

# e-Protection Review

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

## ECJ bans use of gender in rating from 21 December 2012

A judgement from the **Court of Justice of the European Union (ECJ)** on 1 March will result in all life and health insurers being unable to take an applicant's sex into account when setting rates, ratings and policy terms from 21 December 2012.

The **Association Belge des Consommateurs Test-Achats ASBL** and two individuals brought an action before the **Belgian Constitutional Court** which called into question Belgian law which brought *Directive 2004/113/EC* into national law. The Belgian court then asked the ECJ to assess the validity of the Belgian law.

The Directive effectively prohibits all discrimination based on sex in the access to and supply of goods and services. However, many EU countries, in bringing in the Directive, took advantage of the opportunity to allow insurers to continue to discriminate by age by adopting the principle of derogation. That allowed insurers to continue to use actuarial and statistical data to set differential rates and terms for males and females. Member states had until 21 December 2007 to implement the Directive but, given the widespread practice of insurers of adopting gender differentials, a transitional period was given before the Directive need to come fully into force. In effect, many EU members simply set no date and so the Directive was sidestepped.

However, the ECJ (backing up an earlier view expressed by the Advocate General) has ruled that as this derogation could persist indefinitely, it was for the superior court (the ECJ) to determine the timescales that EU members should adopt. Accordingly, the Court has ruled that (to quote from its press release), 'in the insurance services sector, the derogation from the general rule of unisex premiums is invalid with effect from 21 December 2012'. That date is five years from the last date that all EU members had to adopt the Directive by.

Much of the publicity around this case has centred around the effects on motor insurance premiums (females generally pay less than males) and annuity rates (females generally get worse annuity rates). For the health and protection insurance sector, a number of issues now arise:

1. Is the ECJ ruling final? (Continued on Page 2).

### Quotes of the month:

"I am incredibly excited about taking on this challenge and representing all parts of the insurance industry at this critical time." Otto Thoresen, new ABI DG, 8 March 2011.

"It is quite clear that we need to get support to people [who are off sick] far quicker." Lord Freud, Welfare Reform Minister, Stockholm Network conference, 11 Mar.

'It's not a pleasant thought but, if you die young, you need to make sure your family is covered. Don't put it off either, the younger you are, the cheaper it is.' Which?, February 2011.

"IFAs' clients are mainly prompted to take out protection products when they experience huge life changes." Susan Barclay, Scottish Provident, 3 March.



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### Key statistics:

- NHS RTT median wait England January 2011: 9.1 weeks (See Page 11)
- e-Protection Review Long Term Protection Sales Index: 109.97 (Quarter 4, 2010, compared to base 100 in Quarter 1, 2000).
- e-Protection Review Employment Index: 107.226 (To end January, compared to January 2000, see Page 11).

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2. What effects will the ruling have?

3. Will the general principle of anti-discrimination legislation spread into other areas such as the practice of rating by age and of taking health and disability into account when setting rates and policy terms?

On the first point, it looks very unlikely that the ECJ's ruling will be reversed. The Court points out that: '...under Article 8 TFEU [Treaty on the Functioning of the European Union—previously known as the EC Treaty, or the Treaty of Rome] the European Union is to aim, in all its activities, to eliminate inequalities and to promote equality between men and women'. Few would argue with that as a principle and, given that say a man living in Kensington is likely to live, on average, longer than a woman in some areas of Manchester or Glasgow, it is hard to argue that it is fair for all women to pay less for their life assurance than all men of the same age.

A national Government could leave the EU but it is very unlikely that any would do so solely because of the unproven effects on their national insurance industry. The 'final straw' argument could apply but, even then it is hard to see why any Government would then want to reapply gender discrimination. It is not a vote winner.

The second question is therefore more important. In its *Research Paper 24*, published last year in advance of the Test-Echats case,

the **ABI (Association of British Insurers)** considered the effect a ban on gender discrimination would mean on two types of health and protection insurance business among a number of others—PMI (private medical insurance) and term assurance.

It noted that gender pricing was a relatively recent phenomenon in the PMI sector and that where gender was taken into account premiums were broadly the same for

males and females up to age 25 but that after that females generally paid more up to age 65, after which males then paid more. Claims experience tended to mirror that.

Gender rating is more common in term assurance (except in group risks), with females paying less than males, reflecting their generally longer life expectancy.

The ABI paper did not look at two product areas where, arguably gender difference is even greater—critical illness cover (CI) and income protection (IP). In IP especially, claims experience for females has tended to be significantly higher than for males. In the past, many insurers simply added 50% to their male rates but that could even understate the actual experience.

Now, insurers must decide on what rates to offer

all customers of a given age and occupation. In practice, we expect two things to happen. First, generic rate will tend to be higher for males and lower for females.

Second, some insurers could seek to apply other factors. For example, some occupations are predominately male or female. However, such blatant action risks the insurer being accused of indirect discrimination. Instead, insurers may seek to identify the factors that sit behind simple gender differentiation.

Given the significantly greater risk female lives represent in long term care insurance, we would also expect the ruling to further discourage insurers from developing new LTCI products too.

### Solvency II requires understanding of risk

One potential concern is that Solvency II requires insurers to create higher capital requirements where risk factors have been ignored. In effect, insurers will need to ensure they understand the complex factors affecting risk perhaps better than they have previously. In turn that may lead to better, if more complex, underwriting and pricing of risks. The move towards personal rating—taking account of all risk factors—is therefore likely to continue.

Some commentators have expressed concern that insurers could be challenged on their gender ratings before 2012. We do not think that likely—provided that their

current practices are backed by appropriate actuarial and statistical data.

One thing is certain. Insurers now have little more than 18 months to decide how to implement the ruling and how to turn that necessary change to a commercial advantage (something that not every insurer has been good at doing in the past). In practice, most insurers should be able to change their rates, terms and literature well before then—although some are bound to be early adopters while others will want to see what their competitors do first, before taking any action themselves.

### What the ABI thinks about the gender ban

Immediately after the ECJ's ruling was announced, the ABI put out a statement from acting director general Maggie Craig. In it she said: "This gender ban is disappointing news for UK consumers and something the UK insurance industry has fought against for the last decade. The judgement ignores the fact that taking a person's gender into account, where relevant to the risk, enables men and women alike to get a more accurate price for their insurance."

She added: "It will be crucial to ensure this news does not put people off having vital insurance that protects them against accident or illness, or provides an income in retirement."

Attention was drawn to ABI commissioned research by **Oxera** carried out in autumn 2010. This highlighted that banning gender rating could result in women seeing a rise of as much as 20% in the cost of life cover, while men could see a fall of 10%. Differences in other forms of protection could be even greater (e.g. on IP) although the strong price competition among insurers could minimise such effects. But even if such price changes do occur, there could be 'sale' or 'close' opportunities before December 2012.

See [www.abi.org.uk](http://www.abi.org.uk) and for the ECJ press release and full ruling see [www.curia.europa.eu](http://www.curia.europa.eu).

### What about other rating factors? Will creeping legislation affect those?

One concern for all insurers is whether the ruling will encourage other forms of rating (one person's rating is another's discrimination) to be outlawed in time.

For example, if age could not be taken into account in setting whole of life rates, this class of policy could effectively disappear. The premium rate for someone with a life expectancy of 50 years compared to someone expected to live say only one or two years must reflect that risk for insurance to work at all.

Despite the fear of that happening, we think it unlikely. However, insurers and the industry as a whole will need to redouble their efforts to persuade people (and not just legislators) why underwriting benefits all.

## Freud considers compulsory IP

Lord Freud, Welfare Reform Minister, is considering proposals that would require employers to take out income protection insurance for their employees rather than give them statutory sick pay, the *FT* reported on 10 March.

Sickness absence costs companies £8bn a year and with working-age benefits costing £75bn, Lord Freud told a **Stockholm Network** conference in March that, in a privately insured model, insurers would take on the responsibility for paying income protection and would have an incentive to provide medical and other support to get people back to work. He said the amount paid in working-age benefits was “simply unsustainable” given the need to pay out more to pensioners as the population aged.

The **Unum** sponsored report from the think tank **Demos** published on 9 March suggested staff should be given a £100 national insurance rebate if they took out income protection and there was at least a 25% take-up. This could save taxpayers more than £2bn in benefits a year at a cost of some £850m in NI rebates.

As well as the Demos findings, the independent review led by Dame Carol Black (the Government’s national director for health and work) and David Frost (DG of the **British Chambers of Commerce**) will also examine the Dutch system where employers take full responsibility for their staff, including finding them another job if they cannot be returned to their previous job.

Lord Freud told the conference that most of those off work “do not have a true medical problem” but have symptoms caused by a problem at work, with 40% suffering from stress or a mental health condition and a quarter having bad backs or other musculoskeletal problems.

*Of mutual benefit: personalised welfare for the many*, by Max Wind-Cowie, can be downloaded from the Demos website at [www.demos.co.uk](http://www.demos.co.uk). Also see Alan Tyler’s blog on the issue at [www.protectionreview.co.uk](http://www.protectionreview.co.uk).

**Comment:** *The Demos proposals are worthy of serious consideration. Governments these days generally don’t like creating new tax reliefs but, where there is clear evidence they work and save money too, it would be folly to reject this idea out of hand. The industry needs to start lobbying now.*

## Bupa ups the ante on cancer cover

**Bupa** has strengthened its position as the leading provider of cancer care in the PMI (private medical insurance) market by announcing on 22 March that it will no longer sell corporate health insurance schemes which feature overall cost or time limits for cancer treatment.

