

The Link

For Adviser use only



Your Legal & General magazine,
designed for Intermediaries

- Welcome & contents**
→ Introduction from Julie Godley and contents at a glance.
- A lookback at 2022 events, industry and internal news**
→ In a significant year, how we're evolving support for you and your clients.



Welcome to issue seven of The Link – your magazine, tailor-made for advisers

It's time for the final issue of The Link in 2022, when Christmas is fast approaching and the year seems to have flown by faster than ever.

In this issue, we acknowledge recent challenging events and highlight internal and industry developments over the last twelve months. On Pages 3-4, I take a lookback at the year, while exploring an inventory of the support that we're growing for you and your clients. Also acknowledging the seismic shifts, on Page 7, Mike Pritchard, Head of Retention Development, examines impacts upon your clients and how the DQM Programme is adapting accordingly. Designed to support your client conversations, we explore key findings from the latest Deadline to Breadline Report on Page 10; followed by an introduction to

a new extensive piece of research on Page 11 with The Secrets Protection Success. If you're looking for more ways to improve your client retention, the Existing Business Agent Hub (EBAH) in OLP Connect can help, you can read about their services on page 12. All this among much more, including an invitation to enter the 2023 BQA Awards. As ever, this issue has been put together to help inform and support you in your role.

Thank you very much for your continued hard work and commitment. We hope you find this issue of The Link informative; and that you have a lovely festive season.

Julie Godley,
Director, Intermediary (L&G Retail)

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

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A 2022 lookback: Internal and industry developments

“Eventful” feels an appropriate word to summarise 2022. It has been a year of significant changes for us in the UK, including three prime ministers in office, news of steeply rising energy prices, and the sad passing of HRH Queen Elizabeth in September which saw the nation in mourning.

The world has also faced many challenges including the war in Ukraine, which has led to supply chain disruptions and has influenced economic uncertainty. But something that remains certain amid these many changes is the importance of protection in an unpredictable world, and how valuable your advice is to your clients.

We’re always developing and growing our support for advisers, and this year one of our focuses has been

gathering customer case studies. Our aim is to bring the unpredictable nature of the need for protection to life. These real-life case studies highlight relatable reasons for making a claim, the tangible results of a financial pay-out, and the practical and emotional support that individuals can receive. You can find more of these case studies on your Adviser Protection website.

Let’s take a closer look at this year’s developments to support you and your clients during a turbulent time. As ever, we’re grateful for your hard work and resilience – thank you for all you do to protect your clients.

By Julie Godley, Director, Intermediary (L&G Retail)

Evolving our support for you and your clients

Digital Declaration of Health

Earlier this year we launched the Digital Declaration of Health. The new digital process in OLP Connect’s Agent Hub allows you to complete the declaration on behalf of your client and get them on-risk sooner.

Deadline to Breadline report

In September, we published our Deadline to Breadline report, which revealed that the average working household is only 19 days from the breadline. The 10th anniversary of the report can support your client conversations and help you understand the financial realities of UK households, including what could be preventing your clients from engaging with their financial plans and how client buying behaviours are changing in response to the cost of living crisis.

[Read the Deadline to Breadline report](#)

Umbrella Benefits

In 2020, we added more value to your client’s insurance options with Umbrella Benefits. The package of four added-value services and optional benefits are ready to protect your clients against the unexpected. It includes Wellbeing Support (access to a registered RedArc nurse, included as standard on all life policies); Rehabilitation Support Services (included as standard with Income Protection), plus Fracture Cover and Private Diagnostics, which can be added to your client’s policy for an additional cost.

Wellbeing Support nurses can help your clients with:

- Long Covid
- Mental health concerns
- Recovery from illness or injury
- Later life planning
- Diagnosis understanding, including referral for a second opinion

[Visit the Umbrella Benefits webpage](#)

Fracture Cover and Private Diagnostics are insured by AXIS Speciality Europe SE. The support and services are provided by Trustedoctor, a sister company of Further Underwriting International SLU.

Training and workshops

By the end of September, we delivered a total of 464 webinar and workshops, with 15,345 attendees – that’s more than our total for 2021. We also supported Income Protection Task Force’s Income Protection Awareness Week (IPAW), gathering over 1,000 registrations.

[Sign up via the CPD Academy](#)

New Adviser Protection website

As part of our ongoing purpose to support your work, we relaunched your Adviser Protection website back in the summer. The new website puts your needs at the centre, bringing you the information you need, where you need it, so you spend less time searching and more time protecting. We spoke to advisers and other stakeholders about their needs, top priorities, and how we could best support their day-to-day work, resulting in streamlined navigation and accessible information.

