

# e-Protection Review

(incorporating HealthCare Insurance Report)  
from Peter Le Beau MBE, Andy Couchman, Kevin Carr

## Celebration issue: Protection Review marks its first decade

**Protection Review** is celebrating its first decade, with this special tenth anniversary issue of *e-Protection Review*, which looks back at the last ten years. Established by founders Peter Le Beau and Andy Couchman in 2003 to fill a gap between what the industry needed and what it had, Protection Review has spent the last ten years stimulating debate, publishing research and encouraging the development of better protection insurance solutions for consumers and championing the cause of independent financial advice.

The brand started with its first of what was to become an annual book in June 2003. Co-chairman Peter Le Beau takes up the story: "Andy and I had been looking for a project to work together on, and the idea for Protection Review came about because we both recognised that there was a major need for a completely independent guide to the market."

"There has never been any shortage of good research published by the industry but no one had previously tried to bring it all together, add their own independent comment and research findings and seek out the personal views of some of the key players in the industry to avoid it becoming just a single voice on important issues."

Andy takes up the story: "What we wanted to produce was the book that we had always wanted to read but that no one had actually produced. The next step was to launch the book at a dinner, and that's how the Protection Review dinner came about."

As today, the annual book splits into sections that can best be described as opinion and though pieces, research studies and a review of each of the major product categories. The pair also decided to look at the term 'protection' very broadly. So, the book would not only include long term products such as term, whole of life, critical illness insurance and income protection, but also private medical insurance, health cash plans and employee benefits. That first book also included a chapter on loan protection insurance, when we revealed that while 89% of MPPI claims were accepted by insurers, the claims frequency was just 2.7% (source: **CML**). We also quoted **Rhino** director Martyn Bush as saying: "Just because an MPPI plan is one of the most expensive, it doesn't mean one is getting a better level of cover. In fact, the only difference in 99% of cases is how much commission goes into the provider's pocket." (Continued on Page 2).

### Quotes of the month:

"It is clear that, just like personal clients, businesses need to protect their futures, yet it seems a huge number do not have appropriate cover. The problems they need to solve are bigger, which means business protection is a major opportunity for advisers as well as highly needed by their clients." Toni Smith, sales operation director, First Complete, 11 June.

"Our market share has been growing over the past few years, reflecting the ambition and expertise of our underwriting and claims teams." David White, head of retail, Zurich UK Life, 13 June.

"We need to start thinking about care in a more long-term fashion or else we could be sleepwalking into a major problem." Lord Leitch, Centre for the Modern Family, 20/5.



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Inside this issue:

*This issue is devoted to a look back over the past ten years through the pages of, first HealthCare Insurance Report, and now e-Protection Review.*

*A lot has happened in the industry in the decade since we launched Protection Review in May 2003. People and organisations have come and gone, grown and matured or (especially in the case of PPI) withered. Hopefully we can all learn from the negatives as well as the positives.*

*There remains much to be done to ensure life and health insurance achieves its full potential. For our part, we are determined to do all we can to help that come about.*

*Meantime, let's pause, look back, and go forward with renewed energy and vigour!*

### Key statistics:

- NHS RTT median wait England March 2013: 8.2 weeks.
- e-Protection Review Long Term Protection Sales Index: 134.2 (Quarter 4, 2012, compared to base 100 in Quarter 1, 2000).
- e-Protection Review Employment Index: 109.26 (To end March 2013, compared to base 100 in January 2000).

(Continued from Page 1) PPI was a product that we were to come back to many times in later editions of the book as we continued to criticise poor practices in the sector. Back in 2003, we also published a table showing how the premium rate for MPPI varied from £3.95% from Rhino Insurance and **Goodfellows**, it cost almost twice as much—£7.70% from **Cheltenham & Gloucester**.

The first book also included a chapter on long term care insurance—a product area we later dropped but have resuscitated this year. Back in 2003 we reported that, since 1991: ‘...it is not possible to find a single year when sales have met expectations’. We reported the market potential, but added: ‘...a theoretical market does not pay insurers’ or IFAs’ bills. The fact that a bigger market *should* exist is no comfort.’

### Low production standards

That first book was a long way from the professional looking publication of today. Running to just 172 pages and 57,000 words, the ads were in black and white, the cover design knocked up quickly by Andy on a PC and the simply printed pages were spiral bound. Despite that, with the support of **Bright Grey, Norwich Union** (now Aviva) and **RED ARC Assured**, the book was judged a success and eagerly read by those ‘in the know’.

Many of those attended the first Protection Review dinner, held at London’s celebrated **Café Royal** on 22 May.

Over 80 people attended that inaugural dinner including the dinner’s speaker Lucian Camp, then chairman of advertising agency **CCHM**. Now, in 2013, Lucian returns to speak at this year’s dinner and will reflect on the past decade and look forward to the future.

Back in 2003, Lucian lamented that: “The UK protection industry has a fantastic message which it is failing to get across to the British public.” Some things have changed little in the past ten years...

So was the launch a unanimous success? Peter Le Beau: “We have always tried to get the right people to the dinner rather than go for numbers. That meant inviting lots of industry leaders to join us, much of that at our expense. In those days we kept everything simple and only looked at overall profitability, but it was still a surprise when we looked at the dinner after a couple of years and realised that, far from making a profit, we’d actually made a loss!”

One attendee at that first dinner (and many of those there still attend every Protection Review dinner today) was Kevin Carr, then at **LifeSearch**. Already making a name for himself as one of the most erudite of the

coming generation of industry pundits, Kevin was also showing his skills in the PR sector. When, after a successful move to **PruProtect** in later years, he set up his own PR business, Kevin was approached to become Protection Review’s CEO in 2010.

Running businesses outside of Protection Review has always been a key element of the Protection Review mix. Andy’s other main business, consultancy **Bank House Communications** has now been running for over 20 years, following his corporate days as a senior product manager at **Allied Dunbar**. Peter’s Le Beau Visage was established after Peter left **Swiss Re** in 2001.

Back in 2003 the industry celebrated Swiss Re’s Alan Tyler’s OBE just a few days before the Protection Review dinner. Later, in June 2009 Peter celebrated becoming a Member of the British Empire (MBE) - an honour that even made the front cover of *Health Insurance* magazine when Peter was awarded his MBE by The Queen.

Peter’s daughter, Jo Miller also joined Protection Review in 2010 as the organisation expanded to take on new roles. Other long-standing team members include Frances Delhoy and Marion Franklin and now Maggie Johnson and Linda Winder too.

### Research, training and awards

Three other key elements of Protection Review are research, training and awards.

Our first award was for Protection Review Insurance Person of the Year and was awarded posthumously in 2004 to Chris Perrott. Chris was an IFA who was diagnosed with cancer. Chris used that as a platform to talk about the real value of critical illness insurance and what it means when someone is diagnosed with a critical illness.

Since then, many of the great and the good across the industry have won an award. From that first award, we expanded in 200x when we added a Lifetime Achievement Award.

Our first recipient of that award was Dr Marius

Barnard. Marius has done more than anyone, on a global level, to promote the case for critical illness insurance. His eloquence, his passion and his understanding of the financial effects of bad health (one of Marius’ many claims to fame is that he was a major part of his brother Christiaan’s team that performed the world’s first ever heart transplant) are unique and we remain huge supporters of this great man.

More awards have been added in recent years as we seek to reward the individuals and organisations that most deserve the industry’s plaudits.

Our awards have always been a bit ‘odd’ though. First, there is no formal entry procedure. Instead, we ask a cross section of people we most respect from across the

#### Protection Review—11 July 2013

We celebrate our first ten years with a number of events to be held at London’s prestigious **Landmark Hotel** on 11 July.

The day starts with our annual conference. The day is split into three broad themes:

- Protection: Past, Present, Future.
- Mind the gap: PMI vs. Protection.
- Putting the customer third.

The three sessions include leading speakers and panellists from across the industry. The conference also features keynote speeches from **NMG’s** Hamish Worsley, **What If?’s** Matt Kingdon and **Beagle Street’s** Anthony Smith. Other leading speakers include Peter Hamilton; Russell Higginbotham; Mick Mcateer; Ian McKenna; Alan Newman; Graham Newman; David Priestley; Martyn Saville; James Tait; Emma Thomson; Brian Walters, and Andy Walton.

