risk management solutions through collaborative relationships with leading financial institutions, retailers, automobile dealers, funeral homes, utilities and other entities. With operations in 17 locations, including executive offices in Atlanta, Ga., Assurant Solutions serves clients and their customers in 10 countries throughout North America, the Caribbean, Latin America and Europe. Assurant Solutions is part of Assurant, a premier provider of specialized insurance products and related services in North America and select international market. www.assurantsolutions.com

*About Assurant's Partnership Expectations Survey 2009

In 2009, Assurant, Inc. commissioned a third-party research firm to conduct a survey of 151 total respondents including insurance decision makers, agents and brokers to identify and rank the most pressing issues and characteristics of a valuable insurance partner in these difficult economic times.

To what extent do you agree with the following statements?