Record claim statistics

Our latest claims statistics for 2021 revealed we paid over £797 million across Life, Critical Illness Cover, Terminal Illness Cover and Income Protection policies, supporting 16,890 customers and their families.

[Read the full claims report](#)

Covid-19 claim statistics

Our claims statistics also revealed we supported 1,579 families who sadly lost loved ones due to factors caused by Covid-19, paying out a total of £73.8 million in individual Life Insurance* claims. This adds up to over £113 million paid out across the two years since the pandemic emerged.

How we're going further for your clients

Claims go digital

Our new digital claims system, MyClaim, allows clients to easily manage their claims. They can stay updated with the progress of their application via automated emails and texts. Each claimant is assigned a designated handler to take on their case, ensuring a tailored approach.

More claims, more recruitment and training

We've expanded our team to include experienced external assessors. We've also carried out more training to support both client calls and reviews.

Project Smile

For every Children's Critical Illness Claim we pay, we send a gift to show our customers we're thinking of them. The claims assessor will talk to the child's parents about what they might like and what feels most

2021 also saw the continuation of our Long Covid Intervention Package, which is available to all Income Protection customers who experience fatigue and associated symptoms following a Covid-19 infection.

LinkedIn Showcase page for Advisers

We've launched a LinkedIn Showcase page where financial advisers, brokers and intermediaries can join us for industry insights, news and trends.

[Join us on LinkedIn](#)

appropriate. The gifts are sent with a personal note from the family's claims handler once they receive their claims payment. You'll hear more on this on page 9.

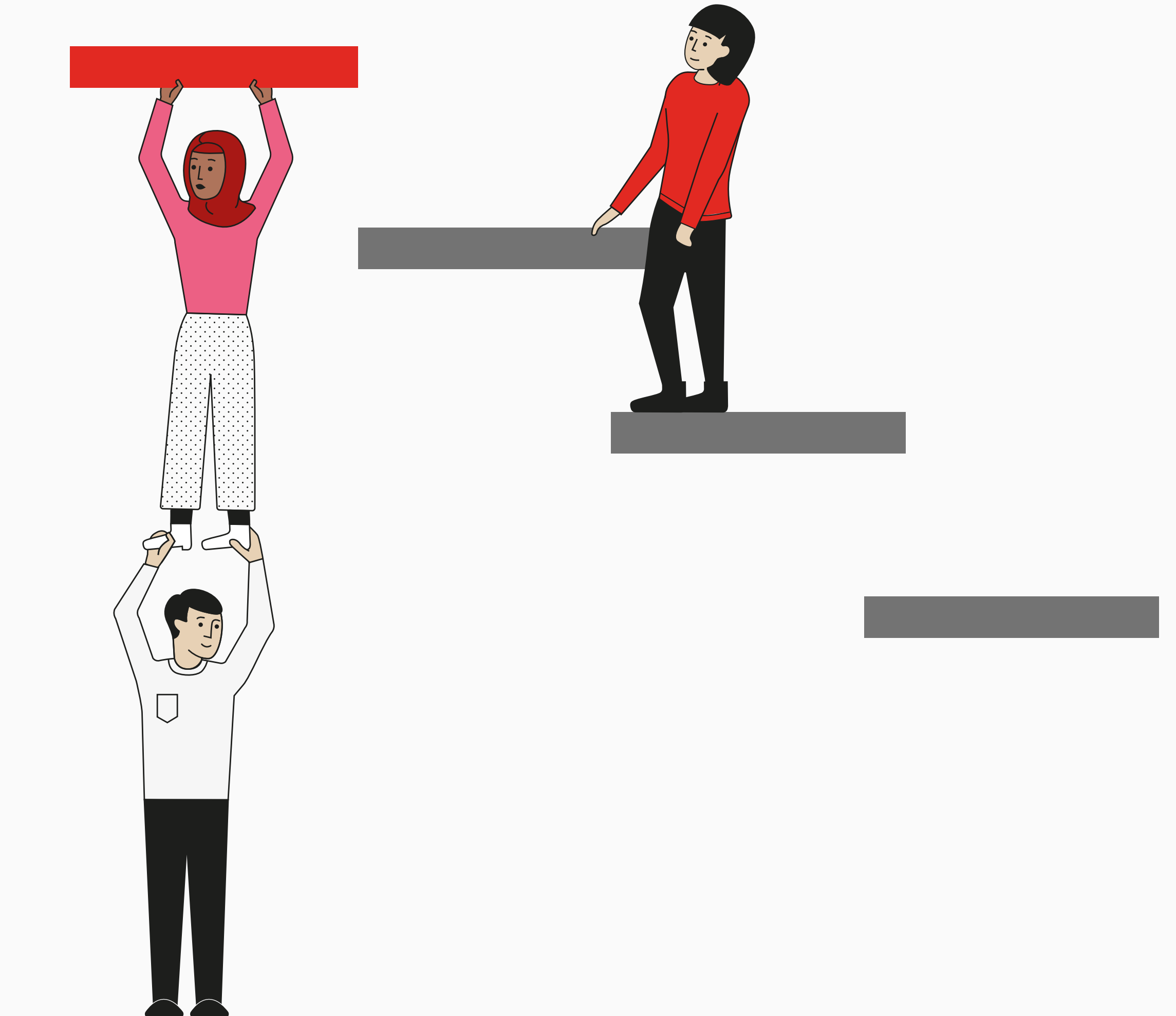
Help your client through the cost of living crisis

