

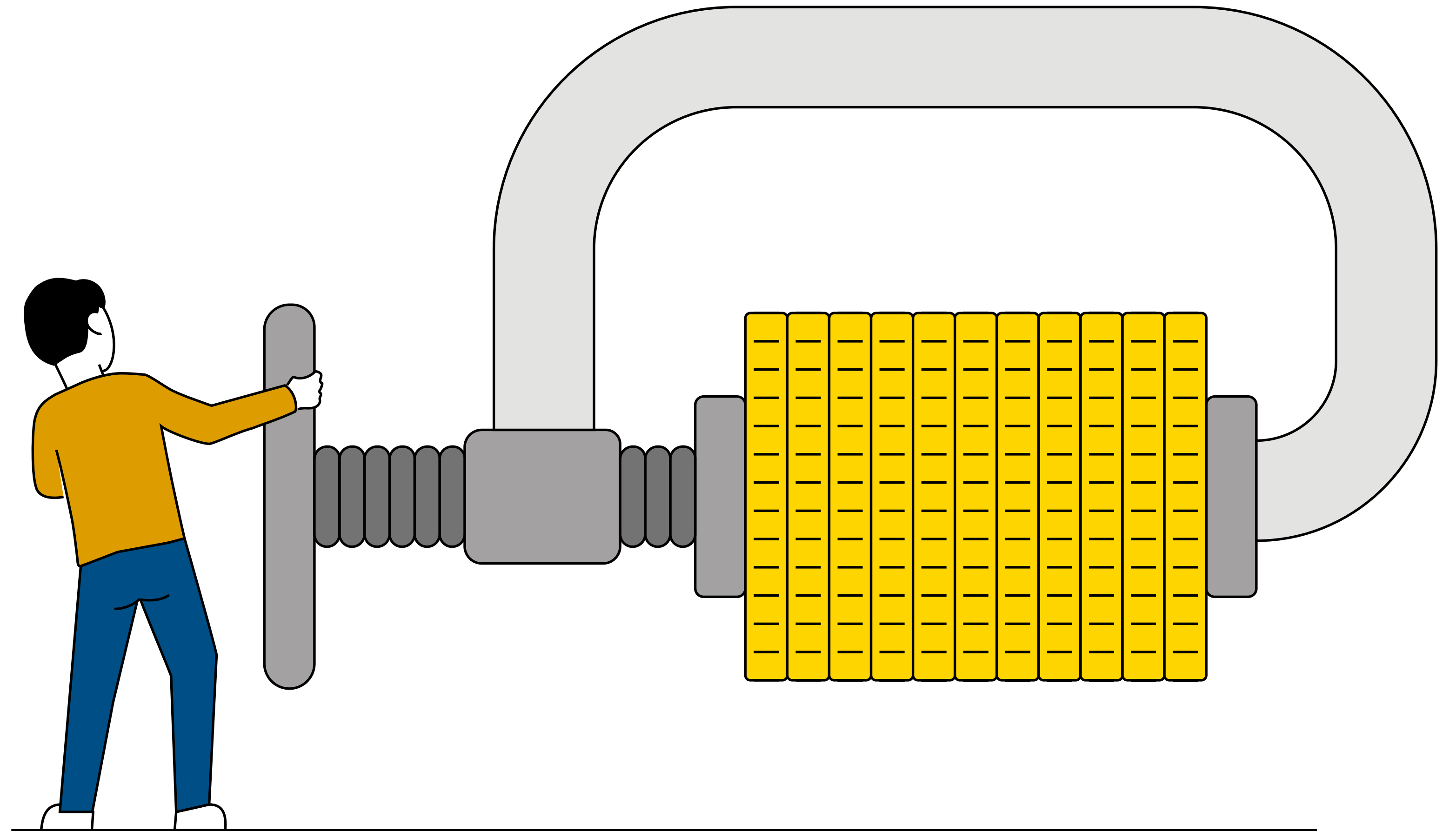
# The Link

Your Legal & General magazine,  
designed for Intermediaries

For Adviser use only



- ➔ **Welcome & contents**  
Introduction from Julie Godley and contents at a glance.
- ➔ **Helping your clients navigate the 'year of the squeeze'**  
Talking to your clients about the reality of their spending.





## Welcome to issue five of The Link - your magazine, tailor-made for advisers

This issue is our 5th; and its release in Spring 2022 coincides with the anniversary of Covid-19 emerging in the UK. Undeniably, it has been a tough two years, and we're very grateful for your hard work and commitment in very challenging times.

As we look back, something that's clear is we're all vulnerable to impactful changes; and being prepared is vitally important.

In many ways, this point in time is a hopeful one with restrictions lifted across the UK, and summer ahead. However, the virus is still present, and repercussions are being felt - from inflation to hiked global energy prices; from climbing cost of living to the ongoing effects on mental and physical health.

Now, perhaps more than ever, people appreciate that

the unexpected could happen at any time, and there are lots of areas of business where your expertise and advice will make a big difference to customers.

As such, this edition has been designed to support your work as we look forward. On page 7 you'll find 'Helping your clients navigate the year of the squeeze.' Page 9 looks at the importance of Critical Illness Cover; while Page 11 examines Business Protection. On page 13, you'll find a piece on all-important customer retention by Mike Pritchard, Commercial Manager of our Distribution Quality Management (DQM). These are accompanied by many other insights you can apply in your protection business.

We hope you enjoy The Link.

**Julie Godley,**  
Director of Intermediary, Protection

## Take a look at the expert views and news we've brought together for you in this issue:

→ How we're committed to you and our customers

→ Our recent service upgrades

→ Meet our Market Development Team

→ High-value support for the protection market

→ Helping your clients navigate the 'year of the squeeze'

→ The key to better retention

→ Life with benefits

→ Extra security, with critical illness cover

→ Interview with Karen Fuge

→ Making 2022 the year of business protection

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# We're committed to you, and to our customers – here's how

The Covid-19 pandemic has tested the financial resilience of many households and businesses. Jobs were furloughed, people became ill and, sadly 180,000 deaths have been recorded with Covid-19 included on the death certificate.

I'm very pleased that the protection industry, including Legal & General, has stepped up to provide cover and pay claims – treating Covid-19 as we would any other illness. In doing so, we have provided much-needed financial resilience to families up and down the UK. Legal & General, for example, paid out over £763 million in claims, supporting 15,855 customers and their families during 2020 – a genuine lifeline.