It says following sharply increased cancer treatment costs in 2005 and 2006, the health insurance market developed financial benefit caps and time limits to limit financial exposure. However, experience has shown that these limits mean that patients who claim for cancer treatment can be left vulnerable at critical points in their treatment and may have to change their treatment midstream.

Last year Bupa says it spent £18m on drugs not widely available elsewhere and routinely funds cancer treatments approved by the **European Medicines Agency**. It says it has developed better, fairer ways to control healthcare costs without compromising the experience and outcomes of patients.

Bupa’s preliminary results for 2010 show that it increased turnover worldwide by 9% to £7.58bn in 2010, of which 4% was down to organic growth and 5% to favourable foreign exchange. Underlying surplus before tax rose 9% to £464.9m, with strong performances in Australia and Asia. Customer numbers increased from 10.8m to 11.2m (3.0m in the UK with Bupa Health and Wellbeing). During the year Bupa sold its life arm to **Resolution** for £168.2m, and incurred a book loss of £6.5m.

Bupa Care Homes now has 18,000 residents in 305 homes, over 70% of whom are partly or wholly funded by local authorities and PCTs. It recorded 88.0% occupancy (down from 88.4%) and noted that the average local authority fee increase in April 2010 was just 0.5%, which it says is ‘unsustainably low’.

## PruProtect’s magnificent seven

**PruProtect** looks to have set what may be a record among protection insurers in launching no less than seven new concepts from 12 March. The seven are:

- **Accelerator.** A low start option which has a lower starting premium (up to 23% cheaper) but premiums then rise by 3% a year. Customers can switch to fixed premiums any time. Engaging with the Vitality programme can even negate the 3% annual increases.
- **Family Income Cover.** Pays sum insured as an annual sum for up to ten years.
- **Education cover.** Covers education fees and is the subject of our review on Page 8.
- **Whole of Life Cover.**
- **Business Protection.** Key person, shareholder/partner and loan protection.
- **Relevant Life Policy.** Life cover with pensions tax advantages available to all companies.
- **Vitality Plus.** Customers can upgrade to this, giving up to 50% off gym membership and rewards for making healthy decisions.

PruProtect says it aims to fill some ‘huge gaps’ in the market. It launched the concepts in a series of roadshows nationwide. Currently the insurer has around a 5.6% share of the IFA market in the UK.

**Comment:** *PruProtect has established itself as one of the most innovative players in the UK and it continues to excite. It will need to be careful though that it does not confuse intermediaries by appearing to have a scattergun approach to product development—it’s a fine line to tread, as others have found to their cost in the past.*

## Thoresen takes over at ABI

**Aegon UK** CEO Otto Thoresen, who also authored the Government’s *Thoresen Report* on generic financial advice is taking over as director general of the **ABI (Association of British Insurers)** from 4 April.

He succeeds acting DG Maggie Craig, who took over from Australian Kerry Kelly who lasted just a few months in the job, resigning on the day of last year’s **Protection Review** dinner, where she was to be the guest speaker (Nick Starling ably took over). Coincidentally Otto Thoresen is also a previous speaker at the dinner (he did turn up—and gave an excellent speech too. Ed).

## OFT confirms PH study scope

The **Office of Fair Trading (OFT)** has confirmed the scope of its market study into private healthcare, following over 100 consultation responses. The study will focus on:

- The nature of competition in private healthcare provision. How providers compete on price and quality.
- Concentration of provision. Whether at local or national level, is this limiting competition in the market?
- Barriers to entry.
- The role of consultants. Including whether restrictions by PMI insurers on consultants and other medical professionals limit choice and quality of care for patients.
- Constraints on consumers. How consumers access and assess information and how they exercise choice.

The OFT has confirmed that it will consider the provision of PMI (private medical insurance) insofar as it affects the provision of private healthcare, but does not intend to focus directly on issues arising at the point of sale, such as transparency of terms and conditions or whether the market for PMI is competitive.

A progress report will be published in late summer and the final market study by the end of 2011. Views can be submitted to [privatehealthcare@oft.gsi.gov.uk](mailto:privatehealthcare@oft.gsi.gov.uk).

**Comment:** *The OFT has considerable powers (including to ask the Government to legislate) so PMI insurers will need to handle this study with care.*

## Take more health responsibility

Two thirds of people (69%) believe that Britons should take more personal responsibility for their health and 30% believe people with 'self-inflicted' health concerns caused by things like smoking or alcohol abuse should pick up the bill themselves, according to a poll for **PruHealth**.

Half (50%) of 2,019 adults polled by **Opinium** in February feel the NHS currently offers a good level of care but 67% believe the range and 49% the quality of services are likely to decrease in the next few years. The greatest health risk to the UK was obesity (52% of respondents) but only 9% saw it as a personal concern (even though 25% of men and 24% of women are obese). Cancer was mentioned by 42% and 23% saw that as a personal worry.

The survey also found that age 39 is when Brits first start to worry about their health and that 11% of people constantly worry about their own health, while 40% worry that they are not healthy enough.

The main barriers to living healthy were laziness and time pressures (20% of respondents).

Top tips that people would give their younger self included don't smoke (19%), look after your body (15%), do more exercise (14%), think about the consequences of your actions (11%) and eat more healthily (10%).

## Property top protection trigger

Buying a home is the top reason why people take out a new protection policy according to **Scottish Provident's** latest *Financial Safety Net report*, published on 3 March.

Its poll of over 900 IFAs found the top ten reasons given by clients for taking out a policy were:

1. Purchased a new property	92%
2. Had children	80%
3. Peace of mind about the future	57%
4. Change in personal circumstances	53%
5. Family member had a critical illness	43%
6. Death of family member	41%
7. Death of close friend	37%
8. Lost job and need new cover	26%
9. New job	9%
10. Previous financial difficulties	6%

## £1,700 a month is comfortable

On average people say they need an income of £1,706 a month to live a comfortable life, according to **Bright Grey's Salary Gap** study. But that varied from £1,466 a month for a single person living with their parents to £1,905 a month for someone in a relationship, with children, or £1,900 a month for someone divorced or separated but still living with their ex partner.

Worryingly, 14% of the 2,000 adults polled by **Opinium** last June spent more than they earned.

**Comment:** *Useful stats to help clients benchmark the minimum level of income protection cover they need, almost regardless of their actual income.*

## 60% of men not in good health

Only 42% of men think that their health is good or very good, according to a survey for insurance broker **Insureblue**. And only 21% thought they were the right weight for their height (although 9% claimed never to have weighed themselves) and 41% that they had weight issues.

Two thirds (66%) of men had parents or grandparents who had suffered from cancer, stroke or heart disease yet only 65% would consult a doctor if they had chest pains. Only 25% would see a GP if they had profuse sweating, 82% if they had blood in their urine/semen, 48% if they had blurred vision and 55% if they were breathless.

Nearly half (44%) had not had their blood pressure checked in the past year and 58% had not had a cholesterol check (30%, ever).

For the survey, 1,010 adult males (of whom 73% were over 45) were polled online by **SurveyShack.com** in March 2011.

## Book now for 23 June conference

Places are filling fast at this year's **Protection Review** conference, at the Landmark Hotel, Marylebone on Thursday 23 June. Already over 100 attendees are confirmed, while the dinner that evening is already fully booked.

The day conference is divided into four main themes covering improving the industry's messages, the changing role of employers, the role of distribution and technology and politics and protection.

A keynote speech by Dr Bill Gunnyeon, Chief Medical Officer at the **Department for Work and Pensions** will close the conference. Many top industry names will be speaking or on the panels at the conference.

Early bird places cost just £450+VAT (if you pay by end May). For more details contact [jo@lebeauvisage.co.uk](mailto:jo@lebeauvisage.co.uk).

## ABI new business stats 2010

Sales of long term protection insurance policies increased by 11.9% last year, our analysis of the **ABI's (Association of British Insurers)** latest market statistics shows. Total new annualised premiums rose less (up 1.3% to £1.023bn, reflecting a weak underlying economy and continued price competition as Tables 1 and 2 show). Because our figures include totals for each product and for CI rider plans, there is an element of double counting, but we adopt this for consistency with all previously published figures:

**Table 1. New business sales, 2006-2010. 000s of contracts**

Product	2006	2007	2008	2009	2010
Whole of life	177	203	255	359	473
Term non-mortgage	734	806	<b>838</b>	<b>915</b>	986
Term mortgage	834	771	<b>692</b>	<b>643</b>	662
Income protection	139	118	135	111	113
Standalone crit illness	64	85	<b>27</b>	<b>20</b>	14
Critical illness rider	460	417	392	417	510
<b>TOTAL</b>	<b>2,408</b>	<b>2,400</b>	<b>2,339</b>	<b>2,465</b>	2,758

All figures on this page in **bold italics** are changed from last year's analysis

**Table 2. New business premiums, 2006-2010. £m APE**

Product	2006	2007	2008	2009	2010
Whole of life	70	82	101	<b>101</b>	113
Term non-mortgage	318	306	<b>354</b>	<b>383</b>	368
Term mortgage	349	323	<b>262</b>	<b>240</b>	228
Income protection	50	51	56	51	49
Standalone crit illness	36	42	<b>16</b>	<b>13</b>	8
Critical illness rider	251	228	219	222	257
<b>TOTAL</b>	<b>1,074</b>	<b>1,032</b>	<b>1,008</b>	<b>1,010</b>	1,023

In terms of individual products, whole of life saw a 32% increase in sales (following a 41% increase in 2009), although new premiums only rose by 12%. However, most (432,000) of the 473,000 sales were low premium guaranteed acceptance (over 50s) plans. That reflects continued high media spending, with such ads having now become a mainstay of daytime TV advertising. Even so, it again endorses our premise that in times of economic difficulty, many people's natural inclination is towards thinking more about protection rather than less.