To help you support your clients within a challenging economy, we've launched a retention and cost of living page that includes case studies, retention sales aids and useful content for your clients.

[View our cost of living resources](#)

Thanks once again for your support this year

We're looking forward to continuing to work closely together in 2023. There are lots of positive developments to come. In the meantime, we hope you enjoy the festive period and a well-earned break.



*Life and over 50's Life insurance

Another win for our market-leading proposition



By Stuart Halliwell, Market Development Manager

Our market-leading business protection offering has been recognised for the ninth consecutive time, winning Best Business Protection Provider at this year's Moneyfacts awards.

Our proposition has helped thousands of advisers protect their business clients, so thank you to all those who voted for us – we're very grateful for your support.

Part of our proposition includes the State of the Nation's SMEs report – a biennial research piece that gives you insights into the opportunity in the marketplace. Additionally, our Market Development Team have provided a huge amount of support to advisers, including CII-accredited training. We look forward to continuing to raise the need for businesses to have protection against the unexpected, and to help many more advisers grow their own businesses in this market.

How has the SME market changed?

The win seemed like a great opportunity to look back on the history of our State of the Nation's SMEs report, which has been a market-leading piece of research since 2009 and widely quoted in discussions about business protection. I've been involved in every edition of the research and it's interesting that whilst much has changed over the years, the need for businesses to be protected against the unexpected has not.

When I look back at the first edition, we quoted a business protection gap of £1.1 trillion. By our third edition, that had grown £1.35 trillion. The protection gaps were a great way to illustrate the need and potential opportunity, however they often didn't relate to the real world of talking to business owners, so we moved away from gaps and now focus more on bringing this to life.

We've seen an almost constant growth in the need for debts, and no doubt that has most recently been in part due to Covid 19. Indeed, our latest research highlights that over a third (35%) of businesses have used some form of Covid-19 support, with the average being £122,000.

Overall, three quarters of businesses have some form of debt, and many will have given guarantees or security to the lender. But how will they repay this if a key person died, or how would they service the borrowings if a key person was off work due to long-term sickness?

Many businesses have realised that they are dependent on their key people and would be severely impacted if they lost one. In fact, many businesses note this as one of their top 3 risks. However, the proportion that would cease to trade following the loss of a key person has consistently grown. In 2013, 41% of businesses said they would cease trading within 18 months, while in the latest research 59% said it would happen in just 12 months. If they had insured that risk, it would give them some options and potentially save their business.

A question of succession

When we consider succession plans, many owners haven't considered who'll own their shares in the future, or what the consequences of this could be on existing owners or those who inherit shares. Does either side want to be involved in the new ownership structure of the business, or would they rather have had a clean break? Awareness of share protection and the need to plan the future of a business remains low, with only 18% using an insurance solution for the purchase of shares.

Of course, protecting the business isn't the only conversation to have with business owners and directors. There is the great opportunity to protect their families using tax-efficient methods with Relevant Life Plans and Executive Income Protection. Awareness of Relevant Life Plans has improved over the years, but we still have a way to go. In our latest research 64% of business owners had never heard of a Relevant Life Plan.

There are a few constants too, such as businesses' lack of awareness of business protection, either because don't see the need or no-one has raised the risks with them. In 2015 this figure was 72%. In 2021 this was still the majority view, at 63%.

