

INCOME PROTECTION

# Reassuringly Simple

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**SCOTTISH WIDOWS**

This information is for UK Financial Advisers only and should not be distributed to or relied on by another person.



# The importance of Income Protection



# Have attitudes started to change toward protecting income?



**1 in 5**

**First time buyers**

have income protection cover they have paid for themselves. **A quarter without protection would like to have income protection and critical illness cover in place.**



**Under 1 in 10**

**Self-employed**

currently have income protection cover. **A quarter of self-employed people without income protection would like to have it.**



**1 in 5**

**Parents of young children**

have income protection cover they pay for themselves. **Almost a third of those who don't have income protection would like to have it.**



**1 in 5**

**Parents of older children**

have critical illness cover they pay for themselves but of those who don't hold it, **3 in 10 would like to.**



# Health of the UK working population



# The mental health crisis in the UK



Approximately **one in four** people in the England will experience a mental health condition each year<sup>1</sup>



People with severe mental health concerns die between **10 and 20 years earlier** than the general population<sup>2</sup>



In 2023, a record number of mental health referrals were reported, amassing **5 million appointments**<sup>3</sup>

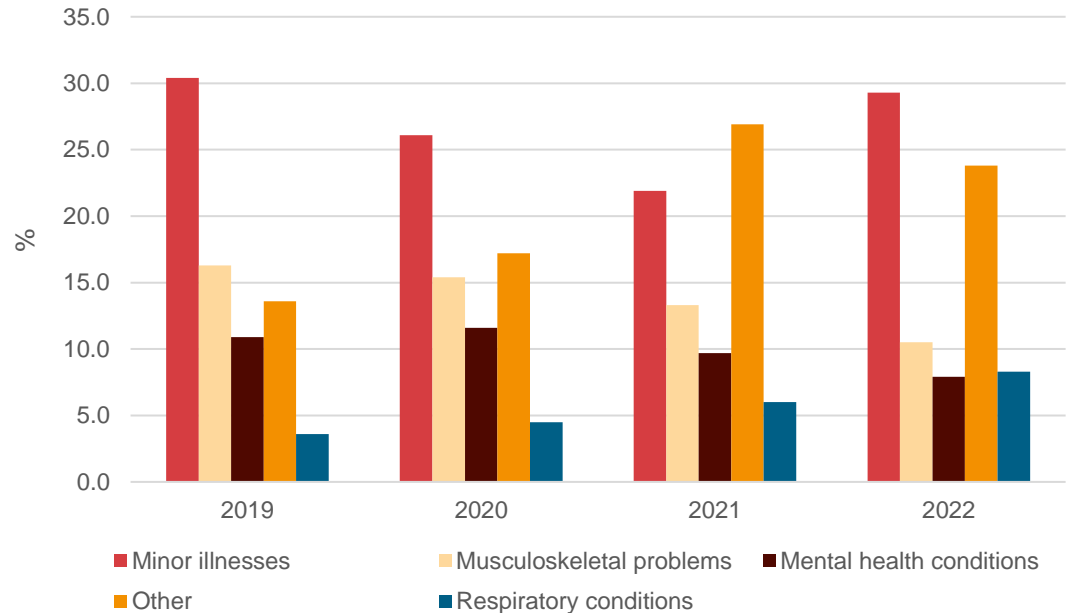


The cost to employers of poor mental health is **£51bn**<sup>4</sup>

# Most common reasons for sickness in the UK

## Reasons for sickness absence

'Respiratory conditions' has overtaken 'mental health conditions' to become the fourth most common reason for sickness absence in 2022.



# Long term sickness rates



May - July 2023 there was an increase to 491,433 on long-term sick leave and 3,807 on short-term sick leave



Most state 'minor illnesses' as the reason for sickness absence. However, respiratory conditions and mental health are also in the top 5 reasons



Caring, leisure and other service occupations have the highest sickness absence



The number of days lost per worker because of sickness or injury is 5.7 days. Sickness absence is higher for women and increases with age

# Protecting your clients from an income shock

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# Launching our new product from Scottish Widows

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We are now adding  
**Income Protection** as part  
of our overall investment  
to our proposition



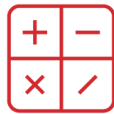
# Helping you create a personalised 'sick pay' plan for your clients



Full term  
or  
2 years



Deferred  
periods:  
4, 8, 13, 26,  
52 weeks



Monthly Benefit:  
Determined  
by minimum  
premium  
amount, capped  
at £20,000 a  
month for  
level cover and  
£12,000 for  
increasing cover