Mortgage related term plans were up 3%, despite the mortgage market remaining very flat in 2010, but new premiums were down 5%. Non-mortgage term sales were up almost 8%, with new premiums down by 4%.

Critical illness (CI) rider plan sales rose by 22%, with new premiums up 16% (as with other products, illustrating both intense price competition, and perhaps lower cover levels too).

Standalone CI has now fallen to very low levels.

Income protection (IP) saw sales up 2% on 2009 but new premiums down by 4%. IP now seems to have settled at around £50m of new annualised premiums a year—way below its true potential given that it is arguably most people's most important protection product.

Table 3 shows new group sales. These show regular premium new business down in all areas except critical illness cover.

Table 4 shows single premium business and here collective life and other business was down but single pre-

mium long term care business (new regular premium long term care insurance has now all but disappeared) was up by a promising 22%. Even so, LTCL remains a poor seller—just 1,162 point of need plans were sold in 2010.

**Table 3. Group new business sales, 2006-2010. £m prem**

Product	2006	2007	2008	2009	2010
Collective life	81	63	70	95	35
Group life	179	174	160	187	157
Group CI	12	6	9	12	16
Group income prot'n	119	138	120	114	83
<b>TOTAL</b>	<b>391</b>	<b>381</b>	<b>359</b>	<b>408</b>	291

**Table 4. Single premium product sales 2006-2010**

Product	2006	2007	2008	2009	2010
Collective life	1,182	1,083	904	120	81
Other	75	82	8	<b>16</b>	22
Long term care	93	102	107	101	123
<b>TOTAL</b>	<b>1,350</b>	<b>1,266</b>	<b>1,019</b>	<b>237</b>	226

The ABI reports that across all long term product areas (e.g. including savings, investment and pension plans) monetary sales were up by 3.3%, which means individual protection's rise of 1.3% was below the market as a whole. Partly, that reflects stronger investment and pensions markets (on the back of rises in asset values) in 2010.

Tables 5 and 6 show sales for the fourth quarter of 2010 compared to Q4 of 2009 (Table 5) and compared to Q3 of 2010 (Table 6).

**Table 5. New business premiums, Q4 2009 vs Q4 2010.**

Product	Sales 000s		APE £m	
	2009	2010	2009	2010
Whole of life	60	121	24	28
Term non-mortgage	<b>234</b>	241	97	89
Term mortgage	<b>165</b>	148	<b>62</b>	53
Income protection	24	30	11	12
Standalone crit illness	<b>4</b>	4	<b>3</b>	3
Critical illness rider	112	140	59	67
<b>TOTAL</b>	<b>599</b>	684	<b>256</b>	252

**Table 6. New business premiums, Q3 2010 vs Q4 2010.**

Product	Sales 000s		APE £m	
	Q3	Q4	Q3	Q4
Whole of life	121	121	31	28
Term non-mortgage	250	241	92	89
Term mortgage	168	148	59	53
Income protection	30	30	13	12
Standalone crit illness	4	4	3	3
Critical illness rider	140	149	67	67
<b>TOTAL</b>	<b>713</b>	693	265	252

The figures show a 14% rise in sales compared to the same quarter of 2009, but new premiums down 1.6%. Compared to the third quarter of 2010, sales were down 3% and new premiums by 5%. However, the snow that affected the UK very badly in December could well have affected both sales to customers and processing. That will become clearer when we see the Q1 of 2011 stats.

The e-Protection Review Protection Sales Index now stands at 109.97. This compares the latest quarter's 684,000 sales with the 622,000 in quarter one of 2000. In terms of premiums though the figure would be lower.

## News briefs:

- The market for pre-funded long term care insurance is dead and insurers should now focus on delivering a State sponsored scheme in a public/private partnership, according to *Gone for Good? Pre-funded Insurance For Long-Term Care* from the **Strategic Society Centre**. This and *Immediate Needs Annuities—Their Role In Funding Care* can both be downloaded from [www.strategicsociety.org.uk](http://www.strategicsociety.org.uk).

- Just 8% of long-term income protection policies now include optional redundancy benefit according to analysts **Defaqto**. 86% of plans pay out up to retirement age, but 20% of those now offer a limited term option too and 14% offer limited term only. Of short term ASU plans, 52% include unemployment cover (8% automatically) and 44% offer it on a standalone basis. 53% of plans pay out up to 12 months only, 16% offer 18 months and 19%, 24 months.

- The **Financial Services Skills Council** has re-branded to become **The Financial Skills Partnership**.

- **Which?** has included life insurance and income protection on its list of the best financial products. Previously, IP was listed as a preferred alternative to payment protection insurance when PPI was featured on its worst financial products list.

- The **Financial Ombudsman Service (FOS)** has revealed that in the second half of 2010 it upheld 50% of the 64 complaints against **Bupa**, 41% of the 49 against **AXA PPP healthcare**, 35% of the 36 against **Aviva UK Health** and 66% of the 34 against **Unum**. Total complaints were up 15% to 97,237. Five financial services groups had more than 6,000 complaints each—the top one (**Lloyds TSB**) had 12,234 complaints against it.

- An estimated 9m of the 13.7m Americans who lost their job in the recession also lost the health insurance cover provided by their employer, according to a health insurance survey published by the **Commonwealth Fund** on 16 March. The survey also says that 53m Americans had problems paying their medical bills in 2010, up from 39m in 2005. Some 49m Americans (32% of the workforce) spent more than 10% of their income on health in 2010, up from 31m (21%) in 2001.

- Travel insurers have claimed £4.78m from the NHS since 2005 the *Sunday Times* revealed on 13 March. The claims are made when travellers have treatment in the EU but do not carry a European Health Insurance Card (EHIC). Insurers pay the costs, then claim back from the NHS, which is obliged to pay them back.

- Specialist protection adviser **LifeSearch** is exploring whether it should enter the general insurance broker market too, *IFAonline* reported on 22 March.

- **Aviva UK Health** has produced the Aviva My Health Passport to allow customers to keep records of their own health such as blood pressure and vaccinations.

- **Holloway Friendly Society** has launched a new income protection plan tailored to meet the needs of mortgage advisers' clients. What's with all the IP developments going on just now? Let's hope that prefaces renewed interest in the product.

- **Paymentshield** has reinstated the unemployment only option on its Mortgage Protector PPI plan.

- **Standard Life** has launched its Box of Benefits (BOB) - a benefits package that can include dental insur-

ance, hospital cash plan, private medical insurance and travel insurance as well as a range of non-insurance products and services. It has also launched Lifelens, a new employee benefits portal.

- Rising unemployment means this is a good time for advisers to push protection products, John Pollock, group board director for **Legal & General's** risk business told *Financial Adviser* in February. L&G has secured a new partnership that will see **Sainsbury's Finance** continue to market its protection plans (it has done so since 2004).

- A new non-advised website for the international private medical insurance market has been established at [www.expatscompare.com](http://www.expatscompare.com).

- Smokers could save more than £6,000 over 25 years on average on life insurance premiums by quitting smoking, according to **Moneysupermarket.com**.

- **BHSF** has produced a new DVD setting out its wide range of health insurance services.

- The **ABI** has launched a guide to help insurers understand the internal model approval process. It should help with their implementation of Solvency II.

- **AMII** has responded to a recent newspaper article on how age is a factor when the NHS is considering access to cancer surgery. Spokesperson Debbie Kleiner-Gaines points out that such age discrimination does not apply if you have PMI cover. AMII's annual conference will be at the Park Inn, Heathrow on 29/30 June this year. See [www.amii.co.uk](http://www.amii.co.uk).

- **LV=** reports it paid out on 93.5% of all its CI claims received last year (up from 90% in 2009) and on 92% of IP claims (90%). It paid out over £9m on CI claims and over £12m on IP claims.

- **Aegon** reports it paid out on 95% of its life claims in 2010 (92% in 2009) and on 91% of CI claims (88%).

- **Bright Grey** and **Scottish Provident's** new business fell 10% in 2010 from £370m to £332m, largely due to a flat mortgage market it has reported.

- **Multiplex Healthtrust** has announced a joint venture with health group company **New Vision Healthcare** to sell its self-funding private medical treatment in trust proposition. Subsidiary company **Health Negotiator** will handle the medical case management.

- Only 37% of brokers actively promote personal accident (PA) business to their clients according to **Groupama**. 61% of brokers said it was difficult to sell and 72% that businesses do not understand the value of PA cover.

- **Ageas Protect** says it had a 6.4% share of the IFA market in Q4 2010 and in the past 12 months grew its customer base by 90% to over 120,000.

- The average premium of the most expensive 25% of life insurers is as much as 59% higher than for the cheapest 25% according to **Sainsbury's Finance**.

- Came across this interesting analogy the other day... 'The NHS is like being caught for speeding then having the State pay the fine for you. May be nice to have, but is it the best use of taxpayers' money and does it encourage the right behaviours?'

- Correction. Last month (Page 5) we reported that in a recent **Mercer** survey, in France 80% of employees did not contribute to the cost of healthcare benefits, and 8% of those in the UK did not contribute. The figures are actually those who do contribute. Sorry about that...

## Pick of the month

We review a wide variety of new and updated plans this month. Both BFS and LV= offer updated IP solutions, while General & Medical now offers cancer cover on its entry level Equus PMI plan.

