

Positioning protection

SimplyBiz Protection Roadshows



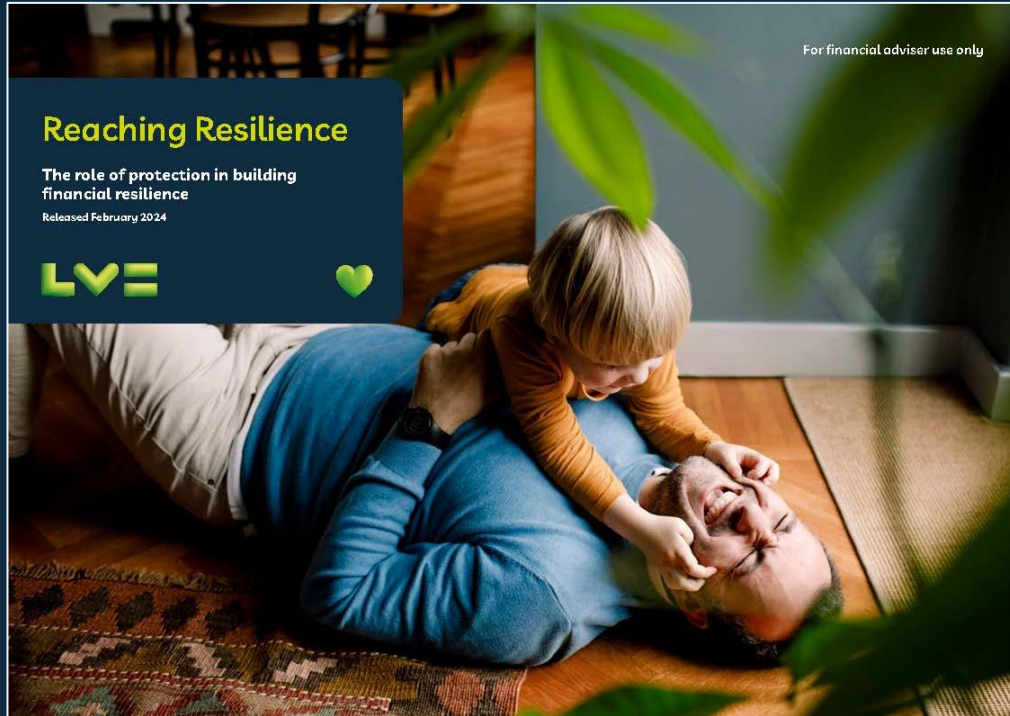
Positioning protection: learning objectives

Identify the drivers for protection needs within different client groups

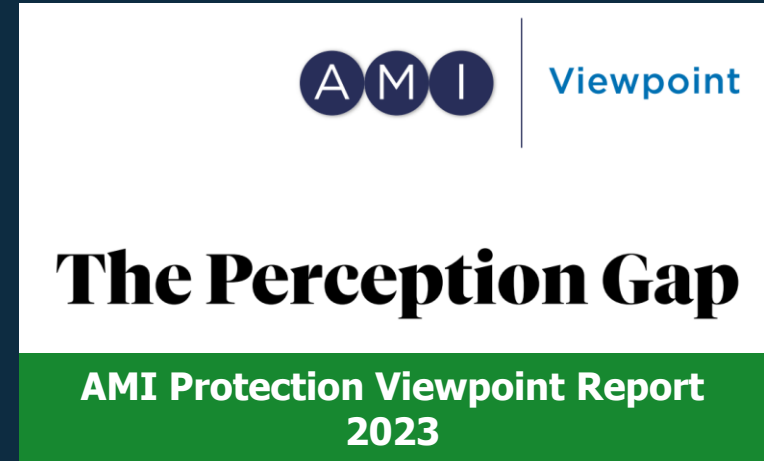
Position the need for an initial protection conversation with clients

Use open questioning when factfinding to widen client responses

Reaching Resilience: Positioning protection



LVadviser.com/Protection-Research



The opportunity



Let's look at their personal experiences:

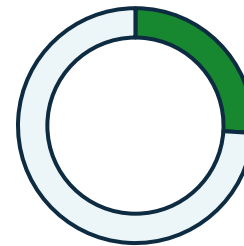
65% of the working population have experienced a life event where protection might have provided support.

Life events included:

- Mental health issues
- Bone fractures
- Being off work for 2 months or more because of illness or injury

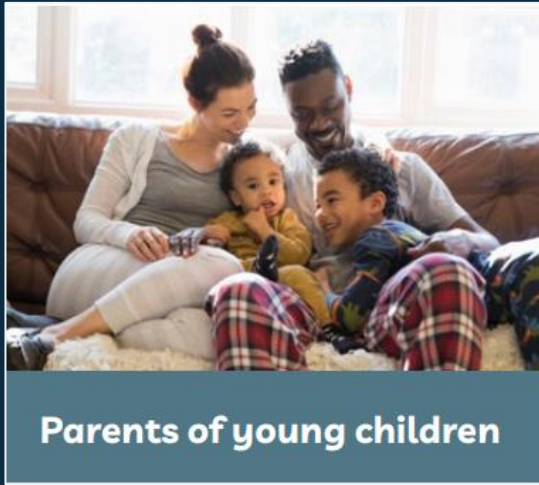


A third of workers do not feel they'd cope financially with a critical illness diagnosis.



26% were not financially confident to cope with an illness or injury leading to time off work.

Protection needs by client type



29% felt they **couldn't cope financially** if diagnosed with a critical illness.

2 in 3 are worried about the prospect of their child being seriously ill.

