



Aviva shifts CI cover from conditions to principles

Tracey Scott | 18-Jun-2009

Aviva is to revamp its critical-illness insurance by introducing a set of guiding principles to govern and develop the products.

Director of protection Richard Verdin says that the principles, which will refresh the areas of cover that Aviva that offers, will position its critical-illness cover plan as one that is "right by the customer" rather than one that fuels the "conditions' race" and is competition-led.

From the third quarter this year, all new conditions will be of a similar severity to those already covered in order to start a claim. New conditions will be added only where it increases the scope of cover and it must be possible for any new condition to fulfil the definition under current medical best-practice guidelines, an industry benchmark.

Verdin says: "We have established a set of principles which we are using to govern the development of the product rather than simply doing what seems right by looking just at the market.

"There is too much focus on how many conditions a product covers and not enough on good quality cover at a cost for customers.

"I am not going to play a conditions' race. We want to do what is right by the customer rather than what is needed to compete in the market."

But Pru Protect director of protection development Kevin Carr says: "How would principles-based critical illness actually work? It could bring about uncertainty and subjectivity."

CBK Colchester principal Peter Chadborn adds: "The conditions' race really does very little to add value to the plan, so if this is the first provider to put the brakes on and have its own internal principles-based decision-making process about what we enhance and develop, then I have to say fair play to them."

Source: Money Marketing

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