The Link

Issue 6

Your Legal & General magazine, designed for Intermediaries

For Adviser use only

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

It's Summer 2022, and UK temperatures are reaching record breaking highs. However, alongside the warm weather, it's also a time of big societal issues such as the cost of living crisis. But as Bernie Hickman details in his editorial on Pages 3-4, we're in a fortunate position within the protection industry - because it's an industry that's able to help. As such, a crisis can be an opportunity to address what our customers really need. Furthering this proactive approach, on Page 8 Robert Betts explores whether the current mortgage surge equates to more protection sales, and how advisers can reposition the conversation. You can also find the latest claims statistics on Page 10; a piece introducing your new adviser protection site on Page 12; plus, insight into the rise of online mortgage research from Legal & General's Mortgage Club on Page 9. All this among much more, put together with our in-house expertise to inform and support you in your role.

As ever, thank you very much for your continued support and valued business. We hope you enjoy The Link.

Julie Godley,
Director of Intermediary, Legal & General Retail

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

Profit with Purpose

by Bernie Hickman

While the pandemic is finally passing, we're not short of other crises to respond to. Here in the protection industry, we're in a fortunate position, because we can help. These crises can be opportunities to develop better and stronger businesses, addressing what our customers really need. Optimism is a defining approach at Legal & General. Whatever the challenges, we can work together with our partners to deliver for our customers; and we do so in practical and patient ways.

Tackling the big issues of today

We believe that companies like ourselves can make money and generate returns for our shareholders by tackling big problems, and investing in ways that will make a positive difference to the world. One term we use is Inclusive Capitalism, or more simply; profit with purpose or doing good while doing business. There's no reason why being socially useful has to make us, or any business, less commercially skilled or profitable. In fact, it'll make us more sustainable and relevant to our customers. This methodology is demonstrated in the ways we're tackling 3 of the big issues of today: climate change, housing and the cost of living crisis.

Pushing back against climate change

We have a decade to prevent catastrophic climate change. While those are scary sounding words, by 2100 they could be a devastating reality. Without big and urgent changes my daughter's grandchildren could grow up in an England where places like Portsmouth and Chichester, swathes of Lincolnshire and Yorkshire are underwater[1]. Our winters will shake us with storms and flooding, and the summers will scorch us with heatwave after heatwave.

But compared to the rest of the world, those living in that future Britain might have it relatively easy.

Of the 11 billion people alive in 2100, more than 2 billion[2] of them would be climate refugees[2]. Osaka and Shanghai, Rio de Janeiro and Miami, Alexandria and The Hague, and so many other cities and towns and villages, could all be underwater. 9 out of 10 people will live in countries with falling food production[3]. In hotter countries, hunger, heat and humidity will combine to kill tens of millions.

And with more people on less land, fleeing for cooler climates and competing for ever-scarcer resources; you can imagine the devasting conflicts that will emerge. This is the defining crisis of our generation, making Legal & General's journey to net zero and the actions we're taking our most critical commitment.

As a global organisation working over generations for the last 186 years, we can use our scale to embed long lasting reform. Our active stewardship for over a decade has been changing the environmental behaviour of hundreds of large corporations.

We're also building our own journey to net zero. As of 2021, we've cut the greenhouse gases associated with our investment portfolio by 17%[4]. We also help investors assess climate opportunities and see how effectively other companies are meeting their own climate commitments. This helps everyone to invest in a way to make an impact, including our millions of workplace pension customers.

Our investments include assets that make a real difference:

- More than £1.4 billion in renewable energy infrastructure, especially wind farms that already energise over two million homes.
- Equity investments in: Oxford PV creating even more efficient solar panels / Kensa, a leading heat pump business / Pod Point, one of the largest EV charging companies in the UK with more than 78,000 at-home and commercial charging points across the UK and Europe.
- One of our most interesting climate investments is based in an industrial unit just south of Oxford. Earlier this year they briefly created the hottest place in the solar system by heating plasma to a staggering 100 million degrees centigrade; which is almost 7 times hotter than the 15 million degree heat of the sun. They are called Tokamak energy and are aiming to have their first commercial nuclear fusion power plant operating by the early 2030s.

With countless start ups making great progress in a wide range of areas and growing momentum on the need to act, we remain optimistic that the worst outcomes of climate crisis can be averted. But it does need action and it needs everyone to act together right now.

Contents page

Making good housing more accessible

There are currently 4.75 million households with some sort of housing need across Britain. Four million of these are concentrated in England5.

People are squashed in together, living with their parents for longer. House prices have been racing ahead of earnings; which is great if you own property but depressing if you don't. Renters are also under a lot of pressure, with more than 28 possible tenants for every property that comes up[6]. Many renters really want to become owners , yet right now over a million UK households are waiting for affordable homes to buy[7]. Older people are also facing a housing crisis. On average, the UK builds about 7,000 new homes for retired people annually. But between now and 2030, there will be around 180,000 new 65+ households a year[8].

To start solving the problem, more than 340,000 new homes need to be built in England each year. Last year 216,000 new homes were constructed – more than 120,000 short.

At Legal & General we are doing our bit to help. We've committed more than £1.7 billion to develop almost 5,000 homes to rent across the UK.

We have a current pipeline of 3,500 affordable homes on 41 sites across the UK and we plan to build 3,000 more annually by 2023, partnering with well-established housing associations and providers.

