

The Link

Your Legal & General magazine,
designed for Intermediaries

Welcome & contents

→ Introduction from Julie Godley
and contents at a glance.

Here for you in 2023

→ Thought pieces, new support
designed for you, product
updates and more

For Adviser use only



Welcome to issue eight of The Link

– your magazine, tailor-made for advisers

It's time for the first edition of The Link in 2023, when Spring is beginning to bloom, and we're well into another busy year. Within this issue, we look at thought provoking topics, a range of routes to improving business outcomes, plus support and services designed for you.

Exploring the potential of Inclusive Capitalism, Nigel Wilson, Group Chief Executive, examines why this is our purpose, and looks at its importance for the future. If you're seeking support with your business, you can learn more about our newly established Protection Sales Team; as well as link directly to several episodes of our new podcast, Just Covered.

Stuart Halliwell discusses the opportunities for financial advisers, solicitors and accountants to collaborate and ensure their clients have the protection they need.

Mike Pritchard, Commercial Manager of Retention Development, talks about changing times and how the Distribution Quality Management (DQM) programme is supporting businesses. Designed to help your client conversations, we explore key findings from our new Secrets to Protection Success report, where top advisers share from their experiences.

As ever, this issue has been put together to help inform and support you in your role. Thank you very much for your continued commitment and business. We hope you find this issue of The Link useful; and that your year is off to a positive start. Remember that if you need us, we're here for you.

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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How purpose could transform our future



By Nigel Wilson, Group Chief Executive

At Legal & General, we put purpose at the heart of what we do and why we do it. That's been our approach for many years, and it's been transformative for us. I've come to believe that it could have a transformative impact far beyond our business too.

Let's start with our own purpose

Our purpose is Inclusive Capitalism. It's helped us think far beyond short term measures of success. And it's encouraged us to take issues like housing, health and financial inequality very seriously.

One thing Inclusive Capitalism doesn't mean is making a tough, binary choice between doing well and doing good. We've seen that those two goals are complementary, even synergistic. The proof is in our performance. Focusing equally on both has helped us achieve a return on equity of over 20%.

Our embrace of purpose has never been self-indulgent or "woke". It's self-evidently the right choice for us, commercially as much as ethically.

Purpose must be more than just window dressing

We've learned that purpose must go deep. You can't hand it off to branding or PR agencies. You must deeply embed it in the DNA of your organisation. And you must support it with genuine, sustained behaviour changes and ongoing actions.

We're already seeing the beginnings of that kind of commitment across the UK business world. ESG – or ESHG, which includes health – is a positive step. As more

and more companies adopt it, we're developing better metrics, reporting and labelling. In time, they'll help us catch out those who greenwash or "socialwash" and see ESG as just another marketing fad.

But purpose isn't just a tool for organisations. It can inspire much wider responses to the issues and opportunities of the modern world.

Why the UK needs purpose too

If the UK's going to get back to growth, then we need to re-think how we do things.

That includes:

- How should we run companies?
- How should we report, and against what metrics?
- What sort of financial and corporate infrastructure do we need?

After all, institutional change is a hallmark of economic change. So, looking forward, I believe that the state should create a purpose-driven regulatory and policy framework. It should let the private sector get on with allocating more long-term capital to the assets that will serve us best in future.

One idea I particularly like is the creation of an asset class of purpose-led companies. Whether large or small, they'd all be highly investable, including by pension funds. That will give purposeful corporations greater prominence and better access to long term capital. It should also boost the B-Corp movement, which looks to create a more inclusive, equitable, regenerative global economy.

I also believe that there's not enough pension investment into productive finance in the UK. This should become an area of focused policy making.

Why purpose matters so much right now

We in the UK face a moment of choice. At the turn of the millennium, we missed the tech boom. There's not a single UK tech company in the global top 20. Our productivity languishes. Only two of our cities – London and Edinburgh – outperform the former East German cities of Leipzig, Dresden and Berlin. And we have some of the world's best science and top universities. But we lack the business infrastructure to build on their outputs.