Coverage is  
up to 60% of  
first £70K of  
gross  
earnings,  
and 45%  
above £70k



Minimum  
Benefit  
Guarantee of  
up to £1,500 a  
month,  
available for all  
customers  
working at  
least 16 hours  
a week



Duration  
offered  
in full years  
and  
“to age”

# Simplified Incapacity Definition

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## Own Occupation

All clients accepted will be under our “**Own Occupation**” definition:

Our definition for own occupation is simple:

- Unable to perform the material and substantial duties of normal occupation due illness or injury
- Not carrying out any other occupation for payment or profit

## Own Occupation – Our Claim Stage Reassurance

We will still assess claims at “Own Occupation” **even if the client hasn’t worked for 90 days prior to incapacity.**

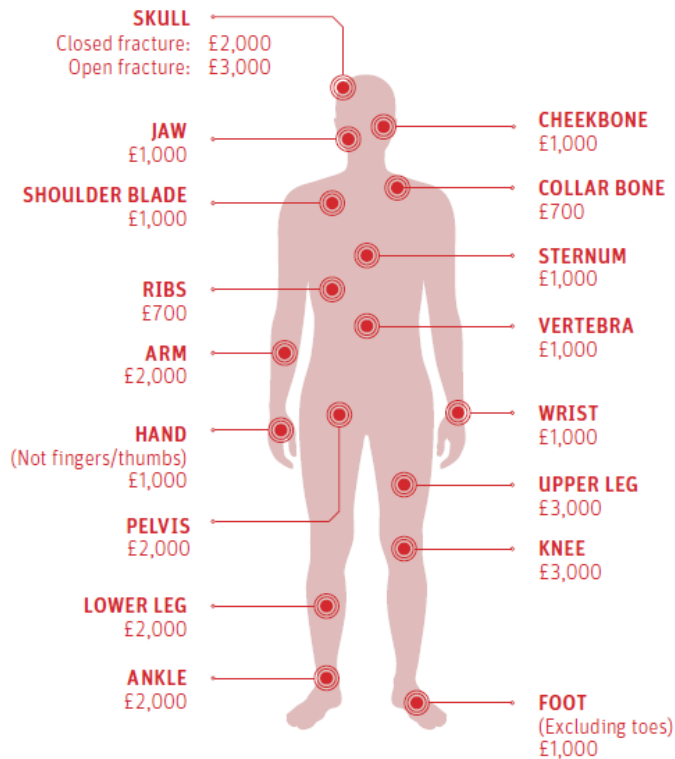
This is extended to 12 months if the reason for not working was **maternity, paternity or adoption leave**. And if the client was on a career break and their job was left open or if they were moving between employers.

# Fracture Cover included at no extra cost

# 18

## TYPES OF FRACTURE ARE COVERED

The amount your client will get will vary depending on the type of fracture or break as shown



## Hospitalisation Cover at no extra cost

If your client has to stay in hospital for more than six consecutive nights due to their incapacity, they will be able to receive Hospitalisation Cover of £125 per night, for a maximum of 90 nights

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# £125

PER NIGHT





# Waiting for a claim payment should be a thing of the past

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## **Immediate income payment can be claimed after the deferred period has lapsed**

- Provided your client can supply a GP note or equivalent from a medical professional
- Confirming your client is unfit to work

## **Clinic in a Pocket® can assist with a fit note**

- A remote GP can write a 'doctor's note' if your client is unable to attend their work or refer them to a private specialist at a cost of £15

## **Benefit can be paid for up to 3 months**

- During this period, a full claim assessment will be carried out
- Based on our Claims' Philosophy

## **If the claim is assessed and declined, all payment of the benefit will stop**

- Your client will not be required to repay any monthly benefits already received
- Unless the policy is cancelled due to misrepresentation

# Helping clients return to work by ‘topping up’ their income

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## Rehabilitation income benefit

Pays a “top-up” to income if your client returns to work after a claim on part-time hours or reduced duties with a resulting reduction in earnings



## Proportionate income benefit

Pays a “top-up” to income if your client is unable to return to their previous work after a claim but instead starts a new job or occupation which provides lower earnings than their previous job or occupation



## Disclosing a mental health condition shouldn't be an automatic barrier to getting Income Protection

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**We will never decline cover  
without an underwriter reviewing first**