Over 170 people are already due to attend the conference and places are still available (see [www.protectionreview.co.uk](http://www.protectionreview.co.uk) for more).

In the evening guest speaker at the dinner is Lucian Camp and we also present this year’s Protection Review awards. The dinner is now sold out, with just under 400 people due to attend. As always, our thanks go to our sponsor partners and everyone involved.

Industry to tell us who they think should win. Then Peter, Andy and Kevin use that as a starting point to debate who should actually win. In some cases, it's whoever got most votes. But sometimes it's someone shortlisted but not necessarily the one who polled most votes. Instead, we add in other factors to try to determine who we believe is most deserving. The whole judging process is overseen by our judge's judge—currently industry guru and actuary Paul Bradshaw.

Why adopt such a system when a simple vote or asking for submissions that a panel could then judge would be easier? Simply, that we want to filter out any extraneous influences and to use our combined decades of experience to look at who we think most deserves to win. It's not an easy task but we believe all our winners have more than justified their award and we believe that, for us, our system is the best one to adopt and part of its appeal is that it's not always the obvious choice or those with the highest profiles (or the best PRs!) that win.

### **Protection Review offers independent training**

Last year we started a new independent training service, following feedback that there was a need for a truly independent training programme to encourage more advisers to include life and health protection insurance in their portfolios. Many insurers already offer excellent training, but the need was for something to go beyond that.

One reason was that some advisers told us that some (not all!) provider training was believed to include a strong bias towards that provider's own products and business methods.

Advisers also told us they wanted to hear from established protection advisers and also from an underwriter, to explain the thinking behind some underwriting decisions made.

Kevin Carr has headed up this work and we have now had many hundreds of advisers go through the half-day sessions. Feedback has been incredibly good and the combination of independence and practicality has resulted in many advisers changing their business models for the better. The programme continues, funded by a large number of insurers, reinsurers and others and supported by our partners the **Personal Finance Society (PFS)**. Attendance is free to advisers who are PFS members and just £50 plus VAT to others.

This year we have had to put on more venues due to demand and we also now run generic training courses for the media and can offer dedicated training to larger organisations by negotiation

### **The Syndicate offers unique research experience**

Working with partner **Hannover Re UK Life Branch**, we established **The Syndicate**, as a unique research community two years ago.

The thinking behind The Syndicate, as with all things we do, is simple. We know that good quality research can be expensive and often produces disappointing results. It can also be difficult to interpret and, unless carried out regularly, any findings can stand in isolation and do relatively little to help industry leaders improve their understanding or businesses.

The Syndicate aims to break that mould. Open to any insurer, intermediary, consultancy or other firm in-

involved in the sector, it offers members the opportunity firstly to influence the research themes and questions. Then, once questions have been devised and the research carried out, each member also inputs to interpreting the results. Full results are only open to members, although we also publish our headline findings.

A key advantage in this time when all budgets, including marketing and research, are under pressure to perform, membership of The Syndicate is very good value.

Over time, research undertaken is also already building up to be able to monitor trends and to signpost potential future research themes. In essence too, as with most of our other initiatives, the greater the support the initiative gets, the more we are able to do.

Other research includes the annual survey of PFS members we undertake with the PFS. This has been running since 2008 and so again we are able to monitor trends and to help spot opportunities as well as potential threats and other strategic issues.

Through e-Protection Review we also undertake research. For example, we analyse others' research and produce indices for long term protection sales and employment. The former helps put current sales into historical context, enabling decision makers to better understand trends. The latter is a broad indicator of the size of underlying protection markets. We know for example that the number of people working in the UK has increased by over 9% since 2000—a relevant fact when looking at overall sales figures, for example.

The Syndicate and Protection Review research is headed up by Jo Miller.

### **e-Protection Review/[www.protectionreview.co.uk](http://www.protectionreview.co.uk)**

This newsletter has been published ten times a year since 1998 and is now produced as a PDF available to download free from our website.

In a time when we are all bombarded with news from many media as it happens, our approach is essentially to stand back, to summarise and to analyse and comment rather than to break news.

Our product reviews are also part of a tradition that dates back to March 1994, making it the longest-established of its type. We aim to give a brief introduction to each new or heavily updated product and our reviews remain very popular reading. We also try to influence positively product design by focusing on what we do and don't like about particular design decisions (based on decades of being actively involved in product development and having had a few successes and some failures along the way too!)

The final element of the continually evolving Protection Review proposition is our website, bulletins and consultancy services. The website is your main go to place to find about what's happening and what's new. It includes downloadable ePRs, product reviews, blogs (from leading industry names and thinkers), research and news. The website is also supported by Kevin's regular bulletins (let him know if you or someone else wants to be added to our emailing list) which help keep you updated on news.

Finally, our breadth of knowledge and experience is available to firms on a consultancy basis. We offer what is probably now unrivalled experience and continue to work with many organisation in or supporting protection.

## 2003

Over the next few pages, we look at some of the big stories from the past ten years, starting with 2003.

Protection Review didn't actually go live until May, although Peter and Andy were working up the concept for quite a few months before that. So, let's start by looking at how Healthcare Insurance Report (the forerunner of e-Protection Review) saw events back then...

### February 2003.

- Consultants Buck & Willis warned that corporate PMI premiums were set to rise by £380 a year for every employee over the next five years due to spiralling medical inflation.
- ABI consulted on a new IP code of practice.
- The ABI and TUC called for the Government to take the lead on rehabilitation.
- NCAIPT was set up to lobby for a cut in IPT.

### March

- The Blair Government confirmed its support for rehab, Minister for Work, Nick Brown, publishing a *Pathways to Work* consultation document and the ABI and TUC also consulted on the issue.
- 2 in 3 employers pay full salary sick pay, according to *IRS Employment Review*.
- Dementia was the biggest cause of AXA's LTCI claims, making up 39% of all claims. 82% of claims received were paid.
- Borrowers could save £219 a year on average by switching from their lender's MPPI said Rhino Insurance and Goodfellows, led by the then ever-present Simon Burgess.

### April

- IPT could be raised to 6% in the April Budget the *Mail on Sunday* speculated.
- IP protection gap valued at £130bn by Swiss Re.
- Long term sales in Q4 of 2002 were up by almost 20% on a year before based on ABI data. Sales for the year were 37% up on 2000.
- Lloyd's calls for commission disclosure on GI.
- *Health and Social Care Bill* published. It created Foundation Trusts and gave the NHS powers to charge accident insurers on personal injuries.

### May

- Prudential upset IFAs by increasing premium rates, scrapping guaranteed rates and applying cover restrictions on CI plans. Prices went up in March and in April—and by up to 40%.
- The FSA defined misselling.
- L&G warned that up to 116,000 fewer homeowners may be unable to pay their mortgage if FSA plans to class CI as higher risk went ahead.
- We advertised our first dinner and book.
- RSA renamed FirstAssist.

### June

- Regulation, reassurance and PR topped the industry's issues concluded the first Protection Review

book. CI was a major concern for 12% of 49 industry leaders, while 16% ranked reassurance capacity and pricing. Top issue was compliance (47%).

- The protection industry needs to beat the drum, Lucian Camp told diners at our first dinner.
- The first Protection Review book ran to 172 pages in its ring binder cover.
- The FOS clarified its approach on non-disclosure.
- John Joseph launched an online CI guide.

### July

- The year got off to a strong start according to our analysis of ABI data. 272K CI sales in Q1 of 2003.
- Switching to DC pensions could create problems for employers when employees are ill, Unum Provident warned.
- The big 5 life offices would dominate the market by 2008 Bain & Company warned.
- Regulation would kill off 20% of insurance advisers, Bankhall claimed.
- John Reid took over from Alan Milburn as Health Secretary and Sharon Lyons took over as MD of Cigna Healthcare.

### August/September

- The mortgage equity release market grew by 67% in Q1 according to the Bank of England. Misselling concerns grew.
- The group risk market was worth over £1.2bn in 2002 GE Frankona Re revealed.
- IFA Your Money Now offered life cover to people with HIV, underwritten at Lloyd's.
- The FSA dropped its proposals to count protection insurance (including PMI) as higher risk.

