



RESEARCH

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AMI Questions

March 2006

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The logo for the Mortgage Intermediary Census, featuring the words "mortgage intermediary" in a smaller font above the word "census" in a larger, bold font, all contained within a dark brown circle.

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## Payment Protection Insurance (PPI)

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- The AMI questions this month focused on **payment protection insurance (PPI)** within the mortgage industry
- Questions were placed on March's Mortgage Intermediary Census and fieldwork was conducted during 14<sup>th</sup> – 24<sup>th</sup> March, 2006
- **166** Mortgage Intermediaries responded to the survey

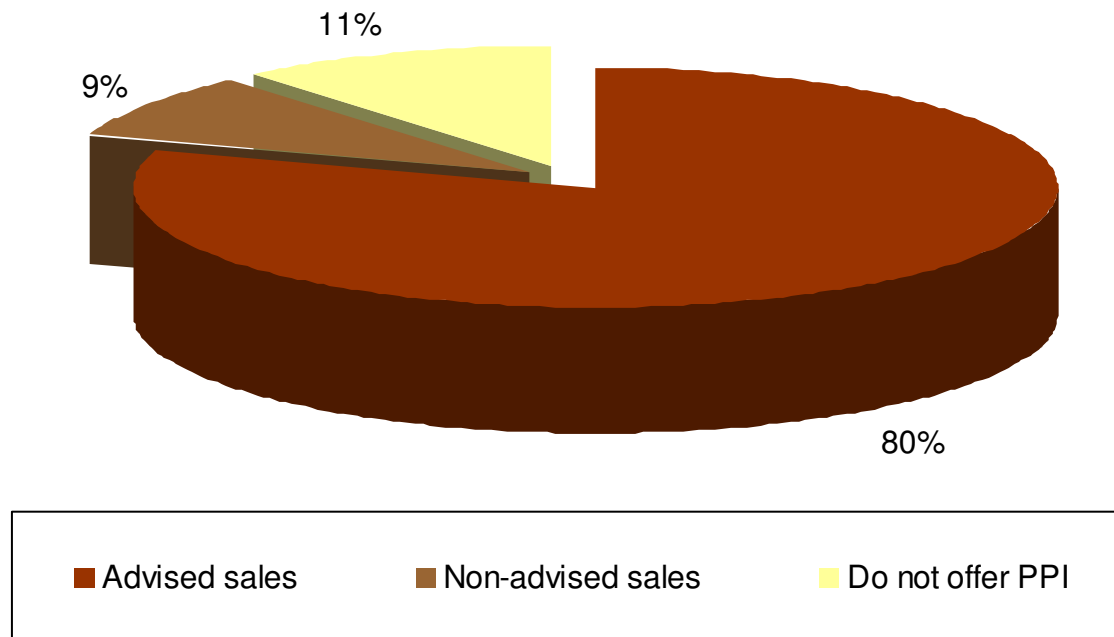
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## Basis on which firms arrange PPI

Four-fifths of respondents arrange payment protection insurance via advised sales



Base: All respondents (166); Mar 2006  
On what basis does your firm arrange payment protection insurance?

