

# New products 2014/15

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This chapter gives a brief description of all new and revised products reviewed in the *e-Protection Review* newsletter from June 2014 up to and including May 2015. The running total of new products reviewed since Protection Review started is now:

<b>Protection Review book</b>	<b>New products</b>
Protection Review 2003 (16 months)	63
Protection Review 2004	50
Protection Review 2005	44
Protection Review 2006	43
Protection Review 2007	40
Protection Review 2008	41
Protection Review 2009	47
Protection Review 2010	48
Protection Review 2011	53
Protection Review 2012	43
Protection Review 2013	41
Protection Review 2014	52
Protection Review 20151	53

That is, a total of 618 new products reviewed over the 13 years that *Protection Review* has been published. This year's total just exceeded last year's and is our highest total over one year (the first year's 63 was over a 16 month period, so equates to just over 47 for 12 months). As always, the figure ignores products from lenders and most of those that do not target intermediaries and where a launch often gets little or no external publicity). We have also cheated a bit this year by reviewing a Hong Kong product. That said, this year's total also includes some updates that spread across products, so had we reviewed every single new or majorly updated product that comes across our desk and given each a rating, the total would be higher.

While generally we refer to 'new' products, most providers now tend to revise and update existing products at least once and often quite frequently. Some providers have a product cycle. It's rarely formalised as such, but it starts with launching a brand new design, then periodic updates (perhaps annual or less frequently), price changes (regularly, to ensure it is positioned in the market where the provider wants or needs to be) then more irregular more major updates or those required by some external factor such as having to comply with a new ABI Statement of Best Practice or to take advantage of a market opportunity or close (e.g. auto enrolment in the group risk space).

In all cases, we generally review updates if we think they merit a new review, but that is quite a subjective process and certainly, many products will have changed in some way from the product we originally reviewed.

In the good old days (no, it never really existed, but sometimes it's tempting to believe it did) some providers would, as a matter of course, update their product each year – a bit like car manufacturers often do. Health cash plans were a prime example, with new price bands and new features added or

changed at the start of the new year. Others (especially those with the oldest or least flexible systems), adopted a strategy of leaving a product design alone until such point as the inevitably high system change costs can be justified by the extra new business the hard-pressed marketers think they can deliver. For a large part of my corporate career, my employer's strategy allowed for just three product launches a year across a wide range of products, only one of which was protection. That meant we had to battle our colleagues to get board approval for a new launch, not just try to beat our competitors when we got there. But it also meant we had to have done some pretty good homework to overcome the hurdles that this system threw up.

Did that make product design 'better' in the old days? Mostly not – although we were certainly more adventurous and innovative than many insurers today. In fact, product design is now generally way better than it was a generation ago. We still see daft ideas or poorly thought out detail but, generally, consumers get a better deal now, cover is more comprehensive (providing genuine help and guidance at point of need, not just money) and advisers are now being treated better too in many areas.

As with previous years' reports, as a (very rough) rule of thumb, the more 'new' products launched in a sector, the more active that sector may be judged to be. For convenience, products are grouped by market sector and shown in chronological order of review (which is not necessarily the same as the dates they were launched or relaunched).

Details of the plans mentioned in this chapter are taken from the product reviews we published online. Many of these products were also reviewed (by me) for *Health Insurance Daily*. Dates in brackets show the month that *Product Review* was reviewed on the [www.protectionreview.co.uk](http://www.protectionreview.co.uk) website. Generally, we aim to review all new products, while *Health Insurance Daily* provides a fuller review but focuses on new products marketed through intermediaries and usually reviews three products a month. As before, all reviews were undertaken by me, so any comments are mine and yes, some are sure to be subjective in nature (but, I hope, based on a bit of experience).

Every year there are other products launched of which we were not aware or were unable to obtain details of. That is usually because the provider did not tell us that a new product has been launched or they may have launched a new product first as a pilot through specific intermediaries or a network, or through a single distribution outlet. Such a strategy can make sense (not least because new ideas can be tried and admin systems tested and honed at lower capacity), and can help support specific intermediary partners, even though it makes it difficult to ever state categorically that a particular product was launched on a particular date.

