Income Protection: A new hope?

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Each year when I write any of the product chapters for Protection Review, I begin by reviewing what we have said in the previous editions of the book over the past couple of years. With income protection, this doesn't make for particularly cheerful reading. But this year, something struck me. Something very subtle but a change nonetheless and one that could mean that in a couple of years' time, this chapter will look potentially very different.

Let's begin three years ago in 2011 when the theme of our piece on income protection was 'A sense of déjà vu'. This chapter explored the reasons why we weren't seeing much growth in the market with various industry commentators concluding that people just weren't interested in the product, didn't understand it or didn't feel that it was something that they had a need for. A year later we examined the market once again and lamented on the damage that confusion with PPI had potentially had on the market which we concluded, once again, was underperforming. A year ago our industry spokespeople suggested that because income protection can be a complicated sale for consumers and advisers alike, that simple products might provide the much needed boost to sales that we are all looking for.

Reading through the responses from our commentators this year, it was clear that we have all learned a lot in three years. The market may still not be performing the way that we want it to but we appear to have made huge leaps forward in our ability to put ourselves in our customers' (or potential customers') shoes. More than that, there is an acceptance amongst almost all those that we spoke to that it is the industry's responsibility to *do* something about it rather than look for what is to blame for low take up of a worthy product. So it is with a skip in our step that we start a more positive look at the income protection market as it currently stands.

We started by asking whether people felt that the product was on the brink of a renaissance and the reasoning behind their opinion. A number of our commentators were hopeful. Andy Walton from Intrinsic felt that developments within Government provided an ideal background for the revival of fortunes for income protection:

> *"Yes I do! There are a number of reasons. Firstly we need to consider the government contraction of welfare benefits. They need to save at least £1bn in payments and are making real inroads into this.*
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> *Employment Support Allowance (ESA) is reducing the number of people who can claim for being unable to work due to sickness… So, if people are not able to rely on the State as much moving forward, surely the answer is to look at income protection as a potential solution."*

Added to this, Andy felt that the numbers were beginning to speak for themselves:

> *"We have seen income protection sales more than double in the last 6 months. We currently see over 200 new income protection cases every week and expect this to reach 350 cases by the middle of the year."*

For Tom Conner from Drewberry, any renaissance could be attributed, at least in part, to the recent TV campaigns that we have seen:

> *"… it feels like there is much more of an emphasis on promoting income protection to both consumers and advisers. Last year saw television adverts from both Aviva and Unum and we had a large number of clients stating their reason for looking for cover as being as a direct result of these adverts, with many saying they didn't currently have a 'back up plan', which was Unum's campaign slogan."*

Johnny Timpson of Scottish Widows felt that any renaissance witnessed would be the result of a combination of factors including Government welfare reforms, the opportunities provided by auto enrolment, the simplification of income protection in comparison to critical illness and the engagement of health charities with the insurance sector. The need for all of these factors to align explains why Johnny thinks the results will not be seen overnight:

> *"I would not at this point say that we are on the brink but I do feel that we are on a journey that will see income protection sales and product holding increase significantly".*

Andy Chapman also felt that the complexity of the situation meant that we could not assume that an improvement in the situation was just around the corner:

> *"It's about time income protection sales bucked the recent trend and exploded into life and I do think there is a chance it may happen in the not so distant future, but it's going to take a bit more than for the stars to be aligned to make it happen."*

Mary Bright from Friends Life suggested that a renaissance for the product had been a prospect for a while but wasn't likely to be seen until the general public became more aware of the benefits of income protection, making it an easier sale for advisers:

> *"Despite the product meeting a fundamental need for the majority of people in the country, a lack of awareness of how real the need it meets is, and even of the product's existence are the perennial frustrations. These frustrations are compounded for both advisers and providers because the product is predominantly sold by advisers, where the lack of consumer awareness and familiarity with the product can make sales incredibly challenging."*

Consumer perception of the product is undoubtedly a key factor in the success of the product. To this end we wondered whether the claims disclosure had had a positive effect on the market. Our commentators were unanimous in feeling that the publishing of claims statistics could only be considered a good thing. There was also agreement on why, represented below by the comments of Andy Chapman at Exeter Family Friendly:

> *"Yes, it's had a positive effect in terms of moving thinking forward and the appreciation and understanding that transparency is going to play a key role in our success in years to come."*