Denplan launched its Lucent range of group dental plans, while Aetna Global Benefits has updated its International Health Plan.

We could have chosen any one of PruProtect's seven new launches to review this month but chose perhaps the most innovative—Education Cover. It could well open up a new approach to marketing life cover and is our Pick of the Month this month.

### Aetna Global Benefits International Health Plan

**Aetna Global Benefits (AGB)** has updated its International Health Plan and employers can now choose from one of four base plans and then add up to 49 additional benefits. The four plans are Core, IHP Essential, IHP Plus and IHP Elite. This review focuses on the Elite product, which includes (annual limits in GB£ shown):

- Denominated in Euros, GB Pounds or US Dollars.
  - Max cover £1.6m per member per cover period.
  - Full refund for all main benefits including out-patient treatment.
    - Accidental damage to teeth.
    - Outside area of cover A&E treatment. Full refund, including out-patient treatment up to £315.
    - AIDS cover up to £12,500 per person.
    - Congenital anomalies cover extended to include conditions identified in child dependents up to 12 months.
    - Chronic conditions up to £18,750.
    - Evacuation costs.
    - Home nursing up to 28 weeks.
    - Hospice care up to a lifetime £30,000.
    - Injury or illness as an innocent bystander, up to £30,000 per incident.
    - In-patient psychiatric treatment up to 30 days.
    - Parental accommodation with children to age 18.
    - Rehabilitation up to 120 days per condition.
    - Vaccinations and inoculations up to £325.
- Among the additional options are:
- Dental 1. Routine dental treatment (with various sub-options). Waiting periods have been improved for all dental and pregnancy cover (and can be removed for schemes with ten or more employees).
  - Dental 2. Major restorative dental treatment.
  - Dental 3. Orthodontic dental treatment.
  - Direct settlement network.
  - Extended evacuation.
  - China private room restriction (China only).
  - Hong Kong semi-private room restriction.
  - Traditional Chinese medicine.

- Infertility treatment (min ten employees).
- Routine pregnancy. Max £3,000.
- Vision care.
- Wellness Option 1. Max £160.
- Wellness Option 2. Max £325.
- Wellness Option 3. Max £500.
- USA elective treatment.

In addition, many of the options can be flexed, and a choice of excesses is available too. IHP members can access Aetna's wellness resources and services, including the online AGB wellness centre, cancer outreach programme and a health risk assessment tool available in 12 languages.

**Plus points:** Choice of four plans with a wide choice of options which can also be flexed. Strong brand.

**Not so plus points:** Some financial limits. IPMI can be complex, which makes comparison difficult.

**Contact:** 01870 442 2676 or [www.aetnaglobalbenefits.com](http://www.aetnaglobalbenefits.com).

**Rating (max 5).** Innovation: 3.5. Overall: 4.

### BFS Protect Policy

**British Friendly** may be a new name to most advisers, but has been around since 1902, originally providing sickness benefits to commercial travellers and their families.

Now, the company is targeting the adviser market and has introduced a new product to meet their needs.

The income protection plan offers an 'own life' disability definition and no premium loadings for occupation, gender or smoking. Maximum cover is 70% of gross annual income up to £45,500 a year.

Day one cover is available, along with deferred periods of 1, 4, 8, 13, 26 or 52 weeks. Cover can be to age 50-70 or for a benefit period of 1, 2 or 5 years only. Short term policies all have a deferred period of four weeks.

There are no standard exclusions, initial waiting periods or policy fees. Guaranteed insurability (every three years or on certain events happening) and career break options are included and premium reductions are given where a back or mental health exclusion has been applied at underwriting stage. Telephone interviewing is used at underwriting stage. Benefits can be increased by 5% a year or in line with increases in the RPI (capped at 10% a year).

In the event of terminal illness, the deferred period is waived. Customers must notify BFS not just about any change in occupation but also if they change address, their income falls by more than 10% or their employment status changes between employed and self-employed.

A female newsreader aged 35 wanting £2,000 a month benefit to age 65, deferred eight weeks would pay a premium of £54.20 a month.

**Plus points:** Comprehensive range of benefits and options; pricing looks to be very competitive; tele-underwriting; long-established IP provider. Some nice touches—such as waiving the deferred period on diagnosis of a terminal illness. Can appeal to both blue and white collar workers.

**Not so plus points:** As with any small provider looking to expand via IFAs—will the pricing remain competitive, how strict will the underwriting be and will their service levels be OK? We're not sure why address notifications are a T&C.

**Contact:** 0800 975 6565 or [www.britishfriendly.co.uk](http://www.britishfriendly.co.uk).

**Rating (max 5).** Innovation: 3.75. Overall: 4.

## Denplan Lucent

**Denplan's** new Lucent plan is designed to offer group dental insurance at low premiums. The plan comes in six variants from Lucent 1, which just pays for 100% of NHS dental costs up to £600 a year, up to Lucent 6, which pays up to £2,750 a year. Lucent 2-6 also add benefits for individual private treatments e.g. Lucent 6 pays up to £30 for a normal examination (for comparison, Lucent 2 limits this to £11), up to £63 for scale and polish (£23), up to £73 (£23) for fillings, up to £308 (£138) for crowns, and up to £40 (£15) for a single extraction (or £65 [£40.00] for a surgical extraction). As is usual with this type of cover, most treatment types are broken down in various more specific treatments, each having its own limit.

All plans also include up to £12,000 for mouth cancer treatment (90 day initial waiting period, and only one course of treatment is funded, which must be within 18 months of diagnosis). Also included is an NHS cash benefit of £50 a night and dentist call-out fees up to £50 per incident (max £100 a year).

**Plus points:** *Six price/benefit points to suit budget; wide range of benefits including specific benefit for mouth cancer treatment; Denplan is the big brand and market leader.*

**Not so plus points:** *In some cases, even on Lucent 6 plans, the benefit payable may be less than the actual treatment cost; mouth cancer benefit only covers treatment costs rather than providing a CI style cash lump sum on diagnosis. Other dental insurance plans do not provide this either, but it would be good to include some form of cost saving benefit or help service for the growing list of non-insurable cosmetic treatments many people now choose to have.*

**Contact:** 01962 827931 or [www.denplan.co.uk](http://www.denplan.co.uk)

**Rating (max 5):** Innovation: 3.5. Overall: 3.75.

## General & Medical Equus

Established in the 1980s, Peterborough based **General & Medical** has added cancer cover to its entry level Equus private medical insurance product.

Cancer cover in year one is £5,000, rising each year over five years up to £25,000 provided a cancer claim has not been made. The plan also includes:

- Full refund for in-patient hospital charges, including diagnostic tests.
- Up to £500 a year for initial out-patient consultations and up to £250 a year for physiotherapy.
- Choice of three hospital rate bandings. Customers get £100 a night.
- Travel insurance and cover for up to two pre-existing conditions can be added too.

A stress counselling helpline is also included and customers can add an excess to reduce cost further. Three other plan versions (Equus Plus, Altus and Altus Plus) are also available.

**Plus points:** *Low cost cover that can be tailored to need and budget; now includes escalating cancer cover (a clever way for insurers to manage the cancer risk); other plan versions available at extra cost.*

**Not so plus points:** *Being the lowest cost version, many traditional PMI benefits are not included.*

**Contact:** 0800 970 9442 or [www.generalandmedical.com](http://www.generalandmedical.com).

**Rating (max 5):** Innovation: 4. Overall: 3.5.

## LV= Income Protection

**LV=** has introduced a raft of changes to its existing Critical Illness Cover and Income Protection plans. The CI plan can now run to age 70 (or 40 years if less) and more CI conditions are now included.

The main changes to the IP plan are:

- Minimum benefit £1,000 a month (e.g. if income fluctuates and is low at the point of claim).
- Cover available up to age 70 for 94% of occupations covered (reflecting higher State retirement ages).
- One and two month deferred periods now available for all occupations.
- Removal of the 'suited' definition and an increase in the number of 'own occupation' definitions (1,170 occupations are now covered under this, with 326 having instead a 'task' based definition).
- Maximum benefit now 55% of income or net profit (previously 50%).
- For self-employed customers, pre-claim earnings are now averaged over three years rather than one year.
- Rehabilitation benefit now ceases at the plan's cease date rather than at age 60.

**Plus points:** *A range of improvements on cover length, maximum benefit, and income and disability definitions. Nearly 80% of occupations are now 'own occupation'.*

**Not so plus points:** *Some restrictions remain, adding to the complexity of the plan (especially for intermediaries). All of the changes are relatively minor—IP continues to perform below par so a more innovative approach may be needed to change that. In some areas this plan offers less than the BFS plan reviewed on Page 7—although much can depend on the actual decisions taken by respective underwriters so such comparisons may not be quite so easy to make in practice.*

**Contact:** 01202 292 333 or [www.lv.com/adviser](http://www.lv.com/adviser).

**Rating (max 5):** Innovation: 3.5. Overall: 3.75.

## PruProtect Education Cover

**PruProtect** has launched no less than seven new products including whole of life cover and family income benefit.

This review focuses on the unique Education plan. This product covers the cost of school and tuition fees in the event of a parent's death. The plan's key details are:

- On death of a parent pays £750 per school term per child covered.
- Or, the Private School option pays school fees, up to £10,000 per term per child.
- £1,000 star award if a child excels in a particular discipline e.g. grade 8 in a musical instrument.
- Tuition fees paid for children in higher education.
- Or £3,000 a year for five years if they do not go into higher education.
- Benefits reviewed annually to allow for inflation.
- One-off £1,000 payment if hospitalised for more than 10 days or off school ill for more than 20 days.
- Free serious illness cover on the child's life. This pays up to £5,000 per family.
- Access to the Vitality programme.