The downsides of such an approach include that it can take longer to repay the start-up and development costs incurred, it allows time for competitors to respond and may reduce (and at the very least delay) the ultimate profit earned from a particular product. Indeed, one sometimes wonders at the financial modelling undertaken – why, for example, does it still take so long to develop a new product? A generation ago, our creaky old systems meant it typically took around three months to get from board go-ahead to launch. Sometimes it took longer (two years was my rather embarrassing record – mainly due to just failing to get on the all-important top three list two years running) and we couldn't really better three months. But it is possible to beat that. One of my first product developments as a freelance consultant back in the 90s gave me just six weeks to launch a new product. It meant writing the systems and admin outlines too (a pretty steep learning curve, as I'd never done it before), getting Department of Trade approval and doing pretty much everything else (it was a very small insurer...). But we achieved it and even managed to take an industry standard design and improve it – all within six weeks.

I make that point not to show off (OK, well only a bit) but more to illustrate how we sometimes appear to take two steps forward and at least one back. Fast launching is not a means in itself, but it does mean the new product should start to earn its keep sooner, there is less chance of being overtaken by competitors and you can start building up market share and profits faster.

In saying that, there is also the risk of bombarding the market with new ideas. That too can be a mistake – too many launches suggests poor organisation and advisers can get first suspicious, then nervous (especially if they had sold the old now out-of-date product) and then switch off completely because they have lost sight of what it is your company offers.

It's a fine balancing act and I offer no solutions other than to flag up that time to launch should be a key factor for all providers and I sometimes get the impression that it isn't and that today's better, quicker, smarter and more integrated systems are still held out as the limiting factor to stopping fast launched happening. My IT colleagues tell me that should NOT be the case, but my fellow marketeers often tell a different story...

As always, two caveats about the list of products reviewed in this chapter:

- i) We show only reviewed products and exclude products that may have had relatively minor updates and any products launched without us being told about them (for obvious reasons).
- ii) We refer to products in the present tense, although some may no longer be available in that form or (in some cases) at all. In some cases the name of the provider may have changed too.

We have again included the rating given to the product in its original online review on [www.protectionreview.co.uk](http://www.protectionreview.co.uk). This takes into account a range of factors including product design and detail, product shortcomings, innovation, user friendliness, marketing materials and (to a very small extent usually) price. It is NOT an indication of which products will sell best or be most popular with clients or intermediaries. Nor do we adopt a checklist approach, first because not every product fits neatly into a particular product type (the 'others' category is our biggest sector by far this year), second because even within a product type the design may be optimised to meet a particular market requirement only (e.g. targeted at older or younger people) and third because we really do want to encourage innovation, not try to stifle it.

Sometimes (although none this year) products have no rating given. Typically this will be because for example the product is a white label or a customisable plan where cost and benefits can be adjusted by the client. Or, one provider may launch a range of new plans and we may choose just to give a rating to one of them. Giving no rating does not mean the product is either good or bad – just that for some reason we have not found it possible to give the plan a fair rating.

Price is largely ignored in the overall rating for four main reasons. First, because even within the bounds of 'treating customers fairly', most insurers will be more competitive in some cells than in others. So, they may optimise their premium competitiveness around say 'non-smokers aged 30 wanting an average sum insured'. Fine if you are that individual, but if you are older or younger, a smoker or wanting a larger or smaller benefit, there can be a big disparity between two or more offices' competitiveness. In short, if you want to know how competitive a particular provider is for a particular client, you really have to do a live comparison based on the actual details of that customer that day.

Second, many insurers can and do change rates frequently, so any price based rating system can and will quickly become out of date. That said, a product that is clearly expensive overall or that appears to offer a sustainable price advantage can have that reflected in its overall rating. Third, the price may vary depending on where or how you buy it or we may simply be unable to get representative premium quotes.

Finally, although hard industry-wide data is sketchy, it is clear that there are many more premium ratings now than was the case say a decade ago. We have even heard of as many as 1 in 2 or 1 in 3 long term protection cases being rated. In such cases, any price comparison would also have to take account of the likelihood of a rating being applied.

