Critical illness insurance: A race in the right direction?

Jo Miller

Our chapter on critical illness insurance (CI) could perhaps be summarised in four words: nothing new to report. But as we hope our review of the market will show, although the issues faced are very familiar and nothing new, this does not make them any less complex or easy to overcome. Indeed, if there was an obvious solution to the conditions race or the split between simpler, more traditional CI products and newer tiered, severity based policies, we would have little to write about each year! The issues faced are often divisive, as our analysis over the years has shown, but the strength of opinions shown by those in the market is not reflected in the progress made to address these issues thus far. The resulting situation gives rise to a number of concerns among those in the market as reflected in the views of those we spoke to.

We began by asking each whether they were happy with the direction of the market and if not, what changes they would make. The majority of those we spoke to were unwilling to commit to a yes or no answer and CI Expert's Alan Lakey's view are typical of those who can see both good and bad in the current situation:

> *"Yes and no. The historic push towards low cost and the numbers of conditions has halted somewhat, with a greater emphasis on quality and clear definition wordings. This has to be good because it focuses on the less important aspects.*
>
> *The negative part is that insurers continue to use the misleading ABI+ descriptive as a marketing tool and seem obsessed with having some unique aspect, however pointless and unlikely to ever be claimed on, with which to wave their company flag.*
>
> *Claims information is fragmented, with some insurers choosing not to provide details whilst others dip in and out when it suits their purposes. Claims information is also somewhat sparse and needs to be provided in greater detail with an equal emphasis on why claims are being declined. Often this is because somebody does not meet the claim requirement and this point needs to be articulated in the interests of transparency.*
>
> *Further, closed offices refuse to issue their claims stats, with the suggestion that they are operating a far more severe claims philosophy. The ABI needs to focus its efforts on this rather than the futile 'simple products' initiative and insist that its members issue appropriate stats."*

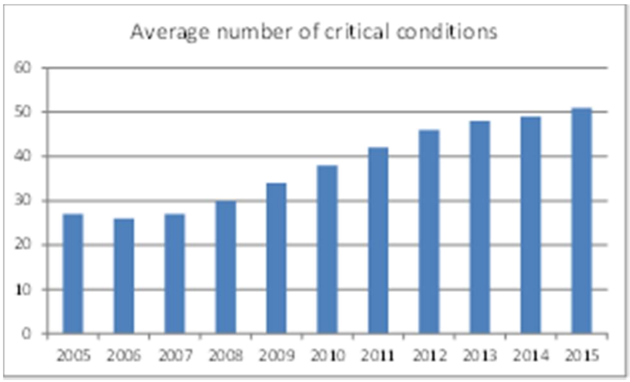
For Defaqto's Ben Heffer there are also two sides to the story, starting with the positive:

> *"Despite the well documented downward pressures on the protection market generally, as a product, critical illness cover is really a success story. Largely sold as an accelerated benefit on life insurance plans, it has worked well as a debt protection product and helped many people who having succumbed to debilitating illnesses would not have been able to service their mortgages otherwise. With its lists of dread diseases and critical conditions it has*

somehow managed to capture the imaginations of advisers and clients, and resonate with their perceived needs."

Despite the success of the product, Ben felt it was impossible to ignore the complexity of the products on the market now as a result of more conditions being added:

"…from its quite focused beginnings it has become more complicated, with an ever increasing number of critical conditions covered. In an attempt to introduce clarity and help consumers compare cover, a succession of statements of best practice from the ABI have sought to standardise definitions. This in turn has led to an explosion of so called 'ABI+' definitions as providers attempt to gain the marketing edge, introducing further complexity. Having now reached really quite comprehensive levels of cover, providers should focus on the quality of definitions and the interventions that help improve and maintain health.



Source: Defaqto.com

The average number of critical conditions per product in 2015 is 51; excluding VitalityLife and its products with 166 conditions, the average would be 42. In reality, almost 90% of claims are attributable to seven conditions including cancer, heart attack and multiple sclerosis. Almost all providers have some definitions which are more generous than the ABI wordings; however, providers typically claim to have between 12 and 18 so called 'ABI+' definitions, 14 on average."

