

# mi magazine

Your insight into mortgages,  
protection and general insurance

## Introducing MI

– your new mortgage  
and protection  
magazine

Helping you grow and nurture  
your business



### **Building a site for the future**

A preview of our new mortgage website

### **Stay up-to-date**

With our mortgage and protection compliance updates

### **The latest news and views from industry experts**

Topical issues, discussions and challenges

## NatWest Intermediary Solutions

# YES

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**We know the mortgage business moves quickly,  
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- Day 1 valuation instructions for quicker offers.
  - An improved 6-month offer period for all remortgages.
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**NatWest**

We are what we do

# Welcome...

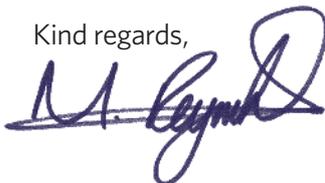
I'm delighted to welcome you to the inaugural edition of MI Magazine, our brand new publication covering all the news and developments from the world of mortgages, protection and GI.

Just over halfway in, 2017 has already been another busy year in the world of mortgage and protection, however, there's definitely plenty more to come! I believe we will definitely see a focus on secured loans, specialist and complex lending, corporate buy-to-let, portfolio lending and the general insurance needs of those clients who purchase property through limited companies. At the start of the year, the PRA rules on affordability were put in place and a number of brokers I've spoken to in recent months tell me that they've already begun to see an impact on their business. In addition, much like the rest of the UK and following the trigger of Article 50, we're still waiting to fully understand the effects that Brexit will have on our sector.

There are also a number of positive trends and changes taking place in the market at the moment. We're still seeing market leading products available to the right clients and more and more complex cases being placed when they would have previously been turned down. There are no signs of business slowing, which leaves us hopeful for a really positive second half of the year.

With our SimplyProtect Version 7 proposition and PMI Panel also launched recently, I'm confident it's going to be a thriving year for the protection market, and MI magazine will ensure that you are up-to-date with everything you need to know. The next edition of MI will be coming out for the Autumn period from September.

Kind regards,



**Martin Reynolds**  
Chief Executive, SimplyBiz Mortgages



For more information about our services, please call us on 01484 439100 or email [info@simplybiz.co.uk](mailto:info@simplybiz.co.uk)  
[www.simplybizgroup.co.uk](http://www.simplybizgroup.co.uk)

**Please note that provider led information within this publication has been pre-approved under their respective compliance approvals process and the accuracy is not therefore the responsibility of, or the opinion endorsed by, The SimplyBiz Group Ltd.**

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K Hamilton Cox -  
Howling Wolf



L Travers Smith -  
Peacock Collage

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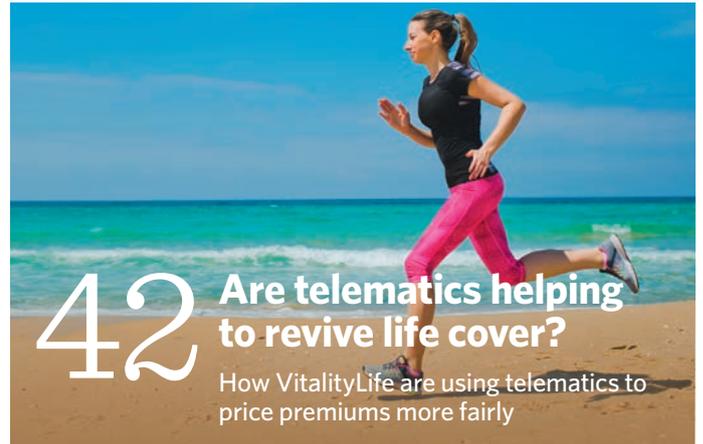
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# Compliance update

## Changes to your debt counselling permissions



**LIZ COYLE**  
Compliance Policy Manager  
The SimplyBiz Group

On 20th March, the FCA produced a regulatory publication to inform firms that held 'debt counselling' activity, that they are likely to hold the incorrect limitation - 'limited to counselling not debt management' - as it was the only one that the FCA would have previously approved.