### October

- Baby boomer demographics could result in a Welfare State breaking point and damage protection insurance, according to Demos and Age Concern.
- UnumProvident acquires Swiss Life group business.
- Stoke Insurance Brokers claimed big lenders were ripping off self-employed MPPI customers and charging them too much as well.
- NU revealed it paid 430 CI claims in 2002.
- 44% of firms would cut PMI if costs keep rising Mercer Human Resource Consulting warned.

### November

- We called on the FSA to publish sales data.
- We also calculated the life and health insurance market was worth over £15bn a year.
- And we reported on the connection between The Hobbit and BHSF (Sam Gamgee is the answer!).

### December/January 2004

- EU Commissioners were seeking sex equality for insurance.
- AXA Lifetime Care pulled out of pre-funded LTCI.
- We raised our 2004 subscription price to £330.
- Employers should be responsible for healthcare 58% said in a Standard Life Healthcare survey.

**February 2004.**

- Honesty and simplicity is what consumers most want from financial services providers, according to Datamonitor. 43% reported bad service.
- The FSA published its final GI rules.
- NU pulled out of pre-funded LTCI.
- The Independent Healthcare Association closed.
- Most GPs offer sicknotes on demand according to the University of Aberdeen.

**March**

- IFAs want evolution not revolution in product design, according to an L&G poll.
- Standard Life launched a two question only PMI plan
- 74% of firms were worried about the cost of healthcare, according to Mellon Corporation.
- The CII launched a qualifications framework.
- A new EU health card would be launched in June.

**April**

- 1 in 3 brokers could quit the industry when regulation comes in in 2005, according to Datamonitor. A Deloitte survey found 1 in 3 regional brokers could use regulation as the opportunity to sell their firm.
- The Exchange launched electronic GP reports.
- The FSA revealed its depolarisation menu.
- Long term protection sales rose in 2003 against all life and pensions business down by 14.1% according to the ABI.

**May**

- 32% of workers said their colleagues worked even when sick, Gissings found.
- We reported the death of CI advocate and IFA Chris Perrott, who was subsequently awarded our first Protection Review Insurance Personality of the Year Award—decided before Chris died.
- Group IP could grow by up to 60% in the next three years Mintel claimed.
- A shift to private healthcare was 'essential' according to the ABI's *Insurance Trends*.
- 1 in 4 people will suffer an allergy during their lifetime, according to The Allergy Foundation.

**June**

- Term sales exceeded WL, CI and IP combined in 2003 according to Swiss Re's *Term & Health Watch*.
- The good times for CI had come to an end, according to Datamonitor.
- WPA committed itself to shared responsibility for all new individual PMI sales.
- Our second annual dinner, at the Café Royal on 8 July would see Ned Cazalet as after dinner speaker.
- Barclays was the top producing protection intermediary according to Financial Adviser.
- Fortress launched a viatical fund in the UK.
- Private hospitals were having to cut fees in response to NHS competition, according to *The Times*.

**July**

- Sickness absence rose for the first time in five years to 176m days lost, according to the CBI/AXA *Absence and labour turnover* report.
- Bupa pulled out of the pre-funded LTCI sector.
- The protection gap had grown to £2.2 trillion, ac-

ording to Swiss Re.

- People tend to underestimate NHS hospital waiting times a NU survey found.
- 46% of people had no significant life cover Abbey reported. 78% had no CI and 80% no IP.

**August/September**

- Almost half (46%) of hospital consultants had had their fees queried by insurers, a MORI poll for the Federation of Independent Practitioner Organisations had found.
- FOS complaints soared to almost 100,000 in 2003/04. Just 803 were PPI claims.
- Preferred Medical launched a PMI quotes system.
- Employers were wary of the cost of flex, according to Thomsons Online Benefits.

**October**

- CancerBACUP criticised health insurers for failing to cover vital cancer treatment.
- Sales of HCPs rose in 2003 but the PMI sector remained static according to Laing & Buisson.
- PruHealth promised to take a radical approach to PMI when it launched in Q1 of 2005.
- Regular health screening could do more harm than good, Which? reported.
- The UK population was set to hit 60m, having hit 59,553,700 in mid 2003 ONS reported.

**November**

- The NHS was not showing much sign of improvement and people still rated private healthcare higher, a Populas poll for Bupa found.
- By 31 August, NHS waiting lists were at 70.3% of what they were on 31 March 1997 our analysis, undertaken with Numerica, found.
- L&G published a report arguing that IP should expand due to social and legislative changes.
- PruHealth, the JV between Prudential and Discovery Health, launched three months early thanks to earlier than expected FSA approval.
- Men are closing the mortality gap, the Actuarial Profession noted.

**December/January 2005**

- The public health White Paper *Choosing Health: Making healthy choices easier*, was a lost opportunity to engage the public in the debate, we concluded.
- People are increasingly prepared to pay for health treatment, according to Standard Life Healthcare's *Annual Attitudes to Healthcare Survey 2004*.
- 48% of IFAs expected the protection market to grow in 2005, according to an AXA poll, compared to 27% expecting a fall and 16% to stay the same.
- The CII launched its new Code of Ethics and Conduct (drafted by ePR editor Andy Couchman).

**Protection Review 2004**

This year's book ran to 181 pages and was our first bound edition. As in all editions, it featured articles on protection insurance from around the world—including Asia; Australia; Europe; Ireland; Japan, and the USA in this issue.

**February 2005.**

- HSA acquired BCWA Healthcare in a move that confirmed its growing interest in the PMI space.
- Industry-wide regulation by the FSA went live on 14 January. That was expected to add £2.80 to the cost of every insurance policy in future.
- Which? called for stronger protection insurance regulation due to its complexity.
- Mercer found only 2% of employers believed FSA regulation would reduce the chances of employees being misold in future.
- The PHP Thermometer survey found that 55% of people believed the Government should contribute to the cost of PMI where it saved the NHS money.
- Insurers moved quickly to ensure families of loved ones lost on the Boxing Day tsunami would not have to wait seven years for life policy payouts.

**March**

- Guaranteed CI rates were dominating the market, our research had found.
- Watson Wyatt called for a rethink on IP to ensure GIP would remain sustainable in future.
- Advisers were losing up to £48,000 of business a year because of IT failures, Datamonitor claimed.
- Preferred Medical launched a PMI Club to encourage IFAs to sell PMI business.

**April**

- Poor service by PMI providers was highlighted by AMII's *Insurer Service Performance Survey 2005*. Permanent Health came out on top for service.
- 2004 was a disappointing year for long term protection sales, with numbers down 20% our analysis of ABI data revealed.
- WPA reported 99.9% of its PMI claims were paid within six working days in 2004.
- Defaqto called for a new generation of CI.
- The ABI's genetic testing moratorium was extended to 2011.
- GPRs were IFAs' biggest gripe, said Royal Liver.

**May**

- HSA launched an HCP that offered tax benefits on part of the premium (up to £30 a year).
- Sainsburys and ASDA both pulled out of selling HCPs (through AIG and NU).
- Nuffield was renegotiating prices downwards with PMI insurers due to economies of scale thanks to more NHS funded patients.
- We showed IPT rates for PMI across the world.

**June**

- Workplace absence was costing firms £12.2bn a year, according to the latest CBI/AXA *Absence Survey*. Average cost was up from £475 to £495pa.
- The FSA warned that contract terms must be fair.
- The risk of smoking was greater than the gender gap risk the Actuarial Profession reported.
- Standard Life rejected 1 in 5 CI claims in 2004.
- 17% of Lloyds profits came from PPI sales.

**July**

- The life and health industry remains optimistic despite the recent downturn in business, according to Protection Review 2005.
- Group life and CI both grew by over 6% in 2004, while group CI was up almost 14% according to GE Insurance Solutions' *Group Risk Survey 2005*.
- MPPI sales fell 21% in 2004 to 731,700 according to CML data.
- 1 in 10 hospitals were under-reporting MRSA.

**August/September**

- Cardiff Pinnacle discontinued an existing PPI plan due to higher than expected claims, rival British Insurance claimed.
- Individual PMI sales grew 0.5% in 2004, reversing the recent trend, Laing & Buisson reported.
- Protection complaints rose in 2004/05 according to the FOS's annual review.
- Direct Life & Pensions' Richard Verdin criticised long application forms at the annual Protection Review dinner. Almost 200 people attended.