Encouragingly, business owners have always said they would look to the professionals when taking out any cover for their business. 89% in 2015, to 97% seeking professional advice in 2021. This highlights the great opportunity you have to work with those other professional advisers (accounts and solicitors), to help your business clients ensure they are protected against the unexpected – and to grow your business.

Helping you protect more businesses

As market leaders we have a vast amount of support available to you on our adviser website including information on some of the newer products including Executive Income Protection and Key Person Income Protection. We also run a comprehensive programme of training and webinars, which you can find in our [CPD academy](#).



Entries to the 2023 Business Quality Awards are now open until December 20th

Take centre stage and get the recognition you deserve at next year's Business Quality Awards. It's another chance to celebrate and acknowledge the change makers of our industry, who make a difference to client's lives every day.

Since we launched our Business Quality programme, we've helped many adviser firms grow their business and quality standards – all while supporting our mutual customers. The BQAs are an opportunity to showcase the results.



12th BQA
Business Quality Awards 2023

How to win your own BQA

Winning a Business Quality Award is all about demonstrating your proven commitment to business performance. Here are some ways previous winners have stood out from the competition:



1. Retention

Implementation of a fully functioning retention team and programme, which includes the use of our Early Warning System (EWS) or Existing Business Agent Hub.



2. Success metrics

Showing evidence of business success, through Management Information (MI) success relating to retention, in terms of income and customers saved.



3. Changes in processes and policies

Implementation of process changes or policies to improve customer outcomes and business benefits.



4. Value-added services

Providing a range of extra services to customers, which has enhanced retention rates. For example, trusts, wills, or loyalty incentives.



5. Positive results in Legal & General MI

Introduction of a new customer retention process, with identification of supporting metrics.



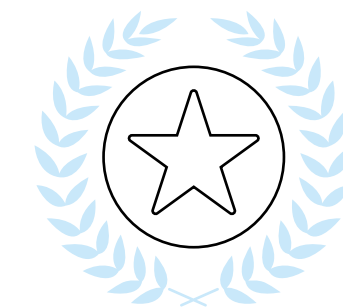
6. Customer satisfaction programme

Introducing a customer feedback programme that demonstrates any changes made within the business to improve customer satisfaction.



7. Post-sale strategy

Creating a post-sale customer contact programme that maintains relationships with their customers, ensuring they have the right protection in place.



8. Customer and quality-based performance management scheme

Implementation of a performance management scheme that drives a customer-focused culture, and greater customer outcomes.

Enter today [on our website.](#)

Another year of change but the DQM programme continues to adapt

By Mike Pritchard, Head of Retention Development

Every year we expect change, but this year has been seismic. Back in September 2021, I wrote that I expected the cost-of-living crisis to bite in 2022. What we didn't know was how hard. We also didn't (or couldn't) factor in the impact of Russia's invasion of Ukraine and the effect this would have on key commodities and the markets. Add to this the recent UK Government turmoil (three Prime Ministers in three months) and we have a perfect storm.

I also know that external factors sometimes impact the way we live day to day, and sadly, this means that those who strive to pay their premiums may have tough decisions to make. The knock-on effect for businesses is lapse rates will rise where customers are unable to continue paying for their policies. Couple this with the reduction in volume of new business applications, and the ability to trade profitably will be a major challenge.

For example, the Distribution Quality Management (DQM) Risk Solutions team is spending more time focussed on Contact Centre businesses, rather than any other business model. Over the last 5 years, more than 100 of these Contact Centre businesses have either been terminated by us or have closed or failed. This has caused debts and then debt write-offs, which costs millions of pounds every year.

How DQM is evolving in uncertain times

We're evolving our DQM programme to focus on two new areas: business consultancy and de-risking. We feel the next phase of adding value is to help businesses stay in business and be the best they can be by reducing their financial exposure and liabilities. We'll also be looking to help businesses develop exit plans so they can safely exit the industry without censure and financial penalties.

We'll continue to lead the way with these new developments as well as providing our great insight and MI deliveries. I expect other insurers to follow – they always do.

It's vital we look at new opportunities to engage with intermediaries by leveraging our talents.

This will not only help achieve more new business volume, but should be done to the highest possible quality too. For those that prosper, they can get recognition from the [Business Quality Awards \(BOAs\)](#).

Going forward, I see the Contact Centre marketplace continuing to contract. Similarly, the mortgage market will be impacted by the recent rate rises. And by the end of 2023 there will be fewer intermediaries trading than there are today. It's a sad fact that some intermediaries will find the market too tough to operate in. We'll endeavour to do our best to save them where we can. But where we can't, we'll continue to manage the fall-out accordingly.





