



RESEARCH

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Association of



Mortgage Intermediaries

**AMI Questions**

**Wave 19 –  
November 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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## PPI & MPPI

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- The AMI questions this month focused on Mortgage Payment Protection Insurance (MPPI) and Payment Protection Insurance (PPI)
- Questions were placed on November's Mortgage Intermediary Census and fieldwork was conducted during 14<sup>th</sup> to the 24<sup>th</sup> November.
- **246** Mortgage Intermediaries responded to the survey

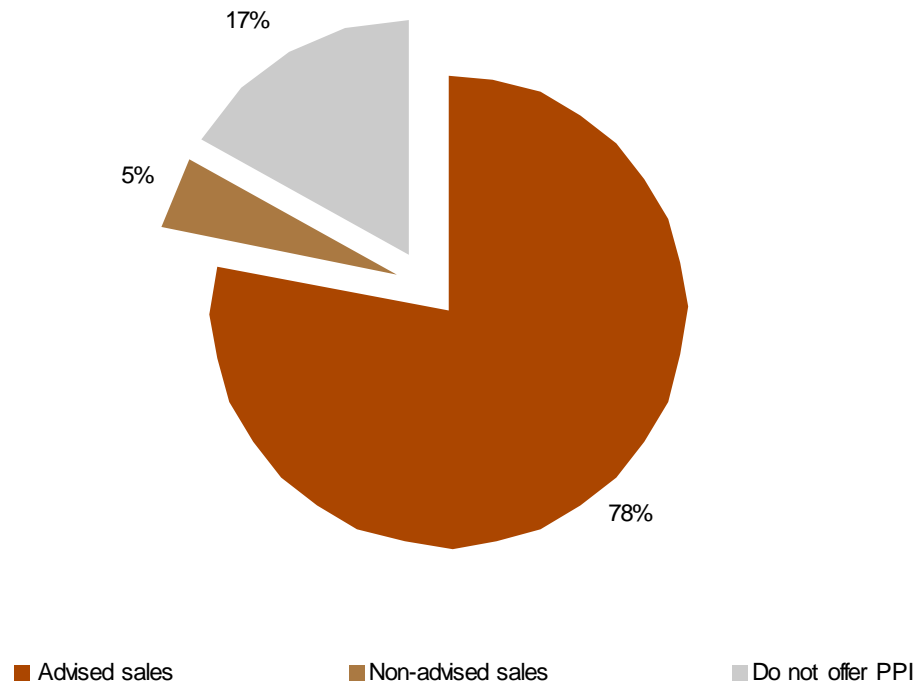
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## Arrangements for PPI

Over 3 in 4 respondents work in firms that arrange PPI through advised sales



Base – November 2006 – All Respondents, 246

Q1 - On what basis does your firm arrange payment protection insurance?

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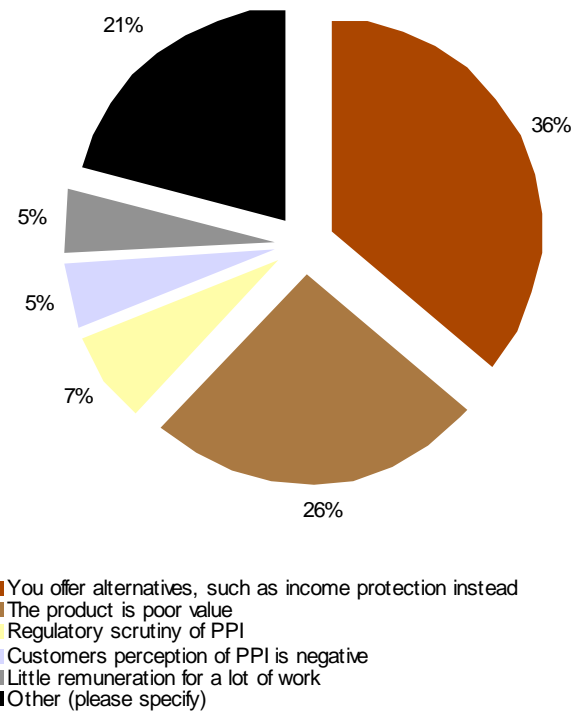


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## Reasons for not offering MPPI

Of the respondents that do not offer MPPI, over 1 in 3 offer alternatives (such as income protection) and 1 in 4 think MPPI is poor value



Base – November 2006 – Respondents who do not offer MPPI, 42  
Q2 – Why do you not offer MPPI?