**October**

- The FSA attacked CI insurers for scaremongering tactics to try to sell more CI.
- FirstAssist sold its PMI business to Standard Life.
- Tele-underwriting would grow fast, AXA predicted.
- Citizens Advice called for an OFT enquiry into PPI.

**November**

- AXA, BMI, Bupa NU and Standard Life Healthcare combined to fund a £1m campaign to promote private healthcare.
- PMI is undervalued by employees Watson Wyatt claimed. Employers were underestimating future costs too it found.
- Groupama acquired Clinicare.
- MRSA scares were leading to more PMI sales according to Bupa Hospitals.

**December/January 2006**

- The FSA was turning the screw on PPI we reported, with many firms giving poor service.
- The protection gap had risen to £2.3 trillion Swiss Re said.
- We made the case against having accident insurance., pointing out sickness was more likely.
- It could take up to 40 days to underwrite a life policy Life Policies Direct claimed.

**Protection Review 2005**

Our 2005 edition bore a green coloured cover (having been blue and red in previous years). The book expanded to 242 pages as we added more comment and more research findings.

Our Intermediaries' Forum found that regulation (especially of PMI, as regulation was new to this market), was a key issue, as was reassurance. Alternatives to CI and IP were sought and customer service was poor.

**February 2006.**

- NHS waiting was costing the self-employed £537m a year according to a survey for BCWA.
- LifeQuote launched its model protection software Intelligent Protection.
- The average cost of a funeral rose to £3,307 in 2007, American Life reported.
- PAFS became Partnership Assurance.
- Pensions term assurance looked set to have a slow start after A Day, we speculated.

**March**

- Intermediaries were failing to attract enough young people into the industry a Norwich Union Healthcare survey found.
- Bupa wrote to intermediaries setting out its stance on cancer claims, following concerns about NHS coverage and confusion over what PMI offered.
- 65% of Brits had no protection if cancer stopped them from working, Virgin Money claimed.
- Only 1 in 4 brokers believed PPI met client needs, a survey for Assurant Solutions and CETA revealed.

**April**

- Service standards needed to rise in order to expand broker PMI sales AMII's Insurer Service Performance Survey argued. Overall winner on service was again Standard Life Healthcare.
- New long term protection business fell sharply in 2005 our analysis of ABI data suggested.
- Take up of flex had doubled to 11.5% according to Thomsons Online Benefits.

**May**

- The ABI's new *Statement of Best Practice on Critical Illness Cover* would not make CI more attractive we argued. It replaced a 1999 version.
- The OFT started its PPI study.
- Cancer patients are worried sick, a Macmillan Cancer Support survey found.
- The Government was trying to ride out a storm of criticism about its NHS reforms.
- PMI in retirement was now being taxed as an employee benefit.

**June**

- Concerns over non-disclosure were growing. We analysed the key issues.
- 1 in 3 people believed those with unhealthy lifestyles should be penalised, research for Benenden Healthcare suggested.
- 1 in 4 homeowners was gambling with their family's future by not having protection insurance, a Friends Provident survey found.
- Should PMI be called MI instead we asked?

**July**

- 2005 was a tough year for protection insurance and 2006 was showing weak year on year growth we reported. ABI and Swiss Re concurred on a weak 2005 and the protection gap remained at £2.3trn.

- But group life revenues were up 7.7% GE Insurance Solutions reported.

**August/September**

- Speaking at Protection Review's fourth annual dinner, industry guru Paul Bradshaw warned that protection insurance needed to change to avoid lagging behind other areas of the financial services industry.
- Pioneer Friendly revealed it paid 96% of its IP claims in 2005. Musculoskeletal was the leading claim.
- Protection claims rose again in 2005/06 the FOS revealed. PPI complaints rose 58% to 1,315 but were still behind travel insurance's 1,787.
- 64% of employers had had to deal with employee stress, HSA's Stress Survey 2006 revealed.
- The BMA criticised Bupa's plans to build an ophthalmic register of specialists and hospitals.

**October**

- Long term protection suffered a flat first half year, ABI data confirmed.
- PMI premiums exceeded £3.5m for the first time in 2005, Laing & Buisson data revealed.
- The OFT published its PPI market study.
- Employers' liability premiums were expected to rise by 8% to pay for new NHS charges for personal accident treatment.

**November**

- A NERA Economic Consulting report for NU called for NIC incentives for employee health programmes and interventions.
- The OFT announced plans to refer PPI to the Competition Commission.
- The Law Commissions produced an Issues Paper suggesting changes to the law on non-disclosure.
- NU exited the immediate care LTCI market.

**December/January 2007**

- Only 2 in 5 people rank their life as the most important thing to insure, a Tickbox.net poll for Bright Grey found.
- Standard Life Healthcare offered a 15% PMI premium discount in return for managed care through Bupa and Capio's 47 hospital networks.
- Insolvencies in Q3 were up 55% on Q3 of 2005.
- Sesame was the top IFA firm and Towergate Partnership the leading broker, according to surveys by Financial Adviser/Matrix and Insurance Age.

**Protection Review 2006**

This year's book sported a deep purple colour and ran to 242 pages.

Our international articles this year covered Australia, Europe, India, Ireland, Korea, Singapore and South Africa. Our poll of the industry's great and good revealed that term assurance was expected to be the top performing product, especially pensions term assurance. Least confidence was expressed in CI. Leaders' top business priorities were customer service, maintaining profits and efficient processing. Top of the wish list was educating consumers.

**February 2007.**

- We reported a stormy New Year for health insurers as The Health Group Ltd exited the market, as did AIG with its HealthNow product. It wasn't all bad news though, as Tesco entered the PMI space with an AXA PPP branded product.
- Inflation was a concern, as it hit 4.4% in January.
- The ABI amended its CI SoBP.
- Skipton owned PHP acquired RED ARC Assured.
- Bupa Hospitals and HCA planned publishing outcomes data for patients.

**March**

- PPI sales were set to slump following the OFT going ahead with its referral to Competition Commission.
- L&G pulled out of the PMI market.
- Fortis announced plans to enter the life market.
- TNS research for Prudential claimed that 1.6m people had had a protection insurance claim rejected in the past five year.
- Over half of hospital consultants had PMI for themselves Bupa found.

**April**

- PMI service standards had improved, AMII's *Insurer Service Performance Survey* found.
- The FSA proposed tougher regulation for life and health insurance.
- Liverpool Victoria rebranded as LV=.
- Zurich publishes an underwriting guide for IFAs.

**May**

- Inflation hit 4.8% in March, sparking fears that base rate may have to rise above the then 5.25%.
- Boots re-entered the PMI market, with PruHealth.
- PMI needs tax incentives to grow Keynote said.
- The Court of Appeal ruled that it was not necessary for firms to provide full pay to employees with disabilities during periods of sickness absence.
- Mental health now cost the UK £10bn pa: Unum.

**June**

- The ABI published a draft SoBP for PMI, with better cancer information at the centre of changes.
- The FSA scrapped the age 70 threshold on term assurance determining COB or ICOB regulation.
- Only 40% of people trusted IFAs compared to 97% trusting firefighters according to Reader's Digest.
- The average cost of a care plan is now £64,000 NHFA reported.
- 77% of people said they could not find a local NHS dentist, according to Citizens Advice.

**July**

- Optimism on sales was lacking when we polled the great and the good for this year's Protection Review book. This year also saw our first annual conference at the Café Royal. Our guest dinner speaker was the great Dr Marius Barnard, who was also the first recipient of our new Lifetime Achievement award
- The PMI market rose 4.4% in 2006, according to the

- ABI. Personal PMI continued its slow decline though Bupa agreed to sell its 25 UK hospitals to Cinven for £1.44bn.
- The protection gap remained at £2.3trn according to Swiss Re.
- MPPI sales slumped to half a million in 2006, down from 926,000 in 2003.

**August/September**

- Dr Marius Barnard called for severity based CI and made an impassioned plea for the industry to develop new LTCI solutions.
- The Law Commissions published their proposals to update insurance contract law.
- PMI rose by 1.5% in 2006 said Laing & Buisson.
- The FSA was to regulate all travel insurance and published plans to update ICOB.
- We asked 'Whatever happened to LTCI?'