Our support includes older people with 34 new retirement villages, to create around 8,000 age-appropriate homes for older people. This will free up family-size homes for families to live in.

Within a few years all the new homes built will be net zero ready. But what about existing homes? We're working across the industry to tackle the challenge of retro fitting houses so they can also help tackle the climate crisis.

Helping with the cost of living crisis

The only sensible way to make housing more affordable is to build a lot more. We are committed to playing a role in doing this and there is a direct link to the third crisis we're all facing together. The cost of living crisis is starting to have a big impact on our customers, our businesses and even our own home lives.

Take fuel bills as an example. This March, well over half of us were already finding them difficult to pay[9]. That was before April's 50%+ price cap rise which is likely to rise again by more than 50% in October, pushing the annual energy bill for a typical UK household up from £1,200 at the start of the year to £2,600 by the end[10]. That's an eye-watering £1,700 per year increase over a 12-month period, and only part of the picture. With inflation heading into double digits for the first time in 40 years, our customers will really be under pressure.

It has never been more important for those of us working in financial services to help our customers navigate through; making all the options available to hard up families in the toughest of times.

One area of massive untapped wealth is the housing wealth owned by those in retirement, with £1.7 trillion of housing equity owned by those over the age of 65. Accessing this through equity release lifetime mortgages will become increasingly important in coming years. They could help to avoid fuel poverty for older homeowners, or to help children and grandchildren make ends meet when the crisis really starts to impact.

We've been active in the lifetime mortgage market for the last 7 years, improving standards and delivering much better value than previously available.

Whether helping people onto the housing ladder or enabling the intergenerational sharing of wealth – I would encourage everyone to be more thoughtful about the benefit equity release can have for your customers and wider society. When having conversations, if you can't help with this, you could signpost your clients to a high-quality adviser who can. Referring to a Legal & General adviser is of course a great option with attractive referral fees.

Being realistic, some of those hardest up may need to cut back their protection cover. Many slightly better off could well need a reminder about the importance of keeping cover in place to avoid an even greater crisis should tragedy strike.

For decades now we have been helping advisers with data and insights to ensure you can help your clients and our customers create brighter financial futures. We remain fully committed to delivering even more sophisticated data analytics to do all we can to assist you.

Sources:

1 Rising seas could result in 2 billion refugees by 2100 | Cornell Chronicle
2 The three-degree world: cities that will be drowned by global warming | Environment | The Guardian
3 Climate change could trigger huge drops in food production by 2100 | New Scientist
4 Legal & General publishes 2021 Climate Report | Legal & General (legalandgeneralgroup.com)
5 CBP-7671.pdf (parliament.uk)
6 Are we on the cusp of a rental crisis? Available properties are at record lows | This is Money
7 What does centuries of UK housing data tell us? - Private Investor - Schroders
8 Housing crisis for older people | Industry News | Independent Living
9 The rising cost of living and its impact on individuals in Great Britain - Office for National Statistics (ons.gov.uk)
10 Energy price: Bill shock for millions as rises hit - BBC News

Contents page

Building business resilience in times of uncertainty

Just when we thought we'd climbed out of the COVID pandemic restrictions - the Ukraine-Russia conflict and pressures related to inflation have moved us in to a world where more uncertainty and more instability will become the norm. This uncertainty is the same for policyholders and Intermediaries alike. We all have bills to pay, decisions to make on expenditure and affordability and, critically, predicaments in terms of what we may need to cut out to maintain any form of business or life as usual – because incomes are not keeping pace with rising outgoings.

Here at the Data Quality management headquarters we are carrying out work to predict where those challenges for Intermediaries may be more acute; and may have a detrimental impact on their longevity and L&G's commercial position. As we all know, those firms who had challenges before the cost of living crisis will only find things more difficult now we've entered the, "tough…and getting tougher" zone. Inevitably, there will be some businesses that fail, but if we can support and work with our distribution colleagues and intermediaries, we will do everything possible to assist.

So, what can we suggest that may help firms navigate through the next 18-24 months? We have some tips, but they do require time, effort and a little investment:

Be good communicators

Firms who do not have active client contact programmes are at risk of losing their clients for a couple of reasons:

1. **Lack of information on what they've purchased will dent the importance of their policy.** Some clients will see it as an expense and not a benefit. The Intermediary should have a continuous plan for promoting the key features and benefits of the product purchased. This is even more important where policyholders have a policy that has indexation. Their 13.5% premium increase, due to inflation, may be a differentiator for retention for some. Additionally, helping customers navigate the cost of living crisis by giving them advice can be beneficial.
2. **Clients can leave one firm and join another broker**. It's a very dynamic market and one that means advertising pockets can be quite deep. This could mean that clients are tempted to switch one from broker to another.

Added value

For example, Intermediaries who sell protection in trust are 3-4 x more likely to keep their business in force. The reason for this is two-fold:

1. **More and deeper customer interaction**. On average, there are 3x more discussions that take place compared to policies that are not written in trust with or without underwriting. This means not only a deeper factfinding and understanding the customer but a stronger, more substantial relationship being built too. Trusts really can build trust!
2. **Being an advocate for the customer and their family.** Some Intermediaries are now offering services that are seen as premium services and are a differentiator; separating them from their competitors. For example; offering (free) Wills is gathering serious momentum. It is estimated that 59%* of the UK adult population don't have a written will. Supporting the customer in an area that gets overlooked is a great opportunity, gives more insight in to the customers financial competence and can help with organic lead generation too.

