



All Party Parliamentary Group on
Insurance &
Financial Services

News Bulletin

No 11 March 2007

Busy Budget in prospect as Gordon Brown signs off

THIS YEAR'S Budget, now set for Wednesday 21 March, could be a challenging one for the insurance industry. A team of PriceWaterhouse Coopers tax experts told the group that around 40-50 pages of the *Finance Bill* could be devoted to the life insurance sector.

A lot of the provisions covering transfer and amalgamation of business have been worked out already in consultation with the industry, an indication of the changing relationship between the industry and Her Majesty's Revenue and Customs, said PWC tax partner John Whiting: "What we have seen in the last 15 months or so is a sea change in the relationship between HMRC and the insurance industry. The consultation processes have been felt to be very constructive on both sides".



Brown: complex proposals likely

An underlying theme of the Budget proposals is expected to be the need to ensure that the UK is competitive in the world markets and not disadvantaged by unnecessary tax burdens or complex rules.

Trades unions call for action on sales targets

ALLIANCE FOR FINANCE (Aff), the umbrella organisation of trades unions in the finance sector, called for action on unreasonable sales targets when it held its annual dinner with the group at the end of February.

Aff argued that many branch and call centre staff are given targets that can only be achieved by selling customers

inappropriate products. This is a major contributor to the growing personal debt problem in particular, with credit cards and loans grossly over-sold.

Aff also argued for a renewed programme of consumer education and were very supportive of recent proposals to include personal financial management in the national curriculum.

Promoting Protection campaign gathers momentum

PROMOTING PROTECTION, the campaign launched by *Cover* magazine at the beginning of the year to persuade the industry and government to encourage a much wider take-up of protection and health insurance is gathering widespread support.

As well as winning the backing of many leading providers and independent



financial advisers, it has been endorsed by the Association of British Insurers. The ABI will be joining supporters of the campaign to brief the group on its objectives on 27 March.

Head of the Serious Organised Crime Agency to speak to the group

THE CHAIRMAN of the Serious Organised Crime Agency, Sir Stephen Lander, will be speaking to the group on 6 March.

He was invited following presentations on the spread of fraud in the motor insurance and life insurance markets during the autumn. These highlighted the extent to which organised crime is now targeting the insurance industry and, particularly concerning to members of the group, the threat posed to public safety through staged car accidents.

The group will be pressing Sir Stephen on the need to take action against the criminal gangs that run the staged accidents and will be stressing that SOCA and the Home Office must stop viewing insurance fraud as a "victimless crime". This attitude, says the group, has led to too low a priority being given to fighting insurance fraud.

Chairman: John Greenway MP

Deputies: Baroness Turner of Camden, Vince Cable MP, Lord Hunt of Wirral

Hon Secs: Sir John Butterfill MP, Jim Cousins MP

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