**October**

- The Post Office targeted the over 50s with a new guaranteed acceptance WL plan, underwritten by Norwich Union.
- Aetna acquired Goodhealth Worldwide.
- Lasting powers of attorney replaced EPAs.
- Wanless said the NHS wasted billions but still needed more resource.
- More than 1 in 4 hospices were in deficit.

**November**

- Dental claims on HCPs rose by 19% over the previous months and costs were up 19%, Medicash said.
- ABI published new PMI guidelines.
- The perception gap—the difference between what cover people had and what they thought they had was growing, Swiss Re reported.
- Peter Le Beau was voted the most influential industry player over the past decade in a Cover poll. Kevin Carr and Andy Couchman also featured in the top 25.

**December/January 2008**

- Half those taking the Government's new Work Capability Assessment were expected to fail it.
- Men could be living 12 years longer by 2050 according to the Cairns-Blake-Dowd model.
- BHSF acquired Forester Health.
- Another Health and Social Care Bill was published. This one established the Care Quality Commission.
- 1.96m businesses were VAT registered at the start of 2007, up 2% during 2006.

**Protection Review 2007**

This year saw the first complete redesign of the book. Designed by cchm:ping, the design features an X-ray shell design (shells offering protection and the X-ray image signifying transparency). This edition ran to 282 pages and in it we reminded readers '2006 was not a great year for the health and protection insurance sector'.

In retrospect it's interesting we suffered our own downturn before the momentous events of 2007 and 2008.



**February 2008.**

- The ABI introduced its own softer rules regarding non-disclosure ahead of the new law which came into effect from April 2013.
- 80% of IFAs shun giving LTCI advice, according to Symponia. A new State system is needed it said.
- Over two thirds of people would change their PMI insurer to get better cancer coverage a poll for Beating Bowel Cancer found.
- Cover is more important than price for 42% of people, a PruProtect poll found. But 64% of advisers said consumers were led by price.
- Standard Life pulled out of the protection market.

**March**

- Protection got off to a good start in 2008 a straw poll of intermediaries found.
- People typically had no strategy in place to deal with hardship, warned the ABI.
- LifeSearch launched a two year non-contestability period with AXA.
- Bupa's Val Gooding announced her forthcoming retirement in May.

**April**

- Chancellor Alistair Darling warned of welfare budget cuts following the tough economic times. Dame Carol Black's *Working for a Healthier Tomorrow* report raised the profile of health at work.
- Exeter Friendly merged with Pioneer Friendly.
- Joseph Rowntree Foundation called for a new Sustainable Home Ownership Partnership to offer cheaper insurance to households.
- 1 in 5 borrowers was struggling to pay their mortgage, the FSA warned.
- Bupa bought London's Cromwell Hospital.

**May**

- The credit crunch was forcing firms to re-jig their marketing strategies we argued.
- PMI premiums rose 5.5% in 2007, said ABI.
- PHP entered the self-pay market, acquiring Medical Care Direct Ltd.
- Our 2008 dinner was sold out, with over 300 people attending the Café Royal event.
- Since 1971 new cancer registrations had risen from 144,000 to 240,000 a year (source: ONS).

**June**

- PM Gordon Brown started a six month consultation on long term care funding.
- The FSA published its interim RDR report.
- MPPI sales fell to less than 380,000 in 2007.
- The average family was underinsured by £176K according to AXA's *Protection Scope* survey.
- HSF acquired HSA's Irish business.

**July**

- Awareness was more important than affordability

when it came to reasons why people did not have protection cover, new consumer research by ICM for Protection Review found.

- The Competition Commission found that PPI customers were overcharged £1.4bn. It proposed banning loan point of sale sales.
- PPI complaints were up 481% to over 10K in 2007/08 the FOS reported.
- Unum introduced biopsychosocial underwriting on its GIP policies.
- Scottish Re became Pacific Life Re.

**August/September**

- Trust in insurers was a key element of this year's Protection Review book.
- Medical inflation had hit 10% Mercers reported.
- Engage Mutual took over Wakefield HCP.
- HSF converted itself into a charity.
- Takaful insurance would likely continue to rise said Standard & Poor's.

**October**

- Advisers were starting to turn towards health and protection insurance, analysis of ABI data suggested.
- The number of people with PMI type benefits rose by 1.7% in 2007 said Laing & Buisson.
- Jill Davies was appointed CEO of Westfield Health and Dr Natalie-Jane Macdonald MD of Bupa's UK health insurance business.

**November**

- Alliance & Leicester was hit by a record £7m fine over PPI misselling by the FSA.
- The ABI announced new industry cooperation to combat healthcare fraud.
- NU announced it had cut its CI claims not paid to 10% (20% was the previous industry norm).
- MRSA infections fell 57% from 2003/04.
- A quarter of dentists said they were ready to quit the NHS, following the effects the 2006 NHS contract had brought in. Patient care was down too.

**December/January 2009**

- The Competition Commission planned to ban single premium PPI.
- Dame Carol Black's proposed 'fit note' to replace the current 'sick note' would be adopted, the Government said.
- The FSA published RDR feedback.
- The ABI introduced its own definition of the protection gap and identified the barriers to people taking out protection insurance.
- The credit crunch was biting harder surveys said.

**Protection Review 2008**

Our second 'black book' was 246 pages long and featured our first in-depth survey of PFS members. When asked what would help increase the protection market most, top choice was lower prices (50%), followed by faster underwriting (46%) and less underwriting (36%). Café Royal dinner speaker was then Aegon CEO Otto Thoresen.

**February 2009.**

- Would changes in Support for Mortgage Interest mean less demand for protection? On the contrary, this was an industry opportunity we argued.
- Major banks pulled out of single premium PPI in advance of FSA compulsion.
- Yearly health screening would be tax exempt the Government announced.
- Zurich announced plans to enter group risk market.
- A new smoking saliva test was introduced by GFC.

**March**

- The IPTF called for clarity in the use of terms such as IP to avoid confusing consumers.
- AMII and BIBA launched a joint PMI claims sharing group. ePR editor Andy Couchman chaired it.
- LifeSearch began a campaign for lower premiums where underwriters excluded particular conditions.
- UK diabetes diagnoses rose 74% between 1997 and 2003 the *Journal of Epidemiology and Community Health* reported.

**April**

- Protection sales were flat in 2008 ABI data suggested. But whole life and non-mortgage term reported sales volumes and premiums up.
- The cost of dental treatment is a major concern according to newly named Simplyhealth's *Dental Survey 2009*.
- A raft of CI insurers all reported improved CI claims rates. Most now paid over 90% of claims.

**May**

- The IPTF announced plans for adviser training as it sought to raise the profile of this Cinderella plan.
- PPI insurers were raising rates as unemployment rose, according to Privatehealth.co.uk research.
- 1 in 3 people over 55 was anxious about hospital cleanliness CS Healthcare reported.
- National Deposit became National Friendly.
- PMI premiums grew 7% in 2008 the ABI reported.
- Group risk premiums slowed in 2008 to just 1.2% up on 2007 Swiss Re's Group Watch 2009 said.

**June**

- Financial advisers were renewing their focus on protection, our second annual survey of PFS members found. 76% reported clients were thinking more about their protection needs.
- Medical inflation fell to 4% in 2008 but was still up 73% since 1999, Mercer reported.
- 1 in 5 have no savings noted Callcredit research.
- Cost and technology were holding back launching new products an Opal survey found.
- Just 0.16% of claims were wrongly rejected by insurers, according to analysis by reinsurer RGA.

**July**

- The Australian superannuation model could cut the protection gap by 20% at a stroke, Trevor Matthews told diners at this year's Protection Review

dinner on 25 June.

- PMI revenues grew 7.1% in 2008 to £3.64bn Laing & Buisson reported. HCP revenues rose 4.3% to £503m, with claims up 5% to £362m.
- Peter Le Beau was awarded his MBE in the Queen's Birthday Honours list in June. Hooray!
- Protection complaints fell in 2008/09, FOS noted.

**August/September**

- ABI proposed new TPD definitions. It estimated that although TPD made up only 3% of CI claims, around 55% of those claims were rejected.
- The FSA warned PPI insurers that terms allowing them to change terms with just a few days notice (something we had long campaigned against) may be an unfair contracts term.
- Which? warned of the risk of health screening.
- Adviser firm numbers had fallen from 8,722 in June 2008 to 8,122 in June 2009 unbiased.co.uk said.
- Swine flu became a worry to insurers.