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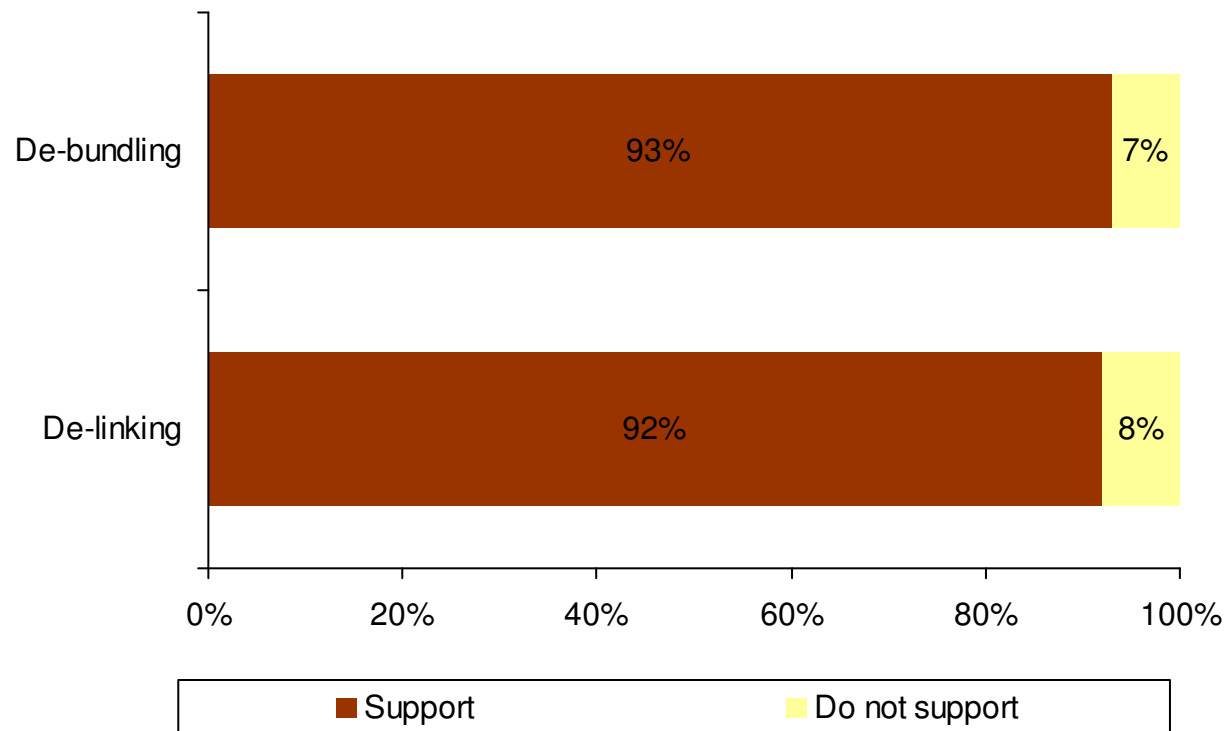
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## Level of support for ‘de-linking’ versus ‘de-bundling’ of PPI products

There is no significant difference between the level of support for de-linking compared to de-bundling of PPI products



Base: All respondents (166); Mar 2006

Do you support ‘de-linking’ of PPI products from any associated mortgage product, so that it is clear to customers that they are free to choose a PPI provider who is separate from the lender? / Do you support ‘de-bundling’ of each of the individual elements of accident, sickness and unemployment, so that each benefit could be bought separately, as appropriate to the customer’s sick pay or other relevant circumstances?

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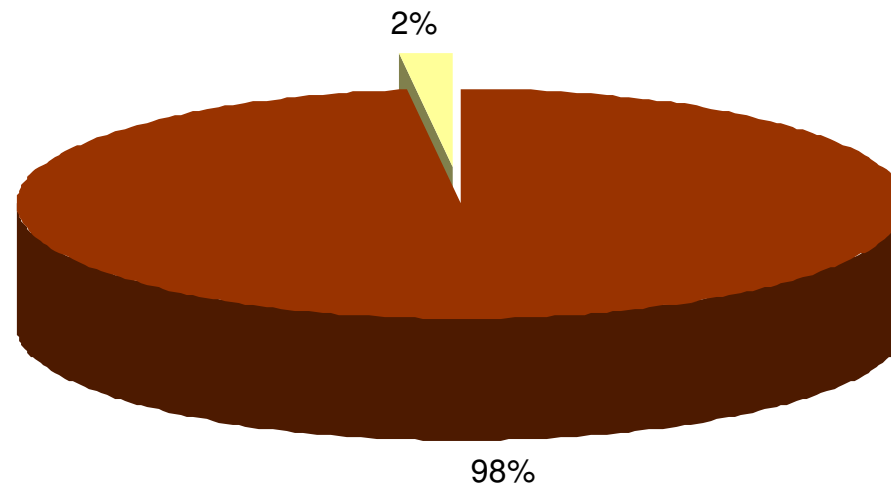
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## Level of agreement with portable policies

A majority of respondents agree that PPI policies should be portable

- I believe PPI policies should be portable
- I believe PPI policies should NOT be portable



Base: All respondents (166); Mar 2006

Should all PPI policies be portable, so that they can be maintained in the event that the associated mortgage is transferred to another lender?