For Zurich's Richard Sadler, the positives included a sound product that had seem some tentative growth. Concurring with Ben Heffer, Richard felt the changes needed were around the conditions race as he explains below:

"Critical illness remains a fantastic product, providing extremely valuable cover to people at the times when they might need it the most, and the fundamental nature of the product at heart remains as good and as strong as it has always been. The CI market showed some tentative signs of growth in 2014, perhaps helped by the recovery in the mortgage market (which has always been a source of many CI sales). That said, I don't think that the growth has come about particularly as a result of anything done by the industry - as we have for a while, we've been competing with ourselves in increasing the number of conditions and tweaking the definitions, rather than focusing on what matters to the end customer. Instead we should be looking to get the message out more about how good and valuable the critical illness product is, and trying to build customer interest and trust in the product and the industry more generally."

Kate Gilmore from RGA also cited the conditions race as a distraction from where the market should be focused:

> *"There is absolutely a place for CI insurance in the market and it undoubtedly meets a need. However, as is common with a lot of what we do in insurance, we have failed to put the consumer first. Products are getting more and more complicated and this is driving the price up. I would like to see more of an emphasis on making this product relatable. We should talk about the big four causes of claim that account for ~85% of claims and make the overall proposition more relevant to the consumer."*

The view from Aviva suggested that although the conditions race had clearly had an impact on the complexity of the product, there was good news in store for customers:

> *"A great deal of focus has been placed on enhancing critical illness cover by adding additional payment conditions. For customers this is great news as they provide valuable protection where cover was not provided previously. However on the flip side of this, there's concern around the level of complexity with so many conditions covered in the market. Aviva is pleased to see the conditions race slowing, suggesting that the industry is approaching saturation in terms of what is considered a critical illness. More focus is now on improving existing definitions in order to pay more claims."*

The interests of the customer and lack of focus on their needs was the main concern for Royal London's Debbie Kennedy who suggested that a simpler approach must be the way forward:

> "*…We, as the insurers, must recognise what a true 'critical illness' is. Let's create an educational approach to help show our end customers the true value of a payout when they're suffering from a 'critical' illness. And let's not dance around the intricate wordings of each definition, but rather focus on making the definitions themselves simpler. Cancer has one of the most complex standard definition wordings and this only supports the argument that our products are too complex and hard to understand. Clear and simple definitions, especially for the most common reasons for claim, are definitely the way forward.*
>
> *Customers don't engage with protection because they don't see the need and don't believe the products currently on offer meet their needs. We'd like to see a greater focus on what the customer actually needs and wants, simpler definitions and cover where it counts".*

With the majority of our respondents mentioning the conditions race in one form or another, it is clear that the direction of the market is still a concern for many, even if there is some good progress being made and still to come on the simplification of definitions. For one of our commentators however, the issue went beyond the conditions race and even beyond CI as a product. Roy McLoughlin felt that one of the biggest issues for CI was that it is often sold as a standalone product or by advisers who didn't fully understand it. He suggested that there was another way:

> *"The CI conditions race is worrying and still continues. We should consider the CI market alongside the IP market otherwise we are playing guess the illness and Russian roulette. There is too much focus on CI where we should be seeing the protection market more holistically. Insurers and advisers should be considering a 'protection solution'."*

Roy raises an interesting point in suggesting that, just at the product should be focused on the customer's needs, so the sale should take account of their full protection requirement. Such a position clearly demands a full understanding of protection products and how they can and should work together and it is here that Roy foresaw a problem in the levels of product knowledge in the adviser community currently. He advocated emphasising the choices that CI can offer and stressed the importance of adviser education in facilitating this:

> *"Are we telling the story properly? CI is not just to pay off your mortgage – it provides opportunities. If we think it's too expensive, we shouldn't rule it out completely: the sum insured doesn't need to cover the whole mortgage, just to provide a useful lump sum. We need to tell the story of the payouts – to the consumer AND the adviser. Education is key. If the advisers don't get it, the sales figures won't improve. The product still needs to be sold, so advisers must understand the product – especially those in the mortgage market."*

The link with the mortgage market is often referred to in relation to CI, with the housing market often thought to be one of the main drivers of sales of the product. We asked our commentators whether they felt that the continuing recovery of the mortgage market was likely to be the main engine for growth in the CI space.