**October**

- Employers' investment in employee health was rising, according to Simplyhealth's *Bothered Britain Report 2009*.
- Top protection insurer complained about in the first half of 2009 was AIG, followed by Aviva and AXA the FOS reported.
- Aviva re-entered the HCP market.
- Simplyhealth completed its corporate name changes.

**November**

- The FSA secured MPPI insurers' agreement to refund price hikes introduced in 2009.
- The ABI called for faster claims payouts.
- Underwriters were losing faith in GPRs a poll by Le Beau Visage for MDG had found.
- The Actuarial Profession launched a new code of conduct for its members.

**December/January 2010**

- The Government planned more help on LTC fees.
- 35% of all sick days fell on a Monday Mercer found.
- Munich Re launched Ellipse as its group risk arm headed up by CEO John Ritchie.
- 60% of travellers withhold health information from their travel insurers a survey by AllClear found.
- Health Assured launched Work Assured—PMI plus EAPs, focusing on getting employees back to work rather than covering all medical conditions.

**Protection Review 2009**

We moved to the Marriott in Grosvenor Square this year, following the closure of the old and much loved Café Royal (now rebuilt as an hotel). Then Friends Provident CEO Trevor Matthews was our guest speaker. Our third annual conference was becoming a big hit too.

Our book comprised 246 pages. Our ICM consumer research found 29% of those polled cited 'I haven't thought about it' as the main reason they did not have life cover, and 22% why they had no health insurance.

**February 2010.**

- Kevin Carr, the 2007 winner of our Insurance Personality of the Year Award and previously with LifeSearch and PruProtect joined Protection Review as CEO in January.
- 1 in 8 people planned to buy life cover in the next year, the ABI reported.
- 43% of people say they don't need life assurance and 40% that they don't need IP, according to Swiss Re's latest *Insurance Report*.
- The Law Commissions published their draft bill on insurance contract law reform.
- 11m families depend on two incomes, according to Scottish Widows.
- The Government confirmed in a *Sunday Times* interview on 24 January that military veterans 'will be allowed to [NHS] queue jump for any treatment'.

**March**

- Employers and doctors received guidance on the forthcoming Fit Note.
- The average Brit spends 21 days a year on pain relief medication, according to [www.activequote.com](http://www.activequote.com).
- Switzerland became the latest country to mandate PMI cover for those moving to the country.
- Macmillan introduced a Quality Environment Mark for private cancer units.
- Hinchinbrooke Hospital was set to become the first NHS hospital to be run by a private sector company (Circle Health).

**April**

- HealthCare Insurance Report was renamed e-Protection Review for its 122nd issue.
- 24m people in the UK have no life cover research by 72 Point for Friends Provident found.
- Two thirds of employers now believe that dental benefits reduce sickness absence Simplyhealth's *Annual Dental Survey 2010* found.
- AMII and the CII launched the new IF7 PMI exam on 28 April. Andy Couchman edits the coursebook, with excellent input from AMII members in a model of how intermediaries can help ensure exams are inline with their needs.
- Long term protection sales and new premiums rose in 2009, but only by 5.9% and 0.2% respectively, according to our analysis of ABI data.

**May**

- The FSA proposed commission disclosure on pure protection plans and a review of mortgage brokers.
- The Government proposed introducing a National Care Service from 2014.
- 64% of IFAs want more protection product development, a poll for Scottish provident found.
- On average, 90.5% of CI claims were paid in 2009, compared to 88.4% in 2008, according to Moneyfacts. Only 1.9% were due to non-disclosure.

**June**

- The FOS received almost 50,000 complains about

PPI in 2010, up from 833 in 2005.

- The Competition Commission provisionally confirmed the ban on point of sale PPI selling.
- Cost effectiveness is employers' top employee benefits concern according to Employee Benefits/Alexander Forbes *Benefit Research 2010*.
- Discover Holdings bought Standard Life Healthcare for £138m in cash.
- The group risk market fell in 2009 according to Swiss Re's latest *Group Watch* report.

**July**

- 1 in 3 homebuyers admits to not thinking about buying life cover. That was one of the key findings in this year's Protection Review book. Research sponsor Hannover Life Re (UK) noted too that affordability was cited as an issue more by women than by men. In our PFS survey, 78% of advisers ranked raising consumer awareness as a top priority.
- Consumers were beginning to take more responsibility for their financial planning needs, Swiss Re's *Term & Health Watch* noted.
- AXA sold its protection business to Resolution.
- The FSA was to go, Chancellor George Osborn said

**August/September**

- The life and health sector had just a few months to get its messages across to the new Coalition Government, speakers told delegates at our annual conference on 15 July.
- The PMI market fell in 2009 Laing & Buisson said.

**October**

- The range of free at point of use NHS treatments would be cut by 2020 according to a Future Foundation report for Friends Provident.
- 80 is the new 65 according to Bupa.
- Cigna acquired Vanbreda International.
- Exeter Friendly became Exeter Family Friendly.

**November**

- Along with the PFS, we announced plans to launch independent generic protection training for advisers
- Progress from Royal Liver closed to new business.
- Bupa sold its protection arm to Friends.
- The BBA launched a judicial review over PPI.

**December/January 2011**

- A daily coffee was more important than life cover for the majority of people Confused.com found.
- Engage Mutual acquired PHSA.
- AMII/BIBA launched a new PMI authorisation form.
- 58% of Brits have no protection, Scot Prov found.

**Protection Review 2010**

Our 15 July dinner and conference were again held at the Marriott, Grosvenor Square. Guest dinner speaker was due to be new ABI DG Kerrie Kelly but she unexpectedly resigned (nothing to do with us!) just before the dinner. The ABI's Nick Starling made an excellent last minute replacement.

**February 2011.**

- 2 in 5 families have been significantly affected by illness an Aviva study found.
- Gross mortgage lending in 2010 was £136bn, down from £363bn in 2007.
- The business protection gap was £1.1trn said L&G.
- The OFT announced on 14 December 2010 plans to launch a market study into private healthcare.
- Cancer was people's top health concern Bupa said.

**March**

- The Government published its *Welfare Reform Bill*, 'the biggest shake up of the system for 60 years'.
- ABI published a new SoBP for CI cover.
- Leading protection adviser Alan Lakey launched a CI comparison site.
- Private dentistry spending fell in real terms by 7% over 2008/09 and 2009/10 Laing & Buisson noted.

**April**

- The ECJ were to ban use of gender on personal insurances from 21 December 2012, following the Test-Achats case.
- Welfare Reform Minister Lord Freud said he was considering whether GIP should be compulsory.
- Otto Thoresen took over as DG at the ABI.
- New long term protection sales and premiums rose in 2010 but by less than inflation. Guaranteed acceptance whole of life led the way, sales up 32%.

**May**

- GIP premiums fell in 2010 according to Swiss Re, but ABI data showed PMI premiums up 4.9%.
- The High Court rejects the BBA's FSA/FOS challenge on PPI.
- National Friendly pulled out of the PMI market.
- Westfield Health acquired PatientChoice.
- The Dilnot Commission published a summary of responses on LTC funding.

**June**

- Leading banks abandoned their rearguard action on PPI and set about paying billions in compensation.
- The new *Consumer Insurance (Disclosure and Representations) Bill* was published.
- PruHealth changed its PMI commission model.
- The FSA reported PPI complaints doubled to over 100,000 in 2010/11.
- BIBA's PMI scheme for brokers through Jelf ran into criticism from some members.

**July**

- The Government was looking to rebalance stakeholder responsibilities on welfare and return to work Dame Carol Black told diners at the Protection Review dinner.
- Big gaps exist in employee engagement, according to a Simplyhealth report.
- The number of PMI subscribers had fallen by 10.2% since 2008, according to Laing & Buisson.
- NHBC closed its NHFA subsidiary.