Questions & Advisers

Adviser Name – Mizna Coates

Job Title – Protection Specialist

Specialisms – Personal, Business and General Insurance

Most frequent protection product sold – Life, Critical Illness Cover and Income Protection

Time in role – Six months as a self-employed protection specialist, however, I have been helping give people peace of mind for 4 years.

Background – I started working for NatWest in 2001 as a telephone representative, and then I moved to work in a branch in 2003 doing a number of roles. I left NatWest in 2015 and started working for a local mortgage broker where I became more interested in the protection side of the business. I was then promoted to Protection Specialist in 2018. I left the company in May 2022 to start my own enterprise.

1. What was your reason for becoming an IFA?

I made the decision to go it alone to be more available for my family. Being self-employed allows me to be more flexible and gives me a better work/life balance.

2. How has the 2022 financial climate affected your business?

As my business is fairly new, I can't really compare to previous situations. I am still able to help my clients get protected with the right recommendation for them with Life, upgraded Critical Illness Cover, and Income Protection still being the most popular.

3. How do you work with client budgets?

If clients initially feel the products cost more than they can afford, we arrange an affordable policy, normally Life to start. Then, we revisit after 3 months to check whether they're comfortable with their outgoings and we continue this way. They can also get in touch at any time if they're experiencing any difficulties and need to chat. Cost of living is generally the main topic of conversation, which helps me as the clients normally talk about their concerns and what they want to make sure they can protect.

4. How do you ensure you retain your clients?

I contact my clients a few weeks after completion to check in with them and ensure all is OK. I'm also registered with all providers for notifications about any missed or cancelled direct debits.

5. What do you do when contacting clients?

If a direct debit is missed, I will call them and ask if everything is OK with their account and if the policy is still affordable. If we need to review and arrange alternative cover then we will do that, so they can still benefit from peace of mind.

6. What more can providers do to support you and your business?

I get a lot of support as my BDMs are very responsive and know how persistent I am. I get support with products, price matching, and complicated cases.

7. What's your biggest opportunity in 2023?

Building my brand and helping people make sure they have the right cover for their needs. I want my brand to be known as a company that truly cares about its clients, not only by helping them arrange cover but also advising them as to whether their existing product is right for them. I want to ensure they know what they're covered for and that they're aware of other features that come as standard with the policy.

8. Can you tell us about a particular case that's stood out for you this year?

While arranging cover for a client we discussed family history and he advised me that his mum had previously had breast cancer. I looked through her cover and noticed that she would be able to make a claim on the policy, which she hadn't considered as a possibility. She then made the claim with her existing provider, which was paid out, changing the client's life financially. This is one of the reasons I love my job. Not only am I able to help clients arrange the right cover for them, but I can help people make a claim when they didn't even know that it was possible.

Something to smile about

By Karen Fuge, Head of Claims at Legal & General Retail Protection

Project Smile supports children going through a difficult diagnosis, and aims to help make a difference to the whole family.

A critical illness can affect anyone at any age and can turn families' lives upside down, especially if it's involving a child. We not only offer children's critical illness cover to support families, but we want to let the child know we're thinking about them during an incredibly difficult time. Project Smile is about doing the little things that make a big difference, like sending a gift-wrapped toy and personal message to bring a smile to a child's face.

Over the course of a claim, our assessors get to know families to get a better understanding of their circumstances. A child's illness affects the whole family, and our claims assessors have a unique opportunity to make a difference beyond just dealing with the claim.

For every child's critical illness claim, the Project Smile initiative allows our

claims handlers to send gifts to the children of policyholders. Launched 12 months ago, we've so far sent 56 gifts to children aged from under 1 year old, up to 19 years old.

A gift we know they'll love

Our claims assessors speak to the child's parents or guardians to find out what sort of gift they'd love, from a voucher of their choice to Lego or a Peppa Pig toy – the most popular choice for younger children. One family told their claims assessor their little boy loved watching films with his sister, so we gifted him an extra-large beanbag so they could watch films together in greater comfort.

Gift vouchers are also tailored to the children and young adults – one teenager enjoyed going out for meals, so we sent him a Nando's voucher, while another who was into fitness received a Nike voucher for a pair of trainers

she wanted. Other vouchers we've gifted include Amazon and Lego.

All gifts to be wrapped with a personal message from the claims handler and are sent directly to the family's home address.