I'm an optimist. I think we can grasp the opportunities that surround us. And we could grasp them in ways that deliver answers to some of our deep-seated social challenges. We could address inequalities in work quality, health, even lifespan. We could rebalance all the differences between our unequal cities and regions.

Purpose will unlock tomorrow

Purpose could be our North Star, our inspiration. It could be the beating heart of a great, reinvigorating national step forwards. And that will set us all on course to share a more inclusive, equitable and regenerative future.

And, of course, we couldn't have achieved our own Inclusive Capitalism purpose without your help and support along the way. Thank you! And all the very best for 2023.



A dedicated team to help develop your business

We're pleased to update you on the recent launch of our new Protection Sales Team, designed to support you and your business. Launched in January, our sales and service teams are available across the UK, helping our Business Development Managers to help you grow your business. The new team complements our Partner First Service team, who help you with your current applications and existing policies.

How the Protection Sales Team can help you

Our team is highly skilled and embedded within the market, making them best placed to help you with a wide variety of business development strategies, such as:

- work with you on ideas to help you break into new markets
- train you on our range of protection products and their propositions
- give you technical guidance on your large cases, business protection policies and trusts
- offer support with your client retention tools, such as managing policy lapses

The team's awareness of network and service provider propositions means they can support you with credible sales development strategies, give you bespoke support and develop aligned sales development plans. And our Telephone Business Development Managers have more opportunities to attend partner events and build strong relationships with advisers.

What advisers say

“Our teams are more aware of network or service provider propositions which means that the team are more likely to be able to support with credible sales development strategies that fit with the partner aims and objectives.”

“Our teams are able to get to know firms better and develop more aligned sales development plans, review them and replicate more widely with other advisers/members of that strategic partner.”

What Mortgage Intelligence says

“One of the biggest challenges our mortgage and protection advisers face is time, or rather, the lack of it. This enhanced service is invaluable to our advisers, saving them time and energy by making the whole process smoother for them from start to finish. I think the dedicated pre-underwriting is most important, backed up by regular updates on cases and chasing of GP reports too. All of these benefit our advisers and supports them to deliver great customer outcomes for their clients.”



Your direct line to personalised support

With our Protection Sales Team

- Speak to your protection contact, wherever you are.
- Use our interactive tool to find and bookmark your new contact:

[Find my team](#)



Creating valuable connections for better outcomes



By Stuart Halliwell, Market Development Manager

At the end of the tax year, many business clients look to their accountants for expertise and help. This creates great opportunities to highlight the services clients can benefit from. But have you considered how you can help your accountants to add even more value to clients? [Our State of the Nation's SME report](#) in 2021 found that financial advisers, solicitors and accountants play an important role in prompting businesses to think about their risk position¹. For instance, they can prompt business to consider the benefits of business protection and highlight the risks of not having cover.

Risk review

Now is a great time to help your accountants give offer additional services such as Relevant Life Plans or Executive Income Protection, to potentially help clients save money. You could nurture your professional relationship even further by offering to review a business' risks. That could include its inability to repay debts, or the state of its financial resilience if it was to lose a key person.

These reviews could be integrated into any wider financial reviews your accountants have with business owners. This would go beyond giving them their latest accounts, but give a rounded view of their current situation and offer advice how to mitigate risks. This can also prove the professional value you add to your network, and their clients.

Collaborative power

97% of business owners told us they'd look to their professionals for advice and whilst learning more through an accountant is still the most preferred option, since 2019 we've seen an increase in those using a financial adviser.

It's clear that financial advisers, solicitors and accountants have a great opportunity to collaborate and ensure their clients are at the heart of what they do. They're integral to a business' success and future, and reliant on each other to meet their needs.

Not only is it a great way to work together with professional connections, it ensures your clients have the protection they need as they plot their way through the financial challenges of life.