# Our Care Package is as easy to understand as 1,2,3...

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**1**

RedArc  
Personal  
Nurse

**2**

Clinic in a  
Pocket<sup>®</sup>

**3**

Macmillan  
Cancer  
Support

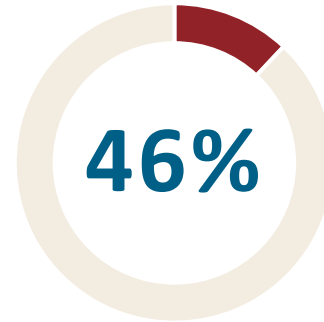
# 1 RedArc

Supporting your clients during their time off and after they return to work

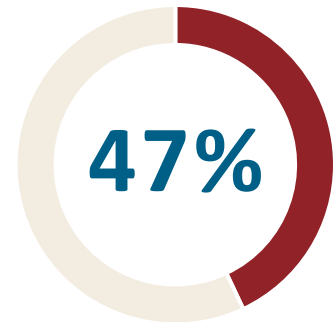
## Physical, mental & emotional support for the whole family

- Emotional support and practical advice for any long-term physical or mental illness, such as cancer, cardiac, depression, anxiety
- Help with situations such as bereavement and trauma
- Access to resources such as self-help books, groups and factsheets
- Face-to-face second medical opinion from UK-based specialists
- A course of therapy, e.g. counselling, complementary or occupational therapy
- Help at home or equipment needed

\*Sources: RedArc, Scottish Widows stats, July 2024



of RedArc referrals also receive counselling/CBT services



of RedArc referrals had six or more contacts with their dedicated nurse



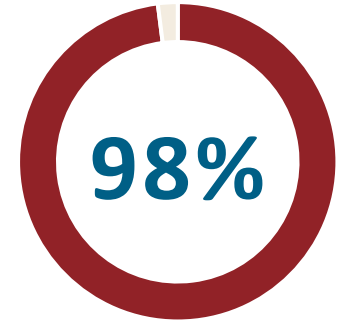
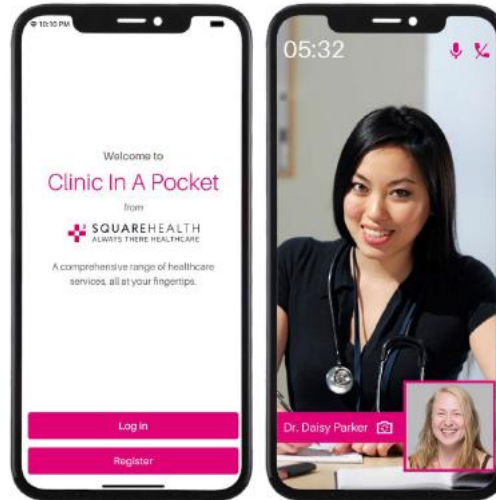
# 2 Clinic in a Pocket

Supporting your clients during their time off and after they return to work

## 24/7 medical expertise whenever and wherever

Access a UK-based GP 24/7 to talk through any health concerns by remote consultation

- A remote GP can write prescriptions including repeat prescriptions which can be delivered to your client's home for free. There may be a charge for medication depending on which area of the UK they live in
- A remote GP can write a 'doctor's note' if your client is unable to attend their work or refer them to a private specialist at a cost of £15
- If your client has our Income Protection product this service will allow them to get access to our immediate income payment quicker



of clients got appointments **within four hours** or at their preferred appointment time

# 3 Partnership with Macmillan Cancer Support

Providing excellent support to customers affected by cancer

## Macmillan's tailored support includes:

- Easy access to free, expert information, resources, and confidential support from diagnosis onwards
- Expert advice across a range of financial support areas to minimise the impact of cancer on finances
- Support from a Macmillan Cancer Information Nurse Specialist on their support line
- Local help from the Macmillan community – there are more than 900 local support groups in the UK, as well as online or telephone options
- Information on accessing Macmillan Cancer Support Centres across the UK for people affected by cancer
- Scottish Widows colleagues can refer clients directly through to Macmillan's specialist support on their Support Line for financial guidance, emotional support and practical information











In partnership with

**MACMILLAN  
CANCER SUPPORT**

# Income Protection summary

Full term and 2-year payment options available

Included at no additional cost:

							
Fracture Cover	Hospitalisation Cover	Rehabilitation Income Benefit	Proportionate Income Benefit	Guaranteed Insurability Options	Annual Benefit Statements	Personalised approach to mental health underwriting	Efficient claims (simplified approach to claim evidence)

From day one  
The care is there:



**MACMILLAN**  
CANCER SUPPORT

Every care has been taken to ensure that this information is correct and in accordance with our understanding of the law and HM Revenue & Customs practice, which may change. However, independent confirmation should be obtained before acting or refraining from acting in reliance upon the information given.

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