The plan is available in three variants—State (for children in State education), Private School-Day, and Private School—Boarding.

**Plus points:** A few insurers have launched school fees programmes in the past but, except in a handful of cases, they have not been successful and have focused on investments to fund future school fees rather than protection. This plan should appeal to parents who want hypothecated cover for their children to ensure they get a good education. Good range of benefits and realistic, affordable cover levels. The Accelerator (low start) option can keep initial premiums even lower.

**Not so plus points:** Would have been even better with a PMI option. Could discourage parents from having sufficient life cover overall, but as too many people have little or no life cover, that criticism can be discounted—this plan could open up a whole new market.

**Contact:** 0845 601 0072 or [www.pruprotect.co.uk/adviser](http://www.pruprotect.co.uk/adviser).

**Rating (max 5):** Innovation: 4.75. Overall: 4.5.

## Poor quality jobs harm health

Research published online in *Occupational and Environmental Medicine* suggests that the impact on mental health of being in a badly-paid, poorly-supported or short term job can be as harmful as having no job at all.

The research was based on seven waves of data from more than 7,000 people of working age drawn from a national representative household survey conducted each year in Australia.

After taking into account factors that may influence the results, such as educational attainment and marital status, the researchers found that the mental health of those with no job was comparable to, or often better than, that of people in poor quality jobs. Those in the poorest quality jobs experienced the sharpest decline in mental health over time, with each additional adverse condition lowering the mental health score. Getting a high quality job after unemployment improved mental health by an average of three points but getting a poor quality job rather than remaining jobless resulted in a loss of 5.6 points. See: <http://press.psprings.co.uk/oem/march/oem59030.pdf>.

## External causes deaths 2009

In 2009 there were 17,878 deaths from external causes and poisoning in England and Wales, 11,190 of which were male and 6,688 were female. This accounted for 3.6% of all deaths registered in 2009.

In 2009 more than three-quarters (79%) of female injury and poisoning deaths were unintentional (accidental) compared with 63% for males. For males the percentage of injury or poisoning deaths due to suicide or events of undetermined intent was 33% in 2009 and for females 17%.

The age-standardised mortality rate for transport accidents fell 30% between 2001 and 2009 from 57 deaths per million population in 2001 to 40 deaths per million in 2009. Source: *Statistical Bulletin*, 1 March 2011, **ONS**.

## Why are some fat and others not?

Some 70% of the variation between people in terms of the amount of body fat they have is explained by inherited differences in our genetic make-up passed from generation to generation. However they primarily influence appetite and satiety rather than how fast or slow we burn off calories.

The 1960s 'thrifty' gene theory suggested people lay down fat stores in times of abundance ready for a famine which in Western countries never comes, but this does not explain why some people remain lean.

A press release on 3 March from the **University of Cambridge** describes a new 'drifty' gene theory that suggests modern obesity distribution stems from a genetic drift in the genes' encoding that regulates metabolism and regulates the upper limit on our body fatness.

This drift may have started about 2m years ago when humans ceased to be prey, a key factor in determining the upper limit for body weight.

## Campaign to avoid extractions

On 7 March the Saving Teeth Awareness Campaign [www.savingteeth.co.uk](http://www.savingteeth.co.uk) was launched to provide information to patients who have tooth infection that could result in tooth loss and to raise awareness that many teeth can be saved by root canal therapy (endodontics). Two million teeth were extracted last year but only half a million root treatments were undertaken.

## Excess mortality in osteoarthritis

A study of 1163 participants age 35 and over who had symptomatic radiographically defined osteoarthritis of the knee and hip showed a significant excess cause in all cause mortality. Cause specific mortality was particularly high for cardiovascular disease and dementia. A history of diabetes or cancer were also major risk factors. It was also found that the more severe the walking disability of osteoarthritis patients was, the higher the risk of death.

The lifetime risk of osteoarthritis specific morbidity is about 25% for the hip and 45% for the knee and the disease accounts for many of the 57,000 knee and 55,000 hip joint replacements undertaken each year in the UK. See: *BMJ* 2011; 342: d1407 & d1165.

## Cosmetic surgery up 5% in 5 yrs

The **British Association of Aesthetic Plastic Surgeons** (BAAPS) says there was a 5% increase in the number of cosmetic surgical procedures carried out by its members over the past five years.

A total of 38,274 procedures were carried out in 2010, of which 34,413 were on women. The number of cosmetic procedures carried out on men rose by 7% since 2005. The biggest overall increase by far was recorded in male breast reduction which leapt by 27% to 741.

## “Not tonight, I have a bad back”

It appears that the most common reason for couples to stop having sex is a bad back rather than a headache. The charity **BackCare** has produced what it believes is the only 'help' book in print on the subject: *A Sex God and Goddess's Guide for People with Back Pain*. 80% of us are likely to be affected by back pain at some stage, 72% of sufferers said it had caused a reduction in their sex life and 46% of sufferers were abstaining completely. For copies of the guide, see: [www.backcare.org.uk](http://www.backcare.org.uk).

## Medical briefs:

- Charity, **Counsel and Care** has produced the fourth edition of its guide to choosing and paying for a care home. Copies of the free *Care Home Handbook* can be ordered online from: [Sharon.risdale@counselandcare.org.uk](mailto:Sharon.risdale@counselandcare.org.uk).

- Charity, **FirstStop** has also produced a free guide to care. *Choosing and Paying for a Care Home*. For more see: [www.firststopadvice.org.uk](http://www.firststopadvice.org.uk).

- The UK's largest disabled persons website, **Disabled United** [www.disabledunited.com](http://www.disabledunited.com), faces closure after ten years due to lack of funding from company advertising, it said on 18 March. The website gives the disabled and carers a safe and friendly communications environment.

- *i* from the *Independent* reported on 15 March that care home group **Southern Cross Healthcare**, which looks after more than 30,000 elderly people in 750 care homes, was close to collapse after being hit by rent increases on its care homes and a decline in fees.

- **Aviva** has bought a stake in rehabilitation services provider **HCML, Ballard Investments Ltd**.

- A new healthscreen provider, **HealthScreen UK**, has entered the employee benefits market, with a range of screening services aimed at employers.

- Researchers at the **University of Surrey** have developed a urine test to detect prostate cancer that is twice as accurate as the prostate-specific antigen blood test. The test detects a protein that is active in embryonic development but switched off at birth then re-activated by prostate cancer. See: [www.tinyurls.co.uk/v26170](http://www.tinyurls.co.uk/v26170).

- The US online *Journal of Advanced Nursing* reports that for nurses, mental fatigue levels were higher than physical fatigue levels and acute fatigue levels were higher than chronic fatigue levels. The report authors suggested work environment variables were strongly associated with differences in perceived levels of fatigue and alterations to work environment could reduce fatigue and errors. See [www.tinyurls.co.uk/c26171](http://www.tinyurls.co.uk/c26171).

- A large scale US study has found that postmenopausal women who smoke have up to a 16% higher risk of developing breast cancer compared to women who have never smoked. See: [www.bmj.com/cgi/doi/10.1136/bmj.d738](http://www.bmj.com/cgi/doi/10.1136/bmj.d738).

- A Dutch study using data from Germany has found that cannabis use almost doubled the risk of later incident psychotic symptoms and continued use over the period of the study increased the risk of persistent psychotic symptoms. [www.bmj.com/cgi/doi/10.1136/bmj.d738](http://www.bmj.com/cgi/doi/10.1136/bmj.d738).

- Almost one in five UK doctors had direct experience of an incompetent or poorly performing colleague in

the past three years and nearly three out of four of these doctors had reported this, but one in three of those who had not sounded the alarm gave fear of retribution as their reason for not doing so, according to a survey published online in *BMJ Quality and Safety*.

- Research published online in *Gut* suggests that high levels of 'good' high density lipoprotein (HDL) cholesterol seem to cut the risk of bowel cancer. Lower HDL levels are linked to higher levels of protein involved in inflammation whereas higher levels of proteins damp down inflammatory response. However high HDL levels had no impact on the risk of rectal cancer.

- A new report from the **Scientific Advisory Committee on Nutrition** on 8 March suggests people who eat a lot of red and processed meat are at greater risk of bowel cancer. The advice is for those who eat 90g or more cooked weight red or processed meat a day to eat it less often and cut down portions to 70g a day.

- US life expectancy at birth rose from 76.8 years in 2000 to 77.9 years in 2009, *BMJ* 2011; 342: d1143 reported on 18 February. More people said they were in fair or poor health in 2009 than in 2000 and heart disease, diabetes, hypertension and obesity all rose in prevalence during the period. However fewer reported high cholesterol, possibly because more took statins. One in four Americans over 45 took statins in 2005-8, up from 2% in 1988-94.

- A trial of four options for treating chronic fatigue syndrome has found that cognitive behavioural therapy (CBT) and graded exercise are the best treatments, *BMJ* 2011; 342: d1168 reported on 23 February.

- About 40% of US adults aged 50-84 are obese or have osteoarthritis of the knee or both and there are 86m adults in this age group, *BMJ* 2011; 342: d1168 reported on 23 February. Modelling estimates that adults with both conditions lose 25% of their remaining quality adjusted life expectancy, an average 3.5 quality adjusted life years per person. For arthritis alone this is 1.86 years and obesity alone, 2.46 years.