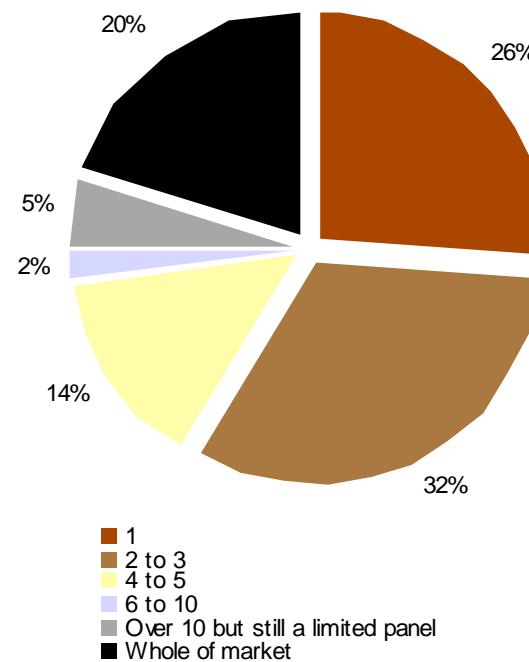
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## PPI - Number of Providers

A quarter of respondents that offer PPI use just one provider, nearly a third use just 2-3



Base – November 2006 – Respondents who offer PPI, 204  
Q3 - How many providers do you offer PPI from?

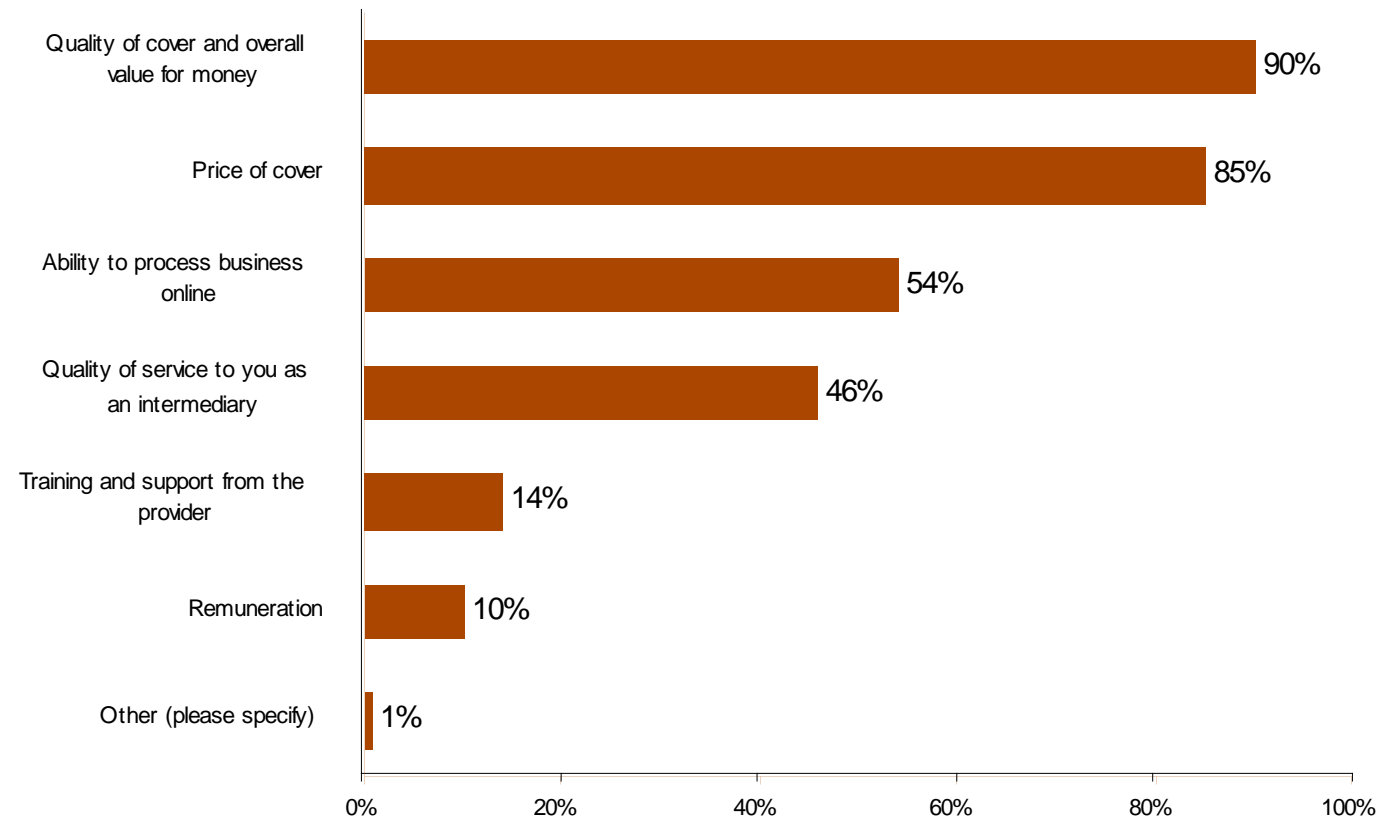
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## Most important factors for choosing PPI providers

Quality of cover and overall value for money, and price of cover are overwhelmingly the most important factors for choosing PPI providers



Base – November 2006 – Respondents who offer PPI, 204

Q4 - When choosing which PPI providers your firm uses, which three of the following are most important?