¹ State of the Nation's SMEs report, Legal & General 2021

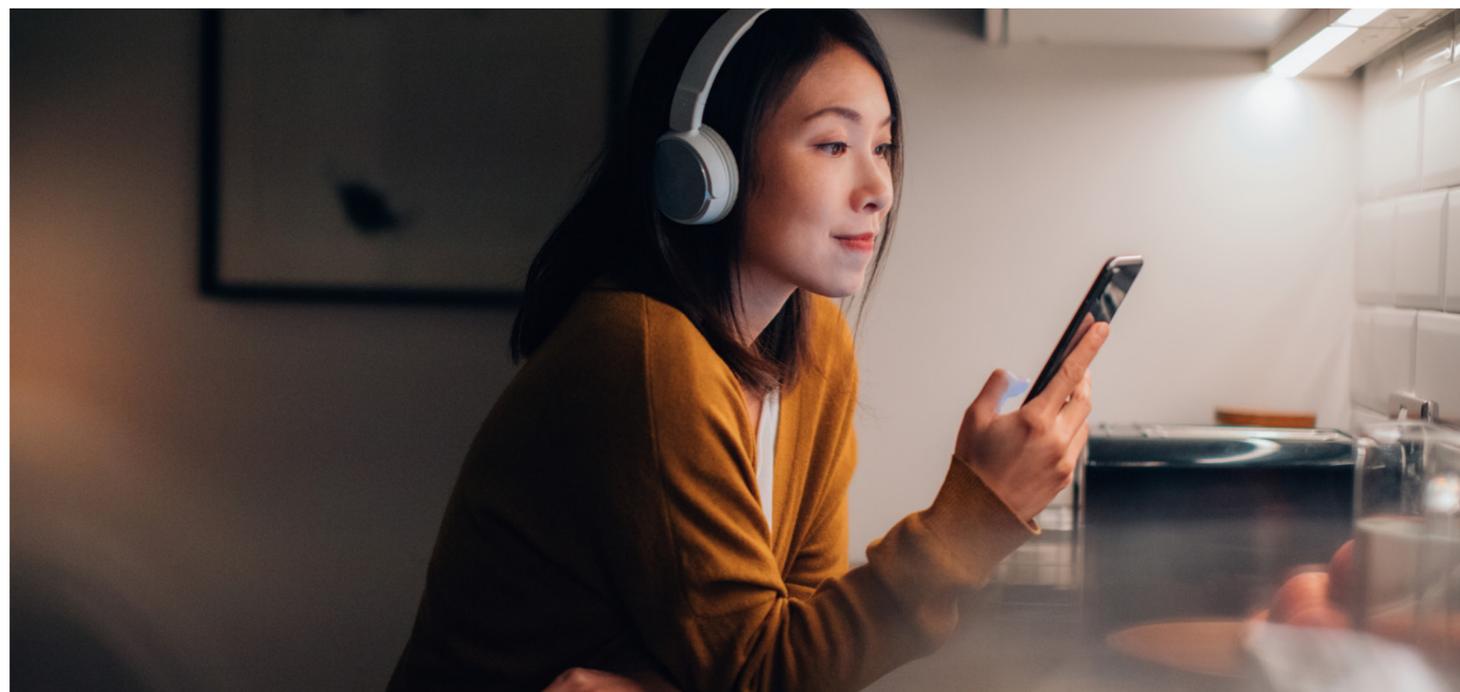


Listen, learn and grow your business with Just Covered

Introducing Just Covered – our new protection podcast designed by advisers, for advisers.

From Consumer Duty to brand building and more, Just Covered is a must-listen if you're looking for expert commentary, thought leadership, and actionable insights on financial services that you can start applying to your business today.

Join our hosts Hazel Johnston, Wayne Holcombe and special guests as they dissect the topical issues facing our industry, all designed to help you grow your business.



So far on Just Covered...



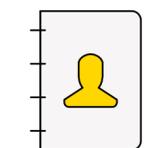
Episode 1: Can social media help you prepare for Consumer Duty?

Hazel and Wayne are joined by Adrian Benjamin, a Wealth Protection Adviser at Precise Protect to discuss what the new rules mean for advisers, and what opportunities there are in social media.