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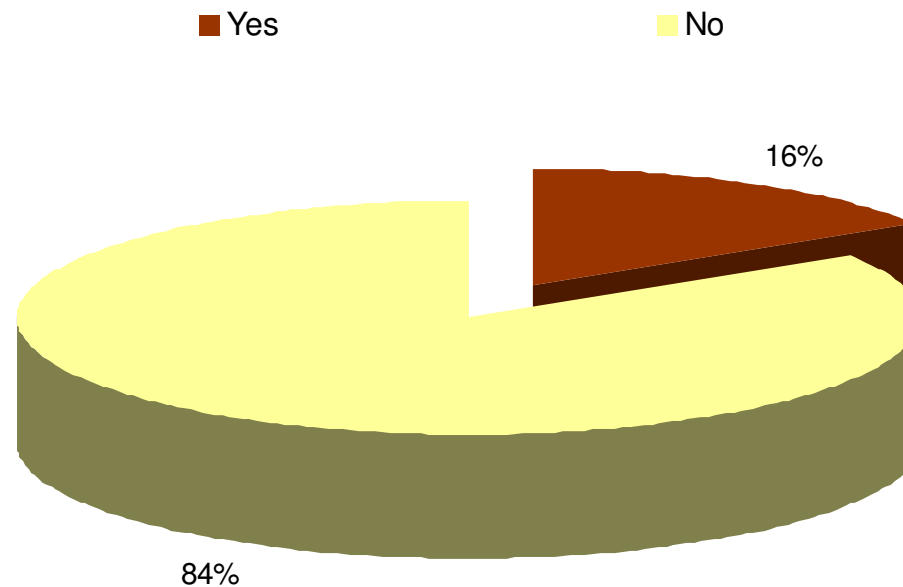


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## Offering Single Premium PPI contracts

Less than one fifth of respondents currently offer single premium PPI contracts



Base: All respondents (166); Mar 2006  
Do you currently offer single premium PPI contracts?

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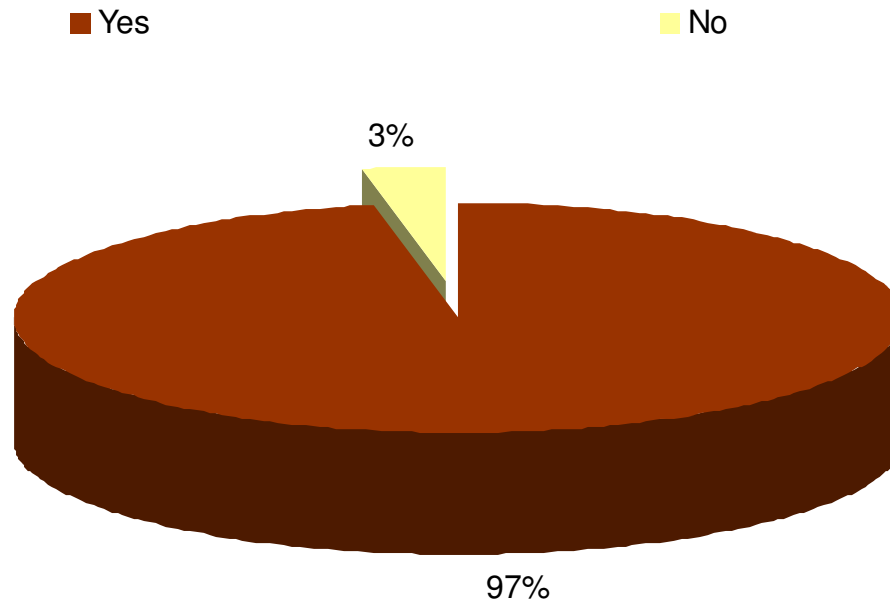


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## Single Premium PPI Contracts – Also offer monthly premium option

Almost all advisers believe that intermediaries offering single premium PPI contracts should also offer a monthly premium option



Base: All respondents (166); Mar 2006  
Should intermediaries offering single premium PPI contracts also offer a monthly premium option?

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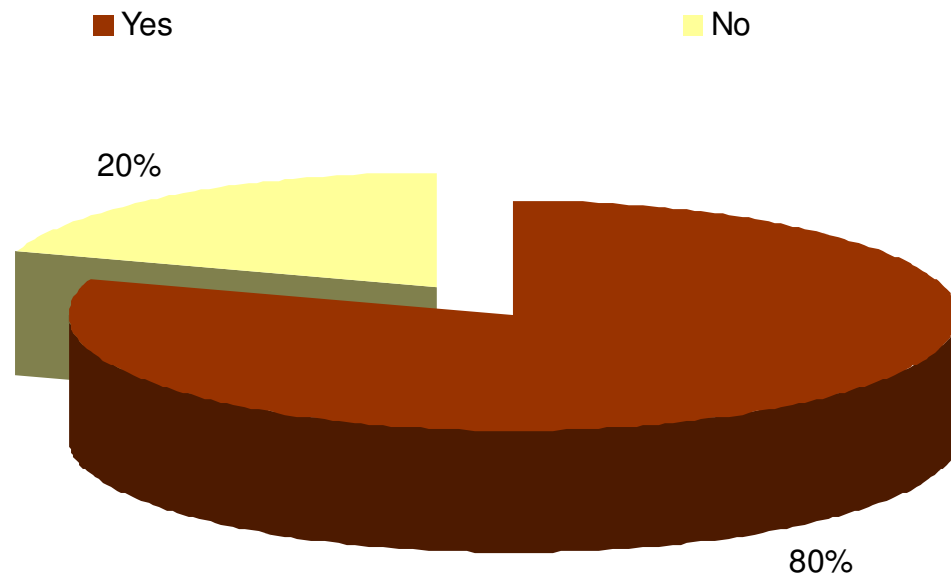


