

What's in the Order and its likely impact

Our guide to the Competition Commission's
Payment Protection Insurance Market
Investigation Order 2010

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Introduction

Welcome to our guide, covering the Competition Commission's investigation into the Payment Protection Insurance (PPI) market and the release of their draft Order on 25 November 2010.

Because of the Order's importance to the creditor market, we wanted to help complement our partners' own reviews. I hope you find this guide useful.


The publication of the draft Order really does instigate the countdown to significant change in the market, in particular the prohibition on selling insurance at the same time as credit. Despite what many may view as the negative aspects of the remedies, we look forward extremely positively, for three main reasons.

- There are some very strong benefits for consumers within the remedies. The drive for simplicity and transparency within the industry is enhanced as a result of the remedies, whether that's concerning information disclosure (e.g. claims ratios),

the sales journey or making marketing communications even clearer.

- Despite the challenges, such as the prohibition of selling PPI at the same time as credit, we want to strive to continue to deliver the same level of outstanding results for our partners.
- Together these factors provide opportunities to create greater levels of consumer engagement, identification of needs and confidence in the market. These factors will enable the market to develop and grow over the long-term.

The development of our short term income protection proposition has been influenced throughout by the expected outcomes from the investigation. While we await the publication of the final Order, I look forward to us working together throughout 2011 and beyond to deliver the requirements arising from the Competition Commission's investigation.



Director of Creditor & Partnerships

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Why publish this guide now?

Although the Competition Commission's investigation has been ongoing for a number of years, it's only very recently that we've had a complete view. We're now able to comment on the requirements with confidence and provide our partners with more detailed guidance.

Who is this guide written for?

Anyone who wants to get to grips with the draft Order and its potential market impact. Section 3 provides an overview only: a summary of the remedies. For more detail, please read Section 4.

What does the guide cover?

This is our view of the Order so here you'll find our interpretation of the remedies and their practical application. We've also explored those issues where we feel there's still further clarification needed from Competition Commission.

The guide is primarily aimed at credit PPI rather than Retail PPI, if you would like to discuss the implications of the Order in relation to the Retail PPI market, please let us know.

Need anything further?

We hope this guide supplements your analysis. If you'd like any further assistance, face-to-face or over the phone, just let us know. We'd certainly welcome your feedback on this guide which you can provide through your usual Aviva contact.

You may also find it useful to check the Competition Commission website for updates. For instance there is now information relating to sessions they held in London on 8th December 2010.

Here is the link you need (you can even register to receive alerts when information has been updated):

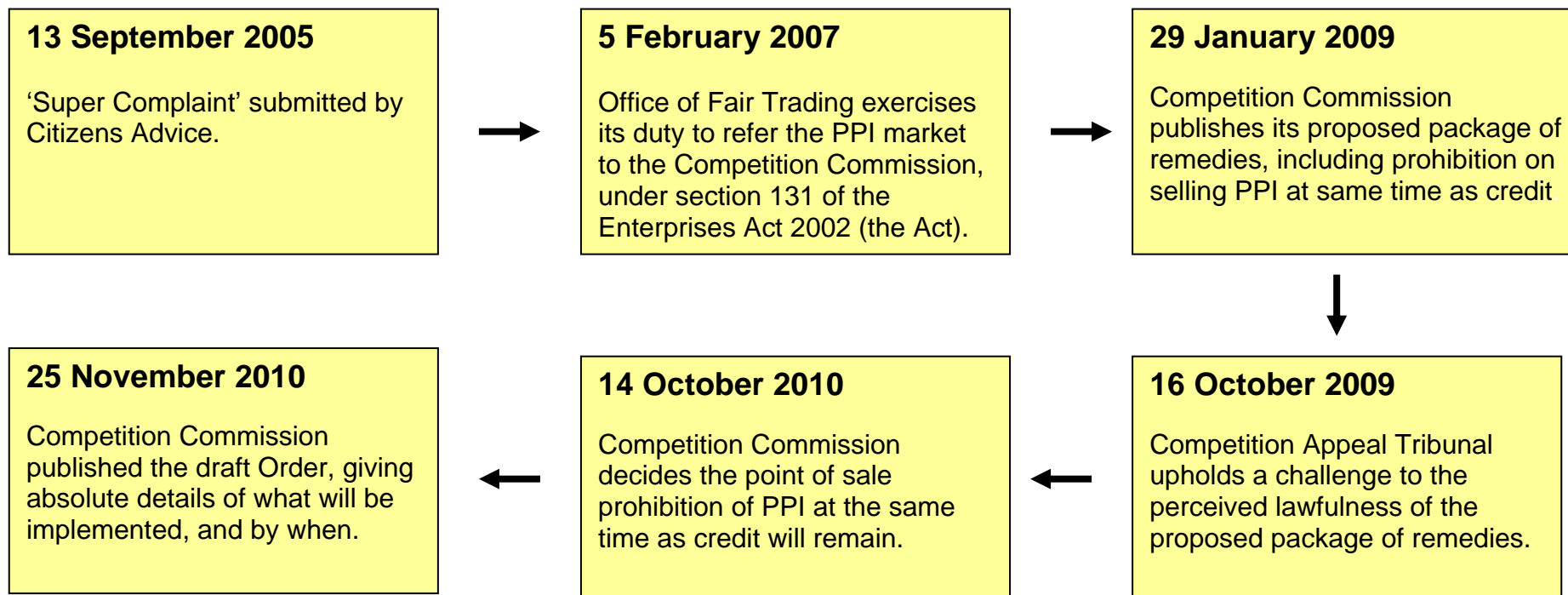
http://www.competition-commission.org.uk/inquiries/ref2007/ppi/ppi_latest_news.htm

