

F&TRC Press Release
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F&TRC Protection Forum adds tele-underwriting and adviser remuneration to existing projects

Leading independent financial services consultancy F&TRC is pleased to announce the latest area of focus in the protection market.

Following the launch of a Good Practice statement for business retention systems last year, the group agreed at the most recent meeting, held in March, to also begin assessing the various tele-underwriting and remuneration processes and options in place across the protection market.

Tele-underwriting has been key development in the protection industry in recent years; however, each provider has essentially developed their own system. As a result, independent intermediaries are required to understand a myriad of different rules and processes, of which some could be aligned to benefit all parties.

Conversely, commission options for intermediaries writing protection business are typically restricted, which has possible implications post-RDR. While some providers do offer a range of options, they are not always easily obtainable.

IFA Peter Chadborn, Director of Plan Money, said: "It is about time this issue was addressed because the protection industry is way out of step with the rest of the FS industry when it comes to remuneration options. Non-indemnity commission is not right for all and too big a step for many therefore there should be more options than simply either / or. Providers may argue that there is little demand but I would suggest this is going to change as we approach RDR."

F&TRC will now begin the process of benchmarking each product provider's options and variations in the process before reporting the findings back to the group at the next meeting in June. The group will then discuss whether or not to continue the work to the next stage, which could include further best practice statements, based upon intermediary needs.

Commenting on Protection Forum overall, IFA Roy McLoughlin of Master Adviser, said: "The Protection Forum is an excellent idea because all parties sit at the same table. To have leading insurers, reinsurers and distributors holding meaningful debate about key operational issues reinforces the fact that we are all on the same side. On top of the existing work Forum is now looking to benchmark issues such as tele-underwriting to further improve the process for advisers."

F&TRC Managing Director, Ian McKenna, said: “The issues addressed by Forum are those raised by distributors. We then discuss the issues as a group before agreeing whether or not to begin the process of possible improvement by measuring and benchmarking what each provider currently does in a certain area.”

See <http://www.adviserforum.org/goodpracticenotes/default.asp> for more information.

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Notes to Editors

* List of companies who are already working with Protection Forum: Aegeas Protect, LV=, Zurich, Royal London Group (Bright Grey and Scottish Provident), Friends Life, Direct Life, Royal Bank of Scotland, Legal & General, LifeSearch, London & Country, Proactive Medical & Life, Aegon, Axa Sunlife, Aviva, Exeter Friendly, PruProtect, Sesame Bankhall Group and Master Adviser. Other companies will continue to be added.

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About F&TRC

Established in 1995, the Finance & Technology Research Centre (F&TRC) is a specialist consultancy advising a wide range of financial e-commerce and software companies, trade bodies and financial institutions on the use of technology in the personal finance market.

Adviser Forum was established as an environment for major adviser and product provider firms to meet and discuss key business issues and identify how to address them co-operatively for the benefit of consumers and the industry. It is a collaborative forum involving major distributors and manufacturers and its objectives are to improve the efficiency of the market for the benefit of consumers and the industry.

IFA & Distributors	Clairville York, Master Adviser, National Australia Bank, Origen, Positive Solutions, Royal Bank of Scotland, Sesame Bankhall Group, Skipton Financial Services, threesixty services, True Potential
Life Companies & Wrap Platforms	7IM, Aegon Scottish Equitable, Artemis, Aviva, Aviva Wrap, Axa, Elevate, Canada Life, Cofunds, Exeter Friendly, Fidelity Funds, Network, Friends Provident, IFDS, Invesco Perpetual, Legal & General, LV=, Met Life, Prudential, PruProtect, Scottish Life, Scottish Provident, Scottish Widows, Standard Life, Zurich
Technology Suppliers, Client Management Systems & Portals	1 st Software, Assureweb, Capita Financial Software, Differentis, DSTi PAS, Durell, Focus Solutions, Intelliflo, JCS, Plum Software, Selectapension, SSP Swift, The Exchange