The process of applying for a mortgage provided a great opportunity to have a conversation about CI cover according to CI Expert's Alan Lakey:

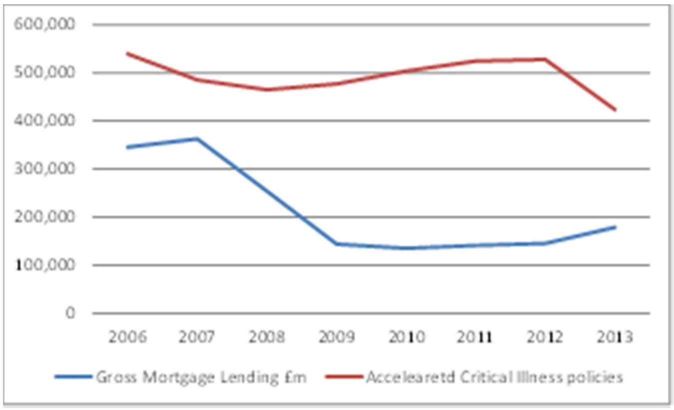
> *"Historically CI has been linked to the mortgage market and this is reflective of the convenience of being able to hold a meaningful conversation with people prepared to listen and engage. This will continue because CI is seen as a means of repaying debt rather than a method of accessing capital for personal reasons."*

Zurich's Richard Sadler was keen to point out that the link between the two markets was not enough to ensure that the mortgage market could boost CI sales given the reliance on adviser to secure the sale:

> *"We've seen a very significant recovery in the mortgage market over the last few years, but only a small level of growth in the CI market. This is because many mortgage advisers do not have the time to sell protection as well as a mortgage, and in a buoyant mortgage market they may generate enough income just from mortgages. The key to growth in CI (as well as protection generally) is both the maintenance of the mortgage market recovery, as well as the adaptation of adviser and insurer models to more easily enable protection sales off the back of those mortgages."*

Defaqto's Ben Heffer went further in suggesting that there was actually a reverse correlation between the mortgage market and sales of CI with advisers more likely to sell the product when mortgage sales were slower. A buoyant market was more likely to mean that they were preoccupied with the mortgage arrangement and less likely to include a discussion about protection needs:

> *"As most critical illness benefit is sold as an accelerated benefit on term assurance, and as much protection business is mortgage related, the fortunes of critical illness cover would appear to be linked to future growth in the mortgage market. Interestingly though, in past years where the mortgage market has been depressed, protection sales have not dipped implying that advisers have worked hard to increase protection sales in the face of fewer mortgage-related cases. Plotting the number of accelerated critical illness policies against the gross mortgage lending year on year almost suggests a reverse correlation between protection sales and mortgage lending. It would be disappointing to surmise that advisers only turn to protection sales as a source of income when mortgage arrangement fees are under pressure.*



Source: Council of Mortgage Lenders; Swiss Re Term & Health Watch

> *Holistic advisers - and holistic advice is an underlying tenet of good financial advice - should be considering clients' lifestyle protection needs not just their debt protection needs, and critical illness cover is a means for those devastated by life-changing critical illness to maintain lifestyle*."

Roy McLoughlin concurred, suggesting that there was no evidence based on past experience to suggest that a revival of the mortgage market was good news for CI sales:

> *"Just look at 2005 – 2007 when there were plenty of mortgages being sold but very little protection. In 2008 we lost huge numbers of mortgage advisers because they didn't know what else to sell."*

Debbie Kennedy agreed that it was unwise to assume the mortgage market could influence CI sales positively. She gives her reasons below:

> *"The recovering mortgage market will drive some growth. But some mortgage advisers are finding it difficult to find the time to introduce protection because of the length of time it takes to process a mortgage application. Some are not talking about protection at all, while others are putting off the protection conversation until a later date or handing off to another adviser specialising in protection. So this growth could be limited.*
>
> *We've also seen in the past that when one market starts to struggle, advisers switch to another to maintain their own levels of business. But when that original market recovers, sales in whatever alternative advisers have moved into start to fall again."*

With a number of our commentators highlighting the important role that the adviser plays in securing the sale of CI products, RGA suggested that the providers also had a role to play and that the likelihood of the CI market benefitting from a revitalised mortgage market depended on it:

> *"Only if providers rise to the challenge of making a simple product that can be sold quickly and cheaply at the end of a mortgage discussion."*

For Aviva, the education of both advisers and consumers was of paramount importance but ease of purchase was the key issue:

> *"More education for advisers and consumers will improve the perception of insurers and move away from the myths that critical illness cover is unaffordable or won't pay out. In*

reality, the likelihood of needing to claim for a critical illness is much greater than the likelihood of needing to claim for death.

The additional barriers to purchase which make the process difficult and drawn out need to be removed - ease of purchase is key. The Industry needs to look at different ways to make critical illness available to those who are resistant to using advisers or banks. It would also be useful to have better insight into how complexity and additional cost of added benefits deters potential customers – is there a market and justification for simple products?"

The point made by Aviva is an interesting one. Does product design, and complexity, have an impact on the likely take up of the product? We asked our contributors to tell us their biggest problem with the current design of critical illness.

For Royal London's Debbie Kennedy the answer was clear:

"The biggest problem is the definitions used to determine when a claim will be paid. The definition of each illness is so full of impenetrable medical terminology that it's no wonder people struggle to understand what it is they have and when they can claim.

We all know that people don't read the detail of the definition. They hear from their adviser and see the headline in product literature that this policy covers cancer, heart attack, stroke, and so on. So they believe they'll be covered if they're diagnosed with one of these conditions. It's inevitable, then, that they'll be disappointed when their insurance company tells them it was the wrong type of cancer or the heart attack wasn't severe enough or the stroke was in the wrong place.

This leads to mistrust, compounded by the fact that most people only hear about the claims that are turned down. As an industry we're not good at telling people about the good things we do for them. It's hard to draw a positive story from a critical illness experience, but we can talk about better outcomes for our customers by providing invaluable support services as well as quality cover."

Debbie went on to remind us that approximately 90% of claims could be attributed to just 4 or 5 definitions as shown in the graph below:

Alan Lakey was in agreement, suggesting that there was too much focus on the terminology and not enough on the customer and what the plan could do for them:

> *"The problem is the obsession with named conditions instead of outcomes. The best illustration of this is the recent addition of neurological conditions such as Devic's Disease and Kennedy's Disease. The ailments and claim requirements are broadly similar to those of MS, motor neurone disease and others, yet the use of a specific condition name ensures that sufferers of similar neurological conditions - like Lorenzo's Oil Disease – are not covered other than as a possible TPD claim.*
>
> *Surely as an industry, where clever people spend an inordinate amount of time devising new methods of parting consumers from their funds, we can do better? Is it beyond the capability of the industry to devise a claims wording which ensures that all neurological conditions creating a specified permanent deficit equates to a successful claim?*
>
> *This can be extended to heart conditions, cancers and so forth. I believe that given the budget and a free rein it is possible develop a wide-ranging CI plan with maybe fifteen conditions that encompass more than any existing plan."*

Following on from their previous point, Aviva cited the need to keep the product as simple as possible:

> *"The complexity of critical illness products could be perceived as the biggest problem. There's a challenge to keep cover relevant, whilst keeping up with medical advances."*

For RGA, the issue could be summed up in three letters: TPD. Below they explain their reasons for suggesting this is the case:

> *"TPD! Tricky to underwrite. Most UW errors occur because of it. Difficult from a claims perspective too. Most importantly I'm not sure the consumer understands exactly what it is. Too many conditions and partial payments being added. This was originally designed to pay out on life-changing illnesses. I'd argue it no longer is and you can easily make a substantial*

claim and be back to work the next day. I'm not sure this was the essence of the plan. As a result it's expensive."