7% have taken unpaid time out of work for an ill child in the last 3 years.

If they were to suffer a major health problem or injury:

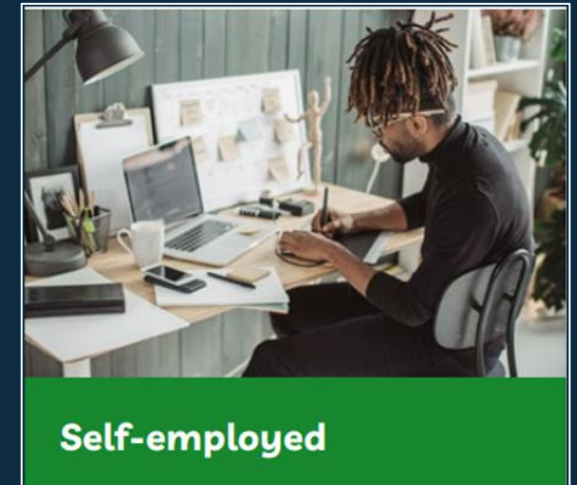
- | **37%** are worried about their own and their families' financial security.



35% felt they **couldn't cope financially** if diagnosed with a critical illness.

If they were to suffer a major health problem or injury:

- | **50%** are worried about reaching their financial goals.
- | **50%** are also worried about their financial security.

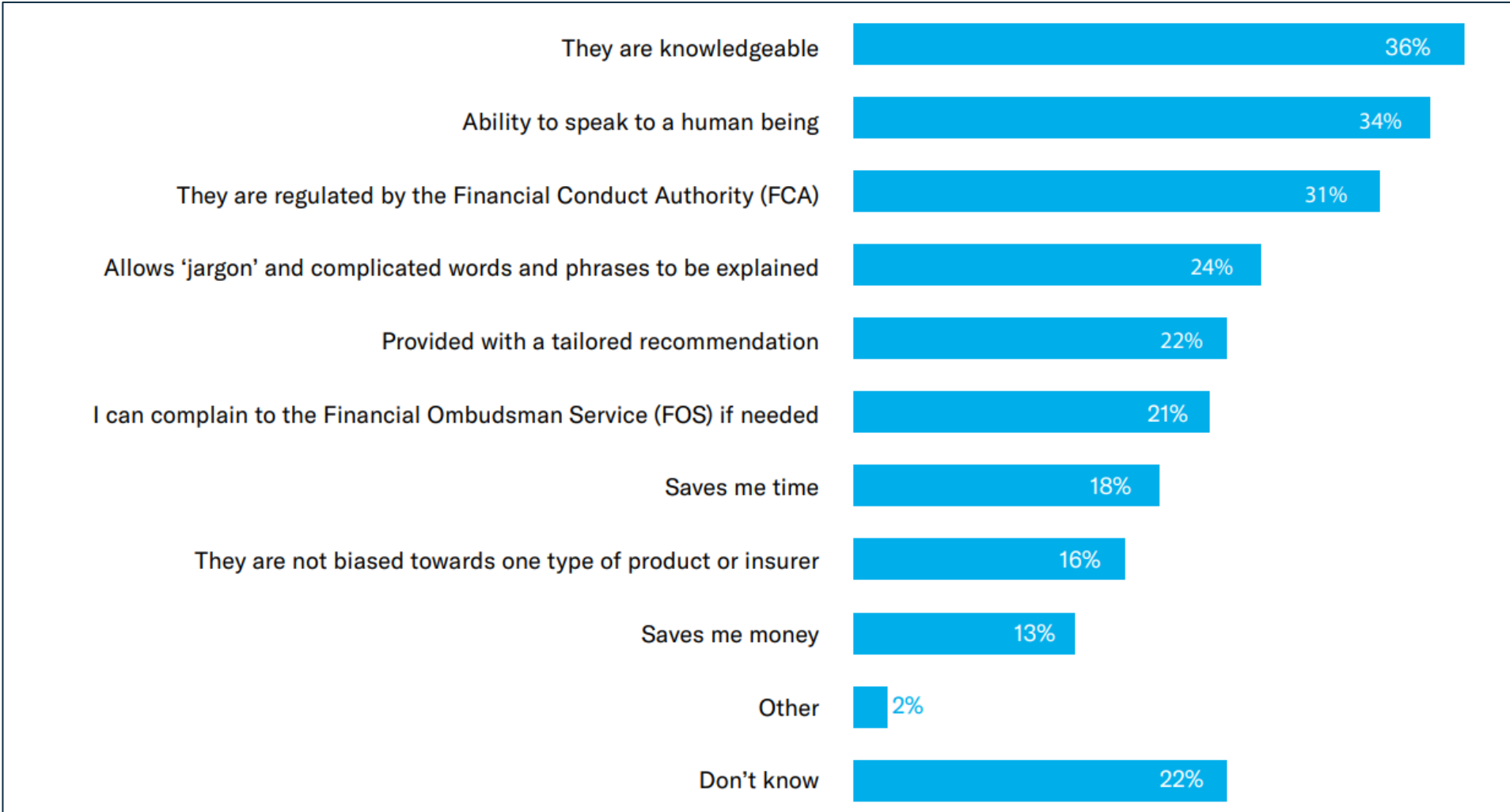


14% would have to **continue working** through illness or injury to make ends meet.

