



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

Protection Forum

Executive Summary

Meeting held on 10th March 2011 at



The Chartered Institute of Arbitrators (CI Arb), 12 Bloomsbury Square, London, WC1A 2LP

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Competition Act reminder

- The role of this Forum is to facilitate business efficiencies in the personal finance sector for the benefit of Distributors, Product Providers and most importantly Consumers.
- All present are reminded of the requirements of the Competition Act and members' attention is drawn to the guidelines, which are available.
- In essence, all Members shall refrain from any conduct or participation in any activities which could lead to a restriction of competition between the Members or any third party who is a competitor of a Member or Product Provider or which could in any other way lead to an infringement of UK and/or EC rules on competition law.
- Output of the meeting must be complete, we will pause before each new section to agree and summarise the issues covered.
- Role of the chairman is to steer the group clear of conversations that may impinge on The Act.
- If the chairman fails to do this, delegates should point this out in the meeting and if the situation does not change should leave the meeting.

Agenda

- This pack contains the slides presented at the Protecting Forum meeting held on 10th March 2011.
- Slides with a  represent the meeting presentation; slides with a  represent additional views and conclusions from the meeting. Members' comments, additional text and actions are shown in **purple text**.

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Executive summary

<p><i>Policy re-instatement practices: the findings</i></p>	<ul style="list-style-type: none"> • Product Providers confirmed that process improvements were unlikely to be impeded by historic practices, technology thought practices will be affected by their re-Insurer treaties. • Advisers cited a number of reasons why re-instatement can be better than re-broking e.g. Client makes an “innocent” error, e.g. changes bank details and this causes premium/policy to lapse, or accidentally cancels a DD and wants to re-instate their policy. • One Insurer asked if it really was easier for Adviser to rewrite a policy rather than reinstate it. A strong set of messages from Advisers confirmed that in practice yes, <u>Providers make it much easier to write a new plan than reinstate an old one.</u> • Advisers would actually like to see Providers remove some of the barriers they face when seeking to re-instate policies and increase the speed at which things happen. 	
<p><i>Policy re-instatement practices: next steps</i></p>	<ul style="list-style-type: none"> • Following a robust and lengthy discussion, an action was agreed to create a first draft of a good practice document on the subject of policy re-instatement for firms to review and comment upon prior to the next Protection Forum meeting. • The purpose of this activity is to define what good practice around policy re-instatement should look like and then it would be up to individual Insurers to decide to adopt the good practice statement. 	
<p><i>European Court Gender ruling: discussion about operational impacts</i></p>	<ul style="list-style-type: none"> • Session held under The Chatham House rule (http://www.chathamhouse.org.uk/about/chathamhouserule/) . • The discussion focused on the role of portals in light of this ruling e.g. There was a high possibility that in future, quotations obtained via a portal could be significantly less accurate than today. • Distributors expressed concern at the prospect of portals offering less accurate quotations and <u>this was not a desirable situation.</u> • Parties agreed to keep this issue on the agenda for the next meeting. 	

Executive summary

<p><i>Signature collection for e-new business: finding a smarter way to work</i></p>	<ul style="list-style-type: none"> • F&TRC distributed an A3 draft document that has been developed to demonstrate to the Provider community, just how complex the activity of collecting Client signatures had become for Distributors. • This document was very much welcomed by the Advisers and several Providers recognised that it demonstrated a clear case for greater consistency of approach amongst Providers. • Providers countered that they would be interested to understand from the Distributor community what a good process would look like in their eyes. • It was agreed that F&TRC work with Distributors to identify a good practice model for the collection of signatures relating to new business applications, revised terms and AMRA. 	
<p><i>Tele-interviewing: Adviser views on how these services have developed and what needs to be improved</i></p>	<ul style="list-style-type: none"> • Advisers stated there was a need for more clarity and consistency around: <ul style="list-style-type: none"> • How Providers can request a tele-interview. • Who calls the customer to set up the tele-interview. • How Advisers are informed when tele-interviews are not proceeded with i.e. Client misses it. • F&TRC agreed to undertake a current state assessment of Provider approaches to tele-interviewing today, this would allow firms to take this discussion forward. 	
<p><i>Adviser remuneration for Protection business</i></p>	<ul style="list-style-type: none"> • There is growing appetite amongst Adviser firms to be able to flex their commission payments, though the meeting did recognise that not all firms were asking for this and not all firms were ready to make the move just yet. • Essentially, Providers do seem to offer commission flexibility though not via the portals which is where Advisers would like to see this supported, but there was a need to clarify precisely how Providers approached this. • F&TRC to conduct a current state assessment of how Providers currently support commission flexibility and to bring this information back to the next meeting to support further discussion on the topic. 	