The FCA has now confirmed that when a firm re-brokers existing credit into another credit agreement, for example, re-broking a commercial buy-to-let mortgage, then they will need to change the existing limitation for debt counselling on their permission, as this is now classed as a debt management solution.

In addition to the publication referenced previously, the FCA will be corresponding with all firms that have this permission and will offer firms the opportunity, without charge, to vary their debt counselling permission to reflect the new and correct limitation.

Please note this is not relevant where the firm re-brokers existing credit onto a regulated mortgage contract (first and second charge mortgages and consumer buy-to-let), as this specific activity is exempt from consumer credit rules under the MCOB rules. Due to the change in permissions, firms will need to appoint a person who has responsibility for compliance oversight, a CF10, if they do not already have one. This will generally only affect mortgage and insurance firms, as investment firms already have a CF10 on the FCA register. (CF10 - Compliance Oversight Function is the person who has responsibility within the firm for overall compliance with regulations).

### Do you need to take any action?

Whilst there is no requirement to have this permission unless you are involved in arranging finance, for example re-broking commercial buy-to-let mortgages, I would recommend that any firm that arranges finance and holds 'debt counselling' with this limitation to amend it immediately. As mentioned, this notification is without cost and will not affect your annual regulatory fees.

### How to notify

Firms do not have to submit a variation of permission form (VoP) on CONNECT, and are only required to provide notice by email to confirm the removal of the limitation, and they will need to confirm who will be the CF10.

The FCA has now confirmed that when a firm re-brokers existing credit into another credit agreement, for example, re-broking a commercial buy-to-let mortgage, then they will need to change the existing limitation for debt counselling on their permission

You may wish to use the following, or similar, as a notification template:

Dear Sir/Madam

Please accept this e-mail as confirmation of our intention to remove the current limitation on our debt counselling permission to reflect the new and correct limitation. We understand that our current limitation does not allow us to re-broker existing loans i.e. commercial buy to let mortgages and unsecured loans.

#### Debt counselling

The new limitation is restricted to debt counselling excluding giving advice about debt management plans. In this limitation, 'debt management plans' is defined as: 'a non-statutory agreement between a customer and one or more of the customer's lenders the aim of which is to discharge or liquidate the customer's debts, by making regular payments to a third party which administers the plan and distributes the money to the lenders'.

*(If a firm is already an investment firm with a CF10, the paragraph below will not be required.)*

Please also appoint NAME to the position of CF10. He/she is an existing approved person (CONTROLLED FUNCTION)/the sole trader.

**You should send this to [VOPLimitations@fca.org.uk](mailto:VOPLimitations@fca.org.uk). If you are unsure if your firm holds this limitation, you can check this on the Financial Services Register.**

### Background

When the FCA was appointed by the Treasury as the regulator for consumer credit, it initially authorised firms on an interim permission basis, providing they held a licence with the Office of Fair Trading (OFT). During the time when the OFT regulated these activities, it was seen as a lighter touch regulation. When applying for a licence, it was often easier, if in doubt as to which activities to specifically apply for, to select a wide range as there were no consequences or additional costs associated with doing so.

In fairness, consumer credit activity did require greater levels of regulation and supervision to protect consumers, and the FCA was seen as the most appropriate regulatory body to perform those functions. A result of this was the categorisation of membership and the permissions that firms applied for under their 'interim permissions' in 2014. It was no longer acceptable to select these on an 'if in doubt' basis and that required firms to fully understand the legal definitions to a range of different classes of consumer credit for broking and debt advising. Whilst guidance was provided by the FCA it was, and still is, difficult to determine, and, in fairness to the FCA, it too had to interpret the wide parameters of the original Consumer Credit Act (CCA) 1974.

## Update on equity release qualification and permission



**MARK GREENWOOD**  
Group Regulatory Policy Manager  
The SimplyBiz Group

Towards the close of 2016, the FCA released a Consultation Paper (CP16/24) looking at the possibility of investment and pension firms without mortgage permissions being able to advise on the equity release market. If they had an adviser that passed either a standalone qualification or a top-up to existing pension and investment qualifications.

