

HMRC
Marketing Communications
New Wing Room 3
Somerset House
The Strand
London WC2R 1LB

7 January 2010

Dear Sir/Madam

CTF and life insurance provision

Following a recent exchange of correspondence with HM Treasury Minister, Sarah McCarthy-Fry MP, we have been advised to contact you regarding a specific textual amendment to the official Child Trust Fund literature produced by HMRC.

ILAG is a trade body representing members from the Life Assurance and Wealth Management industries. ILAG members share and develop their practical experiences and expertise, applying this practitioner knowledge to the development of their businesses, both individually and collectively, for the benefit of members and their customers.

Our suggestion relates to the need to include in the CTF literature a simple message about the need to consider the financial well-being of the child in the event of a parent's death or disability. One of the key roles of the UK insurance sector is in providing life and disability insurance as was highlighted in the 'Vision for the insurance industry in 2020' report published by HM Treasury in July last year.

Parenthood is a life-changing event but, according to a recent AVIVA survey, 40% of parents with children under 16 years of age had not purchased life insurance cover. We believe that the information around the CTF provides an excellent opportunity to encourage families to consider their changed needs and so improve the overall level of life cover.

In this context, we suggest that a small, easy to implement, addition to the existing HMRC material could help address this situation and encourage families to plan for the consequences of unforeseen events. Such a passage under a sub-heading "**What else should I think about?**" could read:-

Tel: 01428 607191
Mobile: 07984 019811
doug.thow@ilag.org.uk

“You should also be considering what would happen to your family in the unfortunate event of either parent dying or becoming unable to earn an income or carry out parenting or household duties. Information about the insurance policies and benefits available to protect your family can be obtained either from your CTF provider or the FSA’s website at <http://www.moneymadeclear.fsa.gov.uk/>. You may also wish to contact a financial advisor.”

We do hope that you will be able to include a suitable phrase or text in the various literature available on the CTF either sent direct to families or on the website. If you wish to discuss it with us then we should be pleased to be involved further.

Yours faithfully

Doug Thow
Technical Analyst