- Researchers have developed a tool to predict who will eventually walk after a traumatic spinal cord injury, *BMJ* 2011; 342: d1457 reported on 9 March. A neurological examination within 15 days of injury gives a light touch sensation and power score between -10 and +40 that doctors can translate into a probability of independent walking.

- Analysis of 97 cohort studies of 820,900 people show middle aged diabetic adults die an estimated six years before those without the disease, *BMJ* 2011; 342: d1457 reported on 9 March.

## What is the history of the Budget?

The origins of the Budget statement go back to the Norman period (1066-1154). The Norman system included both a Treasury and an Exchequer (the word comes from the Latin 'scaccarium', which means a chessboard, and was given to the court dealing with the King's finances because counters were moved on a square table to represent different spending amounts).

The first annual Budgets date from 1720 and Sir Robert Walpole. Income tax (at 10%) was first introduced in the 1798 Budget by William Pitt the Younger to fund the war against Napoleon but was later repealed (it came back in 1803).

The traditional red Budget box or 'Gladstone box' was used to carry the Chancellor's speech from Number 11 Downing Street to the House for over 100 consecutive years. It was hand-crafted for William Ewart Gladstone, lined in black satin and covered in scarlet leather. Jim Callaghan was the first Chancellor to break with tradition in 1965 when he used a newer box and in July 1997 Gordon Brown replaced it with a new box, made by industrial trainees at **Babcock Rosyth Defence Ltd** ship and submarine dockyard in Fife. Chancellors are the only Members of Parliament allowed to drink alcohol during their speech—although the rest of us often need one afterwards...

## Early warning signs are missed in a quarter of cancer cases

A study by the **Rarer Cancers Foundation** published in February has found that a quarter of patients are diagnosed with the disease only when it has spread to other organs and is harder to treat or has become terminal.

Many patients have to make repeated trips to their GP before their symptoms are investigated further, and late diagnoses have been blamed for Britain having one of the lowest cancer survival rates in Europe despite massive investment in treatment over the past decade.

The Coalition Government has promised to save up to 5,000 lives a year by giving GPs the power to refer patients directly for scans and tests rather than going through cancer specialists. However, although GPs are good at spotting the symptoms of the top four cancers—breast, bowel, lung and prostate—the early warning signs of rarer cancers are harder to spot and can be misinterpreted.

Andrew Wilson, chief executive of the Rarer Cancers Foundation suggested GPs needed to raise their game to meet the Government targets and said: “We are calling for GPs to be paid according to their performance on diagnosing cancer.”

## Cancer survival rates still poor

A **House of Commons** public accounts committee report has warned that one year cancer survival rates in England remain poor compared with the best performing European countries, despite improvements in cancer services, reduced mortality rates for several cancers and services consistently achieving waiting time targets for cancer patients, *BMJ* 2011; 342: d1374 reported on 1 March.

The committee suggested this was likely to be because of low awareness of symptoms among the public and GPs and late diagnosis and said there was a particular problem with the lack of data on the stage at which a patient’s cancer is diagnosed and recommended that staging data should be complete and timely in at least 70% of cancers in each region by the end of 2012.

**Comment:** Both these items illustrate the value of early diagnosis. But, in the NHS, GPs can face criticism if they refer too many ‘well’ patients to busy hospital consultants.

## ISTCs are becoming popular with GPs and patients

New figures show the NHS is getting better value for money from use of independent sector treatment centres (ISTCs) as they become more popular with GPs and patients, according to a *Healthcare Market News* press release dated 2 March.

Combined, all 23 schemes performed an average 97% of their contractual value between October and December last year with only two wave one schemes below 90% take-up rate. The 97% figure is ten percentage points ahead of the figure of two years ago. Thirteen ISTC contracts are due to expire this year and the take-up rates bode well for contract renewals, if the scheme can avoid the spending cuts.

## Hospital RTT waiting times up

The median Referral to Treatment (RTT) wait for NHS hospital admission in England rose sharply from 7.9 weeks in December 2010 to 9.1 weeks in January 2011 according to a **Department of Health** Statistical Press Notice released on 17 March 2011. For non-admitted patients the median wait rose from 4.1 weeks in December to 4.8 weeks in January. The 95th percentile time wait for patients entering an RTT pathway rose from 20.9 weeks to 22.4 for admitted patients and from 15.3 weeks to 16.1 weeks for non-admitted patients.

In-patient decisions to admit during the quarter ending 31 December 2010 increased by 48,000 (3.7%) to 1.34m and the number of admissions from the list increased by 60,000 (5.3%) to 1.2m the DH said on 25 Feb.

The number of GP outpatient referrals in Q3 of 2010-11 increased by 15,000 (0.6%) to 2.7m and the number of other referrals made increased by 125,000 (11.3%) to 1.7m. First attendances at consultant out-patient clinics have increased by 103,000 (2.6%) to 4.1m and total attendances increased by 263,000 (2.1%) to 12.6m.

The ‘did not attend’ rate this quarter for first outpatient attendance was 9.0% (0.2% increase). All figures are compared to the equivalent quarter of 2009-10.

## Unemployment remains steady

Unemployment in the three month period November 2010 to January 2011 rose from 2.492m to 2.529m, according to the latest *Labour market statistics*, released by the **ONS** on 16 March 2011.

During the same period, employment rose from 29.121m to 29.157m. This means that the *e-Protection Review Employment Index*, which is a proxy for the growth in size of the main health and protection insurance markets since 2000, rose from 107.094 to 107.226. This index compares the latest employment figure with the 27.192m figure recorded for the first quarter of 2000.

But the number of Jobseeker’s Allowance claimants fell from 1.4597m in January to 1.4486m in February. The latest unemployment rate is now 8.0%, or 4.5% for JSA claimants. Earnings in the three month period to end January rose from 1.8% to 2.3% higher than a year before.

Public sector employment for the last three months of 2010 fell by 45,000 the ONS also reported on 16 March. However, this was more than offset by a rise of 77,000 in the private sector. Of the 6.327m public sector workers at the end of Q4, some 817,000 were employed in London.

On 22 March the ONS announced that in February the Retail Prices Index (RPI) was up from 5.1% to 5.5% compared to a year before, while the Government’s preferred Consumer Prices Index (CPI) was up from 4.0% to 4.4%. This compares to an inflation target of 2.0%.

**Comment:** Ignore the sensationalist media headlines, the latest three month figures show a small increase in unemployment, but also an increase in the number working too. The newer JSA figures show claimant numbers actually down, so unemployment—although still higher than desirable—remains better than many had feared. Inflation though is continuing to advance—partly on the back of higher oil and energy costs. A rise in Official Bank Rate—which has been at a record low of 0.5% for over two years—is expected soon.

## Doctors fear NHS reforms

An **Ipsos MORI** survey carried out for the **BMA** in January has revealed concern among doctors about plans to increase competition in the NHS. Of 1,645 respondents:

- 89% agreed increased competition in the NHS will lead to a fragmentation of services.
- 65% agreed increased competition in the NHS will reduce the quality of patient care.
- 66% agreed the move for all NHS providers to be foundation trusts will damage NHS values.
- 66% agreed the proposed system of clinician-led commissioning will increase health inequalities.

The BMA has accused Health Secretary Andrew Lansley of having no democratic mandate for his 'top-down reorganisation of the NHS'.

## Food hygiene standards breached in 75% of hospitals inspected

Out of 752 hospital kitchens surveyed in a *Sunday Times* investigation (reported on 6 March), 569 were found to be breaking regulations with their poor standards.

The environmental health inspection reports looked at NHS and private hospitals and found 273 premises had not been properly cleaned, 52 had stocks of food beyond best-before or use-by dates and 13 had rodent or cockroach infestations. About 1m meals are served each day in hospitals in Britain and lapses in hygiene control contribute to the 300,000 cases of infection among patients each year.

Fewer than 200 hospital kitchens were given a clean bill of health. After the outbreak of salmonella poisoning at **Stanley Royd** hospital in Wakefield in 1984 which killed 19 patients, crown immunity from prosecution was lifted from hospitals but, to date, neither the **Department of Health** nor safety campaigners could name a single occasion when a hospital has been prosecuted the paper said.

## Political briefs:

- The **DH** reported on 24 February that the average daily number of beds open overnight was 139,733 in Q3 2010/11 compared with 139,685 in Q2 2010-11. Average occupancy for overnight beds was 85.8%, up from 84.2% in Q2 2010/11. The average daily number of general and acute beds open overnight was 106,279 (down from 106,731) and average occupancy rate was 87.6%, up from 85.5%. The average daily number of day only beds was 10,794, down from 10,822 in Q2 2010/11.

- **NHS Plymouth (Plymouth Teaching Primary Care Trust)** has produced a useful list of what it will and will not (normally) fund for patients. You can access the list at [www.plymouthpct.nhs.uk](http://www.plymouthpct.nhs.uk).

- Since 2001 the number of people aged 65 and over still working has risen from 412,000 to 870,000 in the last quarter of 2010, the **ONS** revealed on 2 March. The number working even rose during the recession. By year end, 2.7% (270,000) of 65+ people worked full-time and 6.1% (600,000) part-time.

- During February 2011 there were 7,583 breaches of the Government's mixed sex accommodation (MSA)

guidance in relation to NHS patients in sleeping accommodation in England the **DH** reported on 17 March. Figures are not directly comparable with previous months due to being based on different populations of responding organisations the DH says.

- The **Labour Party** has launched a petition that calls on David Cameron to protect frontline NHS services, stop money being wasted on top-down reorganisation and provide a real increase in NHS funding. The petition, launched on 15 March can be found at: [www.frontline.co.uk](http://www.frontline.co.uk).