We also ignore factors such as service levels, which can vary considerably, can be subjective and can vary from intermediary to intermediary (or even customer to customer or month to month). We are also not aware of any reliable enough indicator that would be fair to all parties in all situations.

After weighing all these factors up, each product is given an overall rating out of ten.

We also give each product a separate innovation rating. Again measured out of a possible ten marks, this looks at both the underlying level of innovation and at how effectively that innovation has been introduced into the product design. It is quite possible therefore for a product to score very differently overall and for innovation.

Innovation – which includes not just new product features and benefits but also new ways of doing things like underwriting, administration or even collecting premiums or paying claims – is of vital importance in any industry if it wants to thrive. For more about innovation, have a look at the CII website ([www.cii.co.uk](http://www.cii.co.uk)) and look up a research paper called *Innovation: Mapping the role of the corporate leader*. As part of the joint CII/Cass Business School research team that authored it, I commend it to you (I'm biased – but it's a good paper!). It includes useful and practical pointers towards better understanding and managing innovation in an organisation, as well as insights into how top leaders from across the financial services and other industries operate.

Over time, a product's rating could change. For example, a product may be market-leading when launched and be awarded a high rating. If other products then enter the market that are clearly better, the original product is likely to lose marks if reviewed again even though it is exactly the same product as before.

As with a car or washing machine test, you would not expect a five year old model to rank as highly today as it did five years ago (although it may).

Ratings could also change where a provider makes minor changes that do not warrant a further review. It's even possible that, on further reflection, I might simply come to a different conclusion about a product and give it a higher or lower rating, especially if new information about one aspect of that product is now available.

Moving on to the reviews themselves, they are grouped here with all other products in the same broad market, and we have included both individual (or personal) as well as group risk (or company paid or corporate) plans. Where a product does not fit a particular market generic, we have grouped those together under 'others'.

## Term insurance

**Barclays Life Insurance from Aviva** (September 2014). Simplified term cover on individual (not joint) lives. No terminal illness or waiver of premium benefits and max cover is £500,000. Cover must end before age 70. Rating: 5 (innovation rating: 7). Bronze.

**Sun Life Family Life Insurance** (October 2014). D2C term insurance underwritten by Scottish Friendly. Terms up to 40 years/to age 70 and maximum sum insured of £500K. Underwriting is online. Optional critical illness cover pays 25% of full sum insured on diagnosis of cancer, heart attack and stroke only. Rating: 6 (innovation rating: 7). Bronze.

**Havensrock Group Professions Excepted Life** (November 2014). New group life brand with cover underwritten by Scottish Friendly. Competitive pricing and a three year price guarantee. The plan includes dependant's benefit (cover's the employee's partner) and phone support and guidance for bereaved children through Winston's Wish. Cover can run to age 75. Rating: 8 (innovation rating: 8). Gold.

**Ageas Protect Term Life Insurance** (December 2014). Term cover through the Transact Platform. Customers must be aged 18-69 at outset and cover lasts up to age 75. Maximum sum insured is £20m. Rates are guaranteed and cover is the difference between the target sum insured and the value of the investment assets taken into account. Single life only. Plan includes Best Doctor service. Rating: 8 (innovation rating: 8). Gold.

**Unum Simple Group Life** (March 2015). Simplified version of its existing Registered Group Life policy. Flat benefit of £50 to £100K per member and employer-funded only. Includes Freephone helpline, bereavement service, EAP and rates are guaranteed for three years. Cover can last to age 75. Rating: 7.5 (innovation rating: 7). Silver.

**Aviva Free Life Cover** (May 2015). One year's free life cover of £15,000 (up from £10,000) for registering parents of under 5s. Not only no underwriting but no cost either! Rating: 9 (innovation rating: 7). Platinum.

***Comment:** Six new products reviewed again this year – the same as last year (but up from just two the year before). Most insurers have now launched a relevant life plan if they are going to, so the focus this year is different and it centres around simplicity and adding third party benefits.*

*We welcome that – in the past we have typically taken in premiums over many years, paid out thousands of pounds when a claim arises and little in between or afterwards. Now, you are more likely to get helplines or something like Best Doctors if you need it and some form of bereavement help on death. One of our favourite charities – Winston's Wish – is used by some providers to offer help to children who have lost a parent. Given the trauma involved, why wouldn't you want to offer something like that? (Other charities are available!).*

## Whole of life protection

**Sun Life Funeral Plan** (August 2014). Choice of three cover levels and the cost can be paid upfront or monthly. A funeral plan (through the Golden Charter chain) that sits alongside Sun Life's market leading guaranteed acceptance WL plan. Rating: 6 (innovation rating: 6). Bronze.