Indeed, Andy went further in suggesting that it was an obvious requirement for the consumer:

> *"…you would never buy a car without knowing how it performed, and you wouldn't open a savings account without the interest rate, so why should income protection be any different?"*

Andy Walton from Instrinsic felt that the disclosure of such information would help the public to see that income protection compared favourably to other products on the market:

> *"Over 11,700 people received a claim payout on critical illness policies in 2012. Over 13,200 people received payments from income protection policies.*
>
> *When you compare how many income protection policies there are in the UK to critical illness policies it is clear that IP pays out far more frequently.*
>
> *This is borne out by risk statistics that show an average client is twice as likely to claim on an IP policy than claim under a CI policy.*
>
> *We also see across the board from providers what a high percentage of IP pays out – over 95% on average.*
>
> *This all builds confidence that the product does what it says on the tin – protects income..."*

Tom Conner at Drewberry agreed that educating the public about the product was a key benefit:

> *"You only have to read the comments under any consumer press article about insurance to see the widespread view that 'insurers don't pay out'. These statistics are essential to counter that view, especially as Drewberry research has found that actual payout rates are nearly twice as high as consumers perceive. The industry is doing a much better job than the public thinks, so payout rate statistics are essential to highlight that."*

While all of those we asked acknowledged that claims disclosure was a positive achievement, many were quick to suggest that it shouldn't lead to complacency and that in reality, it was just the first of a number of things which needed to happen within the market. David Heeney at Pacific Life Re even suggested that the claims statistics may not have been a surprise to some and that some context may improve the impact that this has on sales:

> *"The publication of claim paid statistics consistently above 90% is a very positive step for the industry as a whole and will, over time, increase customer confidence. However many people (with no reason to mistrust insurance companies) may already assume that most claims are paid, so its impact may not be as great as we would hope. I believe the industry needs to do more to highlight how this contrasts with the corresponding statistics for state sickness benefits."*

For two of our respondents, statistics alone were not enough. Both highlighted the need to publicise case studies so that potential customers knew what to expect:

> *"The publication of claim statistics has been important in demonstrating that the industry is transparent and does pay claims - but we need to build on this by clearly indicating what the claims journey looks like, how long it takes, the rehab support available and publishing comments and feedback from claimants on both their and their families' experience." (Johnny Timpson, SCWIDS)*
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> *"Numbers and statistics will help us begin to build trust amongst consumers; to begin to tell what I think is the really good story we have to tell on claims. But statistics are just the start, we need to recognise that data and percentages won't make consumers buy. But by sharing*

stories and allowing them to empathise with what others have been through and how IP has helped, we might just take it to the next level." (Andy Chapman, Exeter Family Friendly).

Mary Bright at Friends Life concurred with this view, suggesting that statistics could be presented in so many ways (even within the industry itself!) and that rather than using an statistical or numerical method to prove the worth of the product, we needed to connect with those we are trying to reach on another level:

"I think it is time to move the story beyond percentages... publishing percentages is a typical actuarial way of proving something, it doesn't engage the consumer in anything. We should be looking for ways of creating an emotional connection and linking to people not statistics. IP has a lot to learn from behavioural economics, we are treating consumers as E-cons not human beings."

With our first couple of questions, we detected a definite theme in the answers that we received: the need to connect with potential consumers and the need to get them to understand the product and its benefits. Continuing with the theme of reaching consumers and increasing the reach of the product we asked whether STIP offered value for money. Our commentators were happy to share their thoughts on this with many suggesting that it was a way of reaching people that might otherwise not consider income protection at all. Andy Chapman puts the case for STIP below:

"If we lived in a perfect world where consumers all had unlimited budgets, time and interest; the ideal IP plan would be long-term and comprehensive. It would also be tailored exactly to their circumstances by an expert adviser.

The point is; we don't exist in this protection utopia, so as an industry we have to make sensible and pragmatic decisions based on the consumers we serve. Short-term plans are just one way we can add pragmatism to what we do and potentially reduce premiums and in some cases complexity for consumers."