The value of advice / the adviser



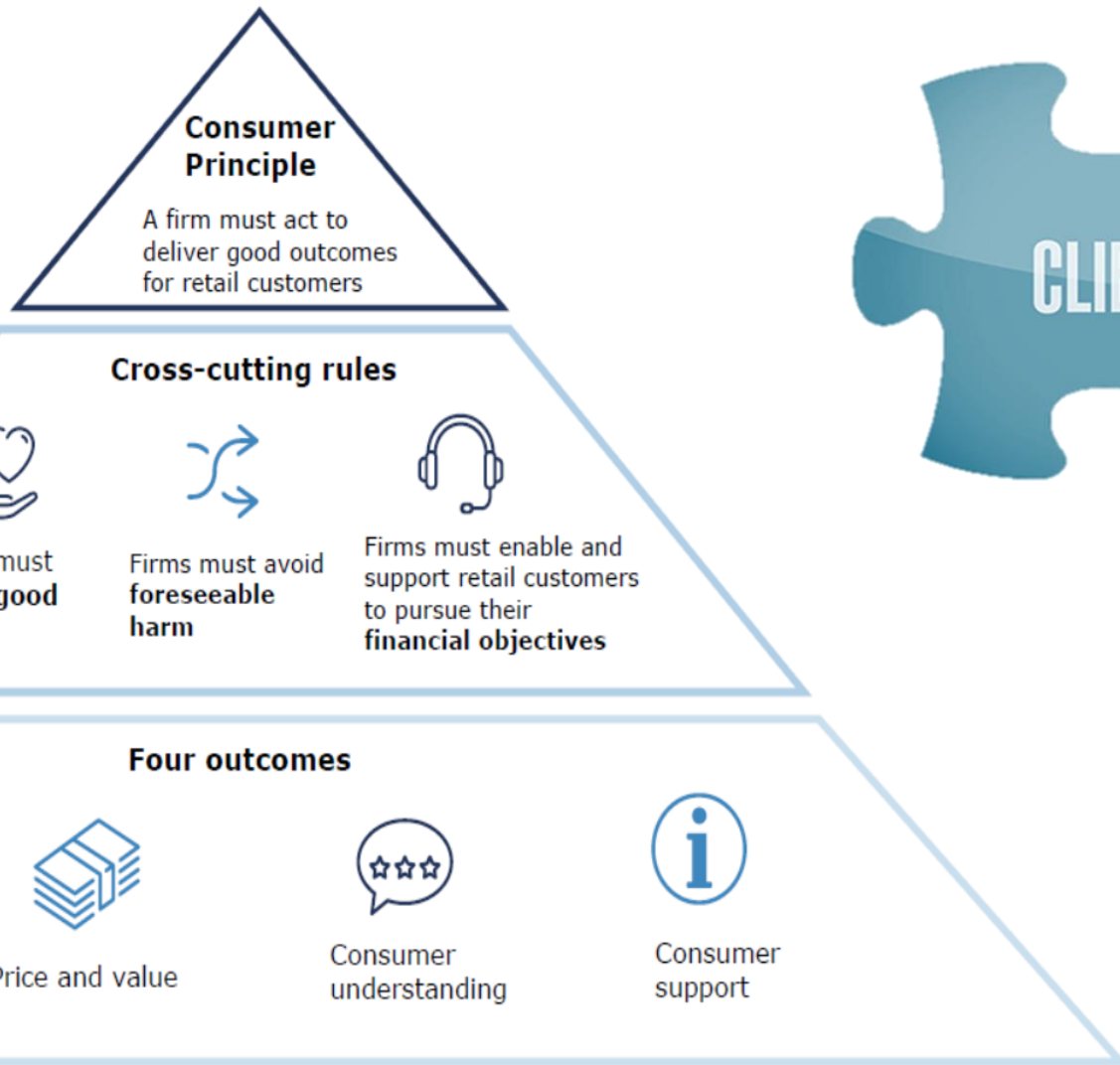
Which, if any, of the following are benefits of using an adviser/broker to purchase protection insurance?



Consumer Duty



Design of products and services



Source: FCA <https://www.fca.org.uk/publications/business-plans/2023-24#1f-chapter-id-focus-3-promoting-competition-and-positive-change>

Some key takeaways from AMI's report:

Your role:

- Is it clear to consumers the role your firm plays in the protection advice process?
- Is there more that can be done to help consumers understand the value of advice?

Your online presence:

- Is it fit for purpose?
- AMI believes at minimum firm websites should have protection related content – this is your shop window!

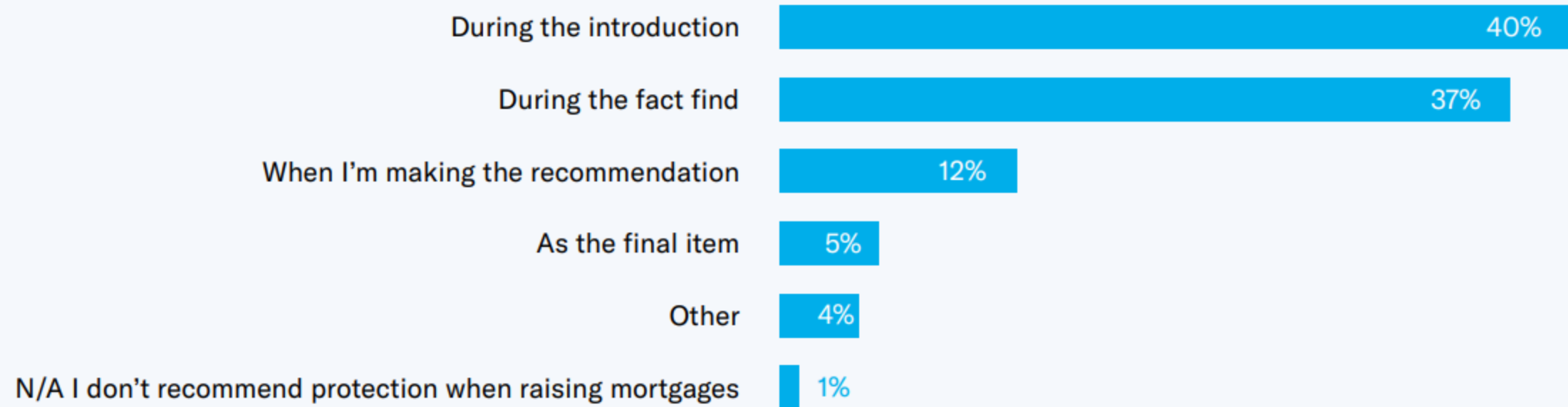
Social media:

- Consider whether messaging and channels used are appropriate/relevant to your target market

Positioning protection



The most popular time for mortgage advisers to raise protection is during the introduction.



Risk Reality Calculator

Find out what life may have in store for you

We all hear news of a friend or a relative who

- is off work for a few months, or
- has been diagnosed with a serious illness, or
- has unexpectedly died.

It's shocking and all the more difficult to imagine it happening to us.

What are your chances? Are you prepared?

Enter just a few personal details to see the Risk Reality Calculator results for you.

Using only the details you enter here, the results on the next screen give you a rough idea of the chances of one of the above events happening before your chosen retirement age. The calculator uses [population and industry statistics](#) and your personal results are shown as a percentage. Please remember, these results are only a guide and are not certain to happen. Everyone is different, as are their financial needs. If you are unsure what to do next, speak to your financial adviser.

Your details

Name

Age

Gender

 Male Female

Smoker

 Yes No

Retirement age

Your partner's details (optional)

Name

Age

Gender

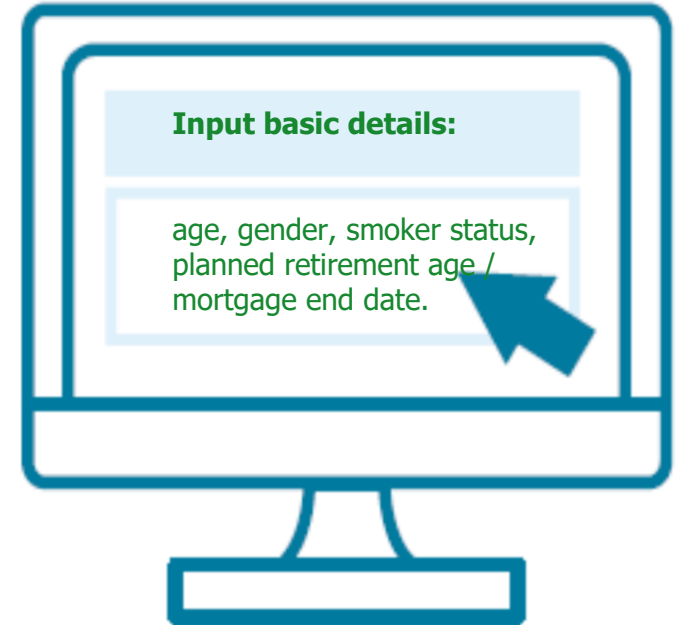
 Male Female

Smoker

 Yes No

Retirement age

Calculate risk >



CALCULATE RISK

* This is a fictional example to illustrate how the Risk Reality Calculator works.

The statistics mentioned are based on a 35-year old female and male couple, one smoker and one non-smoker, with a planned retirement age / end or mortgage term of 65.

See results for Mr Smith

See results for Mrs Smith

See results for both

Mr Smith and Mrs Smith, here is what life might have in store for you before retirement