**Aegon Whole of Life** (November 2014). Primarily aimed at older people with a potential IHT liability. Includes an integral discretionary trust, even if taken out online. Single or joint life and can be taken out up to age 84. Free cover during the underwriting process. Rating: 8 (innovation rating: 8.5). Gold.

***Comment:** Two products reviewed this year, again the same as last year. Sun Life's is a conventional funeral plan, but in conjunction with a funeral provider to get the best of both providers. Aegon's is interesting as it includes an online trust. With far too few life policies written in trust (unlike in the group market where master trusts can mean everyone can benefit from a trust) this is a very positive development.*

### **Critical illness insurance (CI)**

**Bright Grey Critical Illness Cover** (October 2014). Updated conditions list and definitions. Now covers 53 conditions, 43 with 100% payout plus ten additional payout definitions. 15 ABI+ definitions. Rating: 8 (innovation rating: 7). Gold.

**Legal & General Critical Illness** (October 2014). Enhanced definitions for the four most common CIs. Updated definitions for some other conditions too. 41 conditions now covered. Online AnatoME interactive body tool helps explain the definitions used. Rating: 8 (innovation rating: 7.5). Gold.

**Beagle Street Critical Illness** (October 2014). Improved coverage through some definition improvements. Maximum cover from £75K at ages 60-64 to £750K at age 39. Rating: 8 (innovation rating: 7). Gold.

**Old Mutual Wealth Critical Illness Cover** (February 2015). New full and additional payment conditions added plus simpler and clearer definitions and changes to some existing benefits. 65 conditions are now covered, (47 main, of which 18 are ABI+) plus 18 additional conditions, surgery benefit and children being covered for 47 conditions. Rating: 8 (innovation rating: 8). Gold.

**Friends Life Critical Illness Cover** (April 2015). Widened definitions for some conditions but also some consolidation (e.g. Alzheimer's removed as a separate condition as this is covered under dementia). Global Treatment (which also applies on all Protect+ plans) offered with Best Doctors, pays up to £1m a year for treatment globally for treatment for six major conditions including cancer, CABG and organ transplants. It also pays up to £50K for medication not available on the NHS when the patient returns home. Rating: 9 (innovation rating: 9). Platinum.

***Comment:** Five CI plans this year, down from seven last year. All are updates on existing plans. Insurers' strategy is generally to widen cover, add more additional payouts, make more conditions ABI+ (and comply with the ABI SoBP going forward), group similar conditions under a single more generic heading and improve third party benefits.*

*CI cover is 30 years old this year and, despite its success and appeal (still largely through giving a potential windfall benefit if something nasty but survivable arises) it's looking a bit creaky. That's not to decry what insurers are doing – but we still scratch our heads too often and think 'there must be a better way...'. In an ideal world, if you suffer a critical illness, your critical illness policy pays out. Too simple? Probably, and it would require the insurance and medical professions to sit down and agree what should be 'an insurable critical illness' from time to time. But 'there must be a better way...'*

## Income protection (IP)

**Legal & General Income Protection Benefit** (June 2014). Updated IP plan with own occ disability definition for most customers a £1,500 a month minimum income guarantee, State benefits ignored and discounts applied for some ratings. Also includes hospitalisation benefit and guaranteed insurability. Rating: 8 (innovation rating: 8). Gold.

**Friends Life Income Protection** (July 2015). Updated IP plan that now has a higher max benefit. P11D benefits can now be counted as gross income and the plan is now portal friendly, avoiding having to ask Friends for quotes in most cases. Rating: 8 (innovation rating: 7). Gold.

**Cirencester Friendly My Earnings Insurance** (September 2014). Cirencester's first non-Holloway IP plan. Level or rising premiums. Includes terminal illness benefit and optional severe injury cover and split deferred periods. Rating: 8 (innovation rating: 7). Gold.