Johnny Timpson of Scottish Widows argued that STIP helped overcome the oft-cited objections of price and complexity and represented a viable alternative given the length of many claims:

"Yes, the vast majority of our income protection claims have a duration of five years or less. Price and complexity came through clearly as consumer objections when we recently researched consumers on their income protection needs and interestingly the 3rd Syndicate report released in February found that, while income protection was deemed to be the most useful type of protection (by 37% of those polled) when each type was explained to them, only 7% actually held IP cover, compared to 37% who had life cover and 11% who had critical illness insurance. Price was cited as the most important factor to consumers when buying protection (41% of those polled), ahead of having easy to understand information (19%) and receiving professional help to make a decision (11%)."

Johnny also suggested that unless there was a simpler option, such as STIP, available, there was the chance that potential customers would consider alternatives to long term income protection. This was a theme echoed by a number of those we asked, the idea that 'something is better than nothing'. Mary Bright saw the product as complimentary rather than as a rival to traditional income protection, suggesting that not all consumers needed the 'Rolls Royce' product historically offered:

"Short term products are great for both consumers and the market. For the individual they offer an easy way to sign up for protection they would not have otherwise had. In addition to

this the simplicity of these products means there is a real opportunity to broaden distribution and take advantage of the opportunities offered by the internet. For me it's about complimenting, not rivalling. Rolls Royce has a great product, but does it offer great value? For some it does, for many it doesn't. Consequently we will never see a Rolls Royce on every drive. Value is a matter of perception. Yes most IP claims last longer than one or two years, but currently most people don't have any IP in place, so arguably to these people having one or two years' worth of cover in place would be immeasurably more valuable than having none.

One of the realities we have to face is that we are already selling the Rolls Royce, and whilst it is undoubtedly the most comprehensive product most people who need one don't have one. That means we have to explore other ways engaging with consumers and product design is one of them.

Another advantage of having a product that can be distributed more widely is that consumers become familiar with the product and the need it meets, making discussions easier for Advisers. When it comes to protection there is very rarely a one size fits all solution. Short term IP offers wider range of solutions for a wider range of people."

Whilst he agreed that STIP offered value for money, David Heeney of Pacific Life Re urged some caution urging that they should only be sold to those for whom they are suitable to avoid a mis-selling scandal in the future:

"Whether these offer partial rather than 'full' replacement of income or limited claim payment periods, I believe they can be designed to offer good value to customers who might otherwise have no cover at all. However we must learn from the mistakes of PPI and ensure they are only sold to customers for whom they are suitable and that they 'do what they say on the tin' (i.e. eligible claims are consistently paid). "

Tom Conner also highlighted the importance of the consumer understanding what they were purchasing and the role that an adviser can play in ensuring that the correct product is purchased. Whilst he felt that STIP offered value for money and increased the reach of the income protection, he also recognised the potentially less positive impact of STIP:

"Short-term products are a double edged sword. On the one hand having this option opens up this valuable form of protection to lower income families, which is great, but on the other hand many individuals who could afford a long-term policy are opting for the cheaper short-term option, which could leave them in terrible financial trouble if they suffered a serious illness. A good adviser can explain the value of long-term protection but consumers wouldn't have the opportunity to hear this explanation if cover is bought online.

These products also blur the line even further between short-term 'protection' products and their general insurance (PPI) counterparts, which can only be confusing for consumers."

For Andy Walton, the advantage of STIP was around increasing the reach of the product and of the concept of income protection. Like Tom Conner, he also recognised the importance of the consumer understanding what they were purchasing (or rather what they weren't):

"Affordability is still an issue for some clients and being able to design a solution that includes some income protection makes perfect sense. If the client has purchased some IP we know they believe in the concept. We think of short term IP as a foundation product to build

on. As long as the client is aware of the limited nature of short term IP then I think most would agree that some benefit payment is better than no benefit payment."

Andy was also quick to use the same analogy as Mary Bright from Friends Life, comparing traditional income protection to the Rolls Royce of the car world:

"Just because someone cannot afford a Rolls Royce does not mean they should not be able to drive a Mondeo!"

