

# What the press thinks – Journalist interviews

## Kevin Carr

### Thomas Smith, Cover Magazine

#### **How would you summarise the last year in protection? What have been the highs and lows?**

The highs have mostly been figures. Almost all the numbers across the industry have been moving in the right direction, even if it's not as fast as we'd like, which accounts for most of the lows. It's been a year with some good figures but protection is still not in the same league as other insurances. The year that we can say it is will be the biggest high the industry could imagine at present.

#### **What initiatives from advisers, networks or providers have particularly stood out for you in the last year?**

Seven Families is a given, it's been the big campaign this year. It is a really good idea and it has got protection out there. Another really good initiative has been from Pink with their move to promote income protection to every client. Mention must also be made of the changes to products, in CI this has been with a move away from the traditional condition counting with condition specific cover coming in, a move which will hopefully help rejuvenate and expand that part of the protection offering. Friends Life's cancer cover stood out in this respect. In life the proliferation of care options could be the big thing for the future, the industry's reaction to the then care minister saying there was nothing from the industry for people showed it's time to really push these products.

#### **Some portals and advisers noted a rise in protection enquiries at the beginning of 2015, do you think it will continue and what could help drive this?**

Hopefully it will continue, we're returning to prosperity and so people are actually beginning to think 'what do I need' not just about 'getting by'. This means that you get the time to think 'what if', which inevitably leads to protection, if you know about it. The industry needs to make sure that we change thought patterns from 'oh that's a thing' to 'house insurance, protection insurance, pet insurance'. That's not an overnighter and needs all the industry to have a core message that's in every insurer's ad, every adviser's meeting. Every household needs to think about their protection needs, and know how to get themselves covered.

#### **The Mortgage Market Review changes came into effect around a year ago, do you think this has had any impact on the protection market?**

It has certainly taken a lot of getting used to for advisers, so I think it has probably hurt sales a bit. Quite how much is difficult to say and the efforts to push protection have probably mitigated some of the effects. Protection sales aren't generally down so we shouldn't assume it's been bad, but what's been coming from mortgages has been thinner than it usually is.

#### **Income protection continues to be highlighted as the most important product for most people's needs, yet only accounts for around 5% of total protection market sales. Why do you think this is?**

People don't know it exists. When you get surveys on IP many still include the note they had to explain to the public what it is. Campaigns like Seven Families help, but the man on the Clapham Omnibus still will not know what it is off the top of his head in the way he would know what life insurance is. Until there is something done to make it a product people will go out and buy, they won't be inclined to buy it when an adviser tries selling it.

**If you had an endless budget, how would you best inform the public about the importance of protection?**

An ad campaign explaining what it is. Every format you can think of, from the front of the shopping trolley to the tube and the full page press ad. Once people know what it is, they want it. So let's focus on the education. Just have the logos of every last insurer in the market at the bottom of the ads as a directory, rather than pushing one product. Explain what income protection does, what critical illness cover does and the difference between whole of life and term assurance. Simple plain language with nothing like the level of detail you get in policy documents is needed. Can you explain what each protection product is in a sentence? Write it down and then get it out there.

**Anything else you'd like to add about the last year in protection?**

This is my first year in protection. A year ago to the day I was writing this (a pleasant May day) I had never heard of critical illness insurance. I couldn't have told you what the difference was between different kinds of life cover and I only knew of income protection as a strange thing a distant relation had benefitted from. In that year I do think people have become a little bit more aware. There's a lot left to do. That said, if the people in the industry now can't manage it, I doubt in all honesty it can be achieved. I learnt the basics in a day. One. It's not that difficult a concept to get a basic hold on. Not everyone needs to know as much as the people reading this do. But is it too much to hope one day it'll be something everyone at the party knows?

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**Jeff Prestridge, Mail on Sunday**

**What have been the protection highs and lows from your perspective over the last year?**

My protection insurance 'high' has to be visiting the Clarkes in April this year aboard their narrow boat Sola Gratia in Waltham Cross, Hertfordshire. A memorable evening that brought joy to my heart.