- According to the **Commons Public Accounts Committee**, the **Department of Health** should assess cancer aftercare such as follow up, telephone services and nurse-run support groups and must provide better data analysis of what works for cancer survivors.

- George Benjamin, executive director of the **American Public Health Association** has said that "climate change poses enormous health risks", *BMJ* 2011; 342: d1339 reported on 1 March. He added that climate change can lead to extreme weather events that put the health of the elderly at risk and it can lead to increased air pollution that is linked to respiratory illnesses. It can also affect drinking water supply and effect changes in vector-borne diseases.

- On 4 March the **BMA** renewed calls for prescription charges to be abolished in England. The Government has announced that prescription charges in England will rise from £7.20 to £7.40 from 6 April.

- Consultant cardiologist, Raj Mattu is appealing against his sacking almost nine years after he was suspended for alleged bullying, *BMJ* 2011; 342: d1477 reported on 4 March. The case has cost the NHS millions of pounds and no action was taken over the bullying charges and he was eventually dismissed on other disciplinary charges. The **BMA** has lodged an appeal against his dismissal.

- On 24 February, **BMA Scotland** called on politicians to reject the Scottish *Patient Rights Bill*, saying the 12 week treatment time guarantee for patients does not include any right to redress, meaning that nothing in the legislation will be enforceable. It has called for a Patient Charter to clarify patients' rights.

- The Government is looking at ways to reduce the cost of NHS negligence claims, including making the claimant pay the lawyer's success fee from their damages, which would be increased by 10%, *BMJ* 2011; 342: d1131 reported on 18 February. Claimants who lost their cases would no longer have to pay the winning defendants' costs unless they were wealthy or had behaved unreasonably during litigation. A separate review proposes that clinical negligence cases would no longer be eligible for legal aid. The changes could save the NHS £50m a year.

- Sickness absence fell to a record low of 2.1% during the recession (Q1, 2009) but was back up to pre-recession rates of 2.5% by the last quarter of 2010, the **ONS** reported on 23 February. Statistics from the past decade show sickness absence was consistently higher for women than for men. Other than coughs and colds, the top reason for men to be absent was musculoskeletal problems and for women stress, depression and anxiety. Averaged across 2010, public sector sickness absence for men was 2.1% and women 3.1% and in the private sector 2.0% for men and 2.6% for women.

## Prioritising protection in challenging economic times

*New product innovations are relatively rare in the conservative long term protection field. Ageas Protect CEO Martin Werth explains why his company has decided to do something different, and why that may be good news for customers.*

It's a conundrum that at the time protection is most needed, budgets are more constrained and premiums are disproportionately high. Two of the most common triggers for the purchase of protection are an increase in mortgage or the birth of a new child, both of which stretch the family finances. As an industry we traditionally charge level premiums for protection, and yet the risk of claim increases with age and is lowest at the point of purchase, both because of the applicant's age and they've just been underwritten. With this in mind, it's hardly surprising that few people buy the level of cover they really need.

With the recession, people have recognised the greater importance of personal responsibility, but budgets are extremely tight, and discretionary spending is being squeezed. Now, more than ever, people need effective insurance—the right type of cover and the right amount—and yet many can't afford it.

Our industry seldom thinks outside the box. If it did it more often, things may look different.

The closest non-life insurance is private medical insurance, where the premiums are based on the policyholder's current age. Customers accept that premiums increase as they age and the risk of claiming rises. PMI insurers have considered level annual premium plans, but these have not been popular for a number of reasons, in particular because the starting premium is higher.

### The case for level annual premiums (LAPs)

There are some good reasons for charging level annual premiums. For the intermediary, the starting premium funds the commission, and a higher initial premium generates higher commission. However, the remuneration would be the same, if the premium didn't reduce, but the cover increased.

For the insurer, the larger gap between the initial premium and the cost of mortality ensures their new business strain is recovered more quickly. In addition, as policyholders age, they are less likely to lapse a level annual premium plan because they could not purchase cheaper cover. For customers there are advantages and disadvantages. The advantages are that the future premium can be understood and budgeted for, so they can buy their plan and then forget it. For those who expect to keep their cover for the full term, they benefit from the higher premiums paid by policyholders who lapse their insurance.

The disadvantages are that applicants invariably cannot afford the cover they need and those that lapse when their circumstances change have often over-paid for the cover they've enjoyed. Typically more than half of customers have lapsed their plans within seven years and this group have paid too much for their cover.

At Ageas Protect, our objective has always been to make it as easy as possible for advisers and their clients by

providing compelling ways to effectively meet their needs faster and at lower cost. That's why we launched Low Start as an alternative premium structure. Customers get access to the same benefits as they would for a level annual premium plan, but the initial premium is significantly less. This enables customers to buy more of the cover they need. Future premiums increase at a known guaranteed rate. The statement of terms shows the future premiums and total premiums the customer would pay over the cover term.

Low Start is not unique. In the late 1990's **Royal & Sun Alliance** introduced Progressive Protection, which had pay as you go premiums. Also **NDF** had Synergy, where premiums increased with advancing age. With both plans, the initial premium was less, enabling customers to afford more of the protection they needed. Group protection schemes also work this way, with the employer paying for protection based on the current age and cover requirements of the employees.

Low Start premiums typically start at 30% less than LAP. This means customers can buy 50% more sum assured, or could add additional covers to their plan. This could mean adding £10,000 to £20,000 CI to their term assurance, or it could mean adding our Temporary Disability rider to their CI plan, so customers are protected where their disability is total, but not permanent. Whether it is increasing the sum insured, or buying some essential CI, or removing the biggest single gap from CI, Low Start is an effective solution. We believe Low Start is a solution that could help reduce the protection gap.

For customers who cannot afford or become uncomfortable with the future premium increase, they can either reduce their cover, or switch to a Level Annual Premium plan.

We chose not to offer Low Start with decreasing cover or family income benefit, as the LAP structure provided a more appropriate fit. We also chose not to offer Low Start with indexing premiums, as we considered the customer message of two types of increase, or a much higher rate of increase, to be confusing, or unaffordable.

### Getting the Low Start balance right

The biggest challenge we faced with Low Start was determining the balance between the initial premium and the rate of premium escalation. Whilst intuitively starting the initial premium at the lowest point, to maximise the discount with LAPs may appear logical, the problem is more complex. A low premium means it takes longer to recover the new business strain and the rate of premium escalation is higher, which also impacts on lapses. The two criteria we used were a) the premiums paid over the first ten years, where we wanted the majority of customers to pay less under Low Start than for LAPs and b) the policy term premiums, where we wanted Low Start not to be significantly greater than for LAPs. As we gain experience with Low Start we will review whether we have the right balance between initial premium, rate of escalation and total premiums paid over ten years and the full term.

We were more relaxed about commission, as we saw Low Start being targeted at customers who want more cover for their fixed budget, and therefore the starting premium remained the same. We chose not to increase the % commission as we didn't want to encourage custom-

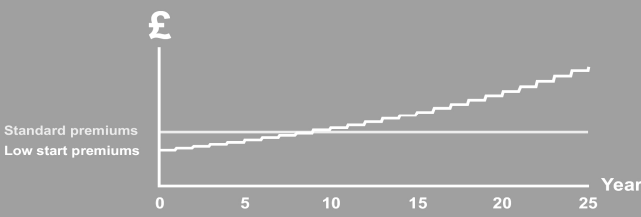
-ers to buy Low Start over Level Annual Premiums.

With **PruProtect** having launched its Accelerator option, where premiums start at up to 23% less, with subsequent increases of 3%, we expect the increased competition to stimulate greater interest in Low Start. We expect other insurers to introduce their own variants. Comparing premium structures will be more difficult for advisers and, as we have, I would recommend looking at the starting premium, the total premiums paid over ten years and the total over the full term of the policy. With increasing competition, we expect Low Start to become an established form of premium and be attractive to a significant minority of customers, probably 20% to 30%.

Low Start is an example of innovation, where we have developed a better solution to the conundrum that at the time protection is most needed, budgets are more constrained and premiums are disproportionately high. We believe that in the current economic climate the timing of this solution couldn't be better. Low Start is not a replacement for level annual premiums, it provides customers with much needed choice and we hope is a genuine solution for reducing the protection gap.

#### How Low Start saves your client money early on

The level of initial discount varies depending on the age of the client at outset and the term of the cover - however Low Start premiums can be as much as 30% lower in the first year than level premiums. The premium rises each year, but - depending on the term of the cover - can stay lower than level premiums for 10 years or more.



**Martin Werth is CEO of Ageas Protect**

## Budget 2011

Chancellor of the Exchequer, George Osborne, delivered his second Budget Statement to the House of Commons on 23 March. Among the key provisions affecting the health and protection insurance industry were:

- From April 2012, people leaving at least 10% of their estate to charity will benefit from a cut in Inheritance Tax from 40% to 30%. Although this will not benefit beneficiaries other than charities (unless the deceased already planned to leave money to charity), it will encourage charitable giving and may create tax planning opportunities too. Insurers could respond in kind by developing life policies that also leave 10% of the proceeds to a named charity. Writing the policy in trust could even result in a net saving, compared to a policy not written in trust. The IHT 0% threshold remains frozen at £325,000 until 2014/5.

- New protection insurance business has been reclassified and no longer falls within the 'I minus E' tax structure. Under i-e, insurers could offset the expenses of writing protection business against the income of their savings and investment business. Consequently, offices with a high proportion of such business benefited, while protection only offices were placed at a relative disadvantage. The move could have a number of consequences:

- Some investment heavy offices could now seek to sell off their protection businesses.