**There There-in-One Plan** (December 2014). New D2C brand from Reliance Mutual offers term insurance (from £5,000 to £500,000) up to age 60. The Too ill to work element of the plan is IP and pays out up to 60 months in total (single or multiple claims). Maximum monthly benefit is £1,250 and own occ definition applies. Rating: 7 (innovation rating: 8). Silver.

**VitalityLife Short term Income Protection** (January 2015). Option under the existing IP plan to limit benefits to a maximum of two years to keep premiums as low as possible. The plan includes a recovery benefit (up to £1,000) and has a 50% income guarantee without further financial checks. Cover can last to age 70. Rating: 8 (innovation rating: 7). Gold.

**Zurich Flexible Group Income Protection Cover** (March 2015). GIP aimed at firms with 2,500+ employees. Pays 25-80% of salary and choice of benefit payment terms of 2, 3, 4 or 5 years or to retirement age. Initial rate guarantee usually two years. Rating: 8 (innovation rating: 8). Gold.

***Comment:** Six plans reviewed this year, up from five last year. IP has had a bit more spring in its step of late, a lot of that due to Seven Families, which Peter and Kevin are both heavily involved in (although 7F supporters and doers is a much longer list and it's great to see some insurers now featuring 7F, and its families in their marketing too). But the increase in optimism is more than just that. The key now though is converting that renewed energy into action and sales. Part of that is getting advisers to admit they need more training and then to take time out to go and get it.*

*Our own training programme (stand up Mr Carr and the underwriters and advisers as well as the industry supporters that make it happen) helps, as does that offered by providers and others. But it really is the case that, if you're an adviser, you probably need to sell IP to yourself first, then recommend it wherever appropriate (and that's more often than many would admit), then write it on a regular basis in order to get, well, comfortable with it. And, unless and until you do feel comfortable, it can all feel a bit, well, difficult.*

*Stand up then mortgage firm Pink, for making its advisers consider IP for every mortgage client. Good advisers have already followed suit (or already adopted something similar) but it all helps the focus on the 100+ year old product that (forgive the cliché) goes on giving.*

### **Long term care insurance**

**VitalityLife LifestyleCare Cover** (January 2015). Whole of life plan that can include serious illness cover, income protection and now optional long term care cover too. That provides a cash lump sum (similar to under a critical illness benefit) on hitting one of two severity levels (one pays 100% of benefit, the other 20%). The plan is available up to age 74 at outset and provides up to £250,000 of cover. Rating: 7.5 (innovation rating: 9). Silver.

***Comment:** Yippee – a new LTCI product! In fact, it could be the first of many products of this broad design. Such products are common in the US for example and there is a good case that they make even more sense in the UK – or will do when the Government's new funding regime kicks in next year.*

### **Protection multiplans**

***Comment:** The ABI reports multiplan sales up, but we did not review any new plans this year (or last and only one the year before that). This is an area where more product innovation is to be expected so its absence is perhaps an indication of an industry that remains nervous of new and untried ideas, despite the potential benefits for customers.*

### **Private medical insurance (PMI)**

**Alliance Surgical as.one** (June 2014). An alternative to PMI from the largest independent group of senior clinical doctors and specialists in the UK. As.one guarantees individuals one free specialist appointment a year within five days with treatment arranged in the NHS or the customer pays privately. If no claim is made a credit rolls forward. The plan costs just £29 a month. Rating: 9 (innovation rating: 9). Platinum.

**Alliance Surgical as.one (corporate version)** August 2014. Corporate version of the above scheme. Different benefit levels depending on how many employees in the scheme. For example, Corporate 20 provides eight consultations a year and £1,000 of Health Credits and covers up to 20 employees if the Plus version is chosen. Rating: 9 (innovation rating: 9). Platinum.

**Medex Protect** (September 2014). Underwritten by Gibraltar based Focus Insurance Company. Annually renewable policy that covers medical excesses and shortfalls only and is designed to sit alongside a PMI plan. Three cover levels available. Rating: 9 (innovation rating: 9). Platinum.