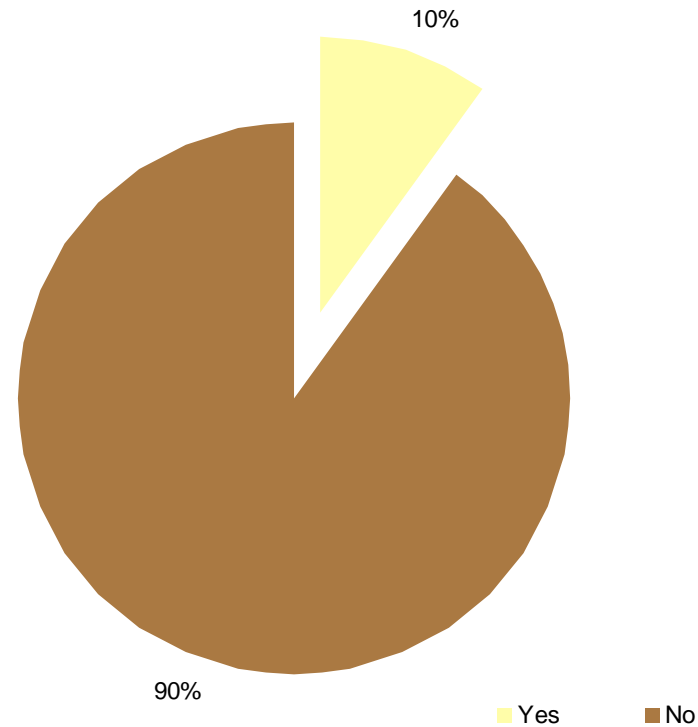
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## Single Premium PPI products

Only a minority, 1 in 10 respondents offer single premium PPI contracts



Base – November 2006 – All Respondents who offer PPI products, 204  
Q5 - Do you currently offer single premium PPI contracts?:

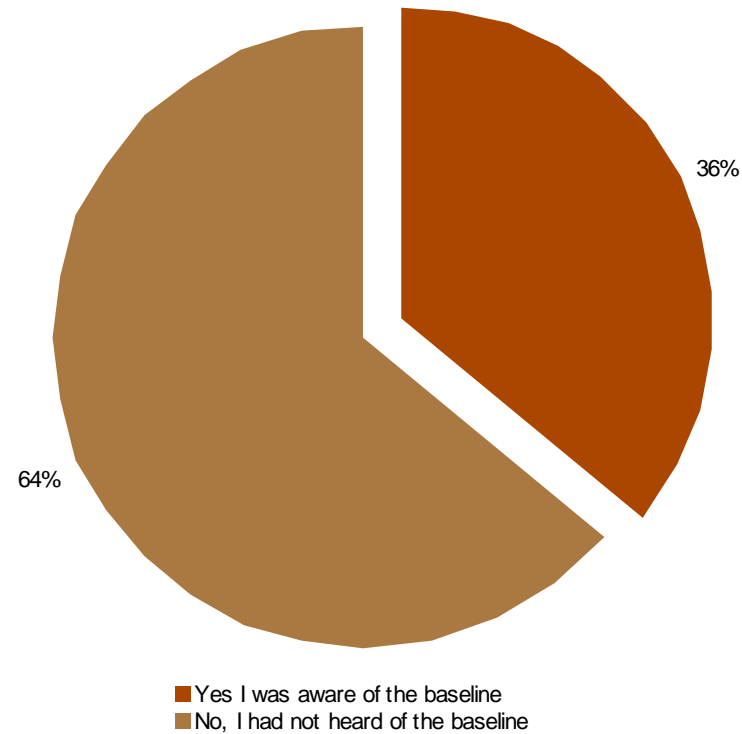
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## Awareness of the CML 'baseline' for MPPI

A third of respondents were aware of CML's baseline for mortgage payment protection insurance



Base – November 2006 – All Respondents who don't offer PPI products, 42

Q6 - Are you aware of the existence of the CML's 'baseline' for mortgage payment protection insurance? (Providers and lenders who sign up to the baseline have to provide minimum standards within their MPPI contract –such as a minimum deferred period for payment of benefits, and minimum levels of cover, etc.)