64% chances of being unable to work for two months or more

Shocked?
[Read more](#) +

24% chances of suffering a serious illness

Shocked?
[Read more](#) +

12% chances of death

Shocked?
[Read more](#) +

71% likelihood of any of the above happening

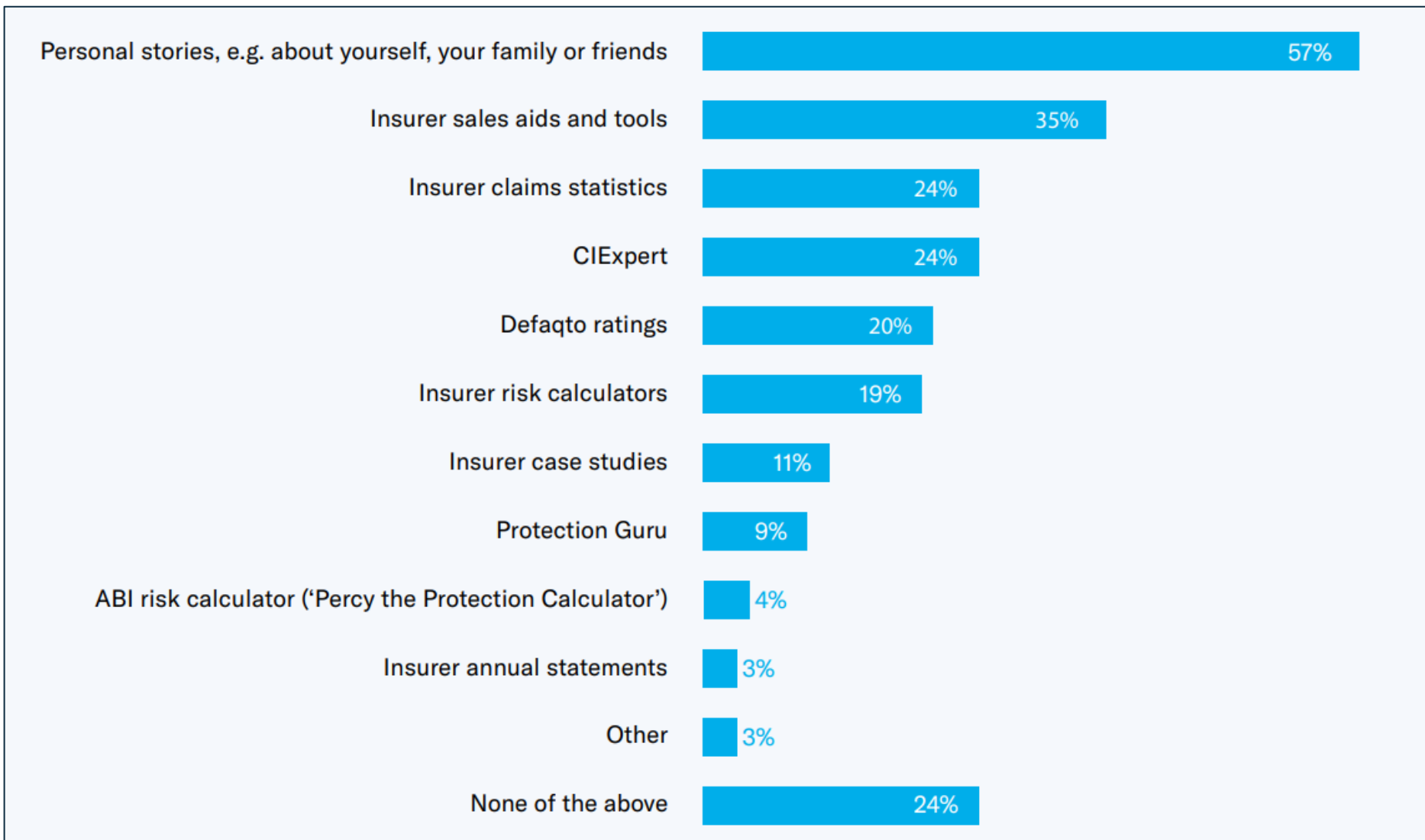
Shocked?
[Read more](#) +

www.riskreality.co.uk

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The statistics mentioned are based on a 35-year old female and male couple, one smoker and one non-smoker, with a planned retirement age / end or mortgage term of 14 65.

Which of the following do you use when advising clients about their protection needs?



Use case studies

Bringing life to protection

Jennie Gow, Formula 1 broadcaster, was advised to take out Income Protection before suffering a stroke only a few months later. Once doctors confirmed she would be unable to work for some time, LV= were able to give her the peace of mind she needed to focus on her journey to recovery at the right pace for her.