## Addressing inequality and improving resilience

The challenges of the pandemic still have some way to go however, and we have a significant role to play. Long Covid is not fully understood. There is still a global race between vaccines and variants. And we have a potential backlog of other health conditions, including cancers, where diagnosis and treatment has been delayed due to the pandemic. Ensuring the right cover is in place for individuals, families and businesses has never been more important, and the intermediary's role is crucial in this. More about this later.

The post-Covid-19 economy also presents more challenges to the resilience of our customers. Inequalities have widened during the last two years. Broadly, white-collar workers have been able to build savings while front-line workers have not. This inequality extends to health as well as economic resilience. This is why we are working with Professor Sir Michael Marmot to address some of the causes of health inequality in the UK. For me, it is simply shocking that we have a 20-year difference in life expectancy between the wealthiest and the poorest locations in the UK.

The rise in inflation and the imminent cost of living crisis will put pressure on many of our customers, many of whom will have no memory of the pressures of inflation which were last felt in the 1980s. Our industry needs to respond by providing best value, inclusive products. It would be a very poor and counterproductive outcome if people are having to tighten their belts and cope with strained household budgets, reducing their insurance cover and

pension savings as a consequence. This newsletter therefore contains a separate article on customer retention and how best to support customers against a background of rapidly rising prices.

## The importance of intermediaries, and supporting your work

Brokers, advisers and other intermediaries all play a key role in meeting social and economic need. We must not only make the case for increased resilience and protection but at Legal & General we can take practical steps to help our partners do business. We can do this by bringing our technology and first-class service model it supports to life, showing how it can help the adviser, their business, the industry and the end consumer. One such example is through the Intermediary Service proposition and the transformative technological developments within the Legal & General Mortgage Club, which handles over £90bn of mortgage transactions annually.

We will strengthen this by launching our Distribution Quality Management (DQM) podcasts and guides in March. We are doing this because we value your work. It is hard to overstate the importance of good advice, which can be a life-saver for household finances. We continue to champion the importance and value of advice with government and regulators, including pushing for the mid-life MOT.

We also champion the work of those who deliver for their customers through initiatives including Value of a Broker and Hero in the Middle. There are powerful stories to tell, and we will be celebrating some of these successes at our Business Quality Awards (BQA) on 10 May. I hope as many of you can attend as possible.

We are committed to your success. Your success is part of our success. So, I am always interested in your thoughts and suggestions about how we can better deliver for our customers. It has never been more important that we do so.

**By Sir Nigel Wilson**

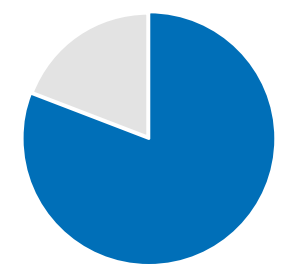




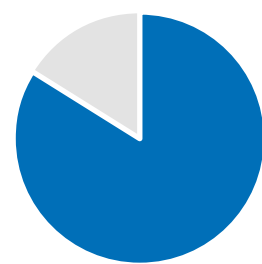
# Our recent service upgrades

## Adding further automations to our underwriting process

Following on from 2021 and the new ways of working we all faced, we are pleased to report a steady month-on-month increase in our point of sale (POS) decisions including:



**Income protection now at 81%**



**Life and critical illness cover now at 84%**

We aim to offer easy access to protection for as many people as possible. And, we are pleased to see the continued acceptance of a high number of customers at point of sale with commonly disclosed conditions such as diabetes, higher blood pressure cholesterol and mental health difficulties.

## Quicker processes

From 12th September, we added more automation to our process with our NSE-mini and associated tests; including cotinine, blood tests and microscopic urinalysis (MSU).

This will enable us to make an underwriting decision from the information collected during the screening. It will include medical history rather than just physically looking into the evidence; therefore speeding up the whole process from you and your clients.

We estimate around 90% of cases will receive an automated decision.

## New electronic Declaration of Health for Intermediaries

### A new online digital journey for new business

We are pleased to announce we'll be launching a new electronic Declaration of Health (DOH) for Intermediaries. The new feature is now live for new business only.

This online journey will give you back control of this process, allowing you to complete on behalf of your clients via Agent Hub in OLP Connect.

### We have created some tutorial videos to explain the new process:

**Electronic Declaration of Health video**  
Click on the video to watch.

**“a new application must be completed”**

00:37

## Further benefits

- This pro-active support will help with your pipeline management, giving you advance warning 7 days prior to when a DOH is needed. Allowing you to complete online and place on risk immediately.
- We will inform your client that you have completed the DOH on their behalf, prompting them to check all details are correct.
- This removes the need for your client to fill in any paperwork, or call us to complete the DOH

# Meet our Market Development Team



## Jeff Woods

Head of Intermediary Development

Jeff is Head of Intermediary Development and responsible for growing the protection market across both Personal and Business Protection.

Jeff has been in the industry for 32 years. His previous roles include being a mortgage broker, financial planner, sales manager, regional sales director, and business development director. He has held several senior positions across life providers, networks, service providers, advisory firms, and corporate estate agency.

Jeff's financial services background has a strong protection focus, and he is passionate about trying to make a difference to both the end consumer and advisers. He is committed to raising the profile and need for protection, with a particular focus on income.



## Robert Betts

Market Development Manager:  
Specialist Protection

Robert specialises in Intermediary Sales and Development, with a focus on family, business and high net-worth protection. He is key to the ongoing evolution of our adviser support material and tools. The design and delivery of protection training webinars and workshops is a key part of Robert's role that gives advisers a deeper understanding of both their advice process and how the products add value to client financial situations. He is also influential in developing new products and bringing them to market.



## Stuart Halliwell

Market Development Manager:  
Specialist Protection

Stuart has over 30 years of experience working for Insurance and reinsurance companies, spending a large part of this time specialising in Underwriting. He has led the management and development of underwriters; the marketing and development of underwriting-led propositions; and also the development of a detailed underwriting philosophy used in the assessment of applications.

In 2012 Stuart became a Market Development Manager where the focus is on growth across the whole of the protection market and encouraging advisers to look to the needs of clients. Stuart has been key in the development of propositions and tools that support advisers. He was particularly influential in those used by in our priority protection service and High Net Worth markets. He has been instrumental in developing many of our presentations and training materials; especially the Business Protection training workshops that give advisers a comprehensive understanding of this market sector.



