

**To provide more people with more peace of mind in a more uncertain world**

November 24

# Learning objectives

- ▶ Review and enhance adviser behaviours for better customer outcomes
- ▶ Understand and address customer buying habits
- ▶ Share inspiring, simple sales ideas and use case studies to highlight protection needs
- ▶ Address affordability concerns with long-term value strategies
- ▶ Utilise protection tools in client discussions

## Marc's story

**Claims paid**



# Behavioural economics – the value equation

- ▶ Why is it harder to emphasise value in a protection sale?
- ▶ When net value is positive then we generally **buy** or **retain**

# Behavioural Economics

Irrational  
thinking

Rational  
thinking



# Behavioural economics – what we say

Example:

“We’d like to imagine that you are interested in protecting your health. Your employer tells you about a hypothetical programme that recommends you get a flu vaccine and possibly save £50 of your health insurance contribution cost.”

Three choice structures were tested:

**1**

“Place a check in the box if you will get a flu vaccine.”

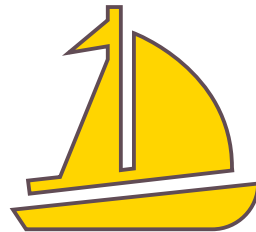
**2**

“Place a check in one box:  
a) I will get a flu vaccine  
b) I will not get a flu vaccine”

**3**

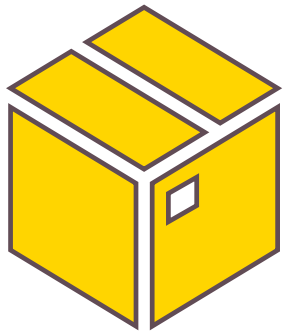
“Place a check in one box:  
a) I will get a flu vaccine to reduce my risk of getting the flu and I want to save £50  
b) I will not get a flu vaccine even if it means I may increase my risk of getting the flu and I don’t want to save £50”

# What's your greatest asset?



# The three boxes

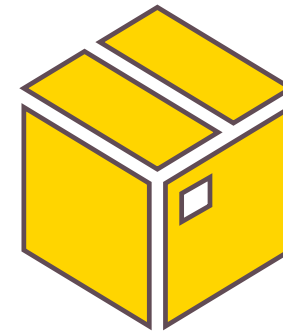
Which one would you insure?



**£15,000**



**£400,000**



**£1,800,000**

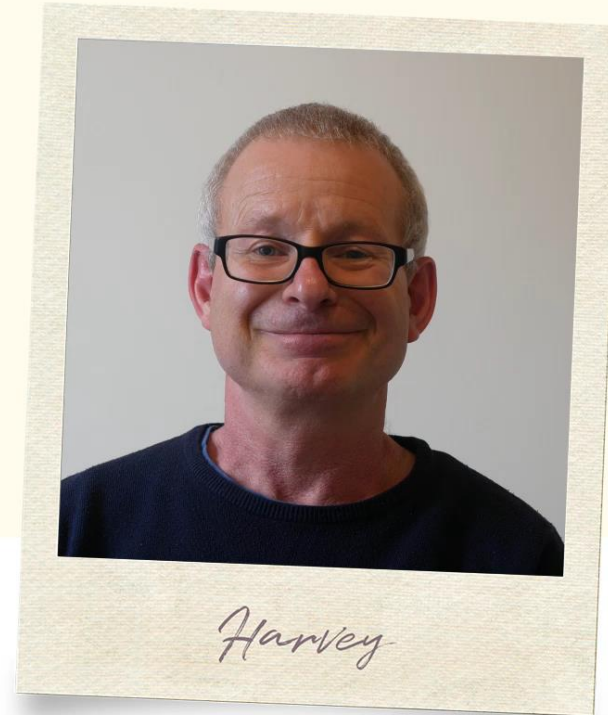


## Behavioural economics – active choice – loss aversion

- ▶ Decreasing your benefit amount
- ▶ Changing your waiting period
- ▶ Removing indexation
- ▶ Making your terms shorter
- ▶ Amending the claim period

# Harvey's story

**Claims paid**



# The stress test 1/2



## The stress test 2/2

House Purchase/Remo Costs	4.5%	6.5%
Mortgage Payment *	£2,222 pm	£2,701 pm
Life Cover **	£10 pm	£10 pm
Income Protection plan ***	£38 pm	£38 pm
Critical Illness ****	£25 pm	£25 pm
Buildings and Contents *****	£32 pm	£32 pm
<b>Total</b>	<b>£2,327 pm</b>	<b>£2,806 pm</b>



\* Based on a £400,000 mortgage over 25 years

\*\* Based on a decreasing term cover amount of £285,000 over 25 years for a 35yr old non-smoker, data from Reassured