Before reading on...

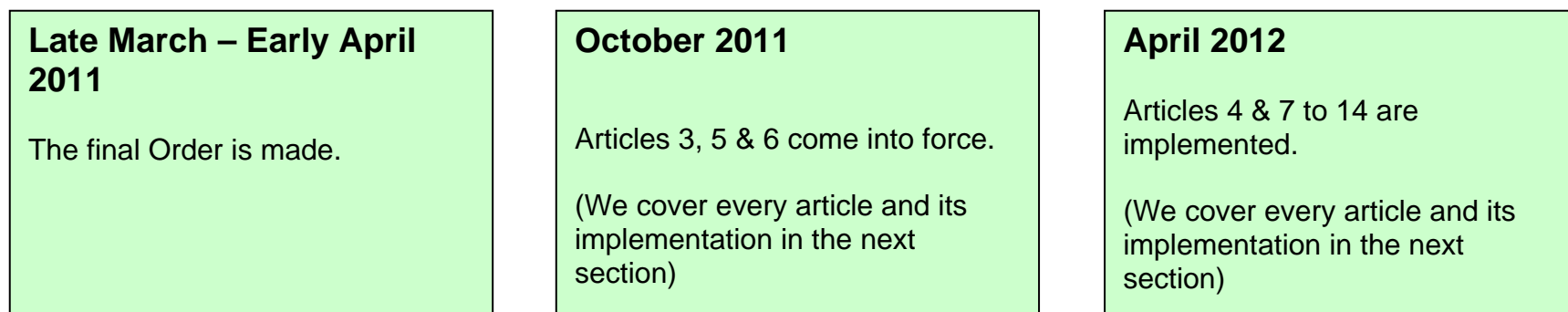
We want this guide to be as helpful as possible. Here are a couple of legal issues you should be aware of.

1. This document is for information only and the accuracy of its contents is not warranted by Aviva. Further disclosure of this document must be with Aviva's prior written consent.
2. The visual examples featuring Aviva branding are not intended to be a definitive guide, but purely an illustration of how the end result may look.

This doesn't reflect how any documentation, whether in the Aviva brand style or not, may look when implemented.



Coming next...



Section 3 – The proposed remedies: At a glance

This is a summary only of the Order. For further details, please also see Section 4.