## Hazel Johnston

Market Development Manager:  
Specialist protection

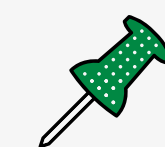
Hazel is the newest member of our Market Development team. She brings her experience from an estate agency, mortgage, and equity release background. Hazel has worked in various different roles prior to this one, from being a front-line adviser selling protection, all the way through to being a Regional Sales Manager. Using her experience as an adviser and sales manager, she has a genuine desire to grow the number of advisers having effective conversations, with care for the end consumer in mind. Committed to digital and innovation, Hazel is always looking for new ways to interact with our customers and promote what we do.



## David Jones

Market Development Manager,  
Specialist Protection

David joined the Market Development team in 2019, bringing with him a wide range of knowledge across the protection world from over 35 years of experience. He shares a passion for helping people to guard against the unforeseen in terms of life, critical illness and income protection; whether through family or business protection. He's another one of our team who is equally comfortable running webinars in the current world; as he is on his feet in front of rooms of people.



## Good to know

We are the only Life office to have a purely independent training team. They're not there to sell products – instead they help advisers sell protection and work with those who wouldn't ordinarily sell protection.

# High-value support for the protection market

The Market Development team is unique to Legal & General in the protection market, offering a consistent level of support to advisers across the UK.

Our team is responsible for building and delivering insightful, engaging, seminar content, alongside webinar programmes, plus training workshops and academies.

## Accredited CPD

The purpose is to encourage advisers from all disciplines; Mortgage, Family, Pension and Wealth – to consider and explore how they can introduce even more of their clients to consider the impact of injury, illness and death in their financial plans for the future.

Unique to the Market Development team in the industry is the Chartered Insurance Institute (CII) accreditation, that we align all of our content with. This gold standard and endorsement by the industry body gives advisers confidence that our sessions deliver a structured approach to continuing professional development.

## Award-winning research

As part of developing adviser support programmes, the team is responsible for commissioning industry recognised, award-winning research. Our Deadline to Breadline report supports our income protection focus. State of the Nation provides the bedrock of knowledge to give business protection context and is used widely in the industry. Value of a Parent highlights the family protection needed, to help advisers introduce more ideas for families to consider when discussing their financial situation.

By responding to adviser feedback and discussions with our strategic partners, the team have built a market leading reputation for insightful and trustworthy content. What's more, the team's reputation is enhanced by the many industry awards it has won over the past decade.

## Specialist skills

Technical support for internal colleagues and external advisers is a big part of the work the team undertakes. They help advisers to understand and structure a solution for specific clients; for example answering questions about business documentation or offering guidance around taxation and appropriate use of a trust.

A varied mix of skills and expertise among the team helps to keep the scope of delivery wide. Another facet of the team is involvement, ensuring that new products are launched with a focus on target markets to enable advisers to "hit the ground running" with new ideas and concepts. Recent developments include the Executive and Key Person income protection plan; and the recent refocus on the Whole of Life Protection Plan.

## 2022: Views on Industry, and team plans

A key focus for the team this year is to develop new ways of delivering market leading advice. We will be embracing technology in order to fine tune and appeal to a broader and wider cohort of advisers, to help them interact better with their clients.

As a specialist protection team, our role is to promote protection by engaging more advisers to sell mortgage and family; plus business protection. We currently do this nationally via webinars, however as 2022 begins to open up again, you'll find us back out at conferences large and small. We cover groups of advisers from one firm, through to day-long workshops with advisers of many firms. We differ from Business Development Managers as we reach beyond traditional regions to have a national coverage, developing workshops and training alongside them all.

We have an extensive list of material that we can help advisers to upskill with. Some may want ideas regarding opportunities in the mortgage market, others may want detailed workshops. We look at how to engage clients by using questioning and selling skills. Plus, for business clients, how to understand more about firms they want to engage with, including how companies are formed and their accounts.

2022 will be a big year for everyone. From the FCA guides regarding the new consumer duty; down to how to re-engage with clients who, like all of us, have been in a state of lockdown for the last two years. The year will bring huge opportunities in the re-mortgage market with an expected £252bn of mortgage lending available as products transfer, and a drive to have people look at income protection gets underway. Our Deadline to Breadline research tells us that just 1:12 have their income protected. Research such as State of the Nation will give insight into the needs of UK businesses; from securing key people, insuring their business loans and looking at exit strategies for the owners of the more mature firms. A great opportunity for those advisers that want to engage with this market.

Challenges will come with advisers not guarding their back book. Research tells us advisers report losing 60% of existing clients to other lenders at the re-mortgage

stage. There will be challenges for the cost of living where prices could surge if we go by the commentary already out there; not only in utilities, but the general cost of living, interest rate changes and food prices. Advisers will need to be on their guard to keep existing business on the books where clients are looking to shave some cost from their outgoings. Value and quality of advice will be needed more than ever.



We offer regular live webinars throughout the year. All we need is your name, email address and Legal & General agency number. Select the day that suits you best and follow the instructions.

[Find out more here](#)

# Helping your clients navigate the ‘year of the squeeze’

This year has been dubbed the ‘year of the squeeze’, with just about every major household expense expected to go up. In fact, think tank The Resolution Foundation predicts that families will take an average £1,200 hit to income as a result of rising energy bills and tax increases – that’s before factoring in the rises to mortgages, council tax, and groceries<sup>1</sup>.

In 2019, the Office for National Statistics (ONS) found the average weekly spend to run a family home was £589.60, while our research in 2020 found the average household savings are £2,729<sup>2,3</sup>. But with wages stagnating and no increases expected until Q4<sup>4</sup>, weekly spend is likely to go up, potentially depleting any savings. Therefore, 2022 is likely to create a perfect storm of financial vulnerability for many of your clients.