We'll see some Intermediaries continue to grow and thrive, as the Cost of Living Crisis is seen as an opportunity to work with their existing and new customers to provide them with excellent products that meet their needs.

"With our DQM mantra; 'keeping good businesses in business', we aim to work with all of those firms who want our expertise and support."

Our new DQM pages on the Adviser Centre include podcasts, best practice ideas and ways to improve business quality performance. We also want to see great Intermediary practice at the 2023 Business Quality Awards (BQAs). This is Legal & General's shop window to highlight the work we all do. The awards promote advisers and firms who aim to be the best of the best, generating great customer outcomes and demonstrating the positive work taking place within this industry. BQA 11 was the biggest, shiniest and without doubt the best event yet. I hope that you and your firms are ready for the submission window opening for BQA 12 in the autumn. We're here to help with your application if you need it, and we look forward to seeing you in London in May 2023.

Mike Pritchard
commercial manager, Distribution Quality & Retention

Visit our programme for additional support

* https://www.canadalife.co.uk/news/31-million-uk-adults-don-t-have-a-will-in-place/#:~:text=Three%20in%20five%20(59%25),not%20chosen%20when%20they%20die.

Questions & Advisers

Adviser Name – Stacy Penn

Job Title – Senior Policy Adviser

Specialisms – Protection and GI

Time in role – 2 and a half years

Background – Eight years working as an insurance broker advising on high-net worth home and motor insurance, before joining AMI in 2019 as a Senior Policy Adviser to increase the focus on protection and GI.

1. Can you tell us a little bit about AMI and your role?

The Association of Mortgage Intermediaries - often referred to as AMI - is a regulatory and lobbying trade association that represents mortgage intermediary firms in the UK. AMI exist to represent member firms' interests and to deliver a better business environment for them.

"Our main objective is to promote the provision of good advice as an essential part of a healthy market for mortgages"

This advice needs to operate in the interests of consumers, of which protection is an important part. We work with regulators, government, consumer groups, the media, providers and other industry bodies.

I work as a Senior Policy Adviser, and a large part of my role is focused on GI and protection. The last two years I've worked on AMI Viewpoint, a comprehensive consumer and adviser market research report on protection. I also spend a lot of my role reading; analysing and responding to regulatory consultations to ensure the mortgage intermediary voice is heard; horizon scanning to keep abreast of forthcoming changes; and presenting papers to the AMI board to make sure we're focused on topics that are most important to the firms we represent. Outside of protection and GI, some of the other topics I'm involved in include the Consumer Duty, vulnerability and the AR regime review. 2022 is already turning out to be another busy year as there's lots on the regulatory agenda. We're a small team but I like to think we pack a punch in terms of what we achieve!

2. Within AMI you have a Protection Specialist Group. What do they do and how are you using them to drive change in the industry?

In 2020 AMI created our Protection Specialists Group (PSG), made up of individuals from AMI member firms. The group is diverse to ensure we have a wide range of views, with participants ranging from Proposition Directors to mortgage and protection advisers. The group discusses and debates topics that are currently relevant to GI and protection products and affect a mortgage intermediary firm. This includes market issues, regulatory consultations and industry collaboration. We also use outputs from the meetings to shape AMI's policy and lobbying positions and develop future strategy in this area. A discussion on the cost of living crisis at a PSG meeting led to AMI, the PDG and the IPTF refreshing the adviser guide and saw the creation of a new consumer guide. The group has also discussed in depth the findings from the last two viewpoints, with firms sharing how they've used the research to make changes in their businesses. For example, some firms now focus more on what protection products do rather than what they're called, as well as firms that have re-considered what a 'memorable and meaningful' protection conversation is, following our 2020 finding that only 36% of consumers recall protection being mentioned by their adviser.

3. What are the biggest changes you've seen in the mortgage and protection market?

Over the last couple of years, we've seen many mortgage advice firms embrace social media as a way to connect with both existing and potential clients - a lot of this was driven by the Covid-19 pandemic as firms had to think about new ways to engage in a virtual world. It's been great to see the use of social media continue as the world has 're-opened' and I think it's an excellent way for mortgage advice firms to help educate consumers on what protection is all about. Our 2020 Viewpoint research found that consumer understanding of some protection products is low, particularly income protection where only 31% of consumers correctly identified the product when showed a definition.

"Our 2021 Viewpoint research showed that 25% of mortgage brokers are passing clients onto protection specialists, up from 14% in 2020. It's great to see more mortgage brokers consider the 'write it, refer it, don't ignore it' message and I think signposting will become even more relevant and important with the FCA's Consumer Duty coming into force in 2023."

4. What do you see as the biggest challenge for brokers over the next couple of years?

I'd say the increased cost in living is a big challenge. More customers are getting in touch with their mortgage adviser to discuss rising interest rates and how this impacts their borrowing ability. We are also starting to see lenders factor rising costs into their affordability calculators.
As we navigate this challenging period, customers may need the support of a mortgage broker more than ever to understand the options available. On the protection side, there are concerns that some customers may cancel their protection direct debits to save costs. The industry had the same concern during Covid-19 but thankfully there didn't seem to be a significant uptick in cancellations. However, I think we're in a very different situation with the cost of living crisis as people are not supported by furlough or self-employed grants and although there has been some government assistance (such as the council tax rebate on eligible properties) for many this doesn't go far enough. Some consumers will be forced to make tough decisions on their expenditure. Advice firms have an important role to play in ensuring they engage with their customers; prompting them to recall why they purchased protection in the first place, highlighting the support that may be available and encouraging customers to speak out as soon as possible if they are struggling financially, as cancelling cover could further exacerbate existing financial difficulties should death, illness or injury occur. It's why AMI has collaborated with the PDG and the IPTF to create the refreshed adviser guide to saving protection policies and a consumer facing guide – these are available to all firms.