The complexities of the product and resulting anomalies were also raised by Zurich's Richard Sadler:

> *"CI products are just too complicated for customers to understand - the long and complex nature of the definitions can't possibly be understood by most customers. Many people will argue that this doesn't matter, and what is important is to ensure that customers are covered for as much as possible. While this is laudable, in practice this can lead to anomalies where relatively less critical illnesses (such as minor heart attacks where you can be back at work within a week) are paid out, but much more severe conditions might still not be. If the customer is unlucky enough to have a condition that is not covered, it is only likely to be at the point of claim they will find this out. The push to offer more and more conditions is arguably an attempt to resolve this, by ensuring a greater range of coverage - however many of the new conditions added are very unlikely to be claimed on, and the vast majority of claims remain on the core conditions - cancer, heart attack, stroke and multiple sclerosis.*
>
> *The payment of tiered benefits makes it even more complicated, and arguably moves the critical illness product away from where it is meant to be."*

The prospect of a claim not being paid because it did not fall within the range of accepted definitions for a policy, and the effect that this might have on the policyholder who had not fully understood this, was highlighted by a number of those we spoke to including Defaqto's Ben Heffer, who felt that the complexity of the product and the process of buying it added to the risk of non-payment on a claim was unacceptable for customers:

> *"Critical illness pays out when the insured is diagnosed with one of the predefined conditions covered under the plan. This presents two problems. Firstly, if someone is really ill such that their finances are compromised but do not meet any of the definitions, the policy will be seen to have failed them. Second, the balancing of risk with cover at a reasonable price means that the definitions have to be carefully worded resulting in rather detailed and over complicated policy wordings that are difficult for adviser and customers to compare. Contrast this with income protection insurance which simply pays an income where the insured is too ill to work regardless of the underlying cause. Attempts by product designers to furnish critical illness policies with catch-all conditions has not been entirely successful with a significant number of TPD claims being declined each year."*

Roy McLoughlin was in agreement with his industry colleagues and suggested that the situation was not clear enough for consumers, presenting a challenge for advisers:

> *"It should come with a health warning which makes clear that it doesn't pay in all circumstances. This would highlight that it should dovetail with income protection as part of a wider protection solution. Promotion is a real problem but severity cover is very hard to explain and the critical illness as a product is often confused with PMI or terminal illness cover. Advisers have a key role to play here."*

A number of those we spoke to mentioned the complexity of products in the current market, and in particular policies offering tiered benefits. We asked which way people felt the market would move – towards those favouring tiered benefits or those favouring a more traditional approach – and whether it might fragment even further. For RGA, the expectation was that further fragmentation was inevitable but they added a note of caution around whether customer needs might always be met:

> *"I think it will continue to fragment further. Consumers want choice and flexibility and will demand the ability to make changes to the product and coverage. As a large driver of sales is the mortgage market, it is difficult to see how tiered benefits fit these needs."*

Richard Sadler also predicted further fragmentation, but was confident there was space in the market for a range for different product types:

> *"I believe that in the next few years we'll see a greater fragmentation of the market. We'll certainly see companies continuing to extend and add to the critical illness product, providing greater coverage and increased use of tiered or partial payments. However this will create a gap for more basic core products that could come back in to the market, aimed at those customers on a more restricted budget. Life companies will continue to be looking to find their niche, within the market, and I believe there is space for a range of different product options providing different opportunities for advisers and their customers."*

Ben Heffer argued that the complexity of tiered products may limit the extent we see such offerings prevalent in the market, despite them having some fans:

> *"VitalityLife is really the only provider of a fully tiered serious illness product. Other providers offer traditional critical illness plans that pay out the full sum assured on claim provided the definition is met; and most of them now incorporate additional payments (rider benefits) for less severe conditions too. This is the most likely model for the future. Despite the considerable advantages of the fully tiered approach, it has a level of complexity that has to be overcome in the sales process. Protection specialists who take the time to understand the benefits of these plans become strong advocates for them with their clients, however, many advisers prefer the more straight forward traditional approach."*