\*\*\* Based on a 35yr old non-smoker in an administrative role, level guaranteed premium with an 8 week waiting period, with the policy finishing at age 70 and a benefit of £1,500

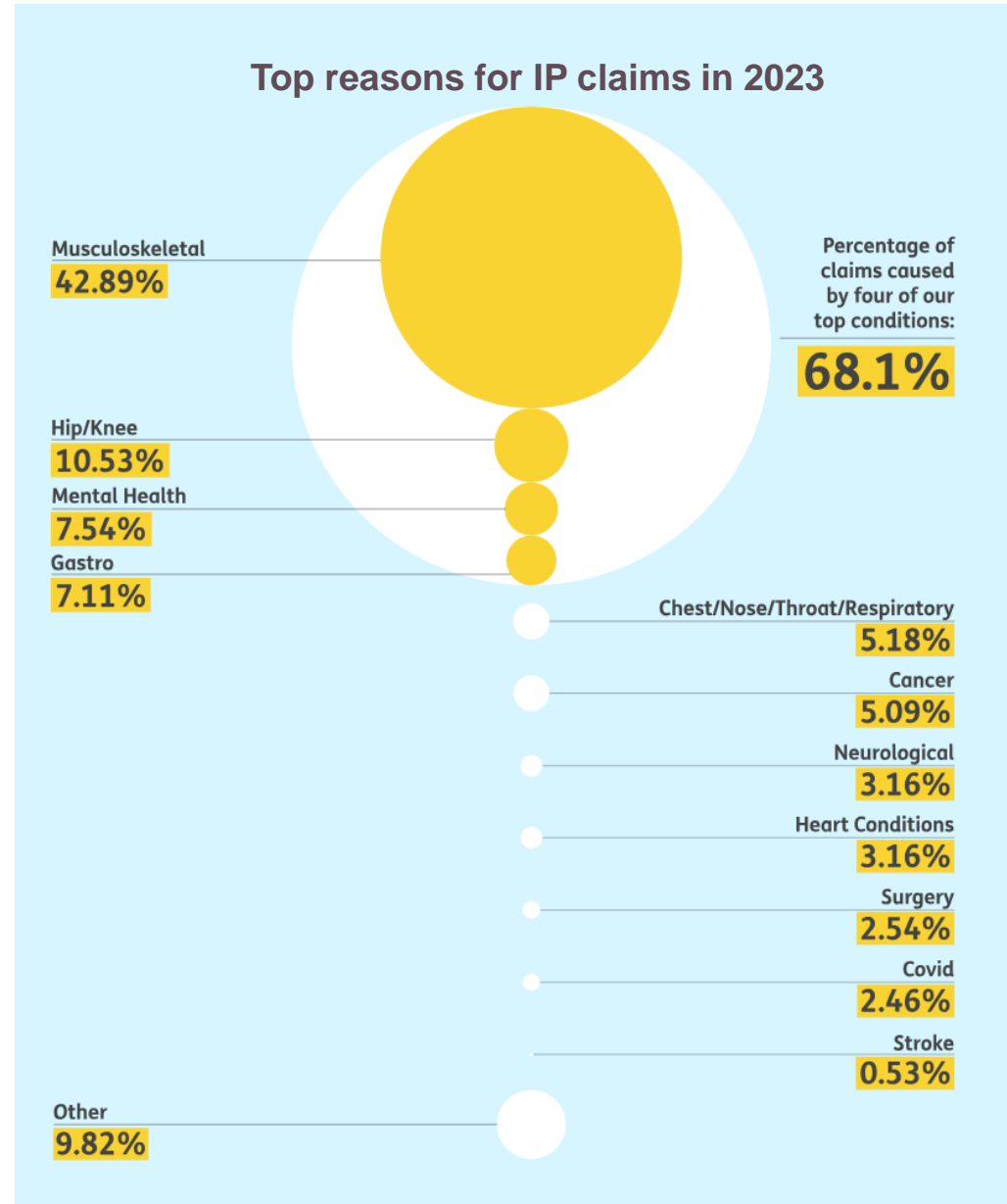
\*\*\*\* Data from [unbiased](#)

\*\*\*\*\* [Moneyhelper](#)

