



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

---

# Protection Forum

## Executive Summary



**Meeting held on 10<sup>th</sup> June 2010 at  
Chartered Institute of Arbitrators, 12 Bloomsbury Square, London WC1A 2LP**

*The contents of this pack, in whole or in part, are to be treated as confidential and circulation beyond the Forum members or subscribers requires written confirmation from F&TRC in advance. Any unauthorised distribution renders the distributor liable for the subscription cost of the document distributed for each third party they are passed on to.*

# 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 Protection meeting held on 10<sup>th</sup> June 2010.
- Slides with  represent the meeting presentation; slides with  represent additional views and conclusions from the meeting. Members' comments, additional text and actions are shown in **purple text**.

<i>Agenda</i>	<i>Page</i>
• Attendees & apologies	4
• Executive summary	5-6
• Objectives and actions.	7-9
• AOB / Meeting ends	10

# Attendees & apologies

## Distributors

Direct Life	Positive Solutions
Lifesearch	Proactive Insurance
London & Country	Sesame
Master Adviser	Sesame

## Product Providers

Aviva	Legal and General
AXA	Royal Liver
BUPA Individual Protection	Royal London Group
Exeter Friendly	Pacific Re
Fortis Life	RGA Re
Friends Provident	Swiss Re

## FTRC

Poppy Morgan, Ian McKenna, Kevin Carr & Nicky Jordan

## APOLOGIES

AEGON	Royal Bank of Scotland	Your Sure
LV=	Zurich	Pru Protect

# Executive summary

***Business retention processes:  
achieving good market practice***

- One provider suggested that millions in commissions is being saved by distributors who are using their business retention systems.
- The group discussed at length the key attributes of a good business retention process and an extensive number of follow up actions were agreed by the Group.
- The proposal put forward by F&TRC to come up with a set of **standardised market practices** to business retention was agreed among group to be the right approach.
- The group should aim to bring back a draft good practice statement that firms can review at the next meeting, this is scheduled for 30<sup>th</sup> September.

***Multi benefit contracts:  
overcoming barriers to a growing market***

- A number of distributors confirmed that multi benefit contracts must now be supported by the industry portals.
- Whilst such plans may not be sold in vast numbers today **many believe this to be a growth market.**
- However, the challenge is trying to obtain the illustrations. Currently firms have to go through a very manual process which makes it difficult to aggregate and compare information.
- It will be important to demonstrate a reasonable volume of evidence (i.e. Why do firms believe these products to be a growth area?) if parties are to get serious traction with the remaining industry portals.

# Executive summary

***Collecting signatures for online protection business: assessing the feasibility to greater process harmonisation***

- F&TRC reiterated the point that this discussion was not about asking providers to adopt a single approach, rather it was about trying to harmonise multiple approaches (i.e. 14 counted by F&TRC) into a few.
- Group agreed to **explore how variations in signature collection processes could be reduced** and it was suggested distributors kick start the process by establishing what they would consider good working practices.
- Reinsurers agreed to review the outcome of this distributor call and provide comment on its feasibility.

# Objectives

## Objectives

<ul style="list-style-type: none"><li>• Review provider approaches to business retention and identify practices that are most desirable amongst the distributor community, and why.</li></ul>	Next steps and actions have been identified and agreed.
<ul style="list-style-type: none"><li>• Discuss what can be done to improve current state of affairs concerning multi benefit contract comparison.</li></ul>	Next steps and actions have been identified and agreed.
<ul style="list-style-type: none"><li>• Review range of different signature processes for protection business submitted online and identify areas where greater consistency <i>could be</i> achieved.</li></ul>	Next steps and actions have been identified and agreed.

# Actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
10th March	16	F&TRC to document what distributors need from Product Providers to improve current practices, this would need to include: triggers, the timeliness, information requirements and communicate methods.	Sesame Bankhall Group and Lifesearch	10/06/2010	Complete
10th March	17	F&TRC to document the different approaches being taken by Product Providers to notify Distributor when policies are at risk of lapsing. This should also include documenting Product Providers approaches to re-instating policies.	F&TRC and Product Providers	10/06/2010	Complete
10th March	18	Create a list of the different communications distributors are likely to receive from Product Providers for new business e.g. proposal acknowledgment letter, commission statements. Servicing, e.g. missed DD notification and Claims, e.g. notification of claims.	F&TRC	10/06/2010	Complete
10th March	19	Distributors to review list of different communications they are likely to receive from product providers and identify those that would most benefit from automation.	Distributors	10/06/2010	Need to agree resourcing and prioritisation at today's meeting.
10th March	20	F&TRC to contact Product Providers who were at the meeting on a one to one basis to establish what processes they have or plan to put in place to secure email communications with their distribution.	F&TRC and Product Providers	10/06/2010	Information from some providers still outstanding, F&TRC to request this following this meeting. Full details will be made available on meeting output.
10th March	21	Whilst the meeting acknowledged that it will not be possible to achieve a single 'signature deferred' or 'signature free' process, F&TRC have agreed to pull together a couple of straw models for each process in order to achieve more consistency.	F&TRC	10/06/2010	Complete
10th March	22	F&TRC to liaise with Munich RE prior to next forum to obtain feedback on the issue of the ABI definition on TPD.	F&TRC	10/06/2010	Update to be provided at meeting.

# New actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
10th June	37	Distributors to contact Mike Pritchard @ L&G and request MI demonstrating how many policies have been successfully retained as a result of the L&G business retention process. Distributors are invited to share this information with F&TRC.	Distributors	10/09/2010 17:00	
10th June	38	F&TRC will present back analysis revealing the levels of business the distributor firms are saving as a result of L&G's business retention process and will demonstrate to the different distributors how their results compare across their peer group.	F&TRC	10/09/2010 17:00	Information will be presented back on an anonymous basis.
10th June	39	F&TRC to arrange a call with distributors to define key attributes of a business retention process that uses email and extranet to alert their firms of policies at risk of lapsing. Should also define information requirements.	Distributors and F&TRC	17/09/2010 17:00	
10th June	40	F&TRC to canvas reinsurers on what approaches they would be prepared to support when it comes to re-instating policies that have lapsed.	F&TRC and Re-insurers	10/09/2010 17:00	
10th June	41	F&TRC to contact Providers separately to confirm if they would allow F&TRC to pass on information relating to their individual business retention processes to the distributors present at the meeting.	F&TRC	02/07/2010 17:00	
10th June	42	F&TRC to contact distributors and providers to ask for MI on percentage of new protection business that is written on a multi-benefit basis.	F&TRC	17/09/2010 17:00	Information will be aggregated by F&TRC.
10th June	43	F&TRC to hold conference call with distributors to look at the three areas highlighted by F&TRC where consistency might be achieved across signature processes and to identify what the preferred approach would be in each of these areas.	Distributors and F&TRC	10/09/2010 17:00	
10th June	44	F&TRC to send reinsurers notes from distributor call on harmonising signature processes for review and comment	F&TRC and Re-insurers	10/09/2010 17:00	
10th June	45	RGA Re to send over details of the Law commission proposals to F&TRC who will then distribute findings to wider Group	RGA Re	11/06/2010 17:00	RGA Re have kindly sent over a web link to the Law commission proposals - see main pack for details
10th June	46	F&TRC to ask providers what percentage of cases actually come back with a material change and, what percentage of cases are actually lapsed because the declaration does not come back with a signature.	F&TRC	10/09/2010 17:00	Information will be aggregated by F&TRC.

# 2010 dates

- Protection Forum meeting dates
  - 30<sup>th</sup> September
  - 2<sup>nd</sup> December

- Note to firms who engage in Investment Forum:
  - Meeting date in November has been changed to 24<sup>th</sup> November, it was originally 25<sup>th</sup> November.

## Adviser Forum Meeting Calendar 2010

Key	Meeting Type	Who attends
	Investment Forum	Adviser Firms, Product Providers, Platforms, Fund Management Groups
	Corporate Forum	Adviser Firms, Product Providers, Employee/Flexible Benefits Providers
	Protection Forum	Advisers and Product Providers
	E-services Forum	Technology vendors, Product Providers, Platforms