We also recognise that it may not always be appropriate to send gift, as some children may be in an extremely clinically vulnerable group. In these circumstances, our handlers keep an ongoing dialogue with the parents to see what, if anything, would be appropriate.

With the rising cost of living, value-added benefits are crucial to customer retention. It's tempting to see critical illness cover as a nice-to-have and something to sit alongside your life insurance. In 2021, we paid 99% of children's critical illness claims with an average pay out of £18,987, totalling more than £2.7 million. Critical illness is about ensuring your clients have the money to help them or their family cope with an illness in the future.



[Find out more about our children's critical illness cover, here](#)



Deadline to Breadline report

Exploring the financial resilience of working households across the UK

The new report from Legal & General assesses the financial stability of households by looking at how long someone could cover their basic living costs if they lost their job.

In our 10th anniversary edition, we spoke to a range of employed and self-employed consumers

aged 18 to 65 about their financial situation. We're continuing to uncover detailed insights into UK consumers to help you understand how this could affect your client conversations.

Our latest research uncovers:



How long it would take someone to reach the 'breadline' if they lost their income



What's preventing your clients from engaging with their financial plans



How client buying behaviours are changing in response to the cost of living crisis

The latest research revealed:

19 days

Households are only 19 days from the breadline, down 21% since 2020, from 24 days

60%

60% of households have less than £5,000 in savings, and 16% having no savings at all

2 in 3

2 in 3 (67%) prefer to save for an unforeseen event rather than insure

How has your clients' financial resilience changed? With household costs increasing significantly by a record 54% in April 2022, and more businesses under pressure, this has raised concerns that many people across the country could be especially vulnerable to financial shocks should the worst happen.

The increased cost of living has made cutting back the new normal for many households, with 69% reducing essentials, and 81% cutting back on luxuries. Even households with no debt and a higher annual income of over £50k are being more cautious, with 61% cutting back on essentials.

The research found that workers aged 55-65 are overconfident in the time they can pay for essentials with no income. This is a concern as older households have less time to build their

savings back up before retirement and typically find it harder to find new roles following redundancy.

More worrying still is the fact that nearly 2 million adults have no money left at the end of each month – a rise of 330,000 since 2020. For those who earn under £20,000 per year (5 million people in the UK), the average household has no financial safety net if they lost their income.

Protect your client's financial security

[Download our new report](#) to uncover more insights into UK consumers and understand how this could impact your interactions with clients.

By Jeff Woods,
Head of Intermediary Development, L&G Retail



Learn the secrets of protection success from advisers

Our latest research, *The Secrets of Protection Success*, shares the winning formula used by some of the industry's top protection advisers, designed to help you achieve better outcomes.

If you've ever felt that selling protection is difficult because you feel you either lack knowledge, uncertain of your client's objections, or it feels too specialist, our research shows how you can do things differently.

[The Secrets of Protection Success](#) reveals top adviser techniques and lays the foundations for those who want to enhance their skills when selling protection.

What the research involved

We interviewed advisers with a range of industry experience and asked them about four key areas:

- How and when they introduce protection in client conversations
- What weight they give to protection products in the broader conversation
- The common client barriers and objections, and how they overcome them
- What defines a successful protection adviser?

Not only did the research reveal 5 key traits of top advisers, but it also highlighted several barriers and challenges facing some advisers. This could be overcome if advisers adopt a range of approaches and practices when talking about protection with their clients.

Key to a winning formula?

The research revealed top advisers commonly display 5 key traits which contribute to their overall approach to protection. They are:

1. Passion and stories
2. Assertive conversations
3. Cycle of confidence
4. Process
5. Repositioning protection

The report shares more about each of these traits, as well as how you can start building your own pathway to success.