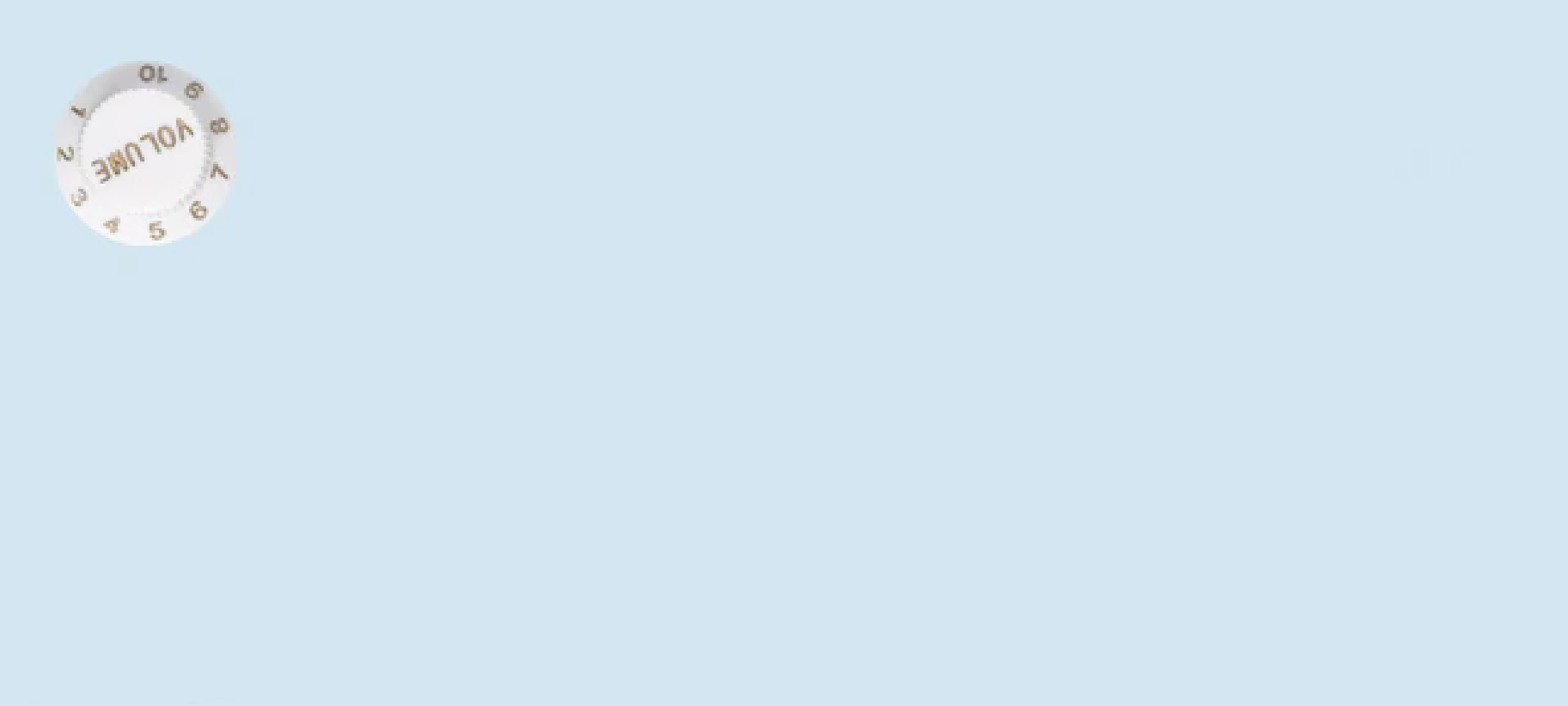
# Priorities



# Income protection versus critical illness cover



# Income risk calculator



# Reinforcing behaviour

First, it is an intention.



Then a behaviour.



Then a habit.



Then a practice.



Then second nature.



Then it is simply who you are.



# Reflect and act



Two things  
I've learned.



Two things  
that I'd like to  
do differently.



Who will  
keep me  
accountable?

Want to find out more? Scan and book a briefing



# We're here for you



**Nicola Taylor**

Key Account Manager  
NI & Scotland

nicola.taylor@the-  
exeter.com



**Mike Norrish**

Key Account Manager  
South West

mike.norrish@the-  
exeter.com



**Rachel Trundle**

Key Account Manager – South East

rachel.trundle@the-  
exeter.com



**Danny Turner**

Key Account Manager - North

danny.turner@the-  
exeter.com



**Ellie Collis**

Telephone Account Manager –  
Southwest & Southeast

ellie.collis@the-exeter.com



**Christa Arliss**

Telephone Account Manager – Southwest  
& Southeast

christa.arliss@the-exeter.com



**Judith Brandrick**

Key Account Manager - Midlands

judith.brandrick@the-  
exeter.com



**Laura Goodsir**

Telephone Account Manager –  
Midlands

laura.goodsir@the-  
exeter.com

## Sales Team

0300 123 3207

salessupport@the-exeter.com



### **The legal blurb**

The Exeter is a trading name of Exeter Friendly Society Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Register number 205309) and is incorporated under the Friendly Societies Act 1992 Register No. 91F with its registered office at Lakeside House, Emperor Way, Exeter, England EX1 3FD.