However, the responses received by the regulator did not demonstrate a market need for a change to the appropriate qualification for equity release. This means that 'investment' and 'pension only' firms will not have the opportunity to include equity release within their advice process and, should a client need arise, will still have to refer to another suitably qualified adviser.

The consultation also addressed the issue of whether it would be beneficial to develop an additional equity release qualification, as the FCA has been told that the current qualification structure might be a barrier to advisers becoming qualified, and so could be limiting consumers' access to equity release products.

### Summary of the feedback

The FCA received mixed feedback on whether there was a market need for a standalone or top-up equity release qualification. The responses it received did not demonstrate a market need for a change to the appropriate qualification for equity release. Most respondents did not think that an alternative to the current approach would lead to a significant increase in the number of people appropriately qualified, although respondents generally welcomed the aim for consumers to have greater access to equity release and the concept of holistic retirement advice, while acknowledging the difficulties in achieving this goal.

However, I don't think that this is going to simply disappear and it is likely that this matter will be considered again at some point in the future.

**For more information, please don't hesitate to get in touch with us at [policyteam@simplybiz.co.uk](mailto:policyteam@simplybiz.co.uk) or on 01484 439120.**



**Don't forget, you can access all of the compliance documents you need through the 'Vision For Mortgages' area of the SimplyBiz and Compliance First sites.**

## PROTECTION FOR ACTIVE LIFESTYLES

# METLIFE MULTI PROTECT

BROKEN BONES | UK HOSPITAL STAYS | ACCIDENTS  
ACCIDENTAL DEATH | FUNERAL COVER

- ➔ Nearly **16 million** adults in the UK play sport at least once a week – that's **40%** of men and **31%** of women<sup>1</sup>
- ➔ **5 million** people in the UK cycle more than 3 times a week<sup>2</sup>
- ➔ Over **1.5 million** people play five-a-side football in the UK every week, over **300,000** play rugby monthly in England<sup>3</sup>
- ➔ Around **350,000** people attend A&E with sports injuries annually. These are most likely to occur on Saturday and Sunday afternoon<sup>4</sup>

1 Sport England (2014/5)

2 CTC (2016) Cycling statistics

3 Football Association (2015)

4 HSCIC (2014) Hospital episode statistics



[metlife.co.uk/multiprotect](http://metlife.co.uk/multiprotect)



# Secured loans

## Second review



**JEFF DAVIDSON**  
Head of Intermediaries  
**Fluent for Advisers**

A year on from MCD, it is worth reviewing the changes that took place which pushed secured loans up the agenda and very much onto the radar of every adviser, who is faced with clients wanting to raise capital from their property.

The simple facts are these; the regulator stated that every client should be made aware of secured loans or second charge mortgages, when they are advising on the best alternative borrowing methods.

From our own research, although it is clear that while many advisers are relatively open-minded about modern secured loans, the fact remains that there is still a lot of uncertainty over the best way to engage and have the confidence to advise correctly.

Many advisers were also aware that to have recommended a remortgage, which later is shown to have been poor advice when a secured loan would have been a more suitable choice, risks future punitive action from both the regulator and their clients.

Of course, remortgages will remain a popular option for many clients but what about the growing number of clients who could remortgage but would actually be better advised to consider a secured loan?

Perhaps you have a client who is already on a competitive low mortgage rate that cannot be duplicated? Or your client is on an interest only mortgage? Perhaps tied in with heavy redemption penalties? It may be that your client needs funds quickly with no upfront fees to pay? Has your client's credit status changed for the worse or they have become self-employed and are finding it difficult to raise finance?

All these reasons make it imperative that a secured loan route is considered.

The simple facts are these; the regulator stated that every client should be made aware of secured loans or second charge mortgages, when they are advising on the best alternative borrowing methods.

A second charge loan can be used for almost any legal purpose such as home improvements and debt consolidation, paying off expensive bridging loans, tax bills, deposits and purchase of BTL properties, second homes, school fees... the list is endless. Also, with only one month's notice followed by one month's interest required from most lenders, there are no heavy early redemption costs of clients want to repay early.

