

**Press Release**

**1 June 2017**



## **VitalityLife launches new indexation incentive to encourage inflation-proofing of policies**

VitalityLife is launching a new initiative to boost take-up of the indexation option on all protection policies as concern about inflation continues to grow. The initiative will benefit both advisers and clients.

For advisers, VitalityLife is offering two months of free cover plus up to £225 additional cashback on all indexed policies when they take out their own indexed policy. It's available on all indexed policies that come with Wellness Optimiser, Vitality Optimiser, Interest Rate Optimiser or Premium Rate Optimiser.

For clients, VitalityLife is offering up to two months of free cover - one month free in the first year and another month free if silver status or above is reached in the first year. It's available on all indexed policies that come with Wellness Optimiser, Vitality Optimiser, Interest Rate Optimiser or Premium Rate Optimiser.

**Tom Conner, Director at Drewberry, said:** "Indexation is an important option for clients to consider, especially as inflation has started to rise significantly. Inflation erodes the value of any pay out over time so it's often sensible to make sure the value of a policy keeps track with inflation. These initiatives will hopefully give people another reason to index-link their protection policies, where appropriate."

The UK's inflation rate rose in April to its highest since September 2013. Inflation now stands at 2.7% - up from 2.3% in March - and above the Bank of England's 2% target. The Bank of England has warned that inflation as measured by the Consumer Prices Index (CPI) will peak at just below 3% this year.\*

As a result, VitalityLife has also upgraded the way indexation is sold. Policies with indexation will have lower initial premiums than level policies. Before policy anniversaries, clients are invited to increase their cover and, if they do so, the cover and premium increase from their anniversary.

This increase in cover levels can be declined at any time, but after three consecutive declines indexation is removed and the cover converts to level with no premium impact.

**Justin Taurog, Managing Director Sales & Distribution at VitalityLife, said:** “We believe these changes to encourage take-up of indexation are the right thing to do at the right time, so that the value of protection policies are themselves protected. We want to make sure we are giving advisers every opportunity to inflation-proof both their clients’ and their own protection policies.”

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**Notes to editors:**

Applications for the special offer close on 30 June 2017.

\*<http://www.bankofengland.co.uk/publications/Pages/inflationreport/2017/may.aspx>

**For more information, please contact:**

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**Vitality – changing health and life insurance for good**

Vitality is the insurance business that helps people understand how they can improve their own personal health. Vitality makes it cheaper and easier for its members to get healthy and gives them rewards to keep them motivated, through a range of discounts and incentives.

Vitality Ambassadors Jessica Ennis-Hill, Maro Itoje, Joe Root, Ellie Simmonds and Jonny Wilkinson are role models who embody the values of Vitality. They are all using their passion for living a healthy lifestyle to motivate others to make positive changes. Taking small steps today can dramatically improve wellbeing over the long-term, regardless of your current state of health.

**VitalityLife** is one of the fastest growing life insurers in the UK. It is unique to the current UK protection market and its suite of products includes Life Cover, Income Protection Cover, Serious Illness Cover, Business Protection and other additional products. By recognising people's efforts to look after themselves, VitalityLife is able to offer a more comprehensive set of benefits than traditional insurers at a very competitive price. For more information visit [www.vitalitylife.co.uk](http://www.vitalitylife.co.uk)