Episode 2: Building financial resilience in a cost-of-living crisis

Priyesh Patel of Ablestoke Financial Planning joins Hazel and Wayne to talk about why insurance can be the key to long term financial planning.



Episode 3: It's all about the client, not about you

Hazel and Wayne are joined by Nicola Crosbie, owner of Moran Wealth Management to talk about why a strong personal brand helps you find the right clients.



Episode 4: Recommending business protection

– Adrian Benjamin is back with Hazel and Wayne to talk about his first six months of selling business protection to share his learnings and insights so far.

Never miss an episode

Don't forget to **subscribe to Just Covered** so you're the first to know about future episodes, and to rate and review the series.

If you'd like to feature on future episodes or have suggestions for any topics you'd like us to cover, please contact hazel.johnston@landg.com.





Questions & Advisers

Adviser Name – Nicola Crosbie

Job Title – Chartered Financial Planner, and owner of Moran Wealth Management

Specialisms – I've built my business around my commitment to real, lasting relationships. I take a coaching approach when I work with clients... and am committed to providing financial education opportunities for children and adults of all ages.

Most frequent protection product sold – Life and critical illness. I love ensuring financial protection for clients and their family at their most vulnerable. Money isn't a worry for them when everything else is so challenging and uncertain.

Time in role – 20 years in advising, 4 years of which solely on mortgage and protection at start of career.

Background – I'm passionate about the power and importance of education at every stage of life, and I hope that I'll never stop learning. I achieved my first degree at art school before building my career in the financial services. I'm a full Partner of St James's Place Wealth Management, a Fellow of the Personal Finance Society, an accredited Society of Later Life Advisor, and in 2019 I was awarded a master's degree in Wealth Management from Loughborough University. Outside of the office, I'm a busy mum of three. My love for theatre and the arts has never left me, and I love experiencing new things, places, and cultures.

1. You took part in our recent Protection Sellers Research. How important do you think this is to help support adviser's client conversations?

I've always been a great believer in learning from others and peer-to-peer-vehicles like L&G's research/podcast can offer so much insight. I remember being told at the start of my career that you should take one bit of information from everyone you meet, try it, and see if it works for you. If it does, keep doing it. The benefit of other's experience is invaluable. It helps us build a collective and collaborative profession.

2. In the research you mentioned protection should be the basis of financial advice. Can you expand?

As advisers, we should ensure the foundations of our client's life are solid. Protecting against risk is so important. We don't hesitate to insure our buildings and cars without much thought, yet we're much more valuable. By insuring ourselves, we protect our standard of living and that of our families if anything bad happens. Once you explain that to clients, starting with the basics, you build trust with them to deal with the more complex planning areas.

3. Do you have any examples of how you've helped clients understand protection in the bigger financial picture?

I ask them to consider what would happen if one of them died, lost their job due to illness or suffered a chronic or critical illness. What would need to change from now to then? What would they want to happen? You sell the pros and cons of taking out protection rather than it as a product. Clients need to understand these are real risks, and why they need to act.

4. Why do you think repositioning protection can help clients understand it as a pillar that supports every financial aspect of their life?

If they understand what they're paying for and the benefits, they're more likely to engage and maintain the costs of protection. Illustrating what could happen will get them

thinking. If something happens to them or their close circle, they'll wonder why you didn't talk to them about it. You must do so with humour but by talking freely and frankly to illustrate the 'what if?' scenarios.

5. How do you reframe protection to improve your business outcomes?

It's paramount to them and must be at the forefront of your mind. Trying to understand the clients' own experiences and family health history is very important. If you can understand their biases, you can dispel any misconceptions and guide them to products that suit them best. If they have a budget, design something they can afford and offers them the best for their money. But always make them aware of the extra cover they should have. They'll consider adding more when they can.

