

MoneyMarketing

L&G and Aviva put protection on menu

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Legal & General and Aviva are introducing menu-based protection products for intermediaries to appeal to a broader range of advisers and clients.

L&G managing director of intermediary distribution Duncan Crocker says that a menu-based charging system will be released in November, with additional developments set for the first quarter of next year.

A source close to Aviva says the firm is also planning to launch a menu-based solution for intermediaries.

This marks a significant departure in strategy for both firms which occupy the top two places by market share in the term life insurance sector.

L&G says the framework will be built on to its new protection technology platform OLP Connect.

Crocker says: "You pick and choose which elements of a package you want and we will only have one charge associated with that. A husband and wife can pick different levels of sums assured as opposed to both having £10,000 or whatever that might be.

"We will certainly try and build some clear water between us and the rest of the market. We are leading but we would hope to open up the gap between us and the second as the next 12 months unfolds."

CBK Colchester principal Peter Chadborn says: "I think it is a sensible move and I am surprised that it has not happened sooner.

"This marks a departure for both life offices from the stack them high, sell them cheap approach they have previously taken. It looks as if they are trying to attract a higher quality of business - the type where persistency levels are higher."

Aviva would not comment on the issue.