Even with a range of answers from across the industry there was clear agreement that if sold correctly to the right people for the right reasons, short term income protection represented a positive development in the design of the product. Staying with product design, we next asked whether income protection should include an unemployment rider. Here, opinions were more divided. Firstly, among those in the 'yes' camp was Andy Walton of Intrinsic:

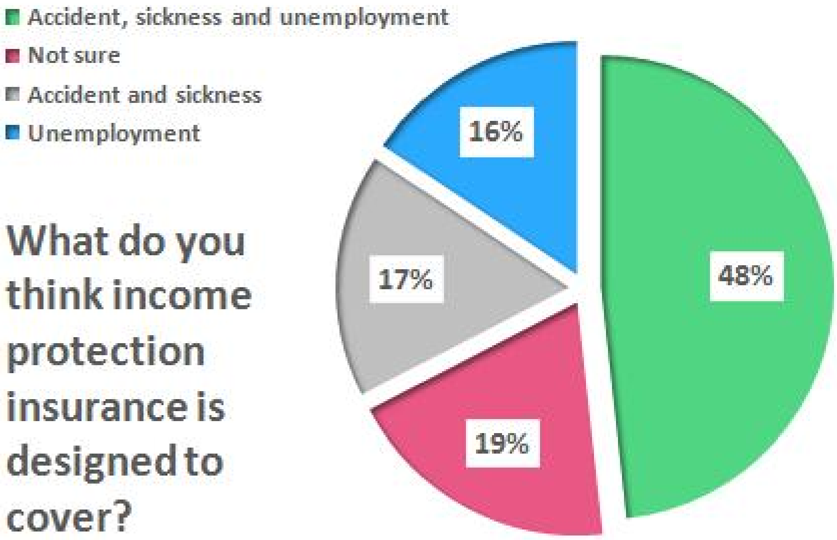
"It is helpful if there are additional benefits that can be added on. Potentially adding unemployment to an IP contract can bring the cost down for the unemployment element v standalone.

When we ask clients 'What things could happen to affect your family's lifestyle in a negative way?' the answers will generally come back – 'I could lose my job', 'I could become sick and not be able to work', 'I could die'. Therefore having potential solutions to all three areas in one package makes sense."

Tom Conner from Drewberry pointed to the popularity of products that did include an unemployment rider as evidence that they could be a positive feature:

"Well, LV's Mortgage & Lifestyle Protection policy is very popular because it does. It also has the benefit of having guaranteed premiums even for the unemployment element of the cover. It would be useful if more of these products were to enter the market but it isn't the end of the world if this doesn't happen because it's always possible to arrange a separate policy to cover that unemployment risk.

However, one of the issues is that a large proportion of consumers believe that income protection does include unemployment cover (see the chart below from Drewberry's 2013 Health & Protection Survey of 2000 workers).



Thus, insurers are likely to achieve a lower 'cost per acquisition' of a new client if they included an unemployment element to their policy as conversion would be higher, which may in turn encourage a higher advertising spend for IP."

For David Heeney, the extent to which an unemployment rider could be regarded as a useful addition is dependent on the client and although not essential may prove quite useful:

> *"I don't think this is essential. It comes down to helping customers understand the risks they face and making informed decisions about insurance cover they might take out to mitigate these risks. The impact of long-term sickness or disability may be quite high for many people, possibly depending on what support or cover they might receive via their employer (if they are employed rather than self-employed) and is likely to be a priority but for others unemployment could be a major consideration.*
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> *Timing might also be important – for a young couple buying their first home, the risk of not being able to keep up mortgage repayments may be a big worry, particularly for the first few years. A protection policy designed to provide benefits at that level and covering unemployment as well as disability risk might therefore be attractive and worth the additional premium relative to a 'pure' IP cover."*

Andy Chapman agreed that unemployment cover was a useful addition to income protection "in an ideal world" but on balance, felt that it shouldn't be included because of the effect that it had on the complexity of the product. Here he gives his reasons:

> *"In an ideal world, it would be great to offer a holistic product, which paid out if you we're unable to work through either illness or unemployment. But here's the issue, over the years we have got ourselves into problems by trying to do too much, trying to build too many options into plans which has in turn made them complex to understand and difficult to buy.*
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> *The fact is that unemployment cover is very difficult to add in a way that offers real value and any certainty of a successful claim in all but very few situations. As a result, I'm against adding unemployment cover or anything that threatens the ability for a plan to deliver at claim. Until it can be done in such a way that it adds real value.*

I'd rather we focused our efforts on improving our communication of the core benefits and the importance of IP in protecting against the effects of ill health. It may be a harder job to convince consumers of the risk, but it's a job we're going to have to get really good at if we want to grow the market."

