



All Party Parliamentary Group on
Insurance &
Financial Services

News Bulletin

No 21 Jan 2009

Equitable Life compensation pleas put to packed meetings

THE AUTUMN session was a busy time for members pressing for government action to compensate Equitable Life policyholders left out of pocket after the collapse of the company in 2001.

The All Party Group hosted two meetings on the topic, one with the Equitable Life board and one with the Equitable Members Action Group: both were packed and helped demonstrate the breadth of interest within Parliament to find a satisfactory resolution to the long-running saga.

At the time, it looked as if the government would announce its response to the key report from the Parliamentary Ombudsman, Ann Abraham, before the Christmas recess but this was deferred until the start of the new session and is expected imminently.



Vanni Treaves: spoke for the board

The group heard how the current Equitable Life board had stabilised the company and was now in a position to provide the necessary administrative support to calculate individual compensation if required by government. It said it was prepared to play its part in any compensation authority set up.

EMAG expressed its continued frustration and anger at the delays in agreeing compensation and aired their fears that, when announced, it would be too little and take too long to deliver for many of the now very elderly policyholders.



Policyholder pressure: John Newman and Tom Lake of EMAG met members

Banking crisis fall-out likely to dominate the next few months for the group

THE EFFECTS of the banking crisis on consumers will feature in the group's forthcoming programme.

Which? will be setting out a range of immediate consumer concerns when it meets the group on 4 February (4pm). This will cover a wide range of financial services sectors and is expected to give members a thorough overview of the issues as well as some proposals for action to ease the effects of the crisis.

Looking further ahead there will be a session on financial capability which will examine some recent studies on this issue in the context of the current crisis. This meeting will take place on 10 February at 11am.

The impact of the credit crunch will also feature in the discussions over dinner with the Association of Independent Financial Advisers and Virgin Money due to take place later in the session.

Age discrimination critics put insurance industry on the spot

THE INSURANCE industry got a taste of the problems it could face as the Equality Bill makes its way through Parliament this year when group members voiced concerns over age discrimination.

Top target for members was the travel insurance sector which was vigorously attacked for age limits on policies. These were criticised for being arbitrary and lacking statistical justification. Members accepted the right of insurers to rate by age but not the sudden withdrawal of cover when reaching 70 which it was alleged many travel insurers practise.

Industry representatives attempted to reassure members that there was a travel insurance market for older people but this did little to satisfy the critics. The group is likely to return to this topic when the Bill is published and the detailed provisions regarding age discrimination are known, giving the industry a further opportunity to put its case.

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, Edward Leigh MP

Technical Consultants

PRICEWATERHOUSECOOPERS 

Contact: David Morey, 020 7804 2684
 david.morey@uk.pwc.com

Administration



Contact: David Worsfold,
 Group Editorial Services Director, Incisive Media
 020 7316 9282
 david.worsfold@incisivemedia.com