6. How do you reframe protection to improve your business outcomes?

Clients need to be educated on protection. Use live examples (in line with client confidentiality). Consider resources you can access around claims. Encourage them to be open and honest to avoid withholding information. Emphasise that full disclosure is important – I always complete the form for the client. The experience of them opening up awards you a greater understanding of their needs and life experiences and helps build trust. Confront any objections and try to handle them with full and informed responses. If they don't go ahead, note to discuss again at next review and confirm in writing the things you discussed so it's fresh in their mind. It helps keep the topic at the forefront.

7. Any other top tips you'd like to share?

Protection is a great way to start discussions. Most people understand the need. With a little guidance, you open their mind up to the opportunities for securing financial security and protecting against risk. It awards a great basis to build from and expand into other areas of financial planning. Having had plenty of claims over my career, there's nothing more rewarding than walking that claim through and delivering much-needed security. We can't change what happened, but we can minimise worry and ease financial pressure during periods of bereavement or recovery.



How repositioning protection can improve client and business outcomes

In our latest research report, *The Secrets of Protection Success*, top advisers revealed that repositioning protection as a financial necessity is what ultimately wins clients over.

A central belief from top advisers in our new research report, *The Secrets of Protection Success*, is that they feel it's their mission to educate clients about the value of protection.

It turns out this education piece is fundamental to unlocking greater protection outcomes for both you and your clients. Essentially, it's the idea of presenting protection as part of your client's bigger financial picture, rather than as an addendum.

On 31st July, the Financial Conduct Authority's (FCA) Consumer Duty regulation will come into effect, but this will arrive at a challenging time for consumers and the wider economy. The rising cost of living is being acutely felt by millions of households who are facing a real income decline in 2023. And so, it's unsurprising that protection is in the crosshairs for families cutting back. Repositioning protection as a pillar that supports every financial aspect of your client's life has become more important than ever.

With this in mind, we asked top protection advisers to share the secrets of their success. Below we delve deeper into one of their five secrets, revealing how reframing protection can be an integral part of financial planning.

How can repositioning help improve client outcomes?

The new Duty sets higher and clearer standards of consumer protection across financial services and requires firms to put their customers' needs first. Top advisers say the following two approaches ensure clients view protection as something that's integral to their broader financial plans. The techniques also support the Consumer Duty regulations that implore advisers to consistently focus on client outcomes.

“Reframing the conversation around protecting the individual and family”

Top advisers discuss protection in terms of the outcomes it delivers, rather than the cost it incurs, for example, it ensures clients can still achieve their goals regardless of what life throws at them.

Crucially, advisers involve their clients in suggesting, considering and rejecting different solutions, and use informal visual aids to illustrate where clients are now versus their situation if their income dropped.

This challenges the client to think about what they want so that protection becomes something that underpins and protects their plans. Nicola Crosbie, Moran Wealth Management, told us: “It's taking the time to get to know your client. You're not just selling them a product; you're finding something that suits them.”

“Reframing the conversation around lifetime value.”

Top advisers reframe their client's earning ability over their working life as a quantifiable asset. To do this, advisers show clients their total earnings potential and compare it with the value of their other assets. They see their lifetime