Article	Effective date	Summary
Article 3 - Obligation to provide information about PPI	October 2011	PPI Providers will be required to include a prescribed Marketing Statement, depending on the PPI product. This is needed whenever the PPI is discussed orally or communicated in writing. There's also the requirement to disclose the monthly cost for every £100 of monthly benefit (or per £100 outstanding balance for Credit Card PPI).
Article 4 - Obligation to provide an Annual Review or Annual Reminder	April 2012	Every consumer who has a PPI policy – whether they took this out before or after this Order comes into force – must be contacted every year about their insurance. Again, the specific requirements vary according to the PPI product. When the consumer took out the policy (whether it was before or after the Order came into force) dictates the timetable for sending out the Annual Review or Reminder to the consumer. Note – Existing unsecured personal loans and single premium policies are out of scope under the Order.
Article 5 - Obligation to provide information to Consumer Financial Education Body (CFEB)	October 2011	Data (unspecified) must be provided to the CFEB to allow them to prepare and publish PPI Comparison Tables (at www.moneymadeclear.org.uk)
Article 6 - Obligation to disclose Claims Ratios	October 2011	PPI Providers are required to make freely available their Claims Ratio to any one requesting it. The ratio is calculated as incurred claims/earned premium. Response times vary depending on whether the request was made verbally or in writing.
Article 7 - Obligation to provide a Personal PPI Quote	April 2012	Whenever PPI is mentioned and the prescribed Marketing Statement made, a Personal PPI Quote must be provided (in person, electronically or by post) to the consumer. There's a prescribed form to use, the contents of which will vary depending on the PPI product being discussed. If a customer declines a quote the reason must be recorded.
Article 8 & 9 - Prohibition on sale of PPI before or during the Credit Sale	April 2012	Sale of PPI cannot take place at the same time as discussing credit. The consumer can contact the PPI provider the next day after the Personal PPI Quote has been given, but only of their own accord – there can be no inducement. The PPI Provider or Associate cannot contact the consumer until 7 days after the Personal PPI Quote was provided or when the credit sale ended, whichever is the later.

Section 3 – The proposed remedies: At a glance

Article	Effective date	Summary
Article 10 - Prohibition of payment by Single Premium and requirement to pay a rebate	April 2012	Payment by a Single Premium is not permissible. Also, any additional charges for set up, administration or early termination of a PPI policy are not allowed.
Article 11 - Duty to offer Retail PPI separately when sold in a package of insurance	April 2012	Retail PPI must be offered separately to Merchandise Cover. Retail PPI and Merchandise Cover must be given the same prominence in written Marketing Communications.
Article 12 - Obligation to submit Compliance Reports	April 2012	Where PPI providers achieved a certain level of GWP in 2007 as a Corporate Group, a Compliance Report must be produced within stipulated timescales.
Article 13 - Obligation to conduct a mystery shopping exercise	April 2012	Where a PPI provider achieves an annual GWP of £60m, a mystery shopping exercise must be undertaken by an independent marketing agency. There are specific requirements for the scope of the exercise, with the design having to be signed off by the Office of Fair Trading (OFT).
Article 14 - Obligation to report on clarity of Marketing Communication	April 2012	A report confirming Marketing Communications are easy to understand by the average consumer must be included within the Compliance Report (Article 12). These can only be deemed as 'easy to understand' if they have been certified by an organisation specialising in plain English or through independent research.
Article 15 - Obligation to appoint a Compliance Officer	April 2011	Within 21 days of the Order becoming effective, a PPI Provider must appoint a Compliance Officer, with specific duties in relation to monitoring adherence to the regulatory requirements.

Section 4

In detail: Our take on the requirements and their application

Article 3 - Obligation to provide information about PPI

Key requirements:

When a PPI Provider makes a Marketing Statement whether orally or in writing certain information has to be included ‘prominently’:

1. The Monthly cost of PPI for every £100 monthly benefit (every £100 of outstanding balance for credit card).
2. For PPI with Personal Loans, Credit Cards, Mortgage or Secondary Mortgage a prescribed statement needs to be used. This is:

This Payment Protection Insurance is optional. There are other providers of Payment Protection Insurance, which is not the only product designed to protect you against loss of income. For impartial information about insurance, please visit the website at www.moneymadeclear.org.uk.

3. For Stand-Alone PPI or Short-Term IP the prescribed statement is slightly shorter, removing reference to “optional”:

There are other providers of Payment Protection Insurance, which is not the only product designed to protect you against loss of income. For impartial information about insurance, please visit the website at www.moneymadeclear.org.uk

4. There is an additional statement to be applied where the maximum benefit payable is for less than 12 months.

Article 3 - Obligation to provide information about PPI

What could be the issues?

1. There is a lack of detail on what might be considered to be 'prominent' within promotional marketing, whether orally or in writing. Guidance is limited to it should be "reasonably possible to draw the consumer's attention" to the messages.