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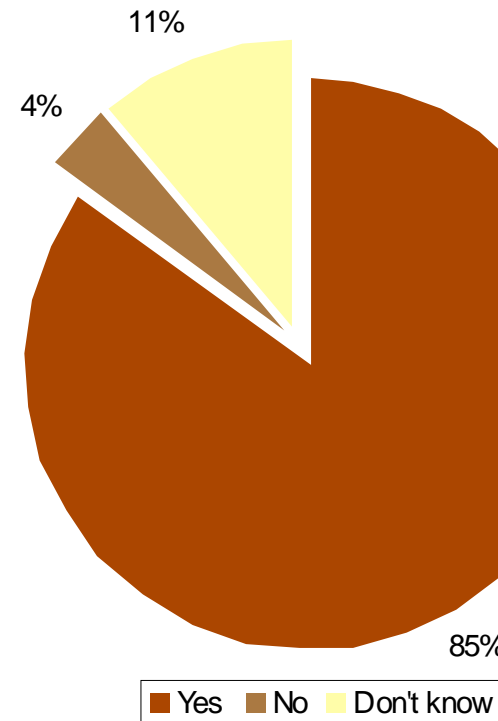
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## Continuous Cover – A good alternative?

Overwhelmingly 4 out of 5 agree with the statement that continuous cover is a good alternative allowing all MPPI contracts to be portable between lenders



Base – Nov 2006 – All Respondents, 246

Q7 - Would you agree that continuous cover is a good alternative to allowing all MPPI contracts to be portable between lenders? (Continuous cover would mean that the initial qualifying period for unemployment claims would be waived for consumers switching their MPPI policies to a new insurer, thereby providing customers with continuous cover without a new initial qualifying period.) 8

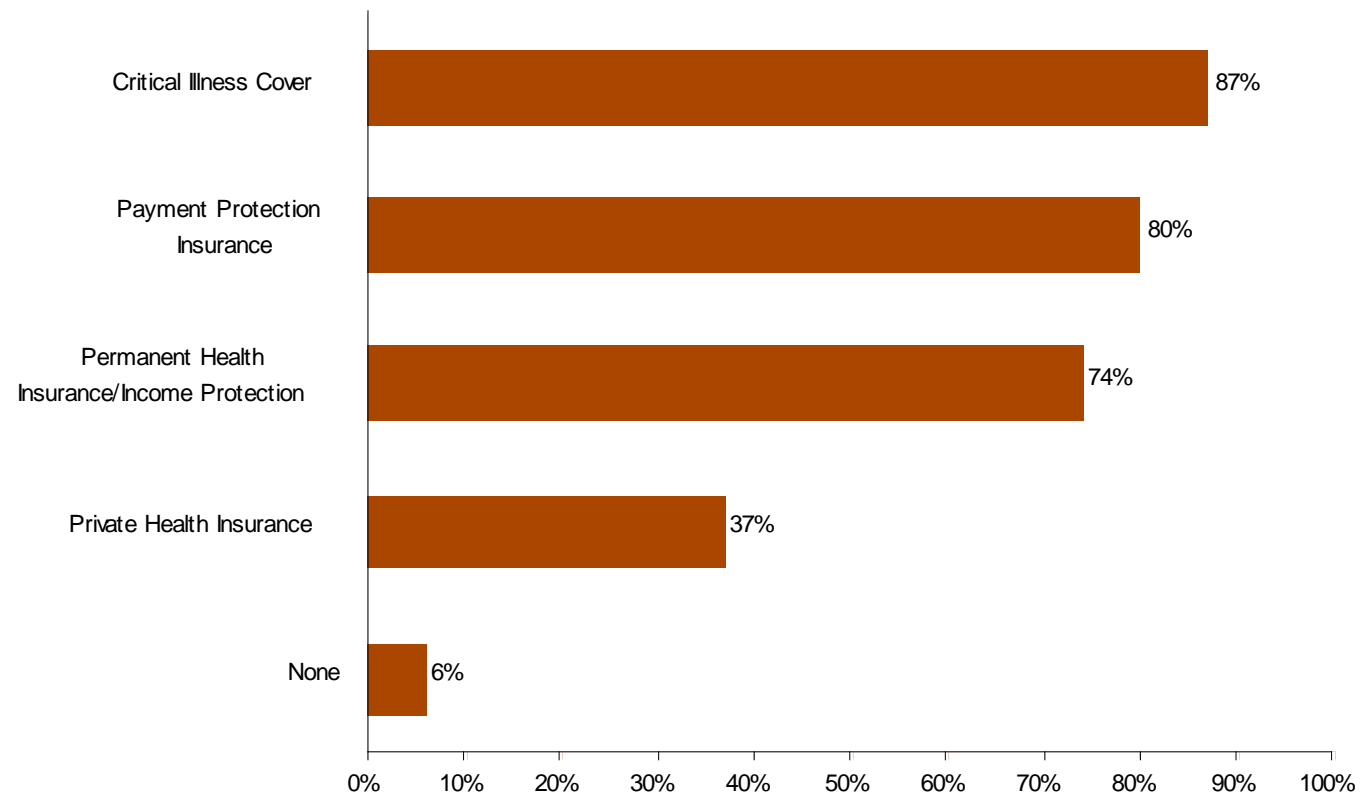
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## Protection Contracts offered

