

# MoneyMarketing

## Chadborn says persistency is guide to business quality

Tracey Scott | 31-Jul-2008

Advisers are calling on life offices to release protection persistency figures to help drive forward business based on quality rather than quantity.

CBK principal Peter Chadborn says all providers should publicise the level of business kept on their books as an indication of the quality of business.

He says: "If you want the industry to focus on quality, then companies need to be rewarded on persistency. They must acknowledge behaviour and start offering incentives."

Chadborn warns that there are dangerous incentives to re churn business. He says: "Once the adviser is out of the indemnity period, there is no financial incentive for them to keep the business on the books. So at a time when the policy has yet to make a profit for the life office, there is a potential incentive for the adviser to revisit the case and rebroke the business and get paid again for the new policy."

Legal & General IFA sales director Martin Noone says: "If we can have some quality measures in place and an IFA's business benefits from the improving quality, then I think that is good."

**Source:** Money Marketing

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