Specialist distributors like Fluent for Advisers can help you to make the right decision. We are there either to provide suitable alternative secured loan options for you to advise or alternatively if you refer your client, we can provide a full advice service.

The second charge sector has come a long way in recent times. We're now operating in a stronger, more robust marketplace than ever before. Regulatory changes have helped to solidify second charge loans as a really important option for a greater number of borrowers. There is plenty of help available to ensure you are getting the right support so that your clients are receiving the right advice.

Secured loans are a valuable resource for today's market. It is time to get involved.

Getting in touch with Fluent for Advisers could not be simpler. Phone your support team on 01204 477600, email the team at [brokerteam@fluentforadvisers.co.uk](mailto:brokerteam@fluentforadvisers.co.uk) or online at [www.fluentforadvisers.co.uk](http://www.fluentforadvisers.co.uk).



# Dates for your diary...

We know from the feedback we receive that you find our events really worthwhile use of your time, and that you value the opportunity to hear from SimplyBiz Mortgages and the wider SimplyBiz Group, lenders and providers and, most importantly, other delegates.

For these reasons, we are hosting a wider range of events in 2017 than we ever have previously; a combination of different formats of meetings, covering a wider range of business areas and including more specialist speakers and presenters than ever before. So, what's coming up for the rest of the year...?

## Mortgage Masterclasses - Round 2

The Mortgage Masterclasses are now an integral part of our events calendar and are always very popular. For those of you who haven't attended one before, these Masterclasses are half day events, with sessions conducted in small groups to encourage discussion and interactivity.

There will be four or five lender/provider partners at each event, all of which have been handpicked by SimplyBiz Mortgages to deliver presentations designed to help you enhance the efficiencies of your business processes and remain successful, compliant and profitable.

Tue 20 June	<b>CORNWALL</b>	<b>Lanhydrock Hotel &amp; Golf Club</b> Lostwithiel Road, Lanhydrock, Bodmin, PL30 5AQ
Wed 21 June	<b>NEWBURY</b>	<b>Donnington Valley Hotel</b> Old Oxford Road, Donnington, Newbury, RG14 3AG
Thu 22 June	<b>GATWICK</b>	<b>Cottesmore Hotel Golf &amp; Country Club</b> Buchan Hill, Pease Pottage, RH11 9AT
Tue 4 July	<b>HULL</b>	<b>Cottingham Parks Golf &amp; Leisure Club</b> Woodhill Way, Cottingham, East Yorkshire, HU16 5SW
Wed 5 July	<b>BRADFORD</b>	<b>Holiday Inn Leeds-Bradford</b> The Pastures, Tong Lane, Bradford, BD4 0RP
Thu 6 July	<b>DURHAM</b>	<b>Hardwick Hall Hotel</b> Sedgefield, County Durham, TS21 2EH
Tue 11 July	<b>HERTFORDSHIRE</b>	<b>Tewin Bury Farm</b> Hertford Road, Welwyn, Hertfordshire, AL6 0JB
Wed 12 July	<b>CAMBRIDGE</b>	<b>Hallmark Hotel Cambridge</b> Bar Hill, Cambridge, CB23 8EU
Tue 18 July	<b>TAUNTON</b>	<b>The Corner House Hotel</b> Park Street, Taunton, Somerset, TA1 4DQ
Wed 19 July	<b>BOURNEMOUTH</b>	<b>Dudsbury Golf Club, Hotel &amp; Spa</b> 64 Christchurch Road, Ferndown, Bournemouth, Dorset, BH22 8ST
Thu 20 July	<b>CHELMSFORD</b>	<b>Stock Brook Country Club</b> Queen's Park Avenue, Stock, Nr Billericay, Essex, CM12 0SP