## UK adults’ finances at a glance:



Experienced decreasing disposable income in the last 6 months

Say spending priorities have changed and are saving more for the future

Want more savings to counter future uncertainty

Expect essential costs to increase over the next 6 months

### Sources:

<sup>1</sup> [www.resolutionfoundation.org/press-releases/2022-set-to-be-the-year-of-the-squeeze-as-wages-stall-and-families-face-a-1200-hit-from-next-april-as-energy-bills-and-taxes-rise/](https://www.resolutionfoundation.org/press-releases/2022-set-to-be-the-year-of-the-squeeze-as-wages-stall-and-families-face-a-1200-hit-from-next-april-as-energy-bills-and-taxes-rise/)

<sup>2</sup> [www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/bulletins/familyspendingintheuk/april2018tomarch2019](https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/expenditure/bulletins/familyspendingintheuk/april2018tomarch2019)

<sup>3</sup> [www.legalandgeneral.com/landg-assets/adviser/files/protection/sales-aid/deadline-to-bread-report-2022.pdf](https://www.legalandgeneral.com/landg-assets/adviser/files/protection/sales-aid/deadline-to-bread-report-2022.pdf)

<sup>4</sup> [www.resolutionfoundation.org/press-releases/2022-set-to-be-the-year-of-the-squeeze-as-wages-stall-and-families-face-a-1200-hit-from-next-april-as-energy-bills-and-taxes-rise/](https://www.resolutionfoundation.org/press-releases/2022-set-to-be-the-year-of-the-squeeze-as-wages-stall-and-families-face-a-1200-hit-from-next-april-as-energy-bills-and-taxes-rise/)

<sup>5</sup> [www.theguardian.com/business/2022/feb/03/bank-of-england-raises-interest-rates-to-05](https://www.theguardian.com/business/2022/feb/03/bank-of-england-raises-interest-rates-to-05)

<sup>6</sup> [www.mirror.co.uk/money/barclays-lloyds-tsb-five-more-25722471](https://www.mirror.co.uk/money/barclays-lloyds-tsb-five-more-25722471)

<sup>7</sup> [www.homelet.co.uk/homelet-rental-index](https://www.homelet.co.uk/homelet-rental-index)

<sup>8</sup> [www.paragonbank.co.uk/mortgages/rental-affordability-index](https://www.paragonbank.co.uk/mortgages/rental-affordability-index)

<sup>9</sup> [www.lgplus.com/finance/exclusive-over-two-thirds-of-councils-to-raise-council-tax-by-maximum-permitted-05-01-2022/](https://www.lgplus.com/finance/exclusive-over-two-thirds-of-councils-to-raise-council-tax-by-maximum-permitted-05-01-2022/)

<sup>10</sup> [www.theguardian.com/money/2022/jan/08/cost-of-living-squeeze-how-much-worse-off-will-you-be-in-2022](https://www.theguardian.com/money/2022/jan/08/cost-of-living-squeeze-how-much-worse-off-will-you-be-in-2022)

<sup>11</sup> [www.theguardian.com/business/live/2022/feb/03/cost-of-living-crunch-energy-bills-price-cap-uk-interest-rates-bank-of-england-business-live](https://www.theguardian.com/business/live/2022/feb/03/cost-of-living-crunch-energy-bills-price-cap-uk-interest-rates-bank-of-england-business-live)

<sup>12</sup> [www.theguardian.com/business/2022/jan/19/uk-inflation-hits-near-three-decade-high-rising-to-54](https://www.theguardian.com/business/2022/jan/19/uk-inflation-hits-near-three-decade-high-rising-to-54)

<sup>13</sup> [www.theguardian.com/business/2022/feb/03/bank-of-england-raises-interest-rates-to-05](https://www.theguardian.com/business/2022/feb/03/bank-of-england-raises-interest-rates-to-05)

<sup>14</sup> [www.theguardian.com/business/2022/jan/26/cost-of-living-crisis-ons-inflation-jack-monroe](https://www.theguardian.com/business/2022/jan/26/cost-of-living-crisis-ons-inflation-jack-monroe)

<sup>15</sup> [www.legalandgeneral.com/landg-assets/adviser/files/protection/sales-aid/deadline-to-bread-report-2022.pdf](https://www.legalandgeneral.com/landg-assets/adviser/files/protection/sales-aid/deadline-to-bread-report-2022.pdf)

## Let’s look at the cost of living rises your clients are likely to face this year, and what you can do to help.

### Mortgages

The Bank of England base rate increased to 0.5% in February 2022, largely affecting homeowners on a Standard Variable Rate (SVR) or tracker mortgages. Many of the UK’s biggest lenders also increased borrowing costs by 0.15 percentage points on 1 February<sup>5</sup>.

### Renters

It’s not just homeowners who will feel the pinch this year. According to the HomeLet Rental Index, as of January 2022, the average rent per property in the UK has risen to £1,069 – an 8.6% year-on-year increase<sup>7</sup>. The average renter spends around one-third of their income on rent, a figure that’s likely to increase as HomeLet expects rental values to continue to rise in line with escalating inflation.

### Council tax

Council tax bills are expected to rise on 1 April by 2.99%.

It’s thought that more than two-thirds of councils are considering rising bills by the maximum amount<sup>9</sup>. The increase would add £57 to the current average band D council tax bill in England, which is £1,898. For larger houses, bills would top £2,000 for the first time<sup>10</sup>.

### Energy bills

Last year saw many households face rocketing energy bills thanks to a volatile gas and electricity market. And it’s not over yet. In February, energy regulator Ofgem announced a further 54% rise to the energy price cap, which will come into effect on 1 April. This will see the average UK household pay £1,971 in energy bills per year<sup>11</sup>.

### Food costs

Inflation reached a record 5.4% in February<sup>12</sup> – the highest level in almost 30 years, and is predicted to rise even further, to 7.25% in April<sup>13</sup>. The figure represents an average for

