



Aviva offers Cost of Living Support scheme for individual protection insurance customers

We know that when times are tough for customers, they are tough for advisers too. To help you to help your customers struggling with the cost-of-living crisis, we are offering additional support to individual protection customers through our new Cost-of-Living-Support scheme.

The Cost of Living Support scheme will operate alongside the payment deferral scheme that was put in place during COVID-19 for any customers experiencing short-term difficulty. The new scheme has been introduced to help customers with longer-term money worries keep some valuable cover in place over the next few years by reducing the sum assured on their policy to make their premiums more manageable.

Customers will be able to buy a top-up policy to bring their cover back to a maximum of their previous level after one or two years when their finances are back on track.

Helping you to help your clients through tough times

The Cost-of-Living-Support scheme provides a structured way to allow your clients to reduce their sum assured and monthly payments whilst times are challenging. It then also offers a clear and simple route using a streamlined underwriting approach to allow them to buy additional cover to 'top up' their protection to a maximum of its previous level once the cost-of-living crisis has subsided. Topping up is a simple process of purchasing a new policy for the extra cover with just a few medical questions¹.

You are able to notify us about any customers who require this support through their usual contact channels. We will be able to provide them with quotes for reduced cover allowing you to provide your clients with advice on their options.

Customers who choose to contact Aviva directly to discuss their money worries will be prompted to speak to their adviser before making a decision. Where they choose to proceed without advice, we will contact their adviser, with the customer's consent, to inform them of the change and keep them copied into relevant future customer correspondence.

We will send communication nudges to customers and their advisers after one year and again after two years, to remind them of the opportunity to bring their cover back to its previous level. Customers can apply to buy more cover at any other point, or extend it beyond the original cover level, by going through our standard application process.

If customers policies are still within the commission clawback period when their policy is reduced, there will be a partial commission clawback applied to the policy. When the customer buys a top up policy after one or two years, commission will be paid on this new policy.

¹ When we top up a customer's cover, we can only offer an equivalent policy that's available at the time. Whilst this will be broadly similar, it might be different in price, eligibility and terms and conditions to their current policy.

Who can this scheme help?

Most customers who bought their policy after 14 November 2016 and have a policy number starting with the letters BPL will be able to seek support through this scheme.

If you have clients' in need of support who took out their policies before this date, those who hold a 50+ policy or whose policy number does not start with BPL, you should call us to discuss help for you client's individual situation and the support and flexibility options available to them.

Our existing payment deferral support² remains in place for all customers, based upon their circumstances, irrespective of their policy type.

By offering both support schemes, we aim to help as many customers as possible to maintain some cover at a time when they may need it most, while ensuring advisers are kept involved in managing their existing clients.

How can I find out more?

We are hosting a series of Adviser Digital Roadshows during March about the Cost of Living. Using a case study about the Campbell family who are struggling financially due to a large increase to their monthly mortgage payments, the sessions will highlight the options and tools that Aviva can provide to advisers to help them to support their customers in similar situations. You can register to attend the event here, or watch on demand at a time to suit you.

In the workshop, there are reminders of how you can track warning signs of customer lapses and cancellations via the Aviva Connect site, as well as the mechanisms to help put payment back in place.

You can also view FAQs here, which give further information on the scheme.

Fran Bruce, Managing Director of Protection at Aviva said:

“We recognise that the cost of living is very difficult for people and there is no obvious point when things will improve, so alongside our short-term assistance, we have expanded the options to increase flexibility and address customers' future needs, as well as highlighting the importance of advice in the process.

“We know when times are tough for customers, they are tough for advisers, so we have expanded the support and tools available to make managing existing customers' policies easier for them. By making these changes, we aim to help advisers work with their clients to keep some cover in place rather than cancelling their policy outright.

“If financial pressures ease in a year or two, we'll provide a simple route to return the protection cover back up to a maximum of the customer's previous level.”

² In May 2020, Aviva introduced protection premium deferrals for three months, allowing customers who were struggling as a result of COVID-19 to spread these payments over the following nine months. This was kept throughout the pandemic and eligibility was extended in March 2022 to allow customers with a different range of circumstances to apply for additional short-term support.