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**Firms urged to improve sales and premium review processes of Unit  
Linked Whole of Life policies**

In 2008 the Financial Regulator undertook an examination of Unit Linked Whole of Life policies. This examination was undertaken as a result of concerns raised by consumers, particularly regarding the review of their policies and the current sales practices relating to these products.

The Financial Regulator identified the following issues during the examination and wrote to all life assurance firms with the following feedback:

- Some firms who conduct policy reviews, had not done so on time in the period under examination. Following inspection, all firms have subsequently completed all the delayed 2007 reviews. Policy reviews should be conducted on time in accordance with the terms and conditions of the specific product. When firms have not completed reviews on time, they must ensure that policyholders are not placed in a worse financial position than if the policy review had occurred when it was due.
- The inspection found that one of the main reasons for delays appears to be over reliance on manual processes when conducting policy reviews. Firms should ensure that they have the system functionality in place to deliver on the terms and

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- Firms were reminded of the need to ensure that the key issues specific to Unit Linked Whole of Life policies such as the periodic review feature are highlighted by their sales staff at the point of sale. The suitability statement should include information on the policy review feature, in particular the risk of the premium increasing. The Financial Regulator expects that all suitable protection products in the firm's product range are considered during the sales process, including those products with guaranteed premiums.
- It is recommended that where the term "Whole of Life" is used, either in written or in verbal communication, that firms take steps to ensure that consumers do not think that this means that the premium is guaranteed not to change.

The findings highlighted the need to improve the sales and premium review process, an area we continue to monitor.