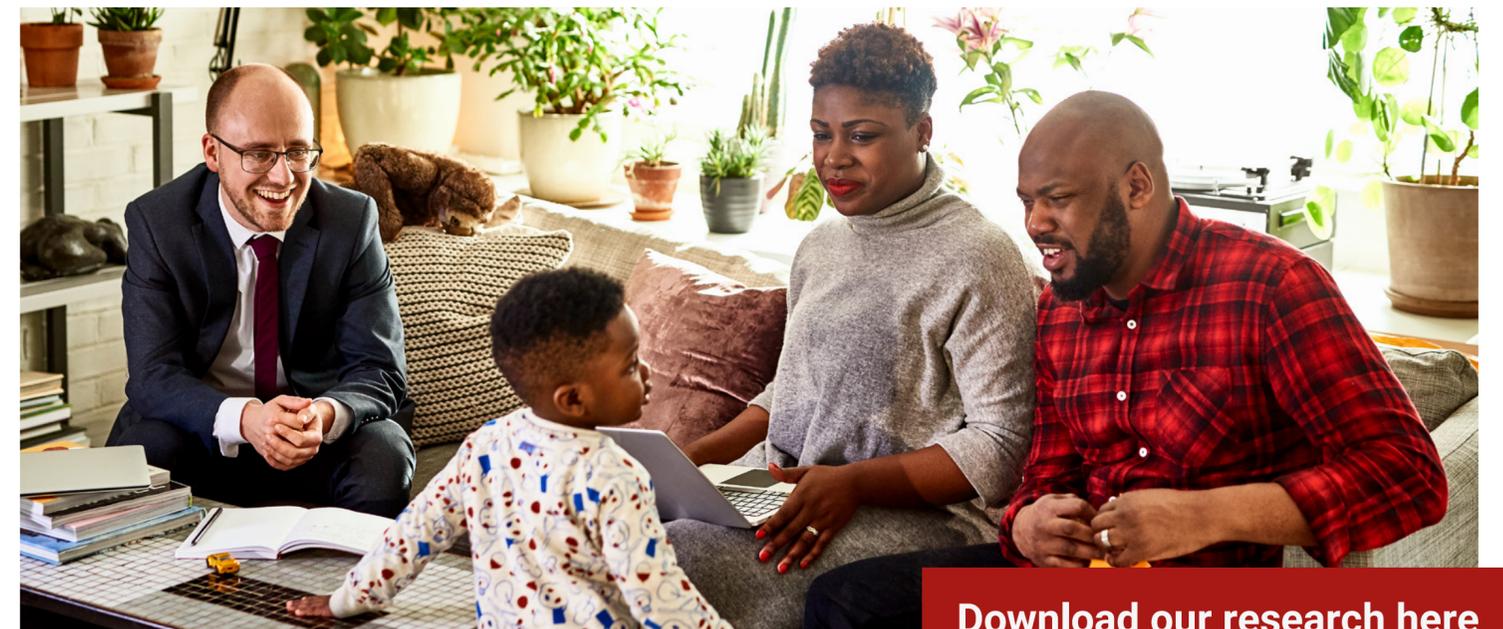
earnings potential as their most valuable asset, as the key to realising their plans, and as something worth protecting.

The earnings asset is also seen as integral to maintaining the client's financial commitments now and in future. This transforms the client's earnings potential into the cornerstone of all their financial planning. Priyesh Patel of Ablestoke Financial Planning told us, “When you explain it in a logical fashion, they understand it, but logic is not enough – it needs the emotional factor too.”

Protecting what's important

With 8 in 10 households concerned about at least one issue affecting ability to work, this can invert the traditional hierarchy of products and turn income protection into a priority for clients above life and critical illness. It can also give advisers scope to offer a suite of protection products that truly meet their client's immediate and long-term financial needs and goals.

We're here to support you on your path to protection success by providing you with tools, resources and insights backed up by top protection adviser insights. Visit the research homepage to download the report and browse our expert toolkits and sales aids.



[Download our research here](#)



The times they are a-changin’



By Mike Pritchard, Commercial Manager of Retention Development

2022 was a strange year. We started off with Covid-19 and finished with the interest rate and mortgage market turmoil, only exacerbated by a horrible and unjust war in Ukraine. The cost-of-living crisis had already settled in by mid-year, and the strikes had set the mood for the end of 2022. But the British people are nothing if not resilient, and this played out in the financial services sector too. The one constant is people need insurance – specifically protection – regardless of whether it’s to protect family or a mortgage. Meanwhile, business volumes continued to flow, regardless of the economic bumps in the road.

A shifting market

We’re seeing fewer telephone-based intermediaries than at any time over the last 10 years. From the height of this business model back in 2019, intermediaries that can weather the macro-economic storms will survive and continue to fly the flag.

So, what’s happened to change the shape of the distribution market? There’ve been a couple of key structural changes:

Lead generators are declining

Some lead providers are no longer able to provide the bulk or quality leads at a cost that gives intermediaries a reasonable return on investment. This is impacting telephone-based intermediaries who rely on a volume of new business flows that’s available when they need it. Unless they can self-generate or build affiliate relationships, the market will become harder to trade in.