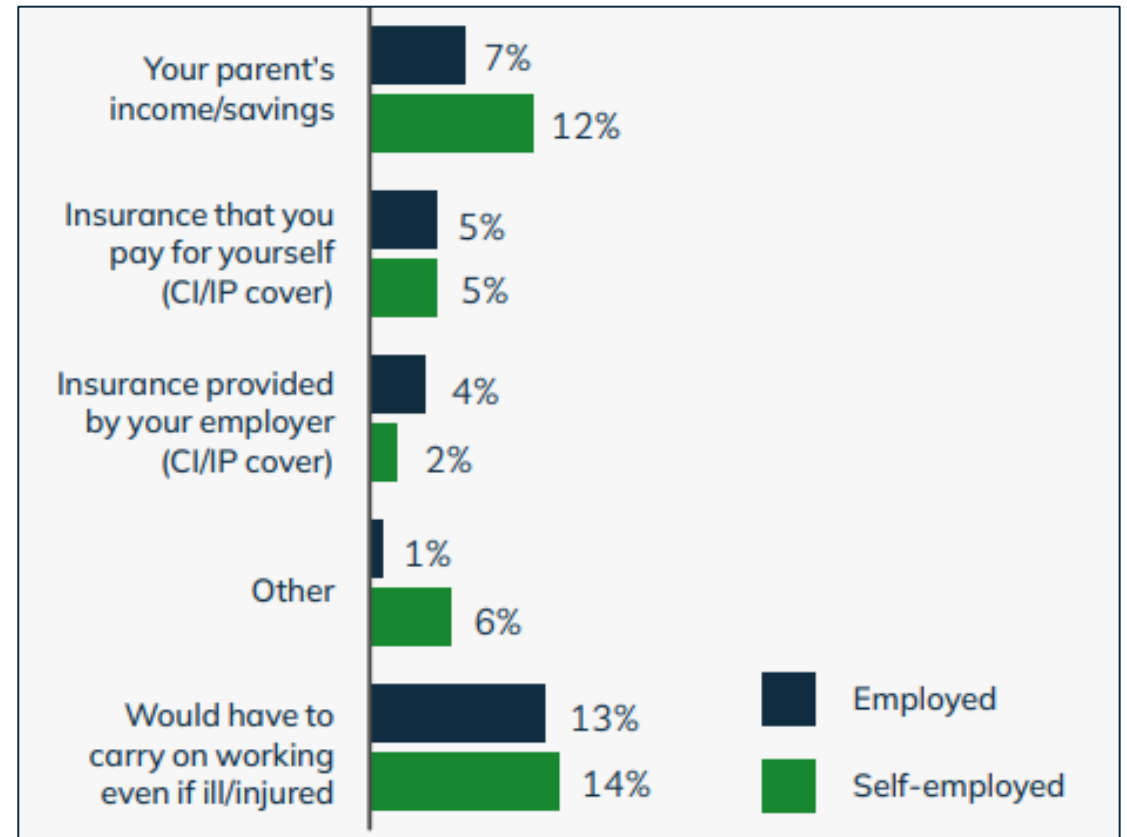
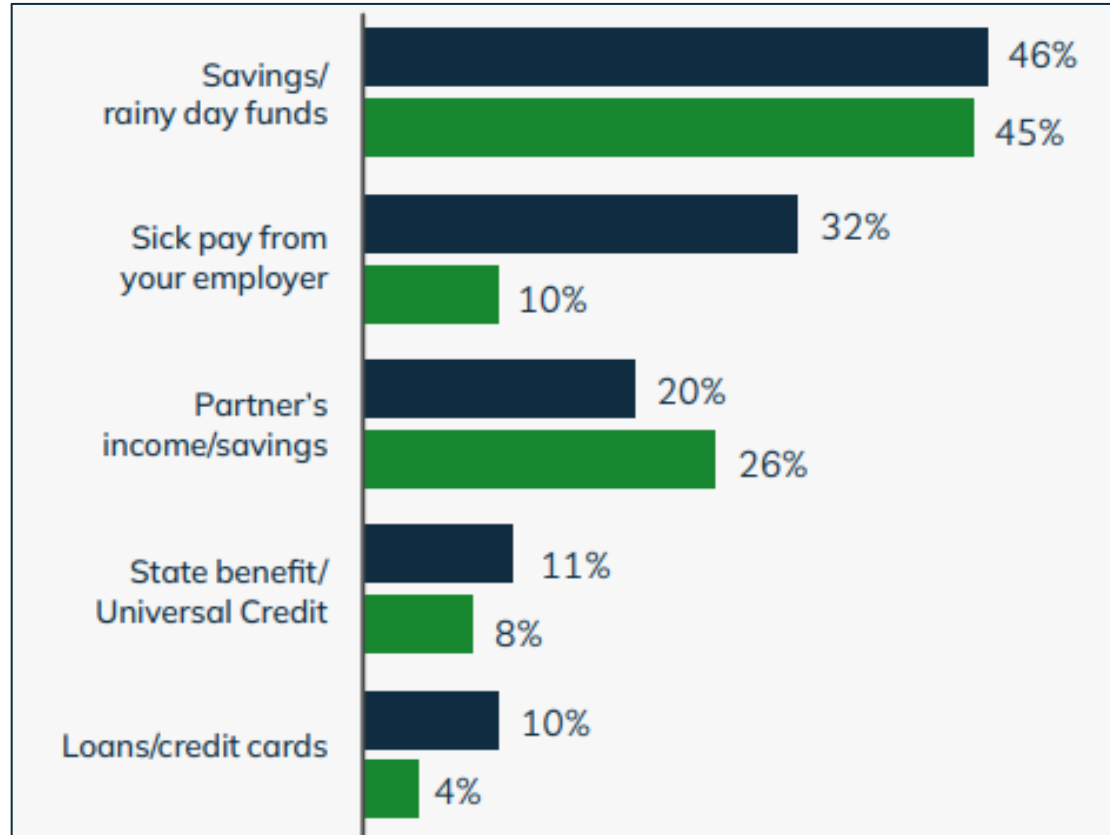
“Take out anything that can help your family in a time of need. You might be fit and healthy now, but when you least expect it, anything can happen. Having protection is vital because you never know when something’s just around the corner that could change your life forever.” Jennie Gow

[LVadviser.com/stories](https://www.lvadviser.com/stories)



What does financial resilience mean to people?

Sources they would rely on to cover outgoings if they couldn't work



How realistic are these contingencies?