More insights to come

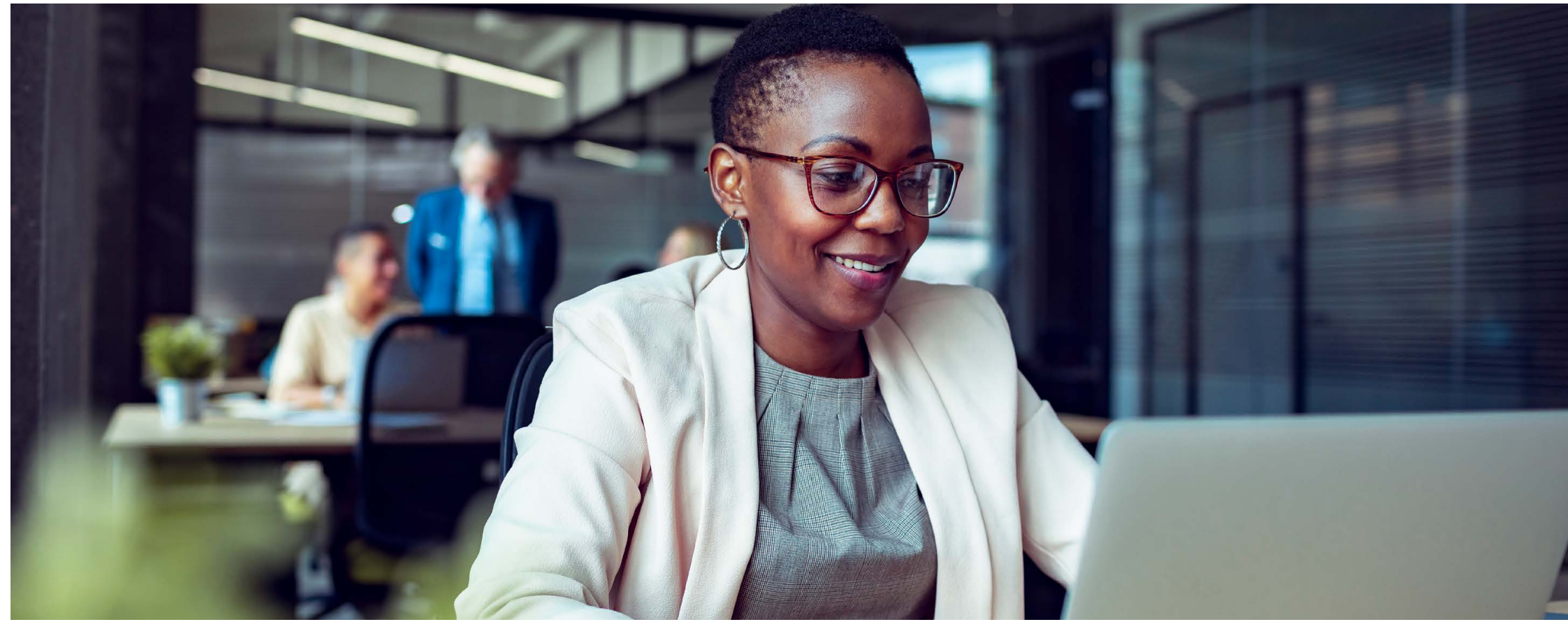
The Secrets of Protection Success report marks the start of a new educational initiative for advisers. We'll share a range of guides and resources that delve deeper into each key trait to help you achieve better outcomes.

All the resources will be housed on our dedicated hub, where you'll have access to these valuable insights.

Are you ready to become a top protection adviser?

Start by reading our latest report, *The Secrets of Protection Success*, and explore the hub for even more resources.

[Download the report here](#)



A powerful tool to help retain your clients

If you're looking for ways to improve your client retention, the Existing Business Agent Hub (EBAH) in OLP Connect can help.

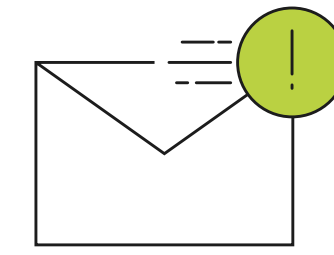
EBAH keeps you informed by letting you know when your clients miss a payment or try to cancel their policy. It does this by sending you instant updates, also known as lapse notifications, so you can contact your client as soon as possible to find out more.

By receiving these emails as soon as a policy is at risk, you can quickly contact your client to try to understand the

reasons behind the missed payment, remind them about the importance of their cover, and talk about any changes in circumstances that could affect their protection needs. In the first 6 months of 2022, advisers used EBAH to retain a total of 36,055 policies and earn £12,363,325 in commission.*

What are the benefits of lapse notifications?

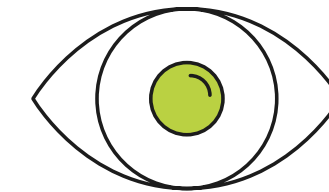
Once activated, you'll benefit from:



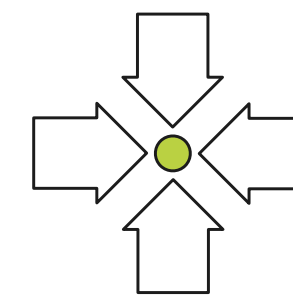
Daily real-time emails whenever a new policy is at risk