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## Industry Standard 'Baseline' PPI Product

Exactly four-fifths of intermediaries think there should be an industry standard baseline PPI product



Base: All respondents (166); Mar 2006

Should there be an industry standard 'baseline' PPI product, with set terms, such as a minimum deferred period for payment of benefits, and minimum levels of cover etc?

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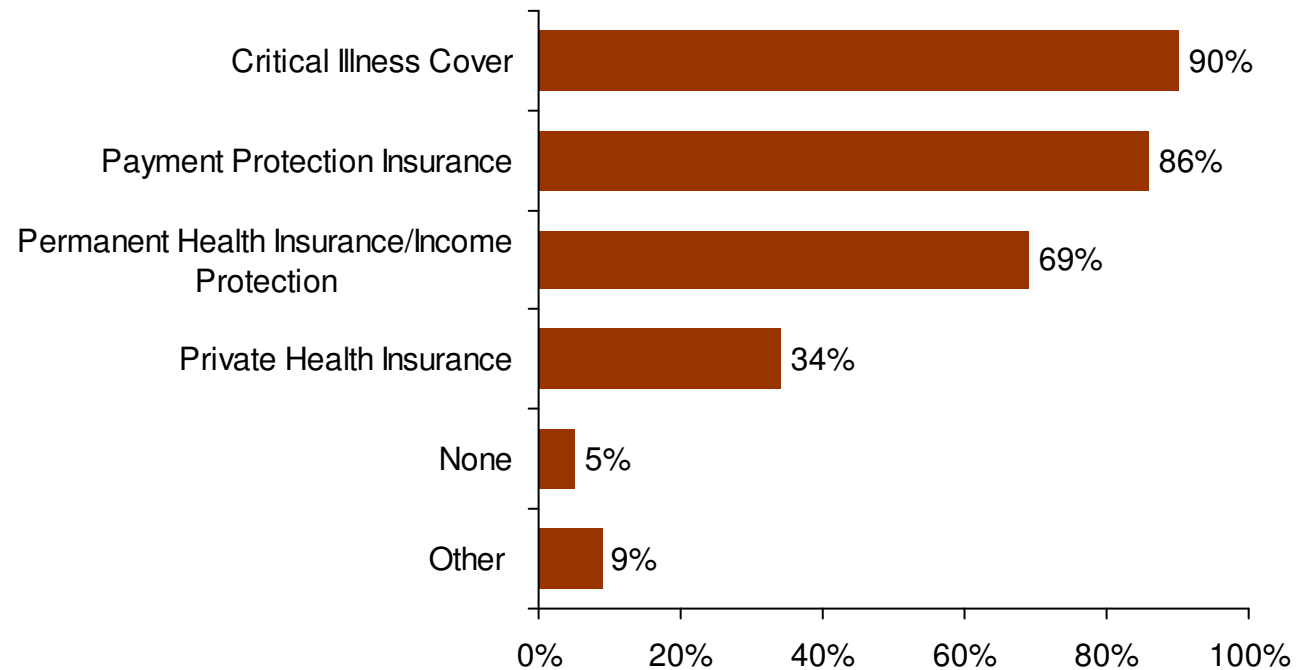
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## Protection Contracts Offered



Base: All respondents (166); Mar 2006  
Which of these protection contracts do you offer? (Tick all that apply)