2. The method of calculation has not been defined for the monthly cost.

There is the potential for differences in application where there is dynamic pricing (e.g. based on age or gender) or flat rating, irrespective of individual circumstances.

3. Where there is a choice of benefit periods (e.g. 6, 12 or 24 months) the additional statement (where selected benefit is less than 12 months) could be misleading.

What might it mean?

There is no definitive guideline on what might be considered to be 'prominent'. Considerations could be:

1. Positioning of the statement will vary in line with factors such as brand guidelines, but it's reasonable to assume it can't be in an area at the bottom associated with 'small print'.
2. For the cost per £100 we expect this will need to be for a representative proportion of the typical customer base of the PPI Provider.

What Aviva can do to help?

Our marketing team has constructed an example piece of sales literature including the prescribed statement for our Short-Term IP proposition.

The example visual is shown within section 5.



Article 4 - Obligation to provide an Annual Review or Annual Reminder

Key requirements:

1. Full instructions are outlined in Schedule 3 of the draft Order.
2. There is a prescribed pro-forma which must be used. There are separate forms for each of Personal Loan, Secured Mortgage/Mortgage, Credit Cards, Retail and Stand-Alone/Short-Term IP.

The contact points for the Annual Review depend on whether the PPI policy is inceptioned before, on, or after the date this article comes into force (expected April 2012). For example, where the PPI policy has an annual renewal date or is paid for by an annual premium:

- The first Annual Review should be sent not less than 2 weeks and not more than 4 weeks before the date the policy must be renewed or the date when the annual premium must be paid.
 - Each subsequent Annual Review has to be sent on the anniversary of the date the first Annual Review was sent.
3. Clause 4.8 specifically excludes intermediaries from the requirements to send an Annual Review where they no longer maintain direct contact with the consumer.
 4. There is a specific requirement under 4.9(b) to include a Policy Summary with the Annual Review.
 5. The consumer has to make an explicit request for an Annual Review to be sent electronically.

Article 4 - Obligation to provide an Annual Review or Annual Reminder

What could be the issues?

1. The requirements do not apply to intermediaries who no longer maintain direct contact with the policyholder.
2. Policy Summaries are not normally issued at renewal. Indeed, prior to January 2005, there was no obligation on firms to produce policy summaries so for policies sold prior to this date, Policy Summaries do not exist.
3. Explicit consent is required to send the Annual Review or Annual Reminder in electronic format.
4. Timetable for contacting the consumer is very precise and might be impractical to adhere to (e.g. on the anniversary date)

What might it mean?

1. Particular care should be taken to maintain a high level of governance and control so PPI Providers can evidence who should, and who should not, receive Annual Reviews.
2. The need to include Policy Summaries where they do not exist could be a particular issue for PPI Providers for policies sold pre ICOB requirements.
3. PPI Providers could be required to contact consumers precisely to the day they purchased their policy. Given the potential for fluctuation in postal delivery this might seem impractical to implement.

What Aviva can do to help?

1. Our Short-Term IP proposition has already been built with the capability to produce Annual Reviews.
 2. In terms of other PPI products we're looking to understand the likely demand from partners for us to do this activity.
- If you'd like us to consider producing Annual reviews on your behalf, let us know.

Article 5 - Obligation to provide information to CFEB

Key requirements:

1. To provide data from time to time in such a format asked for by CFEB.

The existing comparative tables for PPI are broken down by Mortgage, Personal Loans and Credit Cards so it might be reasonable to assume reporting this framework will be maintained going forwards.

What could be the issues?

1. The Competition Commission has not expanded on what data may be requested by CFEB beyond existing requirements.
2. There is no timetable given for information to be given upon receipt of a request from CFEB.

What might it mean?

1. From time to time CFEB may make a request for information.

What Aviva can do to help?

1. We'll supply information in relation to the products we underwrite to enable the PPI Provider to comply with this article.

Article 6 - Obligation to disclose Claims Ratios

Key requirements:

1. The Claims Ratio needs to be provided within 3 months after the end of that business year. Where a Compliance Report is required the Claims Ratio must be disclosed in that report.

