

GUARANTEED INCOME FOR LIFE

WHAT ARE 'INFORMATION PROMPTS', AND WHY ARE THEY IMPORTANT?

The FCA has introduced 'information prompts' for annuity quotes following publication of PS 17/12. The aim is to make retirees aware of whether the income offered is the best in the market for their chosen criteria.



The changes you will notice are:

- Guaranteed annuity quotes will be accompanied by an information prompt.
- Assuming the client has given consent, it will compare the income offered against the best available rate in the open market.
- Retirees will be prompted to go to the Money Advice Service if they wish to investigate further themselves.

Types of annuity

Information prompts will apply to:

- All types of annuity products.
- Ceding providers (internal) as well as open market and panel providers (external).
- All guaranteed quotes whether produced on an advised or non-advised basis.

Guaranteed, enhanced and protected benefits

Annuity quotes for retirees entitled to guaranteed, enhanced or protected benefits will include additional warnings highlighting the benefits that have been included and are available. These include:

- Tax-free cash higher than 25%.
- GMP/Sect 9(2B) rights (contracting-out benefits).
- Guaranteed Annuity Rates (GAR) – either available now or in the future.

While it might be rare that a retiree with a GAR chooses an annuity with another provider, the information prompt must include these details if a quote is requested.

Underwriting

The FCA has mandated that each quote should include a warning that the retiree could be eligible for an 'enhanced annuity'. Where the existing provider has included health information, the same underwritten basis is used for comparison. However this may be based on limited information.

For the most accurate guaranteed quotes to be obtained we recommend that:

- Full health and lifestyle information is obtained at outset using the Retirement Health Form (www.retirementhealthform.co.uk).

Advisers are still able to use their portal of choice, and entering full health information will ensure the full range of providers is compared.

Multiple quotes

Where a retiree/adviser requests multiple guaranteed quotes, the information prompt will accompany each quote for consistency.

Call: 0345 302 2287 Email: support@wearejust.co.uk Or visit: justadviser.com
Lines are open Monday to Friday, 8.30am to 5.30pm

Please contact us if you would like this document in an alternative format.

Just is a trading name of Just Retirement Limited. Registered Office: Vale House, Roebuck Close, Bancroft Road, Reigate, Surrey RH2 7RU. Registered in England and Wales number 05017193. Just Retirement Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Please note your call may be monitored and recorded and call charges may apply.