Affordability

We’re hearing of more people losing the elasticity in their disposable income in the cost-of-living crisis. Those at the lower end of the socio-economic scale will inevitably

be thinking about what they can afford. Consequently, life insurance may not be seen as a priority. The intermediary is critical to help clients navigate these challenges. Where intermediaries don’t have a contact or support strategy, this can only intensify losses and lead to higher reclaims and financial disaster.

The insurance distribution models change over time with technology and needs. Those who invest in their people, technology, systems, and their biggest asset – their existing customer base – will dictate how long they expect to remain in the market.

This is visible through the ever-evolving Distribution Quality Management (DQM) programme, which has moved to become a business consultancy programme. It’s now supporting intermediaries by carrying out operational effectiveness testing, gap analyses and sharing best practice.

Part of what we do in [DQM](#) is adapting to the times and building a business that can flex when tough or challenging times. To quote author John C Maxwell: “Change is inevitable. Growth is optional.” In other words, change is a fact of life, but growth is up to every one of us.



Critical illness updates, for plans that adapt when life changes

Our recent changes provide greater financial support to your clients and their family. So, what are the improvements? Let's take a look.

Updates to Children's Critical Illness Extra



Increasing the maximum Children's Critical Illness Extra payments from £30k to £35k (or 50% of the amount of cover if lower)



Increasing the maximum Children's Critical Illness Extra Family Accommodation benefit from £1k to £3k



Increasing the maximum Children's Critical Illness Extra Children's Terminal Illness from £10k to £35k (or 50% of the amount of cover if lower)



Improvements to cancer, heart attack and dementia including Alzheimer's disease definitions to provide greater clarity in the event of a claim



Increasing Children's Critical Illness Extra Child Funeral Benefit pay-outs from £5k to £10k



Updates to Changing Your Policy (also known as GIO's) means your clients have more opportunities to increase their cover without answering further medical questions for certain life events

Critical Illness Extra and Children's Critical Illness Extra are intermediary-exclusive products.

When an illness happens, life doesn't stop

Find out more

Help extends beyond the financial with Umbrella Benefits



Wellbeing Support Provided by RedArc Assured Ltd

For personalised support at the end of the phone, access included as standard



Private Diagnostics*

Fast results from some of the UK's top medical experts - for an extra £5.90 a month. (consultants for cardiology, oncology or neurosurgery referrals)



Fracture Cover

Protect against the cost of a specified injury - for an extra £4.50 a month

*Insured by AXIS specialty Europe SE. The support and services are provided by Trustdoctor, a sister company of Further Underwriting International SLU.

Plans that change with your client

We understand it's important to find the right plan for your client. With the updates to our Guaranteed Insurability Options (GIO's), clients can increase their cover for certain life events, such as getting married/entering into a registered civil partnership or increasing a mortgage due to a house move. Eligibility criteria applies.

In addition to our cover changing with your client, our products include extra layers of protection with Umbrella Benefits (our range of value-added services and optional benefits). With Wellbeing Support (provided by RedArc Assured Limited) included as standard, personalised help from a registered nurse is just a phone call away. We know how important it is to get answers as quickly as possible when facing serious illness, so our Private Diagnostics* can help give your clients results in just a few weeks.