This was a view shared by Mary Bright from Friends Life whose concerns related to the complexity of the product and what this would mean for the consumer:

"Whilst this is a logical addition to an income protection product there are complexities to adding this kind of cover which could inhibit choice and affordability to consumers."

Johnny Timpson shared the concerns over making the product more complicated but also argued that unemployment cover sat more in the domain of Government:

"I feel that this only serves to overly complicate income protection products and I would argue that unemployment risk and solutions sit better with Government - This does bring into question what we call the product to make it more relevant to consumers."

The responses to our question on unemployment riders being included showed a strong desire from those right across the industry to avoid making the product any more complicated that it needed to be. Which led us nicely onto the issue of simple products. We asked whether the simple products initiative would ultimately result in a bigger individual income protection market? The suggestion from those we spoke to was that it was a step in the right direction, some were even hopeful that it would have some impact but that simple products alone was not the answer. For David Heeney at Pacific Life Re, the value in simple products was derived from the change in mindset that was demanded by such an initiative:

"It is sometimes said that the definition of insanity is doing the same thing over and over again and expecting a different result. Conventional IP products have barely changed from when we used to call them PHI. Rightly or wrongly the comprehensive cover they are designed to provide (near full replacement of income to retirement) is perceived as too expensive and the underwriting process as too complicated so the vast majority of people have no cover at all. Products which provide less generous benefits (perhaps partial replacement of income for a more limited period) but which are more affordable and can be bought more easily could play a useful role in providing many more people with some cover and raising awareness of the benefits of IP. Provided they are well-designed (reliability of claims payment, clear contract conditions etc.), priced fairly and sold responsibly they could do much more good than harm."

Andy Chapman at Exeter Family Friendly also raised the benefits of not over complicating the products but felt that simple was not necessarily about the product itself being simple, more that the product did what it was supposed to when it was required to:

"What it has done is changed thinking within the industry and highlighted the worrying trend of over-complication within product design and what has almost become a race for Defaqto stars.

Ultimately, what a consumer wants from an IP plan is pretty simple; to help them replace their income if they are unable to work due to ill health. Sure we can add other non-core benefits and features that may appear attractive, but if they also complicate the explanation and sale, then do they really help?

For me, simple is more a state of mind than a particular set of products. We have always delivered product which don't offer the bells and whistles that others do, but perform when it matters the most."

For Scottish Widows' Johnny Timpson, the simple products initiative had a specific purpose which related to distribution of the product via advised or guided sales routes. He expands on these thoughts below:

"Simple products, as described in The Sergeant Review of Simple Financial Products Report , are intended to be sold on a non- advised basis and while I do feel that those distributors who provide digital banking services and host electronic wallets could provide non-advised individual life and income protection solutions for their customers - The Simple Products Report could and should be the catalyst for the development of a 'Simpler Income Replacement Product' for distribution via an advised and/or guided sales process especially in an auto-enrolled workplace."

Following on from Johnny's comments it's easy to see why some may feel that the effect of the simple products initiative on the individual income protection market may be insignificant at best. Mary Bright is one of them, believing that the answers may lie elsewhere, namely in distribution and engagement:

"At best indirectly. Whilst the initiative has got providers thinking about and developing products the key to developing any market is distribution. Creating a product on its own does not grow a market. Engaging with consumers and having product that are relevant to their needs is what increases markets."

For Tom Conner at Drewberry, the issue is not the simplicity of the product, but more that the industry needs to appreciate the way that consumers think. It is, he argues, down to the adviser to make things simple:

"Clients don't care about products, they care about their needs, and therefore they buy a concept that fulfils that need. It is down to the adviser to make things simple, explaining the policy details in layman's terms. I also understand that simple products won't be cheaper, or in fact could cost more, which puts them at a huge disadvantage from the start, irrespective of how simple they are."