**Aviva Solutions for SMEs** (October 2014). Modular PMI that now includes the BacktoBetter rehabilitation service supported by a strategic partnership with the Chartered Society of Physiotherapy, and with clinical healthcare providers HCML and Nuffield Health. Five underwriting options. Rating: 8 (innovation rating: 8). Gold.

**WPA Multi-Family Healthcare Plan** (November 2014). PMI that can cover grandparents as well as parents and children. In other words, gross-generational PMI. No age limits and choice of three cover levels. Rating: 9 (innovation rating: 9). Platinum.

**Exeter Family Friendly Health Essentials for Me** (January 2015). Entry level PMI for individuals with a compulsory annual £100 excess. Excludes both cancer cover and outpatient treatment. Discounts for non-smokers and those with a BMI of 18-24. Rating: 8 (innovation rating: 7). Gold.

**AXA PPP healthcare Personal Health** (May 2015). New modular personal PMI plan with core plan plus various options to add to widen cover. Also available are a six week option, six excess levels, a 5% annual premium discount, a no claims discount and an NHS cancer support option (only pays for licenced cancer drugs and their administration the NHS will not pay for). Rating: 8 (innovation rating: 8). Gold.

***Comment:** Seven new plans, compared with five last year. There's some great innovation here too. Alliance Surgical plans adopt a radically different approach to getting medical treatment, MedexProtect simply suits alongside PMi and WPA offers cross-generational cover. AXA and Exeter meanwhile have launched brand new plans and Aviva has targeted SMEs.*

### **International medical insurance (iPMI)**

**Expacare** (July 2014). Price rises limited to a market beating 3-5% plus improvements and changes to some benefits on some products within the range. Rating: 8 (innovation rating: 7). Gold.

**Willis International Medical Insurance for Smaller Expatriate Populations** (October 2014). Aimed at firms with 1-99 employees and offers four levels of iPMI cover through Now Health International, with AXA as the underwriter. The plan also includes online medical pre-assignment screening provided by Healix. Rating: 9 (innovation rating: 8). Platinum.

**AXA PPP International Pan Africa Health Cover** (October 2014). New iPMI plan for individuals and organisations in Kenya and Tanzania. Offers treatment across Africa or in India or Pakistan. The plan is distributed by J W Seagon & Co in Nairobi. Four plan levels available. Rating: 8 (innovation rating: 7). Gold.

**Globality Health CoGenio** (December 2014). iPMI for individuals and groups based in the UAE. Choice of two levels and two geographies. The plan operates through Abu Dhabi based Daman. Rating: 8 (innovation rating: 8). Gold.

**Aviva UK Health/OZF Achmea health insurance** (February 2015). Our review focused on the plan for the Netherlands (which has around 48,000 British expats). The product is offered with small Dutch insurer OZF Achmea and the plan is designed to meet Dutch requirements (where residents are required to have health insurance with a local insurer). Rating: 8 (innovation rating: 8). Gold.

**Bupa Global tiered international private medical insurance** (March 2015). Four new UK based iPMI plans (to follow products from Hong Kong and Mexico). The new plans represent a clearer tiered approach to cover options, ranging from the lowest cost Select to top of the range Ultimate plan. Rating: 8 (innovation rating: 8). Gold.

***Comment:** This was our biggest category last year, with no less than 13 plans reviewed, compared to six this year. A lot of the new plans are geography specific and insurers continue to offer different levels of cover to meet needs and budgets.*

### Health cash plans

**BHSF Corporate Plans** (August 2014). Price rises due to rising treatment costs, countered by a number of product changes and improvements. The Network Benefits discount site now includes 50 significantly improved discounts. Rating: 7.5 (innovation rating: 7). Silver.

**Saga Health Cash Benefits** (January 2015). HCP that can be added on to Saga's PMI plans. Includes five main benefits and pays out up to £900 per person each year. Underwritten by AXA PPP healthcare. Rating: 6 (innovation rating: 6). Bronze.

**Health Shield** (January 2015). Raft of changes to its range of plans. Includes a new PERKS reward website, online GP service, private prescription service, new EAP and an improved online health assessment as well as increased allowances on core benefits. Rating: 8 (innovation rating: 8). Gold.