Savings

1 in 10
have no savings at all

A quarter
have less than £1,000 saved

4 in 10 have less than
£5,000 and around half
have less than £10,000

Sick pay arrangements

Almost a quarter
don't know what their sick pay
arrangements are

Only a third
are sure they are eligible for sick
pay

Nearly half
who thought they were entitled
said they'd get 12 weeks or less

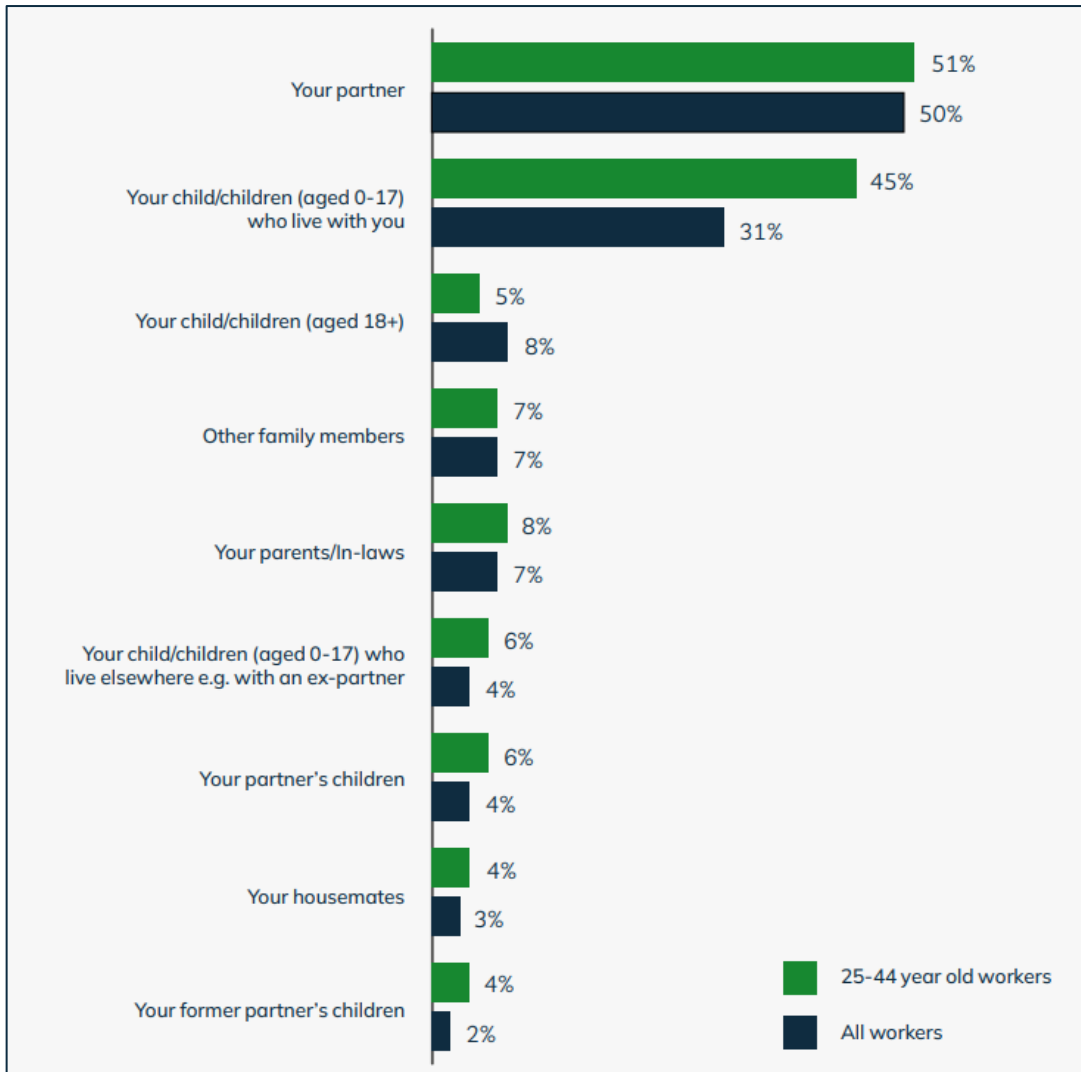
Relying on others

52% of working couples
need both incomes to meet
their outgoings

Younger people are more
reliant with 6 in 10 needing both
incomes

65% first time buyers also
depend on both incomes

Who relies on their income?



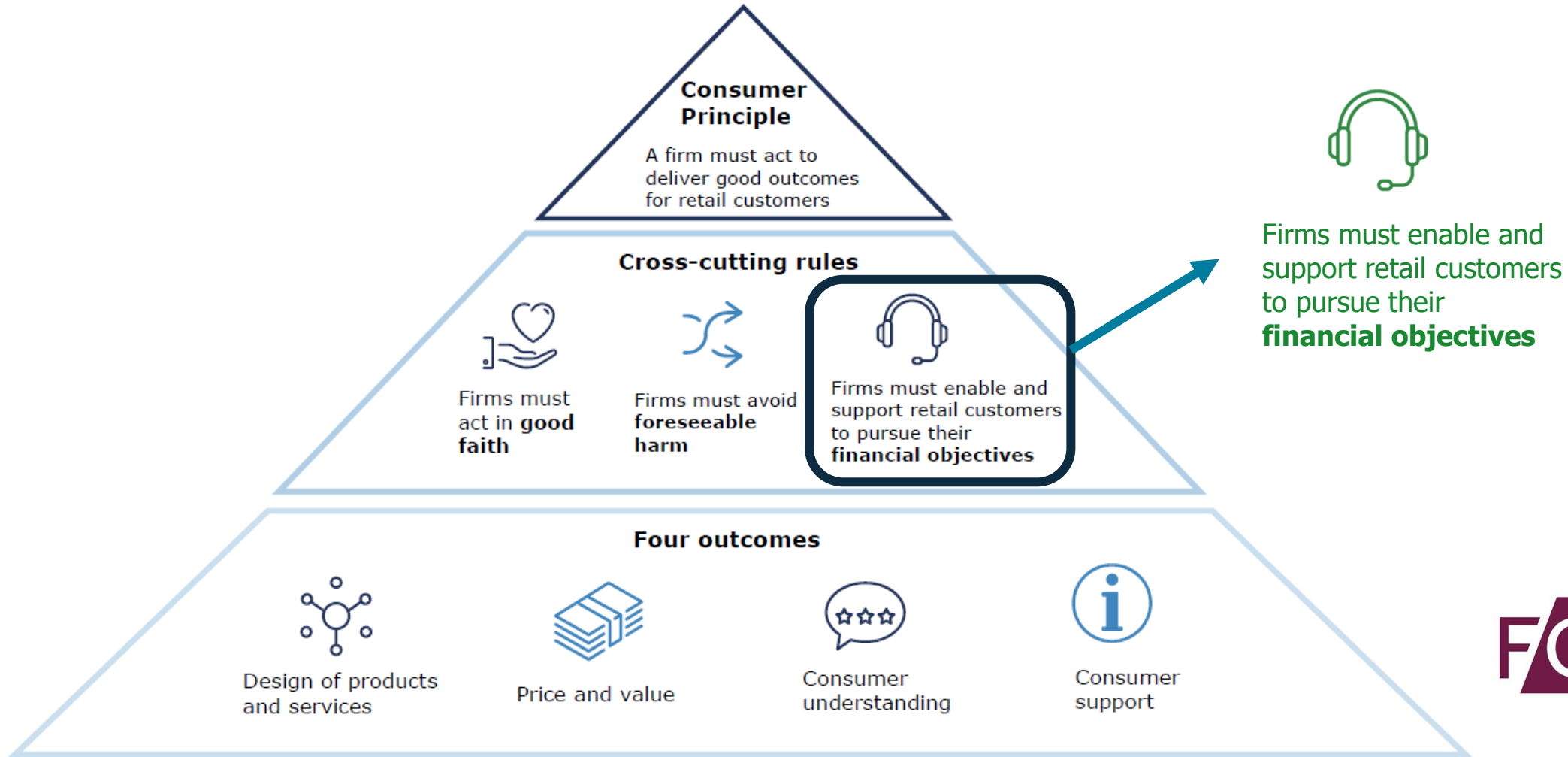
The average worker is supporting **3 people** with their income.