5. What do you see as the biggest opportunity over the next couple of years?

2022 and 2023 are set to be big years for re-mortgages and product transfers due to the high number of five-year fixes set to mature. With the increase in the cost of living, advisers are also seeing borrowers coming to the end of their fixed rate deals looking at options earlier than in previous years, to lock in before rates change. I think this will continue to keep mortgage brokers very busy over the next couple of years, even if purchase sales start to slow. Re-mortgages and PTs also create another valuable protection touchpoint. It's encouraging that 92% of mortgage brokers say they re-visit protection conversations at re-mortgage or PT stage.

"What's important is making sure protection conversations are embedded as part of the re-mortgage or PT process and for the adviser to take a step back, put themselves in the customer's shoes and assess 'is this protection conversation both memorable and meaningful?' If not, AMI encourage firms to be proactive and review their processes to see if improvements can be made."

6. What important things are coming up and what should we watch out for?

There's lots coming up from a regulatory viewpoint but if I'm to pick one topic that should be on the agenda for every mortgage intermediary firm, it's the FCA's Consumer Duty. Designed as a suite of measures, it can be best described as a paradigm shift that should not be seen as simply a re-working of Treating Customers Fairly.
All firms will have work to do, some more than others.
AMI have an important role in digesting and analysing the requirements for the benefit of our members and plan to work closely with other stakeholders such as lender trade bodies to understand where responsibilities lie in the manufacturer-distributor relationship.

Find out more about AMI, what we do, and how to join, here.

Surge for mortgage deals sparked by cost of living crisis

What does the mortgage surge mean for protection and the cost of living crisis?

Robert Betts, Market Development Manager at Legal & General, discusses whether the current mortgage demand equates to more protection sales, and how advisers can reposition the conversation.

Protection is still a top priority

Logic suggests that with a surge in mortgages, we should also be experiencing a corresponding surge in clients taking protection. With mortgage advisers best placed to help clients address their needs, is the increased demand converting into more and better protected clients?

When times are hard and cost cutting is at the forefront of people's minds, unnecessary spending is often the first to be culled. The good news people still appear to consider protection to be essential. It isn't at the top of the cutback list, which shows protection is still a valued security net. Is now a golden moment for advisers to step up and remind people of how important being and staying protected is?

Repositioning protection

So where do we start when it comes to mortgage and protection advice? Often, Life Insurance is the default and the discussion can go no further. The cover is inexpensive and people expect to buy it, so it's– not a hard piece of advice to give. But what happens to those left behind? The house may be paid for, but who's going to pay the bills and expenses if the breadwinner dies?

Is there another way? How about changing the order of the conversation by focusing on keeping the family in the home and talking about the most likely event to happen – long term incapacity or sickness.

Income as a fuel for lifestyle

Many advisers start by talking about the importance of the income and what it funds, such as the mortgage and bills. Framing income as the fuel for the lifestyle their clients enjoy and posing the question, "what happens if you run out of fuel?" can make the conversation relevant.

We saw it during the fuel shortages last autumn – a nation panicking and things coming to a brief halt, until normal service was resumed again. What would happen to a family if normal service wasn't resumed and there was only a very limited and rationed fuel (income) forever? There's no point having paid for a car if you can't afford to run it.

Positioning protection in different ways helps us explain the value of Income Protection, Critical Illness and Life Cover. Opportunities abound – especially if dealing with a remortgage – by saving a client money over an existing or ending deal. Some savings could be reallocated into an insurance solution, adding greater value and enhancing the client's appreciation of their advisers' expertise and value.

There's renewed focus on advisers' responsibility on the horizon too with the Financial Conduct Authority's new duty of care consultation. This will be a big focus over the second half of 2022 and into the future. The mortgage advice sector has an opportunity to get ahead of the game by adopting the principles now.

The new duty of care says that advisers must "get it right first time" and "put clients into an empowered position to make informed decisions". Whether a client decides to act on the advice or not is their responsibility, but as an adviser who talks about protection to your clients, you will have executed your duty of care, which must be the best outcome for both you and your client.

To find out how Legal & General can help you grow your expertise and understanding of the protection market, register for one of our CII-accredited webinars or workshops or contact your local BDM for further information.

Sources:

Legal & General Insight Hub
Charlotte May conference presentation
Financial Conduct Authority consultation new duty of care

Contents page

One Click away

How consumers are using digital tools for mortgage research

Consumer behaviour has changed considerably in the last few years, an impact that's becoming increasingly apparent in our industry. During the pandemic, consumers had no choice but to rely on digital means of shopping and accessing services. Today, 24/7 digital accessibility has become an expectation. In order to gain insights and understand the situation more deeply in terms of the mortgage industry, we at Legal & General's Mortgage Club carried out our own research. Our findings paint a clear picture that advisers need to reach customers early in the mortgage journey – or risk missing out.