2. When responding to an oral request for the Claims Ratio the PPI Provider must:

- Disclose it orally in 24 hours or by close of next working day, whichever is later.
- Disclose it in writing within 7 days.
- Direct the enquirer to the website either orally or in writing (in 24 hours or 7 days per above)

3. When responding to a written request for the Claims Ratio the PPI Provider must:

- Disclose it in writing within 7 days.
- Direct the enquirer to the website either orally or in writing within 7 days.

What could be the issues?

1. What sorts of customers are likely to ask about claims ratio?
2. Timing for production of Claims Ratios is not consistent with the Compliance Report.

What might it mean?

1. PPI Providers might need to consider how well informed the enquirer is when communicating and disclosing their Claims Ratio.

A 'one size fits all' method of communication the Claims Ratio may not be suitable.

What Aviva can do to help?

1. Where we administer the PPI product we'll provide the values you need, by product, to calculate your Claims Ratio.

Article 7 - Obligation to provide a Personalised PPI Quote

Key requirements:

1. If a Marketing Statement is made (orally or in writing) a Personal PPI quote must be given at the same time or no later than 14 days afterwards.
2. For Retail or Stand-Alone PPI the prescribed forms for these products are set out in Schedule 4d and 4e of the draft Order.
3. A separate prescribed form is required for each type of PPI product. There are 4 separate forms covering Personal Loans, Mortgages, Credit Cards and Short-Term IP.
4. There are situations where a Personal PPI Quote doesn't have to be given, e.g. where the consumer is found to be ineligible for the policy or where the consumer does not want to receive a Personalised PPI Quote.
5. Where any type of PPI is sold by an Intermediary there is another separate bespoke form to be used.
6. A Personal PPI Quote can be given in person, by electronic communication or by post.

Article 7 - Obligation to provide a Personalised PPI Quote

What could be the issues?

1. There is a conflict between the requirement of FSA and Competition Commission which inhibit the use of a 'Quick Quote' without discussing all of the main characteristics of the full sale, including the provision of a Personalised PPI Quote.
2. It's unclear what will happen with current in-force policies where there is a change in the conditions of the policy. For instance, where an existing holder of MPPI wants to amend their level of benefit – is a Personal PPI Quote needed?
3. The PPI Provider needs to be able to produce a report for OFT detailing the 'exemptions' from the Personalised PPI Quote.

What might it mean?

1. Customer cannot decide how much information they want to receive. If a 'Quick Quote' is requested, and given, full disclosure of product features/benefits/exclusions becomes necessary.
2. PPI Providers are required to maintain disproportionately high levels of governance (and incur associated costs) to simply record why a PPI Personalised Quote has not given.

What Aviva can do to help?

1. We can work with you to establish the best customer journey, incorporating the PPI Personal Quote.
2. We've made sure the operational model under our Short-Term IP proposition is flexible. We could:
 - Provide the quote based on a referral of prospective leads from you.
 - Contact the consumer to conclude the sale from a referral of quotes already supplied by you.

Article 8 - Prohibition on sale of PPI at the Credit Sale

Key requirements:

1. Any type of PPI is considered to be Stand-Alone PPI where the customer confirms or internal records indicate a Credit Sale did not go ahead within the preceding month.
2. The consumer must confirm they've received a Personal PPI Quote to proceed to a sale.
3. A consumer can initiate the sale of PPI, but only by telephone or internet and no sooner than the day after the end of the credit sale or receipt of their Personal PPI Quote.
4. The sale of PPI can be concluded in any channel (e.g. at appointment in branch) but only after initial contact has been made per point 3.
5. The Credit Arranger or Associate cannot prompt, suggest or in any way induce the consumer to initiate contact during the Prohibition.
6. Any future propositions which are considered to have the same effect as PPI, which are introduced either before or after the start of the Order, could be impacted by clause 8.10. This clause covers the scope of application for the requirements of the Order.
7. The Prohibition doesn't apply to Retail PPI.
8. The Prohibition doesn't apply to Stand-Alone PPI.
9. Any type of PPI is considered to be Stand-Alone provided it's sold 1 month after the end of the Credit Sale and the consumer received a Personal PPI Quote.

Article 8 - Prohibition on sale of PPI at the Credit Sale

What could be the issues?