***Comment:** Three plans reviewed this year, up from two last year. Despite a relative lack of new products, (we reviewed six two years ago and eight three years ago) the sector, like PMI, seems to be recovering some of its appetite for growth. Largely (but not exclusively) that's on the back of company paid plans proving so successful – at least in terms of numbers of new lives covered.*

### Dental plans

**Denplan Eldercare Benefit** (April 2015). Group insured dental cover that can be extended to parents as well as children of the insured members. Costs the same corporate rate as the member and their partner pays. Rating: 8 (innovation rating: 8). Gold.

***Comment:** One new plan this year and it's from market leader Denplan. It enables members to extend dental cover to their parents as well as their children.*

### Loan protection/payment protection insurance/ASU/annually renewable IP

**April UK Accident, Sickness & Hospitalisation Plan** (June 2014). Up to £2,500 a month ASU plan, which includes a hospitalisation benefit, and a choice of deferred periods and benefit period. Also includes Best Doctors and the April UK discount portal. Rating: 7.5 (innovation rating: 7.5). Silver.

**ACE Sickpay Plus** (November 2014). ASU with a choice of deferred periods through employers, for employees aged 18-65 at outset. Simplified underwriting but takes account of the insured's BMI. Cover ceases at age 70. Rating: 5 (innovation rating: 6). Bronze.

**VitalityLife Mortgage Plus Plan** (January 2015). Combined term insurance and mortgage incapacity cover. The mortgage incapacity cover element is similar to income protection in that it pays a monthly income if the insured is unable to work. However, it only pays if the reason for that is one of the specified critical illnesses. In other words it does not pay out when most IP plans would e.g. for musculoskeletal or mental health causes. Rating: 6 (innovation rating: 8). Bronze.

**Columbus Direct Income Insurance** (March 2015). AS, U or ASU options and 0, 30 and 60 day excesses. Max 6 or 12 month benefit period and premiums are age banded. Not available to the self-employed. Rating: 7 (innovation rating: 7). Silver.

**Comment:** Four plans reviewed this year, up from three last year. Despite that, it would be good to see both more innovation in this sector and for something better to come along to replace the much-maligned PPI. Despite all that plan's failings (and there were many, although most were around unsuitability and poor sales standards), the lack of suitable plans means too many people have too little or no cover for their mortgage.

### **Employee benefits**

**Comment:** As in previous years, employee benefits are now included in their respective underlying product type.

### **Others**

**Towers Watson Global Access** (June 2014). New global benefit solution which can include group life, accident, health and disability insurances, with three fixed benchmark levels based on Towers Watson's global data. The solution is available in 32 countries enabling multinationals to have a more coherent global employee benefits offering. Rating: 8 (innovation rating: 9). Gold.

**April UK Premier Plus Personal Accident Plan** (July 2014). Includes 21 fracture benefits plus anterior cruciate ligament injury and burns and permanent scarring benefits. The Plus version adds personal accident benefits on top. Three levels of cover, up to £200,000. Rating: 7 (innovation rating: 8). Silver.

**VSP Vision Care** (July 2014). A system allowing employers to provide eyecare benefits for their employees. Starts with a full annual eye test and any subsequent glasses or contact lenses up to the benefit level set by the employer. Employers get a 20% discount on eye exams, frames and lenses and employees get a 25% buying power increase too. Rating: 9 (innovation rating: 9). Platinum.

**Family Building Society Family Mortgage** (September 2014). Not an insurance product but mortgage waiver (the first such benefit we have reviewed). In effect, it waives monthly mortgage costs for up to six months if the borrower involuntarily loses their job. The cost is built into the interest rate and other fees. Rating: 7 (innovation rating: 9). Silver.

**AIG Direct All Cancer Cover** (September 2014). Cash lump sum on diagnosis of a specified critical illness. Includes access to a specialist cancer support service. And hospital benefit of £50 a day for up to 90 days. Full cover only kicks in after 90 days. Written as general insurance so IPT is paid on premiums. Four cover levels from £25k to £100K. Rating: 5 (innovation rating: 8). Bronze.