Attendees & apologies

Distributors

Direct Life & Pensions		Master Adviser	
LifeSearch		Sesame Bankhall	
LifeSearch		True Potential	
London & Country			

Product Providers, Re-Insurers and System Suppliers

Allfinanz		L&G	
Allfinanz		LV=	
Aviva		LV=	
Axa		Exeter Friendly	
Ageas Protect		Scottish Provident & Bright Grey	
Friends Provident		Zurich	
GenRe			

FTRC

Poppy Achilles, Ian McKenna & Kevin Carr

Apologies

Highclere Financial Services	Pru Protect	Royal Bank of Scotland
Positive Solutions	Pro-active	AEGON

Objectives

Objectives

- | | |
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| • Hold a detailed discussion on the subject of policy re-instatement issues and identify the next steps needed to take this issue forward. | ✓ |
| • Review research demonstrating how complex the process to collect Client signatures has become for Advisers and identify the key messages Providers should take back to their businesses concerning this issue. | ✓ |



Actions

Date of meeting	No.	Task	Deadline	Resource name	Status
02/12/10	85	F&TRC to approach all firms who have yet to sign off the good practice document on business retention, to obtain their feedback and then formally publish a final version of the document to all Forum members.	10/12/10	F&TRC	Complete
02/12/10	86	F&TRC to conduct a current state assessment of product Provider adherence to good practice guide on business retention and to bring back findings to March 2011 Protection Forum meeting.	18/02/11	F&TRC	Underway – will be published before the end of March 2011
02/12/10	87	F&TRC to contact Distributors to arrange a teleconference call to discuss which practices they feel constitute good practice, when seeking to re-instate policies and why.	28/02/11	F&TRC and Distributors	Complete
02/12/10	88	F&TRC to contact product Providers to ask them to confirm which factors influence their policy re-instatement practices and if there are any reasons why certain practices could not be modified as a result.	21/02/11	F&TRC & Providers	Complete
02/12/10	89	F&TRC to collate findings from both groups on business retention practices and bring information back to March Protection Forum for firms to review.	04/03/11	F&TRC	Complete

New actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
10/03/11	20	Legal & General to provide a high level summary of issues they encounter with BACS.	Legal & General	1 st April	
10/03/11	21	Ian McKenna to contact Paul Smee at BACS to discuss the issues raised by Providers regarding receiving direct debit mandate instructions from Advisers on behalf of Clients,	F&TRC	13 th May	
10/03/11	22	F&TRC to contact Insurers to ascertain their practice around payment periods, what time periods are allowed and if cover is in force whilst the plan is in place. Information will be collated and shared with the Distributors	F&TRC	27 th May	
10/03/11	23	F&TRC to use the feedback created by Advisers and the meeting to create a first draft of a good practice document on the subject of policy re-instatement for firms to review and comment upon prior to the next Protection Forum meeting. This should include a mapping of current processes as well as suggested good practices to streamline existing practices (the latter will also include the treatment of commission claw backs).	F&TRC	27 th May	
10/03/11	24	Product Providers and Re-Insurers to each provide an update on the ECJ Ruling and the key issues they believe need to be discussed with the Distributor community at the next meeting. That will be held under The Chatham House Rule.	Product Providers and Re-Insurers	16 th June	
10/03/11	25	F&TRC to further develop the signature mapping document and distribute a revised copy to all parties following the meeting.	F&TRC	1 st April	Further iteration has been issued and providers are asked to complete missing information.
10/03/11	26	F&TRC to work with Distributors to identify a good practice model for the collection of signatures relating to new business applications, revised terms and AMRA.	F&TRC	20 th May	
10/03/11	27	Set up a brief teleconference call to understand what improvements Lifesearch, Master Adviser, DLP and London & Country would like to see to the tele-interviewing process.	F&TRC	6 th May	
10/03/11	28	Undertake a current state assessment of Provider approaches to tele-interviewing today. <ul style="list-style-type: none"> This would seek to understand how Providers deal with situations such as: How do you deal with customers who are not there? How many times do you recall the Client? How many phone numbers do you use? Do you offer the option of daytime and evening calls? How do you deal with volume of calls? What are all the different bits of information you need to capture? 	F&TRC	27 th May	
10/03/11	29	F&TRC to conduct a current state assessment of how Providers currently support commission flexibility and to bring this information back to the next meeting to support further discussion on the topic.	F&TRC	10 th June	
10/03/11	30	F&TRC to investigate resourcing and hosting a Protection Forum Conference and what additional costs that might incur and how that might be funded.	F&TRC	16 th June	

AOB & 2011 dates

Protection Forum meeting dates for 2011 (in Blue):

- June 16th
- September 22nd
- December 8th

AdviserForum Meeting Calendar 2011

Key	Meeting type	Who attends
	Investment Forum	Adviser Firms, Product Providers, Fund Mgt. Groups
	Workplace Forum	Adviser Firms, EBC's, Benefit Portals and Employee Benefit Providers
	Protection Forum	Distributors, Product Providers, Re-insurers
	E-Services Forum	Technology vendors, Product Providers, Platforms

2011

January 11

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31						

February 11

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28						

March 11

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April 11

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May 11

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June 11

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July 11

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August 11

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September 11

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October 11

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November 11

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December 11

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