1. It's unclear whether a mid-term adjustment to an existing PPI policy is affected by Prohibition when instigated by a change in lending (which would clearly be to the detriment of the consumer).
2. The Competition Commission doesn't allow inducements that encourage the consumer to initiate the sale during the prohibition period.
3. Clause 8.10 has the potential to capture any proposition which is deemed to have the same effect as PPI. Due to the broad nature in which the clause could be applied care will need to be taken with future proposition development.

What might it mean?

1. To adhere to this article changes will be needed to governance, audit and reporting processes. For instance to demonstrate customers initiated contact after 'the next day'.
2. With no 'prompt' being permissible, a possible outcome is that the only communication during Prohibition is the delivery of the PPI Personal Quote.
3. Online and outbound telephony, are likely to take a much more prominent role in reaching consumers and converting sales than has previously been the case. PPI Providers might need to consider this shift in the channel mix and how it affects their operational model.

What Aviva can do to help?

1. We can work with you to establish the best customer journey, incorporating the requirements of this article.
2. We can help you develop promotions that are compliant, attract consumers and deliver sales.
3. With the flexibility built into our short term income protection proposition we could do any part of the sales journey on your behalf, should you want us to.

Article 9 - Prohibition on sale of PPI before the start of the Credit Sale

Key requirements:

1. You cannot complete the sale of PPI to a customer if there are reasonable grounds to believe they will take out credit. 'Reasonable grounds' are considered to be a discussion about:

- Amount of credit which may be provided.
- The terms of repayment for credit.
- The interest rate or charges payable for credit.

2. It doesn't apply to providing Retail PPI for a Retail Credit Account.
3. It doesn't apply where records indicate there are reasonable grounds to believe the consumer will not apply for the credit discussed.

What could be the issues?

1. The case could be made there will still be customer detriment. For example where an active purchaser of a stand alone product becomes caught by prohibition if he/she has made an enquiry about credit.

What might it mean?

1. Despite the restrictions imposed by this article it's still likely the majority of leads (and sales) will arise from an initial conversation about credit.

What Aviva can do to help?

1. We can help 'step-through' your customer journey to maximise the conversion of leads in a compliant manner.
-

Article 10 - Prohibition of payment by Single Premium and requirement to pay a rebate

Key requirements:

1. A PPI policy cannot make extra charges for set up, administration or early termination.
2. Where a PPI policy is paid by annual premium a rebate in direct proportion to the remaining cover will need to be paid.

What could be the issues?

1. There is no requirement to pay a rebate for remaining cover where the insurance premium is paid on a monthly basis.
2. It's not clear if the restriction on charges for set up, administration or early termination applies to existing PPI policies (see point 3 in What might it mean?).

What might it mean?

1. On annual premium policies, a pro-rata rebate will be required.
2. It's not clear what the intention is where an annual premium cancels with less than 1 month before the end.
3. In the latest Q&A's issued 17 December 2010 by Competition Commission they have advised the clause on charges will only apply to policies made after this article comes into effect.

What Aviva can do to help?

1. If we provide post sale administration our systems will be changed to provide a pro-rata rebate on annual payments (monthly premium cases subject to confirmation).
 2. Our new Short-Term IP proposition has already been built to provide a pro-rata rebate.
-

Article 12 - Obligation to submit Compliance Reports

Key requirements:

1. A Compliance Report must be submitted by any PPI Provider who in 2007 achieved (on a Corporate Group basis) total GWP of at least £30m or GWP of £10m or more in relation to any PPI Product Type.
2. The Compliance Report must be produced on the 1st anniversary of the start of the Order and each 6 months afterwards, for 2 years.
3. After the 2 years the report needs to be produced annually.
4. If a PPI Provider achieves the same financial benchmarks after the 2nd anniversary of the start of the Order those firms will also be required to produce an annual report.
5. Where there are multiple PPI Providers within the same Corporate Group only one compliance report needs to be produced.
6. The Compliance Report can be completed by the PPI Provider themselves or an independent party.

Where the PPI Provider prepares the report a certificate must be included signed by an independent party verifying the report is true and correct.

What could be the issues?

1. Does the term 'total GWP' relate to all written business or only that relating to any policies sold directly to consumers (which would be consistent with definition of PPI Provider)?
2. Compliance Reports will take some time to produce and if submitted on 1st anniversary (e.g. 6th April 2012) of start of the Order it cannot, by definition, include a full reporting year of information (e.g. for Claims Ratios).
3. Reporting becomes effective immediately from April 2011 yet the actual format for the data to be collated has not been defined by OFT.

