

PRESS INFORMATION

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TASK FORCE LIKELY TO SUGGEST CLARIFICATION OF ASU/INCOME PROTECTION USAGE

The Income Protection Task Force is likely to suggest in its forthcoming White Paper a system for clarification of the term “Income Protection” in sales materials particularly online. Research among IFAs has resulted in a very clear concern that the public buy what they think is full Income Protection cover but which is only in reality an ASU plan where disability is covered for a year or two years.

Roy McLoughlin of Master Adviser, an IFA and one of the Task Force Executive, is very annoyed by what he considers the misuse of terms.

“In an era of TCF it defeats me how a product can be sold in such a misleading way. IFAs meet many clients who think they have full Income Protection only to discover too late it is a very temporary solution. This situation must be clarified for the sake of the consumer.”

Clive Waller, co-chair of the Task Force commented, “We are finalising recommendations in the White Paper and giving serious consideration to suggesting that the terms “Short-Term “(for a product that provides cover for five years or less) and Long-Term (for payment periods beyond five years) become the standard way of defining products. There is a use for Budget IP plans to cover household expenses but the customer needs to understand what he or she is buying and whether a product is simply an ASU plan or provides longer-lasting coverage. The Task Force would be grateful for observations on this idea.”

Please contact Clive Waller at clive@cwcresearch.co.uk or Peter Le Beau at peter@lebeauvisage.co.uk if you would like to comment on this issue.