2008, what a start - Money Marketing - January 2008

So far 2008 has been very busy for protection in more ways than one.

The FSA's new ICOB rules came into effect, albeit with a requirement to only implement the changes within a 6 month period. Whether the new rules are welcome or not very much depends on a number of factors, not least of which is the product areas you operate in.

The ABI has announced that insurers will pay out more often on some non-disclosure related claims. This will inevitably lead to more insurers wanting more reliable ways of collecting more information from applicants, all of which is good news for tele-underwriting firms and advisers alike.

At least one bank that we know of has been fined a huge sum of money for failings in its PPI sales process, and finally we already have 3 consumer surveys to digest. Anyone who has ever read my column in the past will know my what I think about surveys of consumer opinions, so I won't dwell on this further.

As for the market, well there continues to be an awful lot of noise about the economy generally and the credit crunch specifically. The world's economic gurus and global banking representatives seem to be talking the markets into an almost schizophrenic state, all of which combines to make life a little more 'interesting' than it was before.

Of course it is easy to become pessimistic, but what exactly does all of this doom and gloom actually mean to the protection market, our customers, our opportunities and therefore our businesses?

Right now, there are no up-to-date market statistics available that could give us a sensible view of our markets reaction to recent and current events. So I can only go on the picture that is unfurling in front of me - in our business. We work with lots of types and kinds of advisers and large general insurance businesses which market protection to their customers, and in just about every sector the picture is far rosier than some might imagine.

As I watch the news and read the papers I can easily convince myself that everyone is reigning in their expenditure and no-one is interested in spending on what they see as non-essentials, but as I watch real businesses at work I can see a lot of advisers advising very successfully on protection. I can also see that for those customers who don't have advisers or whose advisers don't advise on protection then they will put the work in and they will seek out protection – they want it that much.

Of course it is only January and it always takes a couple of weeks to get back into the swing of things because December always depletes the pipeline. This January was no exception but on a rough like-for-like basis we don't see wholesale reductions in the volume of protection sales when comparing Jan 08 with Jan 07, in fact we see real growth.

All of which is about as much good news as I can muster in the face of what are really trying times for many dependant on the housing market for their livelihoods. But just in case you haven't picked up on my message it is this: offer your clients protection whenever you see them, they want it and if you don't then someone else will or they will simply sort themselves out and someone other than you will earn the income. It ain't rocket science.

By Richard Verdin, Sales & Marketing Director.