24/7 access to your client's policy and claims information



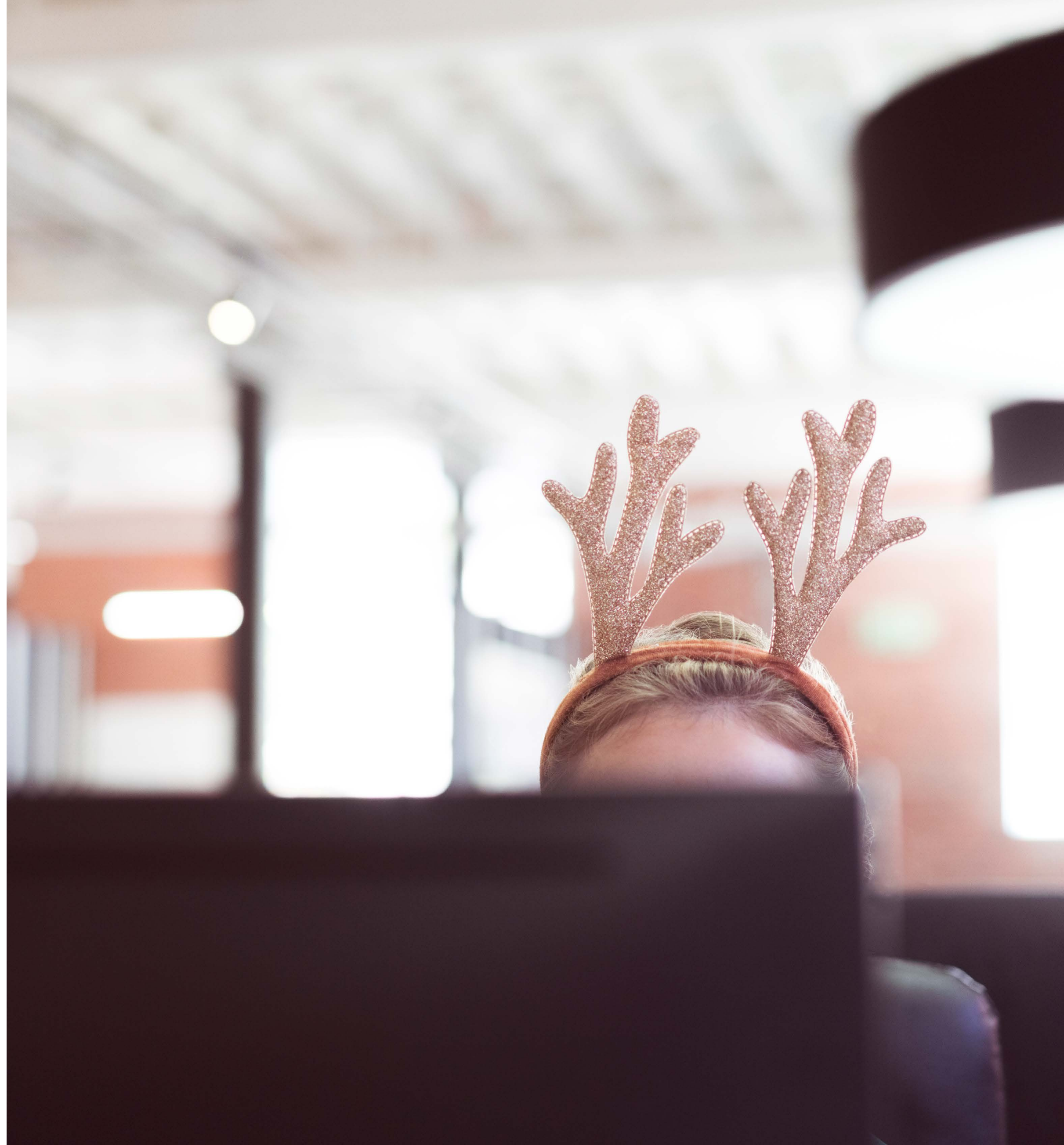
Visibility of any communications we've had with your client, for up to 12 months



The ability to quote, apply and service your client's policy all in one place

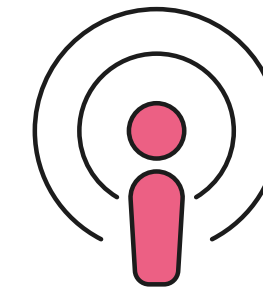
To start receiving instant updates about your client's missed payments, log in to OLP Connect, and make sure the lapse notifications option is selected, [click here](#)

*Data from January -June 2022



Here to help, if you need us

Thank you once again for your continued support.



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Just Covered podcast



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