Ben makes an interesting point about additional payments and it is one that Alan Lakey agreed with, citing the growth of hybrid products as the most likely way forward for the market:

> *"It's interesting to note that insurers are increasingly looking to differentiate themselves by adding additional conditions or other benefits as with LV= paying extra on some conditions caused by accident or being diagnosed with a neurological condition before age 45. Most quality plans are effectively a hybrid of the traditional model and the partial payment idea. The trend is to include more partial/additional payments as this limits the additional cost and keeps plans at an affordable rate."*

For Roy McLoughlin there was a need to keep things simple moving forward:

> *"Severity based cover is very complicated to the customer and there is a real need not to over-complicate a product that people don't understand already."*

Aviva also acknowledged that difficulty in understanding the cover could be a barrier to sale for tiered products with undesirable results:

> *"Customers have differing needs. However the main issue is ensuring customers fully understand the product they purchase and whether this fulfils their protection need. The problem with tiered benefits (where pay-out varies by stage/severity of an illness) is the*

added complexity and lack of clarity or certainty on a claim outcome. The criteria used may seem arbitrary, lead to disappointment and frustration and be a poor customer outcome."

For Debbie Kennedy of Royal London, the expectation was one of little change in the short term. However, looking longer term, she expected providers to look outside of the conditions race to differentiate themselves with one very clear outcome in mind:

"We believe in the short term the market will continue in the same vein, with the focus perhaps shifting from ABI+ definitions to partial and additional payments. Longer term though, we predict that providers will take a step back and re-evaluate what it is they're trying to do for customers. Added-value services are likely to feature more prominently as providers try to differentiate themselves by offering practical and emotional support as well as financial help to their customers.

We must ask ourselves what's influencing advisers. What do they value for their clients? Is it having a full and exhaustive list of illnesses covered? Is it the quality or simplicity of the definitions for the top reasons for claim? Is it added-value services? In truth it's probably a mixture of all of these that influences how individual advisers make recommendations for each client. But providers must adapt their thinking and try to create tailored propositions, with simpler definitions, that encourage advisers and customers to trust in what we're in business to do. Which is to pay claims. This may be a tiered benefits approach or a customer choice. But regardless of how the market moves, the winners will be the successful claimants who trust their insurer and recognise the difference their payout has made to their lives."

Debbie's comments are a useful reminder that the customer, and a successful outcome at a time of need, must remain our focus as an industry and that progress can come from areas other than the conditions race which has dominated the product's recent history. As our final question, we asked our commentators whether it still possible to innovate in current CI plans by any way other than increasing the number of conditions covered. The answers gave a ringing endorsement to the theory that there is life beyond the race. For Aviva, attention must be paid to where value can be added to any customer proposition:

"Focus needs to be placed on where the greatest value can be added. With people living longer and CI survival rates continuing to increase, the industry needs to be able to continue to provide propositions that meet the changing needs and expectations of customers."

For Alan Lakey too, the customer has to be at the heart of what we do:

"Undoubtedly – the aim, surely, must be to meet the reasonable expectations of consumers. Declining a claim because the illness or disability has the wrong name is not good enough.

There needs to be acceptance that whilst consumers are not always right, they do deserve to be treated with respect, particularly at a time when they are under physical and mental duress."

The customer-centric theme continued with Debbie Kennedy, who felt that value add services could help change consumer perception of the product:

"Yes, we believe it's possible. But it will mean providers carrying out much more in-depth analysis of the real customer need and greater tailoring of the eventual solution for each individual.

Product design is still very much a one-size-fits-all exercise and current products can't be tailored to an individual's needs as much as they should be. But any innovation needs to be tempered by the need to make the products understandable for the customer. It will only be possible to build customer trust if we can build understanding of the products on offer and how they can meet their individual needs.

Having a critical illness usually forces changes in lifestyle. But a critical illness plan payout should help a customer to carry on living their life, in their home, with their family, with the best treatment. And the added-value services provided by some insurers then provide practical and emotional support at a time when they'll need that too.