The range of answers we received as to whether simple products could kickstart the individual market suggested that the jury was still out. So we turned our attentions to the Seven Families project (formerly known as the Family Support Initiative) being led by the Income Protection Task Force (IPTF). The project has established a trust, funded by the industry, which will support seven selected families undergoing a health crisis which has impacted the primary breadwinner of the family. Each family will receive a monthly payment akin to the benefit provided by an income protection policy and ancillary services and support will also be provided with the intention of getting that person to return to work within the twelve months that the project runs for. It is undoubtedly a huge undertaking and is significant not just because it will involve the majority of the major players in the UK market and through a series of media campaigns (both mainstream and via social media), will publicise to the general public the benefits provided by such a policy. Support for the project was unanimous amongst those we talked to with a number of key themes to the reasons behind their support. The first of these was the importance of raising awareness and educating the consumer:

For Exeter Family Friendly's Andy Chapman, the initiative had the potential to raise the profile of the product and the benefits provided:

> *"We talk about the protection gap, but perhaps the biggest issue we face is the awareness gap; the fact that most consumers don't even know that income protection exists, let alone have an opinion on whether they need it or not.*
>
> *Anything that can help tackle this gap is going to be invaluable to our cause going forward. Equally, any campaign that can help by putting a face or a family to what can sometimes be viewed as a theoretical problem is positive. You only have to look at the success charity campaigns such as Sport Relief have enjoyed in raising awareness and generating a huge response from the public, because they take issues and they make it personal. As humans, we can all empathise with others who face difficult situations, because we tend to imagine what it may be like to face it ourselves."*

Andy Walton was in agreement, highlighting the voice it would give to real life case studies:

> *"The Family Support Initiative is a fantastic idea. Working with a number of charities to raise awareness of peoples' financial vulnerability if they become ill really drives home what we are doing. Money does not solve everything but it goes a long way to reducing stress, giving clients options and flexibility in their life at a difficult time. We should continue to focus not on statistics and figures but on real people where we have made a real difference to their lives. We are also driving this forward creating videos of clients who have claimed on IP and who are all too happy to explain how IP has helped them so much in their lives. Listening to a real client extol the virtues is worth 1000 of our words!" (Andy Walton, Intrinsic)*

For Mary Bright the project would need to not only raise awareness but also convince the consumer that income protection was a worthwhile purchase:

> *"I think it's a fabulous initiative and I'm delighted the IPTF is being proactive in the approach to raising IP profile. It has the potential to raise awareness and start to spread the word. However the market will only grow if consumers believe they need the product and trust it to perform."*

These thoughts were echoed by Tom Conner of Drewberry who emphasised the need to keep income protection front of mind for consumers:

> *"If the Family Support Initiative reaches its full potential it could really put income protection in the forefront of consumers' minds. If this happens, insurers and brokers are likely to advertise this product more in order to capture an increased level of demand, which could in turn push up demand further. In this respect, the Family Support Initiate could be exactly the catalyst income protection needs.*
>
> *The other benefit is in the closer ties being created between the industry and the charity sector, which could end up being an important advocate for the product."*

The relationship between the industry and the charitable sector was a theme echoed by a number of our contributors, not least Johnny Timpson who spoke in some depth about the need for collective action:

*"The FSI in bringing the claims journey and benefits of IP to life via video case studies could be a game-changer in terms of changing consumer and media perception of income protection and financial protection as a whole. It is very encouraging to note that the main health charities, highly trusted by consumers, recognise and appreciate the physical / financial health linkage, and are actively calling for action to be taken to improve financial capability and in particular, access to income protection advice and product solution where appropriate to household circumstances. I recommend that readers review the recently released Demos '*Getting to grips with the financial costs of cancer… Paying the price' *report, it can be found at* http://www.demos.co.uk/publications/paying-the-price

The significance of the DRUK supporting FSI indicates that the need for households for whom the level of means tested income replacement support from the welfare state would result in significant issues, has been clearly recognised beyond our industry. It is now time to form a broad coalition of the willing to tackle this key income protection need, working collaboratively with health charities and Government in particular, building on our shared objectives of improving customer financial awareness, education, capability and resilience before, during and after the physical and financial heath event that threatens their well-being."

There was unanimous agreement that forward thinking action in some form is what is needed and that the project offers at least the hope that change may be achieved:

"The IP market has been stagnant and largely irrelevant for many years. Meaningful change will require brave, forward-thinking, creative ideas and the FSI is an excellent example. It is not without its practical challenges and needs to be implemented carefully but it offers a great opportunity to highlight the impact long term sickness or disability can have on families and the difference IP cover can make, not only financially but also in terms of practical value-added services to help people return to work as quickly as possible." (David Heeney, Pacific Life Re)

It is here that we see a change in the theme of this chapter when we compare it to previous years. We see a willingness to accept responsibility for initiating change via collective action as an industry. We see a realisation that it is our responsibility as an industry to reach out to the consumer, to educate them and to make things as easy as possible for them and not to chastise them for not doing so of their own accord. This year, this chapter looks not to find what is to blame for a stagnant market but what needs to happen to achieve the desired outcome of a higher profile for the product and a recognition of its importance in securing financial security for families when they need it the most. This realisation may be the most important step in achieving any of these goals.