Consumers and digital mortgage tools – our findings

In November 2021, we talked to over 1,000 consumers who had bought a mortgage during the last 4 years – and the vast majority had taken one out during in the last 2. Participants were a mix of First Time Buyers (34%), Home movers (25%) and Re-mortgagers (41%). We found that 40% of those had used a Mortgage Broker while the remainder had taken out a mortgage direct with a lender. This means that 60% of the consumers purchased high street mortgages, with no broker advice.

Out of the 1000 consumers we interviewed, the majority of people - at 56% - went direct to a lender for a Decision in Principle; while digital tools were used by 84%. The tools were used for a variety of reasons, including calculating how much they could borrow, through to digital signatures.

Satisfaction rates were high, with 9 out of 10 people feeling positive about using digital, citing reasons such as saving time and managing expectations.

While advisers know these customers could be at risk of buying products that are not the best fit for them – it's likely that most consumers don't realise just how many benefits they're missing out on by purchasing or researching direct. If they consulted with an expert, they'd be protecting their credit footprint, would be supported throughout the process, potentially get a more suitable mortgage, and could also save money. In addition, advisers are missing out on the opportunities to help customers and expand their business. As industry experts, what can advisers do to educate consumers? And how can advisers harness the power of technology to cut through the trend of buying without advice, and gain custom from the digital migration?

Harnessing the power of tech to expand adviser business

Our research found that trust, information, communication and a hassle-free process are the primary needs for consumers in their mortgage buying experience. What if you gave customers all of the above, and built trust in your business by making it easy for customers to find out how much they could borrow, directly from your website? By doing this, you'd also eliminate the need to go to comparison or lender sites.

And there are actions you can take to drive more people to your site. Keep on top of the latest relevant key words and create a simple, clear website alongside a blog strategy that answers the questions people are asking. Get to know your clients and be online where they are – whether that's Instagram, Twitter or Facebook. By tailoring your format, content and imagery for each platform, you can resonate with the audiences who spend time there. Make sure you ask for testimonials from the happy clients you've helped, and share these on your website, social media and review sites to build trust in your expertise and let consumers know that you're the person to go to for mortgage advice and guidance.

When it comes to building those all-important tools into your website, SmartrFit + can help. Available to all, SmartrFit + is Legal & General's mortgage tech that can help you become the digital one-stop shop that clients want. From as little as £50 a month, it can not only build an affordability calculator into your website, it sends rich leads directly to your CRM, becoming the building blocks of your nurture strategy.

Contact us to hear how we can help you:

- Build 24/7 digital into your customer journey
- Match consumer expectations in terms of ease and time saving

Call: 0345 070 9962

Visit: our SmartrFit page

Calls maybe recorded and monitored and charges may vary.

Legal & General pays a record £797m in UK claims

Supporting 16,890 customers

In 2021, Legal & General paid over £797 million across their Life, Critical Illness Cover, Terminal Illness Cover and Income Protection, to support 16,890 customers and their families. That's almost £34 million more than 2020 and raises the total amount Legal & General has paid in individual protection claims over the last five years to £3.5 billion. Every year they strive to help even more - because they're committed to being there for customers in their time of need.

Covid-19 statistics

The arrival of Covid-19 had an unparalleled impact upon our lives in 2020 and continued to do so in 2021. Legal & General were able to support 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 was over £34.6 million more than 2020, adding up to over £113 million paid out across the two years since the pandemic emerged.

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 Covid-19. The package includes eight hours of therapy assessment and rehabilitation time.

Key figures

Their claims page shows the claims figures in full, and here are some of the key stats:

Over
£797 million
in total paid to individuals and their families

Over
£73 million
of valid Life Insurance* claims were paid out, where Covid-19 was an attributing factor *Life and over 50s life insurance

16,890
people helped in total

1,579
customers and their families supported with Covid-19 claims

*Life & Over 50's life insurance

A word from Legal & General's Director of Claims and Underwriting, David Banks

"As a result of the last two years, it's clear more people now appreciate the importance of protection.

One in seven of all death claims we paid out was because of Covid-19. This new health threat wasn't even on our radar a short time ago, which underlines the unexpected can happen at any time, to any of us.

This is why we launched Umbrella Benefits last year, alongside the continuation of our Long-Covid support programme, to offer additional support to clients and their immediate families. We know early intervention can be key in preventing ill health from progressing and helping clients with a range of conditions; from mental health through to grief, serious illness recovery to later life planning. Supporting our customers and their families during life's most difficult moments is the real story behind our business.

We've improved our claims service over the last year by recruiting more staff, delivering more training and ensuring regular updates.We're focussed on being there for our customers and their loved ones with the support they need, at the times when they need it the most."

How we're going further for our customers

Every customer is important. Legal & General continually listen to feedback and we've introduced more improvements to their process, alongside sharing helpful information to ensure your clients receive the best service and they have their claim paid as quickly as possible.

Claims go digital

Our new digital claim management system 'MyClaim', allows individuals to easily manage their claims. It keeps them updated with the progress of their application via automated emails and texts, delivering support throughout the process. Each claimant is assigned a designated handler to take on their case, ensuring a tailored approach that meets everyone's individual needs.

More claims, more recruitment and training

We've hired more resource, to support with calls and reviews and we'll continue recruitment this year. This includes experienced external assessors and training of internal colleagues to become assessors. Meanwhile, a number of our health team members have been providing support with death claims which is a benefit of having a multi skilled team.

Project Smile

For every valid Children's Critical Illness Claim that Legal & General pay, we would like to send a gift to show our customers we're thinking of them. The gift is sent to the child at their home address, and gift wrapped with a personal message. The claims assessor will have a conversation with parents to establish the child's preferences and appropriateness, and it will be sent once the claims payment is safely received.