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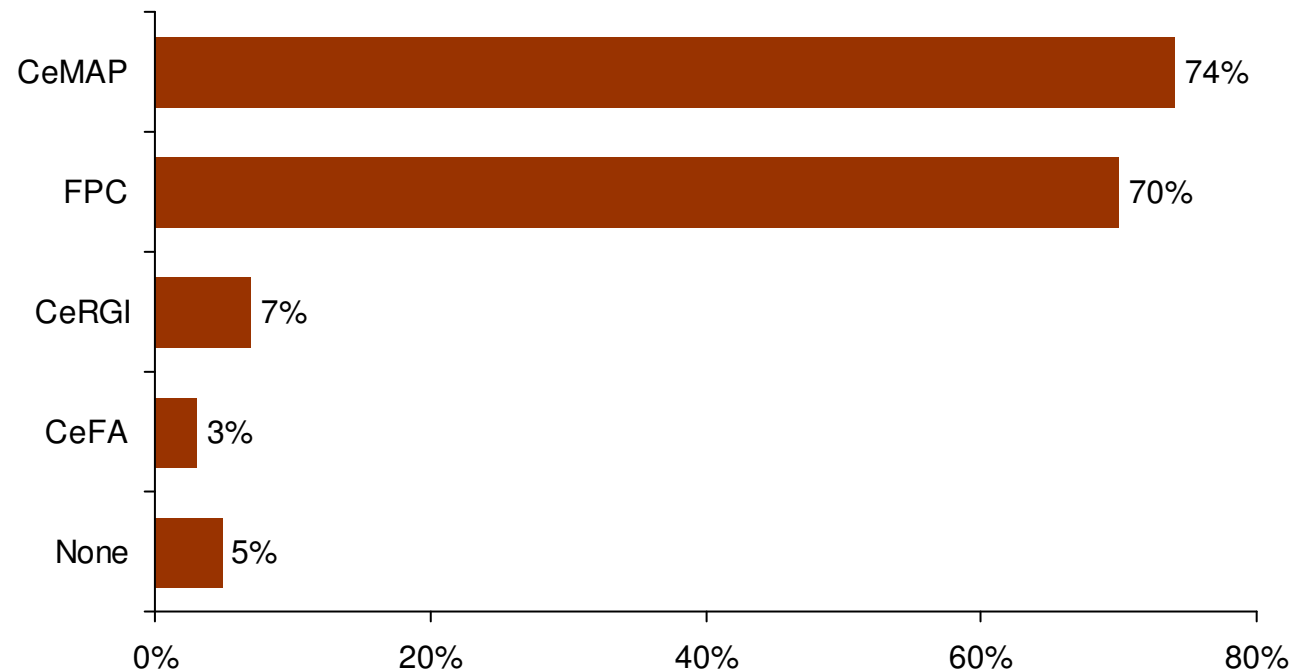
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## Provide advice on PPI - Qualifications

CeMAP and FPC qualifications are held by most advisers, especially in contrast to CeRGI and CEFA qualifications are held by only a fraction of those offering advice on PPI



Base: All respondents (166); Mar 2006

If you provide advice on PPI, which of the following qualifications do you hold? (Tick all that apply)

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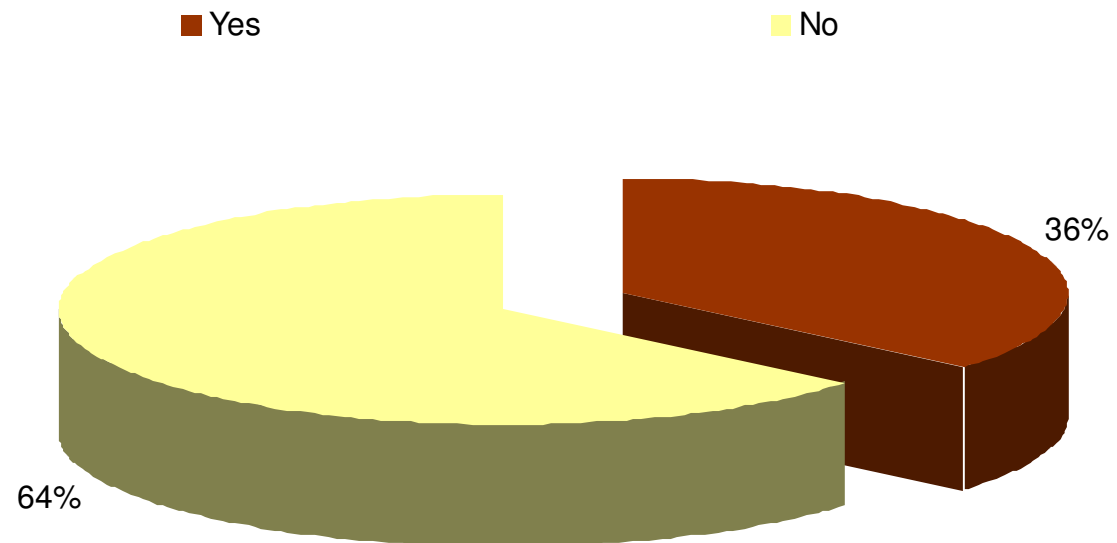


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## Specific Qualification for income protection advice

Only one-third of advisers feel there should be a specific qualification for income protection advice



Base: All respondents (166); Mar 2006

Do you feel that there should be a specific qualification for income protection advice?

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## **Contacts**

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