With a recognition that there is still much to do, but a hope that we may be on the way to making some progress, we asked our industry spokespeople to identify what they felt was the biggest challenge remaining for the product. Once again there was a common theme uniting the responses; consumer awareness:

"The product is not really the issue. We can sit and wait for the perfect product or we can begin to help clients understand the risks and want to sort the solution. NOW. The IP products out there do the job. Yes we can always improve and enhance benefits but fundamentally we need to start talking about IP and ensure it is seen as the No1 pillar to financial planning." (Andy Walton, Intrinsic)

Whilst every one of our commentators mentioned consumer awareness of the product, each one of them also gave more than one reason which demonstrates the real issue here: there are a number of complex and interrelated issues to resolve in order to grow the market. Mary Bright from Friends Life made the following suggestions:

> *"The challenges continue to be the same: consumer awareness, distribution, product complexity, advice risk, perceived cost/value. I do believe things are better than they have been and there are green shoots emerging but, sadly, there's no magic solution"*

Pacific Life Re's David Heeney also provided multiple answers when asked about the main challenge that lay ahead for income protection:

> *"Lack of customer awareness (both of need and the product), poor accessibility (to advice and convenient purchasing processes), misunderstanding around the suitability of CI as a substitute product and reputation contamination from PPI remain major barriers."*

Like his industry colleagues, Johnny Timpson from Scottish Widows also felt that there was not a single challenge ahead but many obstacles to overcome:

> *"Making IP relevant and a valued purchase for today's consumer… Lack of consumer trust fuelled by product complexity, negative press reporting/perception and PPI background noise…. The affordability perception… Provider, distributor and regulatory appetite, investment and resource allocation due to a combination of auto-enrolment/social care/annuity focus, PPI fallout and concern about target market identification given new working age income replacement benefits means-testing regime being ushered in with Universal Credit…. Getting the product on the adviser's agenda."*

The depth of Johnny's answer suggests that there are numerous opportunities to seize the moment for this product and a number of ways to achieve growth in the market. His point about advisers is one that is emphasised by Tom Conner from Drewberry who feels that lack of adviser support is a key issue:

> *"The main issue is still a lack of promotion by advisers. Would critical illness cover outsell income protection by six times in a world characterised by efficient advice? I don't think so. The problem could be a lack of understanding of income protection among advisers, and especially non-protection specific advisers, but it could also be down to the ease with which critical illness cover can be added to a life policy.*
>
> *The big challenge is therefore not only promoting income protection to consumers but also to advisers. I'm not sure of the willingness of life offices to do this, as it could result in fewer CI sales, which generally result in higher premium income. In the meantime, IP promotion to advisers might have to come down to educational pieces in the trade press."*

Our final word goes to Andy Chapman from Exeter Family Friendly who touches on a number of points previously made by colleagues but perhaps most importantly, makes a key point about co-operation:

> *"To continue to simplify, not just the product itself but the process in which it is bought.*
> *As insurers, to really commit to the adviser market, we need to work together to develop a seamless and common journey; a process that doesn't change from insurer A to insurer B.*

That may sound a difficult debate and one where achieving a consensus is impossible, but it is exactly the right thing to do to begin growing this market, rather than concentrating on fighting it out for a share of an ever decreasing number of policy sales."

Co-operation and the idea of the industry working together for the good of a product that has unswerving support among those we spoke to seems to be a good note to draw this chapter to a close on. In previous years, we have spent time looking at what might be to blame for why income protection isn't selling as well as those in the industry feel it should. This year, the reasons are still there, there is a cohesive understanding about the obstacles that need to be overcome and a recognition that we need to be the ones to take responsibility for communicating the benefits of the product and make it easy for consumers to understand and purchase the product. Perhaps most importantly, there is support for a forward thinking initiative that aims to turn the spotlight on what we last year referred to as a Cinderella product. This time next year, will we be talking about the belle of the ball?