Find out more about how Legal & General are helping your clients, and how you can help them to pay more claims.

Lung cancer was a shock for Pete at age 39. Insurance helped him and his family

People always say it'll never happen to them - but our 2021 claims statistics show that illness and death can affect clients and their families at any time. Meet Pete. Aged 39 and living in Cardiff, he was diagnosed with a rare form of lung cancer in 2018, after having his policy for just 4 years. He lives with his wife Bethan, daughter Ella, 8, and son Charlie, 6.

"I felt like the colour had drained from the world."

For lung cancer, like most cancer types, incidence increases with age. The peak of lung cancer cases in the UK in 2016-18 occurred in people aged between 85-89*. Even the surgeon didn't believe Pete's X-Rays showed lung cancer at the time. Then, post-chemo, Pete and his wife were told it could be terminal. It was a big shock.

"I had a meeting with an insurance broker, and he made me see the light in terms of taking out a life insurance policy."

Years prior when their daughter came along, the couple became open to the idea of protecting their family, despite thinking insurance wasn't really necessary and nothing would happen to them. They even thought about cancelling during a house move when the premiums were quite stretching – but they didn't. In Pete's words, "It was a very lucky decision."

"It would be impossible to fit in work with the ask that cancer brings."

Insurance payments have been a huge help – and the couple haven't used a penny toward the mortgage. They've been able to try lots of different treatments that would have been too expensive otherwise. Pete stopped working when he got his diagnosis and focussed on the family. Having the money in the bank meant Bethan could easily make the decision to take some time off too. They were grateful to have these options rather than trying to struggle through as if life was normal. Pete and Beth's advice for people considering insurance is to, "Absolutely go for it – we couldn't have made a wiser decision. Take as much cover as you can afford.... it has made a life-changing difference to us."

You can view the video with **Pete's full story here**. You'll also find our 2021 claims statistics, along with information on Confirm Your Details (CYD). We're here to support your conversations, and to reaffirm the importance of having the right protection in place should the worst happen.

*https://www.cancerresearchuk.org/health-professional/cancer-statistics/statistics-by-cancer-type/lung-cancer/incidence#heading-One

Introducing your new Adviser Protection website

As part of our ongoing purpose to support the work of advisers, we set a goal of rewriting and redesigning your adviser site. Our plan was to bring you the information you need, where you need it – with the ultimate aim of making your life and job easier.

In order to achieve this, we recognised that we needed advisers to be our experts and guides. Our priority was to represent the best online user journey for your wide range of needs, and who better to steer us than the people who use the site and do the work, every day?

Researching the problems, so that we could fix them

Our research was a crucial step to understanding any gaps or shortcomings in the existing site, and how to improve our offering.

We spoke to advisers and other stakeholders about their current needs, top priorities, and how we could best support their day-to-day work. We encountered different requirements and ways of working. The aim was to gather information and find commonalities to make sure the site worked for as many advisers as possible.

The outcomes were enlightening and revealed issues that we wanted to resolve both quickly and thoroughly. Resolving any problems and creating solutions was a big focus for our multi-skilled team in the following months, informed with a new wealth of adviser insights.

How we turned the feedback into upgrades

1. Improved, streamlined navigation

Once we had carried out our interviews and gained insights into the adviser journey, we ensured that the new navigation reflected all the top tasks and journeys advisers typically go through. The main things we focused on were creating minimal steps to obtain the information needed, clear signposting and thoughtful next steps in the user journey.

2. Joined up content

A few areas of the website were identified as being suitable for merging, so we've consolidated these, with the aim of grouping more logically.

3. Enhanced toolkit area

Adviser interviews revealed the importance of having a unified approach to the tools that help with your tasks and add value to your client conversations. Now you'll find areas such as Tools and calculators, BDM support and Claims all in one place.

4. Concise information

So that you can swiftly reach the information you need, we've made everything simpler and easier to understand. For instance, product pages now highlight key features and benefits to make it easier for you to make recommendations to your clients.