- Some potential players may be more likely to want to set up a new protection office now that there is no tax disadvantage relative to providers with significant savings books.

- Premiums could rise. **RGA Re** suggests that this, coupled with other recent developments such as banning gender rating, could result in premiums for females rising by up to 30%. If so, IFAs have inherited a 'close' - potential customers can now be encouraged to take out policies before the price rises hit new policies.

- It could be easier for the Government to introduce IPT (Insurance Premium Tax) on protection business in future. At present, only general insurance policies attract IPT, but adding it to protection policies some believe is a likely next step.

**Friends Provident** CEO Trevor Matthews said: "This is good for consumers and positive for the protection industry. It will help to promote a more sustainable and stable competitive marketplace and preserve the value of business already written. I am delighted the Government has taken this positive step."

- The Government will consult on abolishing life assurance premium relief (LAPR) in future, in a range of tax simplification measures. LAPR applied on qualifying policies taken out before 14 March 1984 and has continued on existing policies. The current rate is 12.5%. Full tax relief on life policies taken out by employers (relevant life policies) as part of a pension scheme would also be abolished. In total, 43 tax reliefs are being abolished.

- The Government is to consult on merging income tax with National Insurance. At present, NI is effectively a tax on employment. If NI is scrapped as a separate tax, this could benefit the employee benefits sector as at present employees have to pay both income tax and NICs on contributions paid by their employer e.g. for health insurance.

- Small businesses whose directors use their own vehicles for company business can now pay themselves 45p rather than 40p per mile up to 10,000 miles a year. The potential annual saving of £500 a year is more than the cost of an average protection policy.

- The Budget included a number of measures designed to help business. As such, that should be good for business protection, group risk and other company-related health and protection insurances.

- In future, State benefits will be linked to rises in the Consumer Prices Index rather than to the Retail Prices index and so should rise slower.

- Up to 10,000 first time buyers will be helped through a new £250m shared equity scheme. However, this is unlikely to have much affect on the depressed housing and mortgage markets.

- The personal tax allowance threshold is being increased by £600 to £8,105 from April 2010. That should help lower paid workers afford basic protection cover.

And finally... **Ladbrokes** offered odds of 16-1 that former Chancellor Ken Clarke would take a nap during his successor's speech. Despite denials from the Justice Secretary's office, Ladbrokes paid out...

For full details of this year's Budget Statement and accompanying papers see [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk).

## People news

• **Ageas Protect.** Vicky Churcher has been appointed national sales manager and Lee Gill strategic account manager. Both were previously at **Bupa**.

• **Aegon UK.** Following the departure of CEO Otto Thoresen to the **ABI** (see Page 3), chief operating officer Adrian Grace will take over as CEO. He joined in February 2009 as director of group development, having previously been with **GE Capital, Sage Group, HBoS** and **Barclays Insurance**.

• **Department of Health.** Dame Sally Davies has been appointed the first woman to hold the post of Chief Medical Officer for England, having been interim CMO since May, when she took over from Sir Liam Donaldson.

• **Expacare.** Gary Smylie has been appointed head of sales and marketing. He was previously consultancy manager at **HSBC Actuaries and Consultants Ltd**.

• **Healix Health Services.** Richard Saunders has been promoted to sales director.

• **Towers Watson.** Rory O'Brien is to lead its global risk consulting and software business. He succeeds Steve Taylor-Gooby, who leaves after 25 years.

## e-Protection Review T&C

Our regular training and competence (T&C) section consists of five questions that test your knowledge of what is happening in the health and protection insurance world. Each question is covered somewhere in this issue of e-PR.

All you have to do is answer the questions, check your answers against the newsletter (or log on to and see the Forum section at [www.protectionreview.co.uk](http://www.protectionreview.co.uk)) and then record your answers. Over time you build up additional evidence of your training and competence. This issue's questions are:

1. What is LAPR?
2. Who is the ABI's new director general?
3. When does the ECJ ban on using gender on insurance rates/terms come into effect?
4. Who's looking at compulsory IP?
5. Who's started a market study of private health?

## Statistics

### Employee Benefits/Towers Watson Flexible Benefits Research 2011

**Table 1. Insurance benefits included in flex schemes**

Dental insurance	87%
Life insurance for employees only	83%
PMI for employees only	83%
PMI for partners of staff	82%
CI for employees only	75%
Health screening for employees only	75%
Travel insurance	66%
Health cash plans	65%
CI for partners	64%
Group IP	62%
Health screening for partners	61%
Life insurance for partners	52%
Personal accident insurance for employees	48%
PA for partners	37%
Financial advice/counselling/education	21%

Other key findings include:

- 11% of those firms who had never offered flex plan to do so in the next 12 months and an additional 20% will consider doing so in future.

- 67% of non-flexers say the cost of implementation is the biggest barrier to offering flex.

Source: *Employee Benefits* magazine, March 2011, based on 379 firms polled in January 2011.

### New NHS dental charges

From 1 April NHS dental charges in England will go up to:

- Band 1 e.g. check-up £17.00
- Band 2 e.g. fillings £47.00
- Band 3 e.g. dentures/bridge work £204.00

Charges have gone up in England and Northern Ireland by 50p, £1.40 and £6.00 respectively. Source: Department of Health, March 2011. In Wales charges remain at those set in 2006, while in Scotland, patients pay 80% of the NHS dental treatment fee.

## Subscribing to e-Protection Review

e-Protection Review is a subscriber-only PDF publication and is published ten times a year, on the 28th day of the month prior to that issue's date, every month except August and December. A subscription costs just £350 a year plus VAT and includes a PDF copy of the annual Protection Review book too.

To subscribe, or for information on sponsorship opportunities, please contact Andy Couchman at Protection Review Limited, Bank House, Great Rissington, Cheltenham, Gloucestershire, GL54 2LP. Or phone 01451 821982, fax 01451 821972 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).

## 2011/12 State benefit rates

New State benefit rates were announced by the **Department for Work and Pensions** on 9 December 2010.

They come into effect from the first benefit week after the beginning of the new fiscal year on 6 April. This year, that is week commencing 11 April. Key benefits for disabled people, carers and parents were raised by 3.1%, compared to a rise of 1.5% last year (inflation was lower).

### Attendance Allowance (age 65+)

Higher rate	£73.60
Lower rate	£49.30

### Carer's Allowance (was Invalid Care Allowance) £55.55

Only paid if carer earns no more than £95 a week.

### Disability Living Allowance

#### Care component

Highest rate	£73.60
Middle rate	£49.30
Lower rate	£19.55

#### Mobility component

Higher rate	£51.40
Lower rate	£19.55

### Employment and Support Allowance

ESA replaced Incapacity Benefit for all new claimants from 27 October 2008.

During the first 13 weeks (assessment phase)

Single person aged under 25 gets up to	£53.45
Single person aged 25 or over gets up to	£67.50

Then, during the main phase (14 weeks onward) claimants in the Work-related Activity group get:

Single person aged under 25 gets up to	£80.20
Single person aged 25 or over gets up to	£94.25

While those in the Support group get:

Single person aged under 25 gets up to	£85.80
Single person aged 25 or over gets up to	£99.85

Additional weekly premiums are paid to pensioners, lone parents, couples, those with an enhanced or severe disability and carers.

**Incapacity Benefit (IB)** Now replaced by ESA for all new claimants and some existing claimants

### Short term (under State pension age)

Higher rate	£84.15
Lower rate	£71.10

### Short term (over State pension age)

Higher rate	£94.25
Lower rate	£90.45

### Long term

Increase in long term benefit if under 35	£13.80
Increase in long term benefit if aged 35-44	£5.60

### Industrial Injuries Disablement Pension

100% assessment and age 18+	£150.30
20% assessment and age 18+	£30.06
Other rates (10% increments) are broadly pro-rata.	
Maximum life gratuity (lump sum)	£9,980

### Jobseeker's Allowance

Flat rate (min 2yrs NICs paid): age 25 or over	£67.50
Age 18-24	£53.45
Lone parent under age 18	£53.45
Alternatively, income based JSA pays the same weekly sum (also for up to six months), but in addition pays weekly premiums based on situation and dependents.	

### Statutory Sick Pay

Earnings must be £102 a week or more.	£81.60
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### Bereavement Benefit

Bereavement Payment (lump sum)	£2,000
Widowed Parent's Allowance	£100.70
Bereavement Allowance standard rate from age 55, payable up to 12 months	£100.70
Lower rates of Bereavement Allowance are payable at younger ages but not below age 45.	
The weekly benefit at age 45 is £30.21.	

### Pension credit (replaced minimum income guarantee)

This has been increased by £4.75 a week and ensures that the poorest single pensioners get a minimum of £137.35 a week. Couples get £209.70 a week—up by £7.30. Source (all): [www.direct.gov.uk/en/NII/Newsroom/DG\\_193032](http://www.direct.gov.uk/en/NII/Newsroom/DG_193032), 9 December 2010.

**Comment:** People who cannot work are protected by the State safety net, but the benefits are not generous.

This year, most benefits are up by 3.1% but, since the new rates were announced, inflation has continued to rise, so many claimants will be again be worse off than they were a year ago (as happened last year too).

In addition to the benefits shown, claimants may also be eligible for other State help, but much of this is means tested—taking into account savings as well as income.

## Protection Review: financial services consultancy and communications solutions

We 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 maximize their potential in a fast and cost-effective way.

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