**AXA PPP healthcare Cancer CashCover** (September 2014). Pays a cash lump sum on diagnosis of a defined cancer. Includes 24/7 telephone support. Children under 18 included free. Benefit is cut by 50% if there is a family history of cancer when the plan is taken out. The plan also pays of licenced cancer drugs not funded by the NHS. Rating: 5 (innovation rating: 8). Bronze.

**Capita Employee Benefits Cancer-only Group Risk Plan** (January 2015). Pays a fixed £25K on diagnosis of cancer. Simple and cheap cover to meet a specific demand. Rating: 7 (innovation rating: 7). Silver.

**Friends Life Group Cancer Cover** (February 2015). As Capita's plan but now available through other distributors too. Uses the standard ABI CI definition for cancer, so does not cover less advanced cancers, cancers in situ or non-malignant tumours but does include leukaemia. Rating: 7 (innovation rating: 7). Silver.

**Manulife ManuMultiCare** (February 2015). A non-UK plan – this product is marketed in Hong Kong. We reviewed it to illustrate how product design in other territories can differ significantly from UK fare. The plan covers CI conditions and pays a partial payment on each. If 100% of the sum insured is met, premiums then stop. The plan also includes five future wellness check-ups, a death benefit (less any CI benefits paid but plus a 5% compassionate benefit) and declares an annual non-guaranteed dividend. Rating: 9 (innovation rating: 10). Platinum.

**Ropner Insurance Services Group Cancer Cover** (April 2015). £25K fixed benefit if cancer is diagnosed. Minimum scheme size: 25 members. 30 day survival period. Rating: 7 (innovation rating: 7). Silver.

**Legal & General ill health retirement policy** (April 2015). Group risk product that covers private sector pension schemes for the extra costs incurred if a member becomes ill or disabled and takes ill health early retirement. The typical cost of that is around ten times salary and firms have around a 1 in 50 member year risk of it happening. Targeted at DB schemes with at least 100 active members. Rating: 8 (innovation rating: 9). Gold.

**Partnership Enhanced Annuity** (May 2015). Updated to now include maximum guaranteed period raised from 10 to 20 years, anyone can now be nominated a beneficiary and value protection is now offered up to 100% of the original premium. Rating: 8 (innovation rating: 7). Gold.

***Comment:** Twelve new plans this year, up from just four last year. This is where we can expect to see some interesting and innovative solutions and we do. In addition, we are seeing a resurgence in cancer only cover (which predates CI, has been tried over the years but has never really taken off). It's a poor substitute for 'proper' CI but cancer remains a key worry for many people and if a bit of free cancer cover from their employer encourages more people to look at getting better financial protection later then it will have served a valuable role. Look too at Manulife's plan. It's not a UK product, but it does illustrate how other parts of the world are developing along different lines to us. Is their solution better or worse? You decide...*

## **Conclusions**

The biggest category this year was 'other'. That's not a cop out on our part (I hope!) but a reflection perhaps that the existing boundaries are there to be broken. To some extent, we product reviewers like to put things in neat little boxes, but the reality is that life doesn't work like that, so why should protection insurance?

We're seeing trends emerging in various markets and these are commented on here and also in the individual product chapters elsewhere.

What I hope this annual summary provides is an overview of some of the underlying trends it is not always possible to spot or that maybe pass without us noticing too much.

Certainly, we are seeing some good innovation in some areas and an awful lot of cleaning up and improving of products too. That in itself is so valuable, especially as the ultimate aim of any product must be to best meet the needs of the person or people buying it.

There is still too much 'me too' development but 'twas ever thus and from a hard-pressed product marketer's perspective that is sometimes necessary to stand still. Especially as innovation is still seen in some quarters as 'dangerous' or even career threatening (especially if you get anything wrong, which you will). That said, an awful lot of innovation sits behind the actual product design – online quotes and application systems, underwriting, third party benefits and claims management among them. We'd not only encourage that but also want to see a lot more innovative thinking if we want to see the market expand.

But we come back to an earlier comment. Most product design these days is pretty good – one reason why so many products score eight or more out of ten. But we have to set our targets higher and push the envelope more if we want to become better, in line not just with what consumers need (but often don't recognise) but also with what they desire.