

September 27, 2018

## **F&TRC NEW AGE-BANDED CRITICAL ILLNESS ANALYSIS ENABLES MORE ACCURATE PROTECTION ADVICE**

- **NEW WAY OF ANALYSING CRITICAL ILLNESS WILL HELP ADVISERS ARRANGE THE MOST APPROPRIATE COVER FOR THEIR CLIENTS**

Currently over 200 different conditions are covered by critical illness (CI) products across the market. This makes it increasingly difficult for advisers to identify which policies are most likely to pay out for their clients. To compare CI policies effectively, advisers need to understand what conditions their clients are more likely to suffer and which insurers offer the broadest definitions for these conditions. F&TRC's new functionality within their Quality Analyser system enables advisers to compare CI policies based on the individual's personal circumstances, their age, gender and the term of the plan.

To do this F&TRC has assembled a panel of medical experts who have analysed each insurer's CI definitions and scored them based on how likely a client suffering from the condition will be to successfully claim. The medical panel have also sourced age banded incidence data for each condition which enables the Quality Analyser system to weight each condition based on how likely a client is to suffer from it. By combining the two data sets, advisers are able to run an analysis, bespoke to each individual client, to identify which insurer offers the most comprehensive cover based on the conditions to which they are most susceptible.

Adviser firms who wish to access the service should visit [www.advisersoftware.com](http://www.advisersoftware.com)

To illustrate how age and the term of the CI policy can affect which conditions a client is more likely to suffer from, the table below highlights the top 5 heaviest weighted conditions - based on incidence - for a 25-year-old and a 45-year-old female over a ten-year term. For a 25-year-old the most prevalent condition would be Carcinoma in situ of the cervix uteri, but as the client grows older, the incidence of this condition decreases and the incidence of Stage 1-4 cancer (i.e. the main cancer definition) increases quite dramatically. *[Also see charts in notes section]*

25-year-old female with a 10-year term		45-year-old female with a 10-year term	
Top 5 Conditions	Weighting Applied	Top 5 Conditions	Weighting Applied
Carcinoma in situ of Cervix Uteri	64.10%	Main Cancer Definition Cancer stage 1-4	50.46%
Main Cancer Definition Cancer stage 1-4	16.47%	Coronary Angioplasty	8.46%
Congestive Heart Failure	3.46%	Carcinoma in Situ of Breast	5.61%
Multiple Sclerosis	3.27%	Stroke	5.17%
Major Organ Transplant	1.85%	Carcinoma in Situ of Cervix Uteri	3.69%

Based on this analysis, a female in her mid-twenties looking for CI cover over a 10-year period should be most concerned about the definition of Carcinoma in situ of cervix uteri provided by insurers. For a 45-year old female client looking for cover over a 10-year term, the main cancer definition offered by providers is more important, as stage 1-4 Cancer is a much higher risk.

**Adam Higgs, Head of Research – Adviser Services of F&TRC said:** “Based on the specific age banded incidence data, our new approach enables advisers to identify more accurately the conditions their clients are most likely to suffer. Combined with the F&TRC medical panel’s analysis of insurer definitions, advisers are now able to identify and more deeply interrogate which policies and providers offer the most suitable cover.

“The latest F&TRC CI analysis follows the launch of the critical illness comparison service on F&TRC’s Quality Analyser at the end of last year. The service enables financial advisers, paraplanners and networks who advise clients on individual and business protection, to compare policies based upon the quality of cover provided.”

**Mike Allison, Head of Protection at Paradigm Protect, commented on the new service:** “At Paradigm Protect we are always looking for ways to help advisers drive their Protection business forwards and at the same time, providing quality customer outcomes. Working closely with F&TRC on their Quality Analyser CI project does just that by providing clients with a real value measure based on an objective mix of quality and price.”

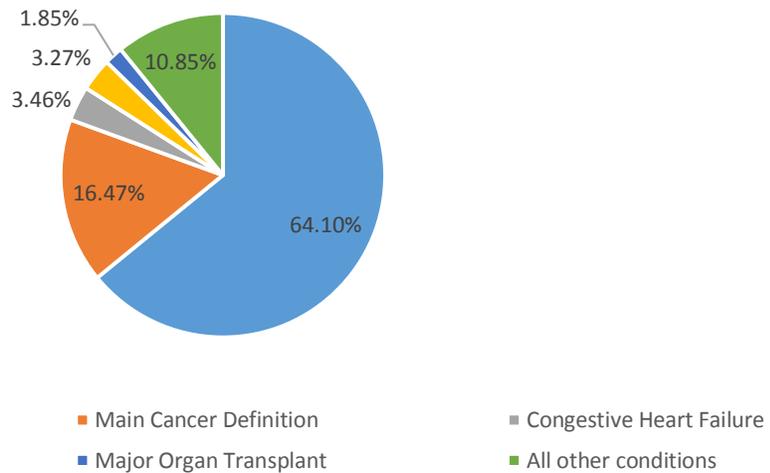
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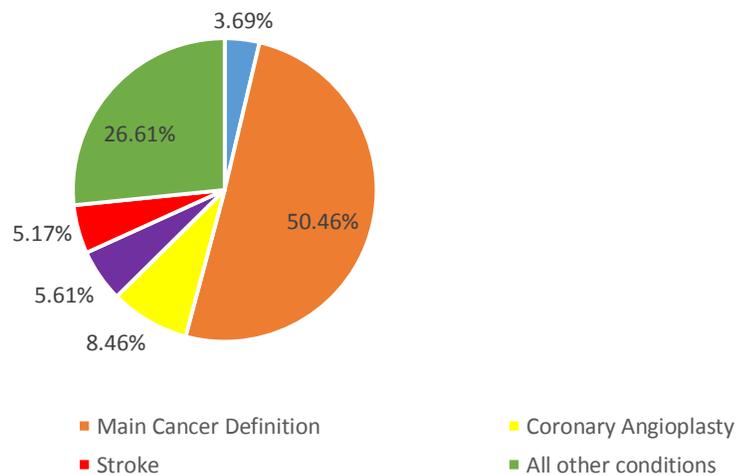
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**Editor's notes:**

Top 5 weighted conditions for a 25 year old female with a 10 year term



Top 5 weighted conditions for a 45 year old female with a 10 year term



### **About F&TRC**

Established in 1995, the Finance & Technology Research Centre (F&TRC) is a specialist research consultancy.

The company has four key areas of activity:

- Facilitating industry collaboration in the life assurance and long-term savings industries via a range of forums which bring together leading players from manufacturing, distribution and support services to identify where working together can achieve better outcomes for consumers and the industry.
- Research and benchmarking through the delivery of software and ratings to help financial advisers compare the quality of financial products, available at [www.advisersoftware.com](http://www.advisersoftware.com)
- Insight reports which focus on key strategic issues such as the future of financial advice and how organisations can enhance the quality of their services to consumers.
- Bespoke consultancy on any of the above.