**August/September**

- The Dilnot Commission report *Fairer Care Funding*, has opened the door to LTCI we noted but were concerned the call could fall on deaf ears.
- The number of HCP contributors fell to 2.65m at the start of 2011 (down 2.9%) following falls of 5.4% in 2009 and 2.8% in 2008 Laing & Buisson reported.
- Care home company Southern Cross shut down.
- Perfect Health launched its own HCPs

**October**

- E-Protection Review became a free to download PDF after over 13 years of being subscription only.
- Wellness works PruHealth proclaimed.
- Non-term protection sales fell 1% in 2010/11 the FSA reported.
- Universal Provident became the first insurer to reveal its PMI claims stats.
- The average cost of a funeral rose to £7,248, according to Sun Life Direct's fifth annual survey, *The Annual Cost of Dying Report*.

**November**

- Half of advisers had failed to make changes concerning clients' protection and retirement provision following the abolition of the default retirement age, according to Avelo.
- Bupa announced plans to move to open referral.
- PMI cancer terms were still unclear Mercers said.
- We launched The Syndicate, with Hannover Life Re (UK) and revealed that men and women now jointly share the decision-making process. The new research community commissioned ICM to undertake consumer research, starting a body of high quality, value for money work with active member involvement that is continuing to expand today.

**December/January 2012**

- The Frost/Black report called for reform of the UK's sickness absence system.
- The CII launched its *Cert CII (Health and Protection)* qualification at AMII's autumn conference.
- The industry needs to do more to raise the profile of protection insurance, Swiss Re's latest *Insurance Report* recommended.
- The ABI launched a new PMI SoBP.
- Bupa attacked too high hospital pricing.

**Protection Review 2011**

We moved venue to our current location of the Landmark Hotel in Marylebone, and it proved a great hit with diners and conference attendees on 23 June. Almost 400 people attended the dinner.

This year's book grew to a mammoth 322 pages (we have since reduced the type size to make it a bit more wieldy). For the second year running we included short interviews with award winners. Although the number of awards has grown, we are still limiting the number of awards to just a select handful each year. Research chapters now include journalists and editors, our Protection 30 index and a 2021 survey.

**February 2012.**

- Awareness is the key to desire for protection according to The Syndicate's first wave of research.
- The OFT announced it had provisionally decided to refer the private healthcare market to the Competition Commission.
- The FSA fined NHFA/HSBC a record £10.5m due to inappropriate investment advice given to elderly people. In addition, HSBC expected to pay £29.3m in compensation.
- Simplyhealth acquired Denplan from AXA.
- WPA launched a new type of PMI moratorium.
- BMI Healthcare and Bupa reached an agreement following a very public spat.
- Employee absence rose from 7.7 to 8.7 days in 2011 the CIPD *Absence Management annual survey report 2011* in conjunction with Simplyhealth claimed.

**March**

- The IPTF launched a summit and set out a Top 10 list of things consumers should look for in IP.
- LV= launched a generic online trust.
- Defaqto launched a controversial PMI star rating system.
- Pensions auto-enrolment would boost the group risk sector GRiD predicted.
- Scottish Widows announced it was considering returning to the IFA protection market.
- The Health and Social Care Bill ran into problems, with 137 amendments already tabled.
- We start a new Top 10 press stories page in e-PR.

**April**

- An ageing workforce posed both challenges and opportunities we concluded.
- ABI reported long term protection sales up to 2.935m in 2011 (from 2.762m) but new annualised premiums fell from £1.027bn to £1.019bn.
- Three new protection campaigns were launched. Cover magazine wanted better IP definitions and a move towards own occupation definitions wherever possible. Money Marketing supported a single annual protection day (as advocated by ex Ageas Protect CEO Martin Werth). LifeSearch introduced a code of conduct for protection sellers.
- The *Health and Social Care Act* and the *Consumer Insurance (Disclosure and Representations) Act* were both passed.

**May**

- Protection insurers faced a perfect storm—G-Day, I-E changes and RDR reforms.
- The group risk market grew by 2.9% in 2011, Swiss Re's *Group Watch 2012* report confirmed.
- The OFT referred private healthcare to the Competition Commission on 4 April.
- Aviva followed WPA's lead in offering a high excess corporate PMI funding option.

**June**

- Three quarters of families have no protection insur-

ance according to Scottish Widows' fourth *Protection Report*.

- FOS complaints topped 250K in 2011/12, with PPI making up 157,716 of those, fuelled by the growth of unregulated claims management companies.
- IPTF launched a draft charter on IP.

**July**

- 2012 was proving to be a pivotal year for protection insurance our 2012 book concluded.
- The PMI market fell by 1.8% in 2011 according to ABI data.
- Simplyhealth took over the admin of National Friendly's 17,000 customer PMI book.
- The OFT called for changes in the way private dentists operated.
- G Day could see some rates change by +/- 30% LV= warned.
- SHIP relaunched as the Equity Release Council.

**August/September**

- Protection insurers needed to invest more and fight harder for development capital, NMG's Hamish Worsley told Protection Review conference delegates on 11 July.
- Bupa stopped marketing individual PMI though brokers due to 'challenging' market conditions.
- Beagle Street launched a CI product .

**October**

- We were concerned that the G-Day opportunity was being wasted by some insurers.
- The Sergeant review on simplified products published its interim report. It advocates a simple term product but also invited comment on simplified IP.
- Bupa warned of a PMI affordability crunch.

**November**

- New provider Passport2Health asked whether PMI was broken or just a racket.
- L&G advocated the idea of a protection ISA.
- Employee absence fell in 2011 to an average of 6.8 days a year according to CIPD/Simplyhealth.
- We re-jigged our product ratings system in ePR.

**December/January 2013**

- Stress is the number one business risk, according to a GRiD poll.
- Globally, employers were now focusing on wellness, Towers Watson's *2012 Global Medical Trends Report* claimed. UK costs rose 9.88% in 2012.

**Protection Review 2012**

Slightly smaller print but this year's book was still 270 pages long. It included an excerpt from Dr Marius Barnard's book on prostate cancer (the year before we included a chapter from his autobiography on CI insurance). We listed 30 partners who support various elements of Protection Review and original research made up over 90 pages in this year's book.

The dinner and conference were again a sell-out

**February 2013.**

- A 'Casino Mentality' exists in many people's minds when it comes to considering their protection needs, The Syndicate's second annual report found. Research partner Hannover Re UK Life Branch's head of marketing, Ronnie Bowes, said: "The challenge for our industry is how we can offer solutions to people who don't see a problem and are willing to take a risk—the 'Casino Mentality'.
- Raising a child costs, on average, £222K according to research by LV=.
- The average life payout in 2011 was £342K, ABI data revealed. Averages on CI were £59K and for IP, £14K a year. 85.6% of all IP claims were paid.
- AMII planned to open up its membership to health insurers—starting with Bupa.
- Nucleus launched the first wrap life cover.

**March**

- The important self-employed market grew by 367,000 between 2008 and 2012 our analysis of OFT data revealed.
- A poll by Drewberry Insurance found that the public believes only half of all life insurance claims are actually paid. The real figure is well above 90% for life cover and above 90% for CI (with IP in the mid 80s). Low levels of trust and unawareness of possible problems and solutions conspires to see too little protection insurance taken out.
- The Government published its response to the Dilnot report. More help—but most of it not until 2016—and an encouragement for insurers to develop new solutions was at the core of the response.
- Advisers' income fell from £66K to £63K between 2011 and 2012 according to BWD research.
- Nearly 1 in 3 people on Incapacity Benefit were found fit for work, DWP data revealed.

**April**

- Term assurance led a strong finish to 2012 our analysis of ABI data revealed. Sales were back over 3m and new annualised premiums exceeded two thirds of a billion pounds.
- More insurers reported their IP claims stats.
- The Competition Commission published an annotated issues statement as part of its work on private healthcare. Will that lead to cheaper PMI?
- As every April, we published updated main State benefits and reported new NHS charges.

**May**

- Most people with cancer are, on average, £570 a month worse off, according to Macmillan Cancer Support in a report sponsored by RBS Group.
- PMI revenues rose by 2.2% to £3,626m in 2012, ABI data revealed. Loss ratios improved to 76.4%.
- Bupa announced it was to leave the ABI.

**June**

- Retirement can be bad for your health and life expectancy, according to a report from the Institute of

Economic Affairs. But the issues are complex. We analysed the implications for life and health insurers.