5. Adding key documents

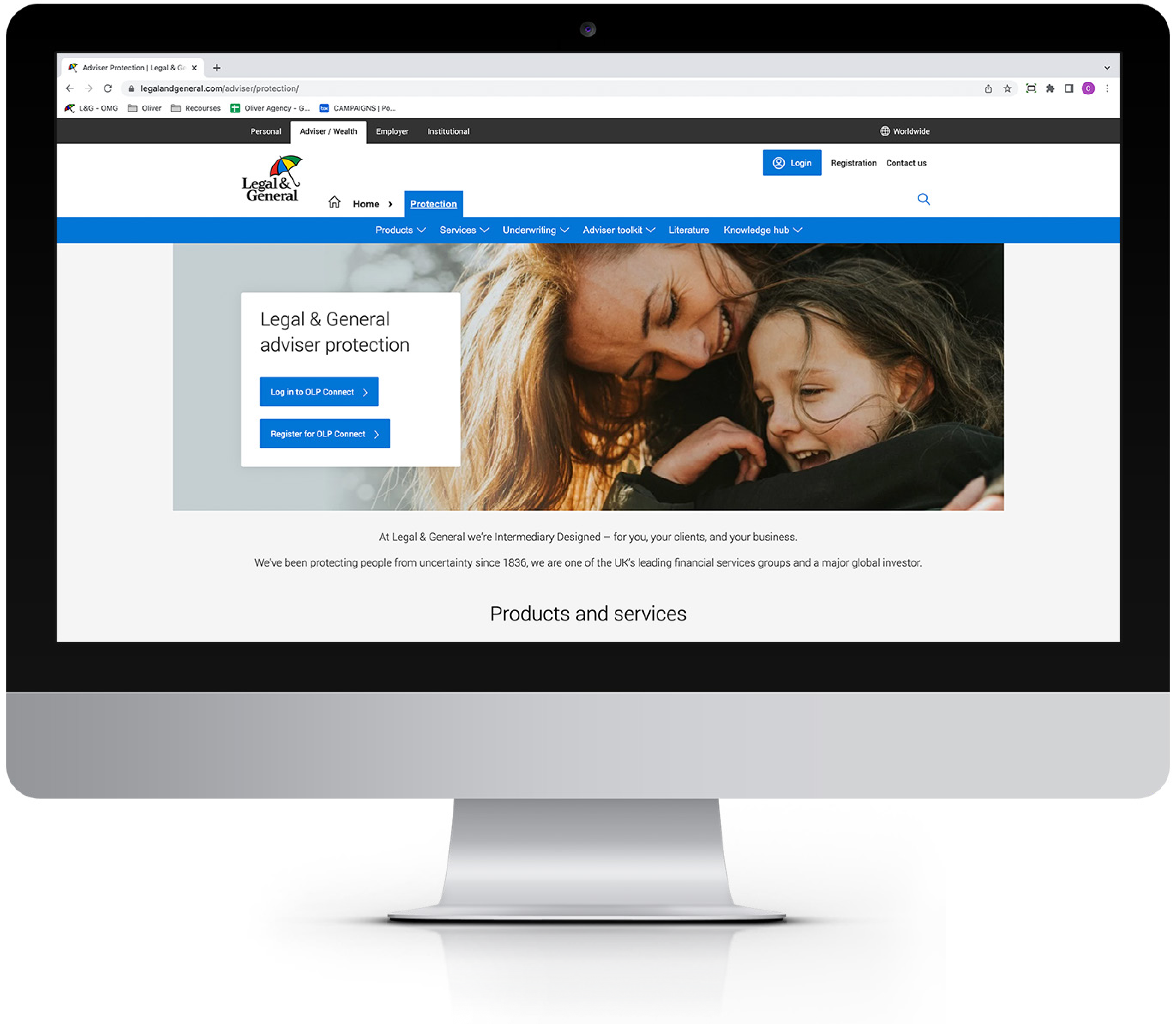
We thought about the documents you might need to support the web pages you visit, and as a result we've included relevant key documents on almost all pages.

Your revitalised site to support your work

With the project complete, your site has now been revitalised to put advisers at the centre of the journey, clearly addressing the purpose of each page. We hope the improvements make a positive difference for you.

If you'd like to discuss how the adviser site content can support your work, please talk to your relationship manager. And you can visit your newly updated site **here**.

Thank you to everyone involved, with a special mention to the advisers and stakeholders we consulted, and the team who saw this project through at every stage.



Contents page

Pre-Sale Underwriting

MUTAL is changing - in both name and operations

Our Medical Underwriting Technical Advice Line (MUTAL) is a name well-known in the market. However, we want advisers to understand exactly what we do by our name. That's why we're changing MUTAL to Pre-Sale Underwriting, and teaming them up with our wider Underwriting operation – taking the total Underwriting team to over 200 strong.

Our Pre-Sale Underwriters support you and your clients

Including Pre-Sale Underwriting within our wider operational Underwriting team gives us greater opportunities to train and develop our team, ensuring our people and processes are aligned to support you.

We've also improved access to the team as well as the speed of answering your calls, making it easier for you to speak to us when you need to.

How we've improved our service

We've enhanced our online tools so you can get indicative terms for a wider range of conditions.

Our improved website makes it easier to find the online tools, giving you quicker access to our underwriting guides.

Our 24/7 Pre-Sale Underwriting tools give you:

- Indication of terms for single conditions such as diabetes, hypertension, BMI and more.
- Access to our digital medical and financial evidence limits
- Access to our new Pre-Sale Underwriting form. Just complete and submit the form to us for an accurate indication of terms on your client's application.

You can find more information including how-to videos about the tools in the new Underwriting section of our website.

CPD Academy

Boosting your knowledge and awareness

One of the roles of the Market Development Team is to provide hundreds of insightful training sessions and webinars to thousands of advisers across the UK. Our year-round programme covers topics including Protection opportunities, Sales skills, and Business protection alongside booster or focused sessions. These booster weeks give a quick, short sharp boost of webinars for a specific area of focus, or a dedicated network. Always popular, they involve lots of interaction and gain positive feedback from advisers. We've compiled some recent examples of these below.

Income Protection awareness

This week focuses on the importance of income protection, with events dedicated to helping advisers help their clients. In our most recent awareness week, we ran a series of five webinars with subjects ranging from Objection handling, Sales skills, Executive income protection plans, and Key person income protection plans.

Business protection booster week

Making full use of our market-leading State of the Nations SME research, our Business protection booster week also included technical sessions ranging from How to write key person protection, and How to use share protection, through to an Overview of articles of association and Company accounts.

Cross-market booster week

We began 2022 with a week that focused on the need for protection across all aspects of the market. It included some great reminders of the opportunities, plus sales skills to help advisers make sure their clients are fully protected.

