

Source: international-adviser.com

AILO rejects more remuneration research

08 December 2010, by Dan Judge

Plans for a second round of research into adviser remuneration have been shelved by AILO after members decided against funding it.

Instead, Friends Provident International (FPI) and one other AILO member, currently unnamed, are to jointly finance a new report that will gauge adviser feedback on proposed new product designs.

Acuity said adviser reaction to remuneration models built into these products would form part of the research.

Bob Pain, FPI sales director and chairman of the AILO sales committee, said: "AILO research on the future of regular premium remuneration has concluded. This looked at current remuneration received by IFAs in Europe, the Middle East and Asia – that is upfront versus renewal commission. It also showed some possible scenarios of future remuneration to gauge IFA response.

"This research was shared in detail with the participating life offices and it was agreed by them that this was useful research and that individual firms now want to take their own approach to the future."

He added the follow-up research was "being conducted as we speak".

It is believed AILO members debated the merits of further research but most were not in favour.

The results of the first round of research showed advisers were willing to adapt their business models by moving to products that paid less upfront commission and more trail or ongoing commission. But some advisers are known to have concerns about how this transition will take place.

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