Tracey – and Tim - Clarke were the first beneficiaries of the Seven Families Campaign and having interviewed them last November (by phone) I decided to do what few journalists do these days and get off my backside and meet them in the flesh. What a shrewd decision it turned out to be.

For a couple of hours I was left mesmerised as Tracey – with guide dog Oakley constantly licking my face – described how Seven Families had transformed their lives, enabling them to buy key items they would otherwise have not been able to afford. For example, computer software that reads out emails when Tracey is having a bad eye day (she is suffering from optic nerve atrophy that will eventually leave her blind).

But it wasn't just the money that had been transforming – it was all the additional support they had received from the likes of Action for Blind People and care adviser RedArc.

To see the joy on the faces of Tracey and Tim as they spoke about Seven Families was uplifting. A protection high that will remain with me for a long time (this lifetime and the next).

Lows have been frustration over the insurance industry's reluctance to fully embrace Seven Families – not with financial backing but by failing to publicise the campaign with gusto on individual company websites. If you are going to run a campaign (and I've run a few in my career) you have to go hell for leather and campaign like fury.

**Are there any protection launches or initiatives that have particularly stood out in the last year?**

Well, Seven Families has to be the protection insurance initiative of the year – by a country mile. But it's also good to see new players – Reliance Mutual for example – come into the market. The more choice the better.

**Income protection continues to be highlighted as the most important product for most people's needs, yet only accounts for around 5% of total protection market sales. Why do you think this is?**

Lack of understanding about the financial consequences of serious illness is the main reason why sales remain pitiful.

Also, I still think the financial services industry undersells protection. Advisers are keener to sell investments than recommend protection – savings and investments are considered sexier. Providers don't promote their wares to the public – so lack of consumer awareness remains a big issue

**If you had an endless budget, how would you best inform the public about the importance of protection?**

I would build on the Seven Families campaign and establish a protection insurance consumer-hub where people can find out more about protection insurance – how it works, its various forms, what it covers, what it doesn't, who provides it, who advises on it, channels through which you can buy it, claims statistics (where individual claims figures can be drawn together and compared and contrasted).

**Anything else you'd like to add?**

The ABI should be doing more to promote protection insurance. The industry can help the media by providing them with case studies of people who have benefited from the financial comfort blanket of protection cover.

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**Fiona Murphy, Cover Magazine**

**How would you summarise the last year in protection? What have been the highs and lows?**

A high has been the definite increase in optimism and greater communication across the protection market leading to improved sales in the Swiss Re *Term and Health Watch*. A low has been the status quo continuing despite advisers pointing out issues every year e.g. the CI condition race being one thing that still hasn't shifted.

**What initiatives from advisers, networks or providers have particularly stood out for you in the last year?**

Seven Families, Pink's protection pledge, Beagle Street's advertising.

**Some portals and advisers noted a rise in protection enquiries at the beginning of 2015, do you think it will continue and what could help drive this?**

I hope it will continue – I think making the process increasingly easier for advisers to sell protection will be the driver. We're seeing signs of this already with the likes of UnderwriteMe's upcoming software and other tech firms in the market addressing this too.

**The Mortgage Market Review changes came into effect around a year ago, do you think this has had any impact on the protection market?**

We're yet to see the impact. Mortgage brokers are still disengaged due to concentrating on mortgages rather than protection but we are seeing positive signs from networks such as Pink who are making the commitments to setting standards for protection advice.

**Income protection continues to be highlighted as the most important product for most people's needs, yet only accounts for around 5% of total protection market sales. Why do you think this is?**

Various reasons. People are wary of the term 'protection' due to PPI, worried that policies won't pay out or simply haven't had the value of it communicated to them. Everyone knows what life cover is because it's a much easier sell and concept. If we could rebrand IP and make it a simple, online sale, than that might help.

**If you had an endless budget, how would you best inform the public about the importance of protection?**

Workshops in every single UK workplace about the value of income protection – both group and individual.