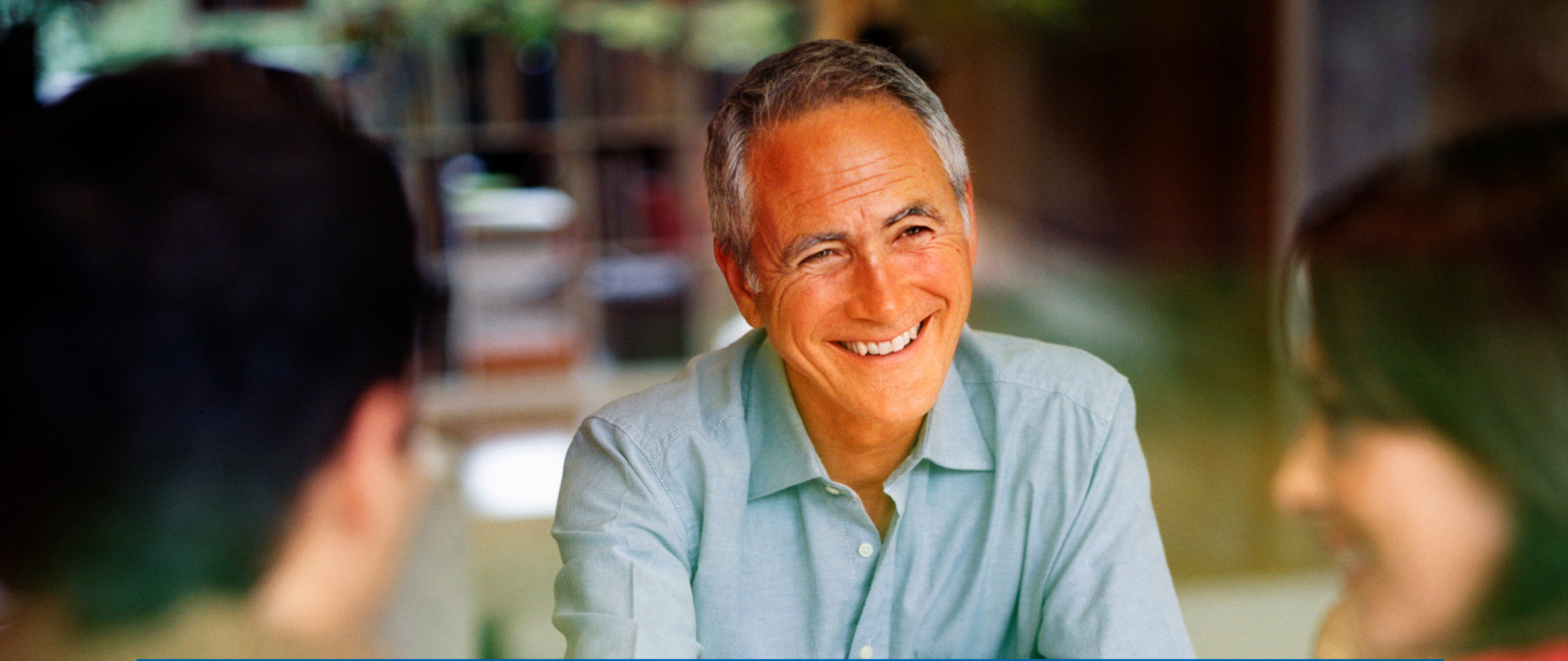
all households, and as families on lower incomes will be hardest hit, the ONS has said it will do more to capture the impact of price increases on different income groups<sup>14</sup>.

### How you can help

How would your clients cope with these escalating costs if they became ill or injured and couldn’t earn an income?

The average household has £2,729 in savings, but the amount needed to feel financially secure is £12,207 – that’s a shortfall of £9,478. Furthermore, 37% people believe they have no need to protect their income, and 40% say they would rely on savings if they lost their income due to illness or injury<sup>15</sup>.

Talking to your clients about the reality of their spending can be helpful in showing the need for protection, and that it’s not just always about cutting back on luxuries.



# Why protection as a necessity, not a luxury, is the key to retention



There's a risk that protection could become an expendable luxury for clients as a result of the current cost of living crisis. Mike Pritchard, Commercial Manager of our Distribution Quality Management (DQM) programme, explains how the nuances of putting a policy on risk can make or break customer retention.

### Achieving buy-in for protection

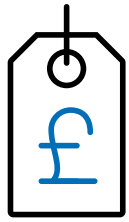
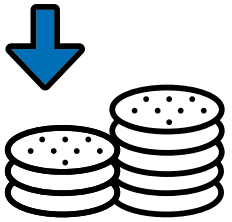

According to our DQM data, the first 3-6 months after putting a policy on risk are where we typically see high cancellation rates. This period is vital in the persistency of longer-term protection retention. In fact, we know from customer and intermediary feedback that there must be a real value exchange for retention. The policyholder needs to be reminded why the insurance exists for them and their family, and why that need could be realised at any time. Not having this information can result in a cancellation.

So, what does that mean for life insurance in the face of the cost of living crisis? For prospective customers and existing policyholders, difficult choices may be made when looking at their regular outgoings. Anything considered not a necessity will be reviewed, and that could include perceived luxuries such as life insurance.

The government has announced it will give energy bill discounts to most homes for up to £350, as well as a £150 council tax rebate on bands A-D. Though it is welcome, the package is unlikely to have a huge impact on the forecasted drop in income and living standards, so household spending reviews will likely prevail.

### Understanding cancellations – and how to curb them

How can we protect protection from cancellation as a result of the crisis? You might have noticed the use of the word “purchase” earlier, and that’s because it underpins many of the reasons for cancellations:

 <p><b>The policy was sold to the client</b></p> <p>Not because the client understood the need, but because they were told they should have it. There's a responsibility to educate and inform when the policy is purchased. If the customer has a clear view of what the insurance can do for them and when, it becomes personal.</p>	 <p><b>The client can't afford it</b></p> <p>Affordability or over-selling can be overcome by understanding expenditure and disposable income, and including buffer for unforeseen spends. If a margin isn't built in, cancellation is more likely when it comes to the challenge of higher outgoings.</p>	 <p><b>The client can find it cheaper elsewhere.</b></p> <p>If you sell on price alone, you'll end up being beaten on price at some stage.</p>
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### What you can do

Consider making efforts to connect with the policyholder, and to keep constructive, positive messaging around the value and importance of their policy. There may be new or different needs that can be assessed. If affordability is an issue, a loss of a policy now could mean future business when circumstances improve.

If you can, look at your client profiles and segment them into low, medium and high-risk socio-demographic silos. Those that at highest risk of cancellation should be given extra focus and support. For instance, our DQM data shows that historically, those in the lower socio-economic groups (C2's, D's and E's) are the first to cancel their

policies, compared to the A's, B's and C1's. Communication is critical to understanding the possibility of any detriments. This can help you forecast potential losses and the impact on your business, too.