Protection Pledge for Sesame Bankhall

This booster week was tailor made for Sesame Bankhall group, with a week of Protection Pledge webinars for their members. These covered areas including Sales ideas, Re-mortgage opportunities, Underwriting and Claims, Deadline to Breadline, and Protection trusts.

Wealth protection focus fortnight

Our focus fortnight was a collaboration between Legal & General's Protection and Home Finance departments. Here, we focused on the needs and opportunities when clients are planning their wealth. Often, they are focused on their investment or pension planning, and forget to protect the one thing that funds those plans - their income. This series of webinars looked at two different areas:

1. **An insight into equity release**

From L&G Home Finance, this webinar looked at ways to help your clients to have the retirement they dream of, as well as helping them plan for their futures. It also explores an IHT planning tool.

2. **The need for protection in the accumulation stage of building wealth**

Using cashflow modelling, this webinar highlights the benefits protection can bring while accumulating wealth. Other sessions covered the needs and areas to explore in the decumulation stage, and of course, use of protection policies in IHT planning.

We rounded the series off with some panel debates featuring experts within Legal & General, and also a separate debate with Industry experts to give broad insights for advisers.

Feedback from advisers

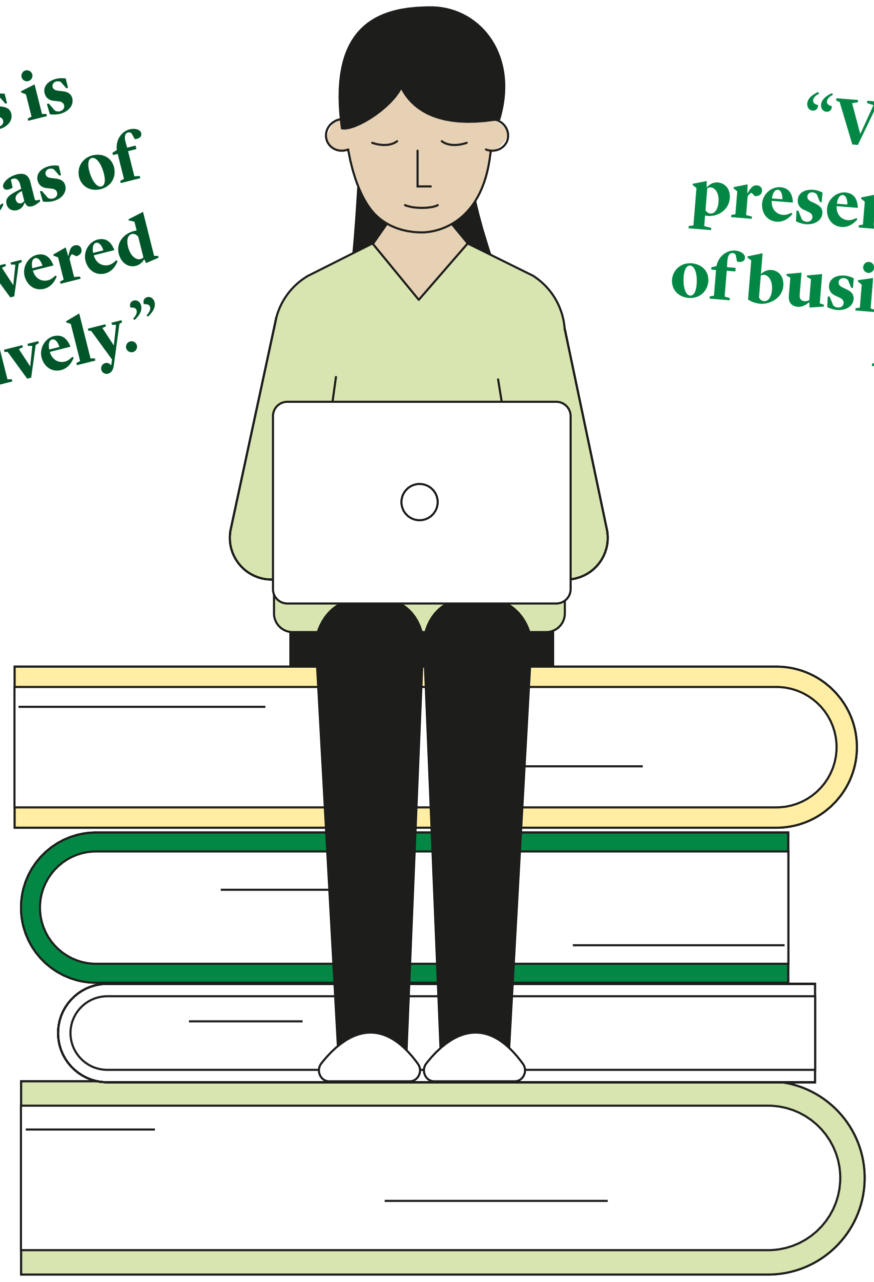
We've collated some recent comments from advisers who have attended focus sessions:

"Very informative presentation and an area of business that I am keen to increase."

"To the point and thought provoking on business opportunities."

"The fortnight series is great to ensure all areas of protection can be covered logically and effectively."

"Very informative presentation and an area of business that I am keen to increase."



More booster weeks on the way

We'll continue to offer these focused sessions that feature a series of webinars in quick succession.
Look out for details of our next ones later in 2022, or chat to your relationship manager about what's coming up.

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.