10% of working people support 5+ people financially.



Over 4 in 10 parents of older children support more than 3 people with their income.

Consumer Duty: Positioning protection



Consumer Duty: enable & support...to pursue financial objectives



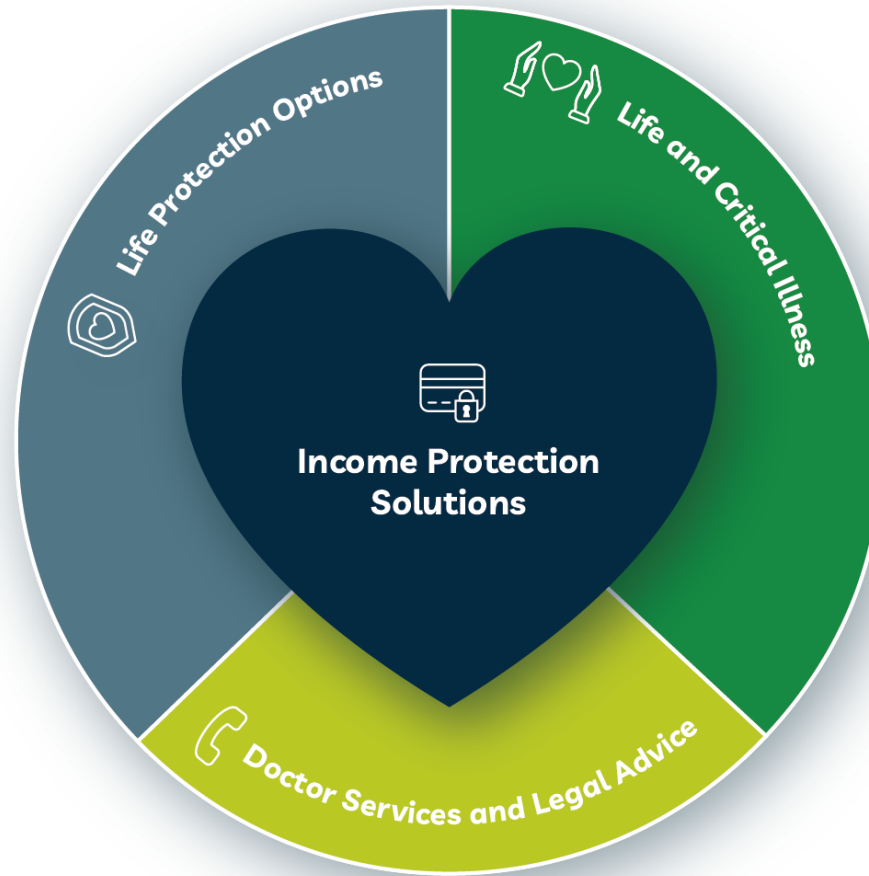
Firms must enable and support retail customers to pursue their **financial objectives**



How can LV= help?



With protecting income at the **heart** of our menu,
we make it easy to recommend LV=



Additional benefits that make a difference

Fracture Cover*



Cost of Cancer diagnosis**

Death Benefit*



Pay my Mortgage*

Rehab support services*



LV= Doctor Services

*If Income Protection is on the plan
**If Enhanced Critical Illness Cover is on the plan

Flexible and budget options to help manage costs

Cover options to suit your client's needs and budgets



Income Protection

Age 45, Non-Smoker, Retiring 65

3 month waiting period, £1,500 monthly benefit, Level Cover

Guaranteed rates

Waiver of Premium

Full IP

£40.40

Savings

**Budget IP
(24 months)**

£18.44

54%

**Budget IP*
(12 months)**

£15.00

63%

Life and Critical Illness

£200,000 over 25 years
decreasing guaranteed

**Life and
Enhanced CI****

£127.88

Savings

**Standard Life
and CI****

£114.18

11%

**Standard Life
and CI*****

£107.45

16%

*Available with guaranteed premiums only

Life & Enhanced CI Includes enhanced children's cover, *Standard Life and CI (excludes children's cover)

All premiums are based on standard rates with a Sales Manager occupation. Includes waiver of premium for IP. Correct as at October 2024.

The key takeaways:

**The opportunity
is out there**

**Protection is for
more than just
your client**

**Many
contingencies
were not
sustainable**

**The value of
advice**

What next?...



Visit the **Reaching Resilience hub** to download the full report

LVadviser.com/protection-research



Sign up to an LV= webinar, top up your CPD and access topical insights, support and actionable ideas.

Thank you



LV= support



**Account managers
on hand to help**



**Answer your
technical questions**

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