We don't expect the financial squeeze to go away anytime soon, so adjusting to current and future financial pressures will be needed. While there are challenging times ahead, our range of tools can help you navigate some of these challenges. You can also speak to your Account Manager to see if we can offer additional support for you and your business. For more tips about how to improve lead purchase results and reduce lapses,



# Life with benefits

## Adding value to your clients' protection policy for today

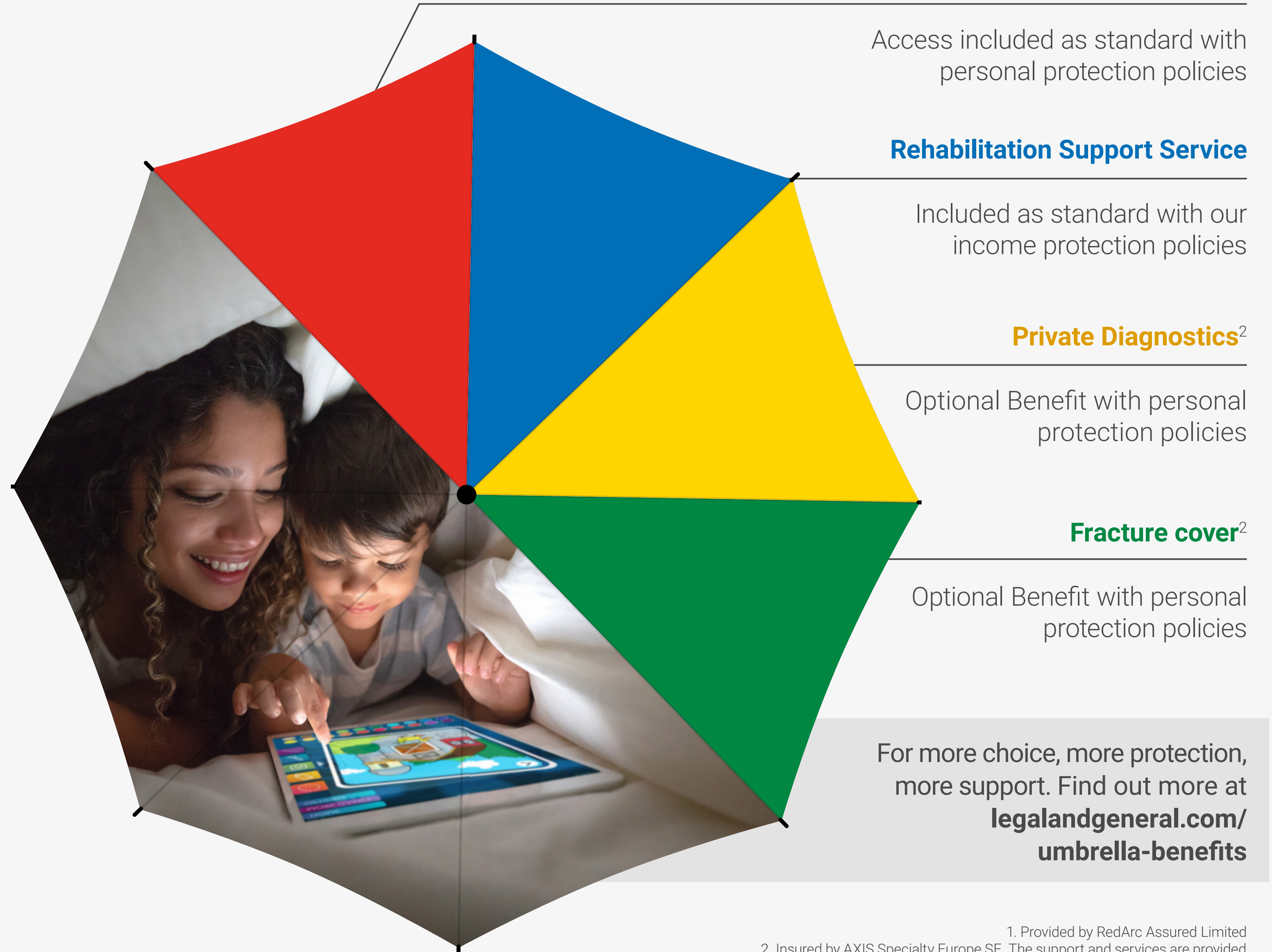
Your clients might not always remember the value of their protection policy, especially when finances are tight and they're looking for ways to save. But if they only perceive life insurance as protection for the future, clients could be tempted into cancelling their policy to claw back savings amidst the ongoing cost of living crisis.

It's important to note that your client's life insurance (and other protection products) have real value in their day-to-day lives too. For instance, they can use Wellbeing Support, part of our Umbrella Benefits, from the first day of their protection policy to help with physical or mental health issues. And it's not just for them – their partner and any children that live with them can use the service too.

### How Wellbeing Support can help

The pandemic has had a huge effect on the nation's mental health, with 65% of adults and 68% of young adults saying their mental health has got worse since the first national lockdown. 1 in 4 (26%) of adults experienced mental distress for the first time during the pandemic, while for young adults it was 1 in 6 (18%). This increased need has placed a huge demand for help on the NHS. Likewise, the pandemic has created a huge strain on most areas of the NHS after non-urgent services were diverted to help treat seriously ill people, creating a huge backlog for a variety of services and treatments.

Free services such as Wellbeing Support (provided by RedArc Assured Limited) can give your clients a lifeline to a registered nurse in times of need. Clients can use the telephone service whenever they like throughout the life of their policy for advice, guidance, and further information on any physical or mental health issues they or their immediate family are facing. It's additional cover they can count on for today, tomorrow, and the future.



**To read more about Umbrella Benefits, [click here.](#)**

1. Provided by RedArc Assured Limited  
2. Insured by AXIS Specialty Europe SE. The support and services are provided by Trustedoctor, a sister company of Further Underwriting International SLU  
Can be added at policy outset for an extra cost

# Extra security, with critical illness cover

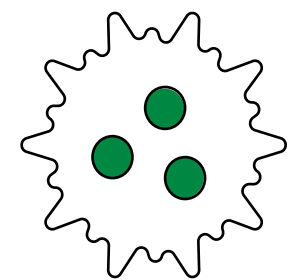
With people living and working for longer, the need to protect long-term financial commitments during a critical illness is increasingly important.

People always say illness will never happen to them, but the reality is poor health can affect anyone at any time.

Critical illness cover supports your clients through their illness by giving them financial breathing space. It offers them some freedom to focus on what's important, like spending time recovering, having treatment, or being

around family. Financial support can take away any money worries from an already difficult situation.