What might it mean?

1. If you're likely to be required to produce a Compliance Report it would be advisable to seek clarification directly from Competition Commission/OFT on their requirements.
2. Despite the lack of clarity with regard to 'total GWP' it is clear responsibility for completing a Compliance Report will be with the PPI Provider.

What Aviva can do to help?

1. We would recommend you keep a close eye for further information which might be issued onto the Competition Commission or OFT website. It's likely there will be some 'fine-tuning' of the data requirements arising from this article.
2. Where there's any reliance on data we hold to complete a Compliance Report we'll make sure it's provided to you.

Article 13 - Obligation to conduct a mystery shopping exercise

Key requirements:

1. Full details of the requirement to do a mystery shopping exercise are provided in Schedule 5c with the obligation beginning on the 1st anniversary of the start of the Order.
2. OFT must have agreed to the design of the research before it's started. The results of the exercise must be included within the Compliance Report.
3. A mystery shopping exercise will have to cover each PPI product with a minimum number of 'shops' to be done within following channels (where applicable):

- 20 by telephone.
- 20 by personal branch visits.
- 20 by applying through website.

What could be the issues?

1. A mystery shopping exercise takes time to create, execute and report, particularly as this has to be approved by OFT.
2. There could be an issue with timing the activity so that it's available (as required) with a Compliance Report.

What might it mean?

1. The timetable for the submission of a Compliance Report and the requirement to do a mystery shopping are not aligned. This could result in issues supplying the information (i.e. mystery shopping with a Compliance Report) stipulated under the Order.

What Aviva can do to help?

1. We have experience in this field, having previously done mystery shopping into the sale of PPI. We can help guide you through the process in establishing a mystery shopping exercise.

Article 14 - Obligation to report on clarity of Marketing Communication

Key requirements:

1. A report must be produced (as part of a Compliance Report) confirming Marketing Communications are easy to understand by the 'average' consumer, which can only be established if it's:
 - Certified by organisation specialising in plain English or;
 - Verified by independent market research.

What could be the issues?

1. No specification on what information the 'report' might need to include.
2. Definition of a Marketing Communication could potentially include call scripts.
3. An 'average' consumer is a broad term with little clarification in the Order.

What might it mean?

1. As there is no guidance on what scope of information might be needed it's not possible to assess its likely impact, whether in terms of cost, time or resource.
2. For the 'average' consumer there is already a requirement under TCF (principle 2) to ensure products are marketed to specific consumer groups and targeted accordingly. The two are not expected to be exclusive of each other.

What Aviva can do to help?

1. We have experience in this field, having undertaken numerous consumer research programmes covering PPI. We can help guide you as required.

The visual examples featuring Aviva branding are not intended to be a definitive guide, but purely an illustration of how the end result may look. This doesn't reflect how any documentation, whether in the Aviva brand style or not, may look when implemented.

Marketing Statement

It's your life. Only you can decide how you want to protect it.

No-one should have to lose sleep over losing their income, but the fact is, different people worry about different things.

One thing you really shouldn't do is leave your peace of mind to chance, especially when choosing the right provider. It's a cliché, but not all products are the same.

There are other providers of Payment Protection Insurance, which is not the only product designed to protect you against loss of income. For impartial information about insurance, please visit the website at www.moneymadeclear.org.uk

When you're comparing products don't get caught out by certain features which restrict cover with a low headline price. We've outlined some things to look out for below:

What to look out for...	
Can it meet your specific needs?	<p>Check what options you're given to tailor your cover to your own needs. Greater flexibility means you can pay the right premium for the right cover taking into account factors such as:</p> <ul style="list-style-type: none"> • Sick pay from your employment; • Size of any prospective redundancy package; • Amount of readily available savings you have if you're willing to dip into them to replace lost income.
Can you amend the cover after purchase?	<p>Check whether you're able to adjust the key aspects of your cover to meet your ongoing needs, not just those when you decide to buy. Some companies may offer either no or limited flexibility during the lifetime of the policy.</p>
Does it have a back or mental health exclusion within accident/sickness cover?	<p>These can be one of the most common reasons why claims would be declined and make the monthly cost cheaper as a result.</p>
What is the pre-existing condition clause within accident/sickness cover?	<p>Almost all policies will guard against claims for conditions which someone is already aware of. Whilst insurance is designed to cover the unexpected, however, the operation of the clause differs from provider to provider and can particularly restrict the ability to claim for up to 24 months.</p>