- Group risk business grew by an 'extraordinary' 9.7% in 2012, Swiss Re's *Group Watch* survey reported.
- But the individual long term protection market was only 'stable' its *Term & Health Watch 2013* report noted. Whole of life fared worst but both IP and mortgage term had a strong year.
- Partnership Assurance announced plans to float on the London Stock Exchange.
- The business protection gap is now £1.35trn L&G reported and over half all corporate debt is unprotected and 30% of businesses had no keyperson cover in force.
- Friends Life became the last major IP office to disclose its IP claims stats.

**Protection Review 2013**

This year's book is published on 11 July at the Landmark Hotel in London's Marylebone. The book's contents are set out on Page 15. One advantage of the annual book is that it becomes a valuable research source and a thought stimulator not just initially, but throughout the next 12 months. It's not really bedside reading (although we know of at least one person who claims to have read the whole book on long plane journeys on holiday) but instead is designed to be dipped into as necessary.

**Democratic or not?**

We don't claim that Protection Review is run democratically but actually, democracy does play a key role in what we do. One supporter said he saw part of our role as 'filling the gaps' when it came to areas as diverse as research, training and promotion and appreciated the fact he and other leaders could suggest ideas without them 'getting bogged down in endless committees'.

We have some sympathy with that view—we developed generic independent protection training programmes both because there was a demand from many across the industry and because we believed we could deliver what was wanted, effectively and (especially important in these economic times) cost-effectively too.

So, when it comes to looking at Protection Review in 2023 what will we see? We're no better at predicting the future than anyone else, but our ambition is to continue expanding our services to provide exactly what the industry needs and what it will need and value in the future.

Over the past decade, many firms have cut back on what many industries would see as 'R&D'. Short-term that can save money and other resource, but it does run the risk of making wrong decisions based on insufficient information or having too little debate.

Although we rely on our partners for funding, our actions throughout our first ten years prove that we always try to make decisions in the best wider interests of the industry, not to favour particular firms or 'mates'. Of course, that does not please everyone all the time but we strongly believe that independence is essential to enabling us to play a small part in promoting more and better life and health insurance solutions to more people and to more businesses.

Our passion for that drives what we do.

This year's book, sponsored by Exeter Family Friendly, the Personal Finance Society, RED ARC Assured and TCP LifeSystems runs to 264 A4 pages. Each guest at the Protection Review dinner on 11 July will get their own copy of the book on memory stick, sponsored by Capita. As in previous years, the book is split into four main elements comprising original research, thought pieces, articles on selected international markets and individual chapters on products and markets. For more on the book and how to order it, see [www.protectionreview.co.uk](http://www.protectionreview.co.uk).

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## **About e-Protection Review**

e-Protection Review is a free to user PDF publication and is published ten times a year, usually on the 28th day of the month prior to that issue's date, every month except at the end of August and December. It is free to download from [www.protectionreview.co.uk](http://www.protectionreview.co.uk).

A range of partnership opportunities are available and to find out more, please contact Andy Couchman at Protection Review Limited, Bank House, Great Rissington, Cheltenham, Gloucestershire, GL54 2LP. Or phone or fax 01451 821982, or e-mail [andy@andycouchman.com](mailto:andy@andycouchman.com). Or contact Peter Le Beau on 07799 074020 or [peter@lebeauvisage.co.uk](mailto:peter@lebeauvisage.co.uk). Or contact Kevin Carr on 07887 838811 or [kevin@kevincarrconsulting.co.uk](mailto:kevin@kevincarrconsulting.co.uk).



Each issue we choose ten stories from across the industry that have appeared in the trade monthlies, weeklies, online or in the national press. They are not necessarily the biggest stories, just those that most grabbed our attention.

It's worth noting just how many of this month's pieces are good news stories.

Many also include a supporting or other quote from well-known industry names, illustrating how valuable a good relationship with the media can be for some.

1. *In need of protection? Don't jump in and fall for the wrong insurance cover.* Simon Read's article in *The Independent* on 7 June takes the form of a personal missive to readers aiming to dispel some of the myths around protection insurance and makes a strong case for getting good advice too. <http://www.independent.co.uk/money/insurance/simon-read-in-need-of-protection-dont-jump-in-and-fall-for-the-wrong-insurance-cover-8650204.html>.

2. *'It was nice to have access to a real expert': Don't miss out on perks buried in health cover.* Everyone loves perks, so Laura Shannon's piece for *Mail Online* on 1 June highlights some of the non-traditional features of protection—including Best Doctors. It concludes with five things to know about protection insurance. <http://www.dailymail.co.uk/money/news/article-2334345/Dont-miss-perks-buried-health-cover.html>.

3. *Tackling objections to taking out protection.* Emma Ann Hughes article in *FT Adviser* on 30 May gives advisers practical advice on how to get in the protection insurance space. <http://www.ftadviser.com/2013/05/30/insurance/health-and-protection/tackling-objections-to-taking-out-protection-cover-m4sBa1WO71qqG1OGkhEeaL/article.html>.

4. *Value of male protection sees double digit growth.* Men have increased the amount they insure themselves for by 20% in the past year, according to Scottish Provident. The piece, by Holly Motion was published by *Cover* on 10 June. <http://www.covermagazine.co.uk/cover/news/2273798/value-of-male-protection-sees-double-digit-growth>.

5. *Women benefit most from protection gender rules.* Charlotte Richards' *FT Adviser* piece on 4 June reports the publication's own income protection research that shows rates are now closer to the old male rates, meaning that women have benefited most from last year's G-Day changes. <http://www.ftadviser.com/2013/06/04/insurance/health-and-protection/women-benefit-most-from-protection-gender-rules>.

<http://www.covermagazine.co.uk/cover/news/2272278/abi-plan-to-define-claims-definitions-applauded>.

6. *ABI plan to define claims definitions applauded.* Fiona Murphy's 3 June article in *Cover* reports the ABI's plan for a common system for claims statistics. As present, there is little or no consistency, which risks misleading both advisers and consumers.

<http://www.covermagazine.co.uk/cover/news/2272278/abi-plan-to-define-claims-definitions-applauded>.

7. *'Shocking' regional variation in early death rates must end, says Hunt.* Tessa Norman's *Health Insurance* article on 11 June reports Health Secretary Jeremy Hunt's plan to identify local public health challenges and then take action to try to reduce the current variations, which exist not just due to levels of affluence.

<http://www.healthinsurancedaily.com/health-insurance/product-areallife-critical-illness/article424238.ece>.

8. *LV= will pay double original critical illness cover on certain illnesses.* Paul Thomas' 6 June piece for *Money Marketing* reports LV's new feature, which means a 150% sum assured payout on being diagnosed with certain neurological diseases before age 45 and 200% in some cases if as a result of an accident. Will this alternative to severity based CI cover catch on?

<http://www.moneymarketing.co.uk/protection/lv-will-pay-double-original-critical-illness-cover-on-certain-illnesses/1072099.article>.

9. *Half of Britons to be diagnosed with cancer in their lifetime by 2020.* Tessa Norman reported for *Health Insurance* on 10 June Macmillan Cancer Support's story that the increase in cancer incidence (partly due to people living longer) means 1 in 2 can expect to be diagnosed with cancer at some point of their life in future.

<http://www.healthinsurancedaily.com/health-insurance/product-areallife-critical-illness/article424158.ece>.

10. *FCA to change insurance disclosure requirements.* Emma Ann Hughes, writing in *FT Adviser* on 7 June, reports the FCA's plan to no longer require consumers to volunteer material facts to an insurer. This brings practice into line with legislative changes, but examples of exactly what it means for consumers would be helpful the article says.

<http://www.ftadviser.com/2013/06/07/insurance/health-and-protection/fca-to-change-insurance-disclosure-requirements-maHAF16dzxafGPGA1NyRdK/article.html>.

### **Protection Review: financial services consultancy and communications solutions**

We're passionate about protection and provide bespoke marketing and strategic consultancy and communications services to firms across health and protection insurance, led by three of the best-known names in the industry. Our expertise, knowledge and contacts enable us to help clients maximise their potential in a fast and cost-effective way.

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E-mail: [info@andycouchman.com](mailto:info@andycouchman.com). Website: [www.protectionreview.co.uk](http://www.protectionreview.co.uk). Tel and fax: 01451 821982.