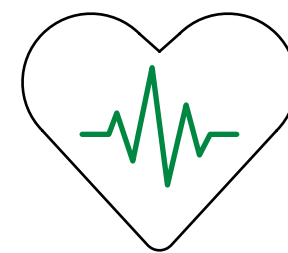
That's why it's important that clients have the right level of protection, should your clients suffer a critical illness. For example, in the UK alone:



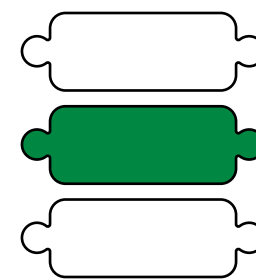
1 in 2 people will be diagnosed with cancer in their lifetime<sup>1</sup>. The UK cancer population is set to grow from 2.5 million to 4 million by 2030<sup>2</sup>.



A stroke occurs every five minutes and affects 100,000 people each year<sup>3</sup>.



7.6 million are currently living with heart and circulatory disease<sup>4</sup>.



Multiple Sclerosis is nearly three times more common in women than men. MS is most often diagnosed in people in their 20s and 30s<sup>5</sup>.

**Sources:**

<sup>1</sup> 2015  
<sup>2</sup> Macmillan Cancer Support  
<sup>3</sup> Stroke Association 2021  
<sup>4</sup> British Heart Foundation 2021  
<sup>5</sup> Multiple Sclerosis Trust 2021  
<sup>6</sup> Average UK first-time buyer is now older than 30, says Halifax – Guardian  
<sup>7</sup> 2021 sees rise in number of 35-year mortgage terms – Money Age

## Financial commitments are starting later

With people living and working longer, periods of ill health could potentially interrupt the reliable income needed for later life financial commitments.

For instance, first-time buyers are now on average aged over 30 in every region in the UK. It's thought this is down to not only rising house prices, but a range of lifestyle factors too, including more people choosing to go to university, travel, and move around for work<sup>6</sup>. And with 35-year mortgage terms increasingly popular, financial commitments are encroaching further into later life<sup>7</sup>. This means while previous generations got onto the property ladder earlier and paid off their mortgages sooner, modern first-time buyers have an even greater need to protect these life-long financial commitments should they be diagnosed with a critical illness.

## Supporting your client conversations

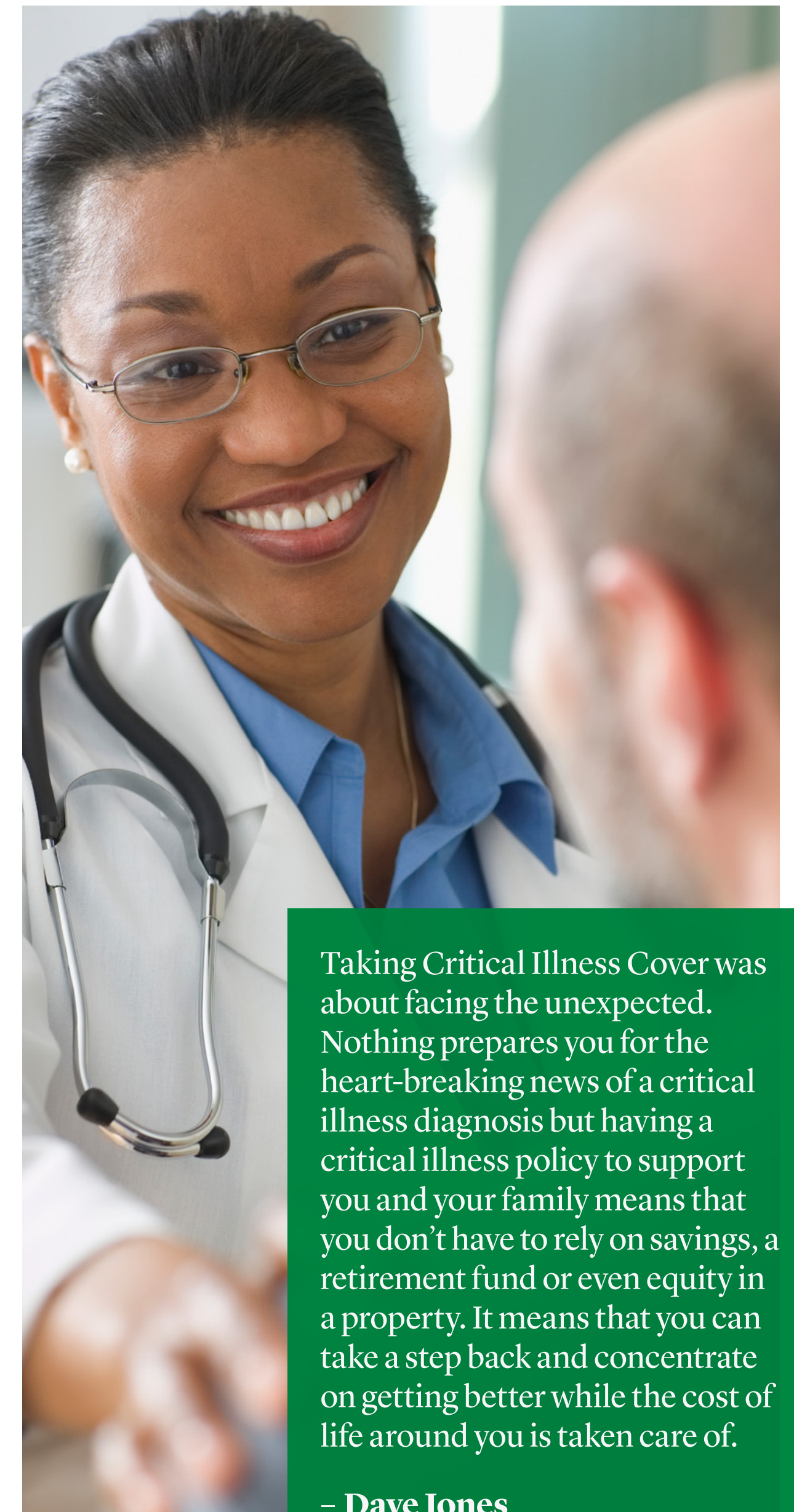
View our range of resources to help support conversations with your clients on the value Critical Illness Cover can provide.