Most brokers offer Critical Illness, Payment Protection and Permanent Health Insurance / Income protection. Private Health insurance is only offered by a third of those who took part in the survey



Base – Nov 2006 – All Respondents, 246

Q8 - Which of these protection contracts do you offer? Select all that apply.

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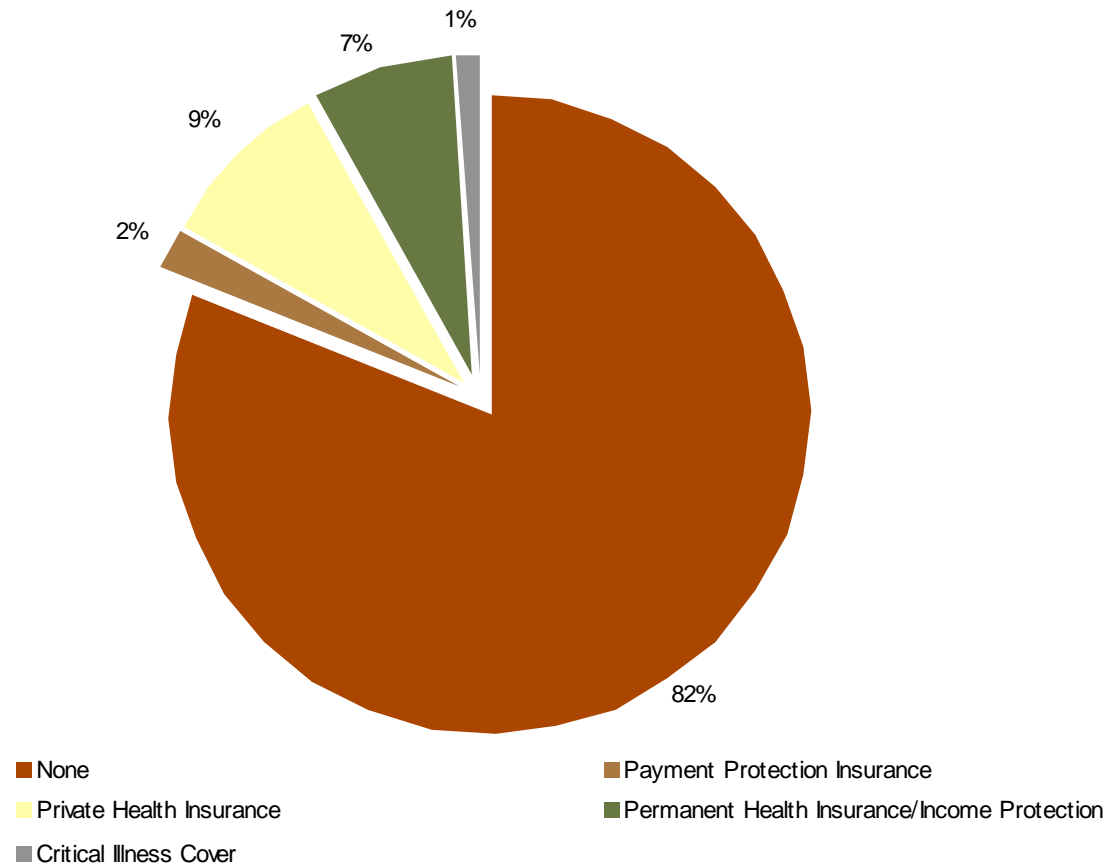


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## Future product offerings

Intermediaries were asked which products they would consider adding to their product range in the next 12 months.



Base – Nov 2006 – All Respondents, 246

Q9 - Are you considering offering any of the following to your clients in the near future?