## Mortgage Masterclasses – Round 3

Tue 14 November	ESSEX	<b>Rivenhall Hotel &amp; Health Spa</b> Rivenhall End, Witham, CM8 3HB
Wed 15 November	GATWICK	<b>Cottesmore Hotel Golf &amp; Country Club</b> Buchan Hill, Pease Pottage, RH11 9AT
Thu 16 November	ARUNDEL	<b>Hilton Avisford Park</b> Yapton Lane, Walberton, Arundel, West Sussex, BN18 0LS
Tue 21 November	EAST MIDLANDS	<b>Forest Hill Golf &amp; Conference Centre</b> Markfield Lane, Botcheston, Leicestershire, LE9 9FH
Wed 22 November	SOLIHULL	<b>The Limes Country Lodge Hotel</b> Forshaw Heath Road, Earlswood, B94 5JZ
Thu 23 November	MILTON KEYNES	<b>Holiday Inn Milton Keynes East, M1 Jct 14</b> London Road, Newport Pagnell, MK16 0JA
Tue 28 November	KENT	<b>West Malling Golf Club (Kent)</b> Trottscliffe Road, Addington, West Malling, ME19 5AR
Wed 29 November	IPSWICH	<b>Holiday Inn Ipswich-Orwell</b> The Havens, 2 Ransomes Europark, Ipswich, IP3 9SJ
Tue 5 December	SOUTHAMPTON	<b>Holiday Inn Southampton/Eastleigh</b> Leigh Road, Eastleigh, SO50 9PG
Wed 6 December	TAUNTON	<b>The Corner House Hotel</b> 64 Christchurch Road, Ferndown, Bournemouth, Dorset, BH22 8ST
Thu 7 December	CORNWALL	<b>Lanhydrock Hotel &amp; Golf Club</b> Lostwithiel Road, Lanhydrock, Bodmin, PL30 5AQ

## Mortgage Meetings – Round 2

Our flagship Mortgage Meetings cover all the key industry hot topics affecting the mortgage market. As you may remember, in our first round of meetings we covered a whole range of areas including secured loans, specialist and complex lending, corporate buy-to-let, portfolio lending and the general insurance needs of those clients

who purchase property through limited companies. Although our Round 2 agenda is not yet in place, it will tackle similarly relevant and topical issues.

In addition, as always, we will be identifying ways for you to save time, increase your turnover and create new business opportunities.

Tue 3 October	GLASGOW	<b>Hampden Park</b> Glasgow, G42 9BA
Wed 4 October	DURHAM	<b>Hardwick Hall Hotel</b> Sedgefield, County Durham, TS21 2EH
Tue 10 October	EAST MIDLANDS	<b>Jurys Inn East Midlands Airport</b> Castle Donington, Derby, DE74 2SH
Wed 11 October	HAYDOCK	<b>Mercure Haydock Hotel</b> Penny Lane, Haydock, WA11 9SG
Thu 12 October	LEEDS	<b>Village Hotel Club – Leeds South</b> Capitol Boulevard West, Morley, Leeds, LS27 0TS
Tue 17 October	GATWICK	<b>Crowne Plaza London-Gatwick Airport</b> Langley Drive, Crawley, RH11 7SX
Wed 18 October	ESSEX	<b>Holiday Inn Basildon</b> Waterfront Walk, Festival Leisure Park, Basildon, SS14 3DG
Thu 19 October	NORTH LONDON	<b>Holiday Inn London-Elstree, M25, Jct 23</b> Barnett Bypass, Borehamwood, London, WD6 5PU
Tue 24 October	CARDIFF	<b>The Vale Hotel &amp; Spa Resort</b> Hensol Park, Hensol, Vale of Glamorgan, CF72 8JY
Tue 31 October	COVENTRY	<b>Ricoh Arena</b> Phoenix Way, Foleshill, Coventry, CV6 6GE
Wed 1 November	BRISTOL	<b>Eastwood Park</b> Falfield, Wotton-under-Edge, Gloucestershire, GL12 8DA
Thu 2 November	CORNWALL	<b>Lanhydrock Hotel &amp; Golf Club</b> Bodmin, Cornwall, PL30 5AQ
Wed 8 November	WOLVERHAMPTON	<b>Wolverhampton Racecourse</b> West Midlands, WV6 0PE

# SimplyEvents

Our events programme is becoming more popular...