Here for you and your clients

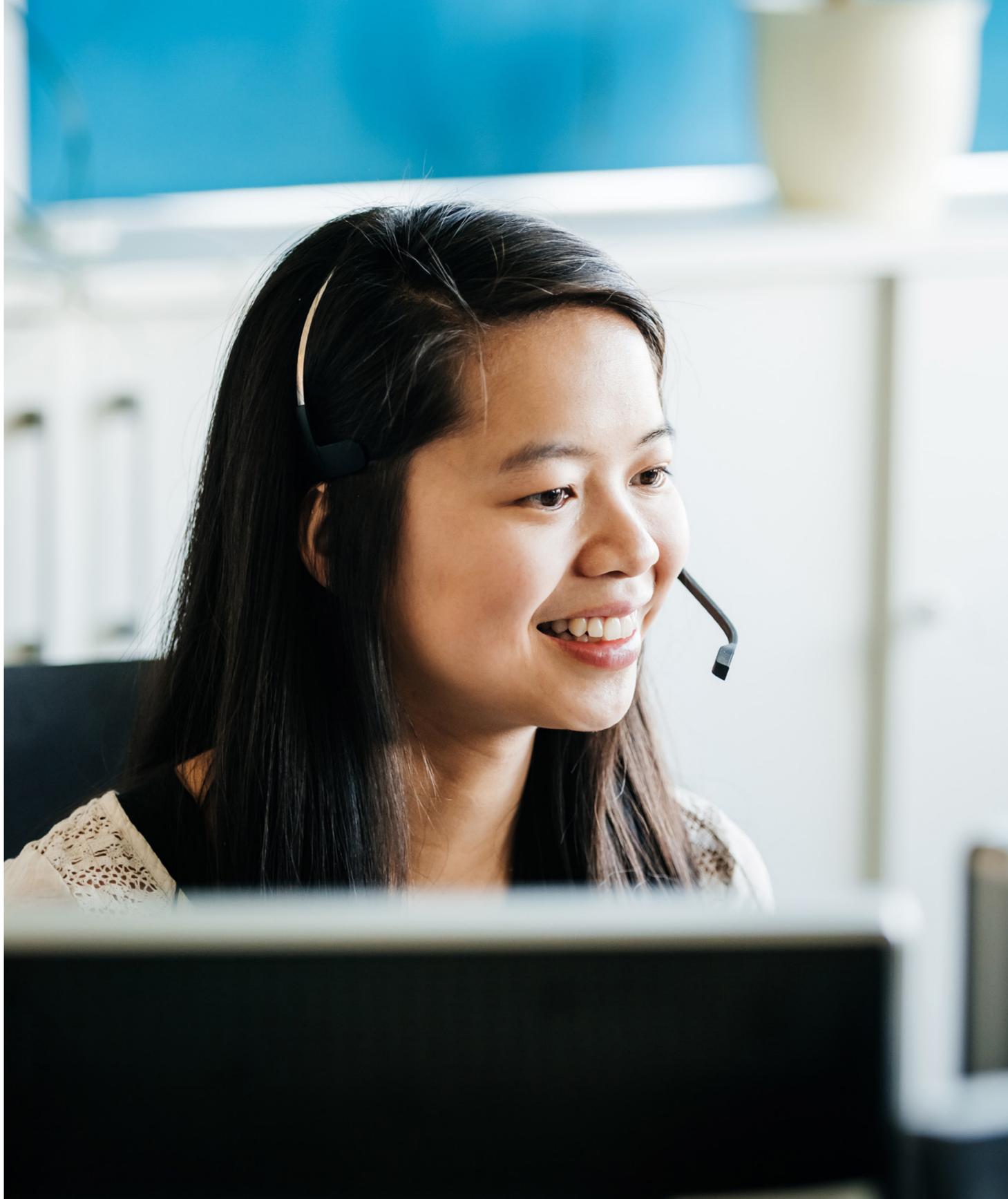
All these improvements help our products to support your clients' changing needs.

Helping you to service your business is at the heart of what we do. Our dedicated sales and service teams make it easier for you to advise your clients. We understand your business so we can help with challenges, while also being on-hand to support you wherever you are. Find your team here.

Our Market Development Team (MDM) is unique to Legal & General in the protection market, offering a consistent level of support to advisers across the UK. The team can deliver bespoke, insightful, and engaging seminar content alongside webinar programmes, training workshops and academies.

* Insured by AXIS Specialty Europe SE. The support and services are provided by Trustdoctor, a sister company of Further Underwriting International SLU.





Here to help, if you need us

Thank you once again for your continued support.



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