Here's a quick tour to show you the value Bright Grey's Helping Hand can provide for the customer at their time of need - [http://www.brightadviser.co.uk/helpinghand/quick-tour/.](http://www.brightadviser.co.uk/helpinghand/quick-tour/)"

The answers from RGA concurred with the suggestion that once a customer understood the relevance of a product to them, they would be more inclined to buy. The example of successes in other parts of the world were cited:

"Yes. We have seen success in other parts of the world where companies have taken a different angle on the product. Severity based CI is one example and Cancer Care (pays for hospital treatment) has been a success in Asia. In both these instances, the provider made the product relevant. Severity based CI in SA has proven successful partly because of the wellness program and rewards that go hand in hand with it. In Asia, from a cultural perspective, cancer is a big concern; people believe that it is the great unknown and see the need to protect against it.

The point here is that we have to understand what makes consumers tick and design our overall proposition around that."

Richard Sadler at Zurich argued that the future may see innovation of products resulting in more holistic solutions that work with other protection solutions or a greater number of simpler products:

"There is no doubt that the industry has got in to the habit of ever increasing the number and quality of conditions, and that broader innovation appears to be limited. That said I do think there is scope for radical innovation in many different directions - some companies may look towards more simple plans, e.g. cancer only or core coverage aiming at the budget market, or to provide more comprehensive packages looking to provide greater integration of critical illness with income protection or private healthcare products."

Ben Heffer echoed the thoughts of previous commentators who had suggested that value added services could provide a worthwhile way forward for the product. In addition, he highlighted the opportunity for a new product that combined the benefits of both critical illness and income protection:

"Having reached a comprehensive level of cover in the market now and bearing in mind that any 'new' critical conditions are never going to give rise to a large percentage of claims (although if you were unlucky enough to be diagnosed with one of them, the cover would be very welcome), product innovators should look to other areas of the product. Second medical opinion services, claims support services and health & wellbeing programmes are innovations that have become part of the mainstream product and fit well with the needs of critical

illness claimants. For the future, given the complimentary nature of critical illness and income protection insurance, it would be desirable for a combined product to be developed. Perhaps an income protection product that can be commuted to a lump sum on the diagnosis of a specific condition if the need for capital sums becomes an imperative over and above the need for regular income."

Like those who had given their opinion before him, Roy McLoughlin agreed that the conditions race needed to end but felt that the best form of innovation was publicity as he explains below:

> *"We need to publicise how important critical illness is! We should take every opportunity let people know what it can do. We don't need to innovate by adding conditions, we need to start talking about it."*

The presence of a competitive market is almost universally felt to be something that works in the interest of consumers. It is very much the aim of regulators, trade associations and the like. But could it be that the nature of competition in the critical illness market has been the genesis of the problems this subset of the protection industry has suffered? CI is almost thirty years old in the UK and during that time many millions of pounds have been paid out to relieve capital burdens that would have possibly proved intolerable to many people suffering from serious illness. However, in attempting to capitalise on that splendid record of achievement maybe the industry has failed to heed the simple message that Alan Lakey highlights. It is not the quantity of conditions that matters it is the quality of the solutions that aim to mitigate the impact of severe illness on families that really matters.

In previous years our reviews of critical illness have reflected the dismay of many at the continuation of the conditions race. Despite the consternation at the ever expanding list of conditions being added to CI policies, there seemed an inevitability about it. This year, we detected a slightly different tone among those we spoke to, a sense of hope that the dreaded race might have an end in sight. We once again saw widespread agreement that adding conditions is not necessarily in the interests of the product or the customer and more than that, a recognition that a number of other options exist to improve the product including value added services. Time will tell as to whether we see the simplification of products, and the definitions within them, aimed at helping the customer. The income protection market has seen unprecedented co-operation between providers and advisers this year with the advent of the Seven Families project. The project aims to highlight financial vulnerability and the good that protection products can do in times of need. The critical illness market can take much from the project, not least getting better at publicising what we do and telling the stories consumers need to hear. Is it an encouraging sign for the CI market that there are signs that the consumer is being put at the heart of the proposition to encourage understanding and engagement with the products, for without customers the number of conditions covered by a product seems largely irrelevant.