Personal PPI Quote

Schedule 4e

[Name]
[Address Line 1]
[Address Line 2]
[Address Line 3]
[Address Line 4]
[Postcode]

Reference[X]
Date[X]



Quote for your Optional Payment Protection Insurance [Stand Alone]
This form gives you information about how much this insurance will cost

Things you should know about Optional Payment Protection Insurance

Cheaper or more appropriate cover may be available from other providers. You can compare product features and costs using the Consumer Financial Education Body's comparison tables at www.moneymadeclear.org.uk/tables/bespoke/PPI.

Payment Protection Insurance is not the only product designed to protect you against loss of your income. For impartial information about insurance, please visit the website at: www.moneymadeclear.org.uk/products/insurance/insurance.html.

Further details of cover, including any significant exclusions and limitations, are in the attached policy summary. This quote is valid [for (X) days] provided that you remain eligible for this product.

Payment Protection Insurance quote

Type of cover included

Life
 Accident & Sickness
 Unemployment
 [Other]

Cost of Payment Protection Insurance cover

Annual cost of payment protection insurance
 Monthly cost of Payment Protection Insurance

We have calculated the cost of our Payment Protection Insurance as a monthly cost for every £100 of monthly benefit below. This number explains how much this insurance costs you each month for every £100 in benefit that you would receive each month if you made a successful claim for accident, sickness or unemployment. For example, if the number is £5 this means that for every £5 that you pay as a monthly premium, you will get £100 for each [full] month that the claim lasts (less the excess period on the policy). This number can be used to make comparisons with the cost of insurance from other providers. You should also compare the cover offered and the way in which benefits are paid out.

Monthly cost of Payment Protection Insurance for every £100 of monthly benefit

Monthly income [or monthly repayment] protected by this cover

Amount of monthly income protected

Annual Review

Schedule 3e

[Name]
[Address Line 1]
[Address Line 2]
[Address Line 3]
[Address Line 4]
[Postcode]

Reference [X]
Date [X]



Annual Review of your Optional Payment Protection Insurance [Stand Alone]
This form gives you information about how much this insurance has cost in the past year

Things you should know about Optional Payment Protection Insurance

You can cancel your policy at any time.

Cheaper or more appropriate cover may be available from other providers. You can compare product features and costs using the Consumer Financial Education Body's comparison tables at www.moneymadeclear.org.uk/tables/bespoke/PPI.

Payment Protection Insurance is not the only product designed to protect you against loss of your income. For impartial information about insurance, please visit the website at: www.moneymadeclear.org.uk/products/insurance/insurance.html.

Further details of cover, including any exclusions and limitations, are in the attached policy summary. You should check this form to make sure that all the recorded details are correct, otherwise your insurance cover may be affected.

Payment Protection Insurance cover

Type of cover included

Life
 Accident & Sickness
 Unemployment
 [Other]

We have recorded your current employment status as
 We have recorded your current age as

Cost of Payment Protection Insurance cover

Annual cost of Payment Protection Insurance in past year
 Average monthly cost of Payment Protection Insurance in the past year

We have calculated the cost of our Payment Protection Insurance as a monthly cost for every £100 of monthly benefit below. This number explains how much this insurance costs you each month for every £100 in benefit that you would receive each month if you made a successful claim for accident, sickness or unemployment. For example, if the number is £5 this means that for every £5 that you pay as a monthly premium, you will get £100 for each [full] month that the claim lasts (less the excess period on the policy). This number can be used to make comparisons with the cost of insurance from other providers. You should also compare the cover offered and the way in which benefits are paid out.

Monthly cost of Payment Protection Insurance for every £100 of monthly benefit

Monthly income [or monthly repayment] protected by this cover

Amount of monthly income protected

Cancellation rights

You can cancel your Payment Protection Insurance at any time [by providing (X) days' notice]. To cancel, call [xxx xxxx xxx] or write to [Customer Services at (X)]. There is no charge for cancellation. For general enquires, please call: [xxx xxxx xxx].

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Aviva Insurance Limited

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