[View our critical illness toolkit here](#)

## How protection helped Dave through his critical illness diagnosis

Dave Jones had his critical illness policy in place for 19 years before he needed to claim on it. He'd been aware of a few health issues that he felt wasn't right, so he decided to speak with a nurse who quickly escalated his case to a doctor for tests. He received a prostate cancer diagnosis. Dave said making a claim changed his life.

[Read David's full story here](#)



Taking Critical Illness Cover was about facing the unexpected. Nothing prepares you for the heart-breaking news of a critical illness diagnosis but having a critical illness policy to support you and your family means that you don't have to rely on savings, a retirement fund or even equity in a property. It means that you can take a step back and concentrate on getting better while the cost of life around you is taken care of.

– Dave Jones



# Interview with Karen Fuge

We caught up with our Head of Claims, to find out more about the claims process, the impact of Covid-19, and how claims teams are supported in this emotionally challenging role.

## 1. How does the claims process work within your team?

A claimant will call to let us know about the death of their loved one, or to let us know of a health claim. Making a claim can be difficult and we are proud of our teleclaims team, who are on hand to support and guide our customers through our claims journey. Once we have received a completed claim pack and depending on the claim we may need some medical information from a medical professional. We will keep the claimant updated throughout, via our text messaging service and once all information is received, we will call and discuss our decision with our claimant.

## 2. Supporting claimants must be challenging. How does Legal & General's support staff?

We set up 'Time to Breathe' sessions for our claims staff to support their wellbeing during the ever changing and uncertain times we have all been living through. The sessions were led by an independent coach and brought our people together in small groups to talk about the challenges they were facing, and how to deal with them. They could talk openly and share with others how they were feeling in and outside of work; and learn from shared experiences.

We also offered people the opportunity to have a further 1-to-1 coaching session afterwards. Most of our claims people had been working from home, which meant talking to customers

who were either ill or recently bereaved, without their usual support network readily available.

The feedback was positive. They talked about how useful they found some of the tools they were given, how engaging it was to have an open forum to share how they were feeling, and that it was great to be able to take a break from work to focus on themselves. Overall, they enjoyed and appreciated the sessions, and took a lot away from them.

## 3. Is Covid-19 still impacting claims?

While our Covid-19 claims are decreasing, unfortunately we are still seeing a significantly high number of death related claims due to cancer. This has been highlighted in the media over the last six months where several undiagnosed patients are dying before having treatment. We are also seeing delays in the time it's taking for GPs to return our medical reports. Initially this was due to the Covid-19 outbreak, but has understandably increased due to the vaccination roll-outs.

## 4. What's the one thing that's surprised you whilst working in claims?

The amazing work our team completes every day. I am still in awe of my team when I listen to the empathy and sympathy they show on every call; and how they support our customers in their time of need.

## 5. What's the one fact you think advisers would find surprising about claims?

It can take around two years to train a claims assessor to the level and complexity of the technical knowledge that's required. They undergo additional extensive training - such as with the Samaritans - to ensure they demonstrate high levels of understanding and sensitivity at all times when talking to our ill and bereaved customers.

## 6. Do you have any hints and tips for advisers to help their clients speed up claims?

There are several ways. For most health claims, we need medical reports. Ask the client to contact the relevant doctor and ask for these to be completed and sent back to us as soon as possible. The client can also send us copies of any hospital letters they already have, which confirms their diagnosis.

For life claims, ask customers to have the death certificate and the Will (if there is one) ready. Advisers can also encourage clients to ask their GP to keep the medical records for longer – usually they are removed from the surgery 28 days after death, which can delay claims by up to six months.

Finally, encourage clients to use email to complete their claim pack if possible, and to provide their mobile number for regular SMS updates.

Visit our claims page for further information, [here](#).

# Making 2022 the year of business protection

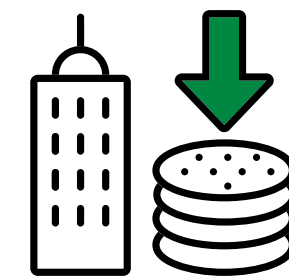
While many businesses take the time to consider employment benefits, pension schemes and staff protection, insurance for the business itself can be overlooked. Yet business protection is pivotal to everything and without it, there would be no funding for further benefits.

The latest government figures show that of almost 6 million private sector businesses, 96% have less than 10 clients<sup>1</sup>. With 6 in 10 businesses (59%) saying they would cease trading within 12 months of losing a key person<sup>2</sup>, there's an opportunity for you to sell business protection to the UK's SMEs.

Sources:

<sup>1</sup> Business population estimates for the UK, 2020

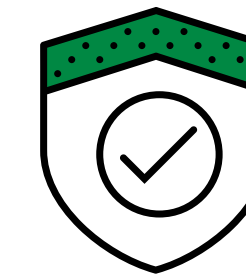
<sup>2</sup> State of the Nation Report 2021



## Current risks facing the UK's SMEs

Our latest State of the Nation report uncovers the risks to small and medium-sized businesses. Surprisingly, it highlights a greater optimism among UK SMEs than you may expect after such a tough time with Covid-19. It's encouraging to see that 57% of businesses say they're feeling positive about their future, while a third are looking at how they can expand their business within the next two to three years.

Despite the optimism, businesses are vulnerable to the loss of a key person, with over half regarding the scenario as having the most serious impact on their business. Debt and the personal security for loans are other areas of vulnerability identified in the report. But is it in their best interests to risk their personal wealth or their house as security, would a better solution, in fact, be insurance cover?



## Starting the conversation around business protection

Our report highlights the prospects in this market and provides practical ways to talk to your business clients. Advisers can help businesses understand the uncertainty of risks and help them make decisions about protecting against unexpected events.

As market leaders, we have a range of protection solutions to meet the various risks and needs that a business may face if the worst was to happen. Our Business Protection products for corporate advisers can give guidance on include Share Protection, Relevant Life Plan, Key Person Protection, and Executive Income Protection.

Protection could help SME business owners meet the costs of repaying a business loan, replacing lost profits, or hiring a short-term replacement. As our report shows, it's important that SME business owners consider their contingency plans, and speak to a financial adviser if they're not covered for an event where a key client becomes ill or dies.

[Download State of the Nation and start the conversation around Business Protection.](#)

# Here to help, if you need us

Thank you once again for  
your continued support.

If you have any thoughts or  
suggestions on anything mentioned,  
or would like more information, please  
contact your account manager.