Find out about additional income streams



Our conference segment attracts unstructured CPD hours



Providing you with the perfect opportunity to meet and network with other delegates



Our events are designed to enhance the efficiencies of your business processes



Covering hot topics which affect the mortgage market



## How to book...

Log-in at [www.SimpleBiz.co.uk](http://www.SimpleBiz.co.uk) or [www.ComplianceFirst.co.uk](http://www.ComplianceFirst.co.uk) and visit the 'Simply Events' or 'Client Events' microsites, which can be found under the 'Events, Webinars & CPD' tab on the homepage.



**1. Choose your event**  
by clicking on one of the coloured boxes



**2. Select your venue**  
from the list and click 'book now'



**3. Make your booking**  
Click the corresponding registration buttons and click 'book now'





# What is adverse in 2017?



**The mortgage industry has always prided itself on how it evolves quickly to meet the changing needs of the market, and 2017 will be no different.**

**LOUISA SEDGEWICK**  
Director of Sales  
**Vida**

As the lifestyles, living situations and working habits of the population shifts, lenders will have to adapt, becoming increasingly flexible and catering to the demands of the growing number of borrowers rejected by high street banks.

As a result of demographic changes over the past few years, a raft of challenger lenders have emerged to target these sections of society that have otherwise been neglected. Many of these new brands are specialist lenders – they know their target market, understand the needs of their customers and provide a suite of innovative products that serve an often-disregarded sector. These lenders will accept a certain level of adverse lending and offer product combinations that customers couldn't get on the high street. This could be solutions for landlords who want to let their children reside in a student let property, or even borrowers who have been turned away from other lenders because of past credit issues.

The term 'adverse' used to be synonymous with the credit crunch and irresponsible lending to high-risk borrowers. Thankfully, this is no longer the case. Specialist lenders can go where traditional high street lenders can't. The archaic automated credit scoring

systems used by most mainstream banks do not distinguish which borrowers may well represent a 'good risk', effectively locking legitimate customers out of homeownership. Specialist lenders do their research and won't reject perfectly good borrowers who have a slight blip on their credit histories or complex income streams.

Following the credit crunch many lenders became extremely risk adverse, however the blueprint for a 'perfect borrower' has become increasingly unrealistic in today's society. Specialist lenders recognise this. With specialist lending comes specialist underwriting and the need to understand the real reasons behind why a customer might have adverse credit. It could have been a life event, for example divorce, illness or death, where a customer finds themselves in financial hardship through no fault of their own. Specialist lenders will use their expertise and a human touch to explore whether the borrower has good credit behaviour patterns before and after the event, and not just dismiss them immediately. Technology helps to support 'adverse' lending as it empowers humans to make the right lending decisions, avoiding a 'computer says no' decision. The right system can provide lenders with the technological

advancement to safeguard their proposition while enabling customers to access the right mortgage product for their situation.

Intermediaries also hold the key to this industry, ensuring borrowers are educated about the array of lenders and products available to suit their specific circumstance. Lenders have a role to play here, too, however. It is important that they communicate their propositions and product updates clearly and frequently with brokers to ensure they are informed and are able to suggest the most appropriate deals to their clients.

## OUTDATED

'Adverse' is becoming an increasingly outdated word in the mortgage industry. Perceptions are changing, but there is still more that needs to be done. Highlighting the good work specialist lenders do is important. Borrowers need to be aware of this growing market, not least so that they have the confidence to seek mortgage advice, knowing that there will likely be a lender out there able to help them. As we continue into 2017, and the mortgage market continues to modernise, we hope to see more of these customers with blips on their credit records at last get access to the suitable lending solutions they deserve.

To find out more, contact Vida at [info@vidahomeloans.co.uk](mailto:info@vidahomeloans.co.uk).

**Vida**  
Homeloans

# OUR **4** PLEDGES

## 10<sup>TH</sup> ANNIVERSARY



2007 - 2017 TIME TO CELEBRATE!

### Coventry's celebrating 10 years of pledges

In 2007, the Coventry for intermediaries was the 1st lender to commit to a number of promises to brokers.

Known as 'pledges', these promises show a commitment to outstanding service between the lender and its intermediaries.

**It's been 10 years since the Coventry launched the pledges and they're as important today as they were when they were introduced.**

To mark the 10 year anniversary, the Coventry recently launched a series of 10 special 'celebrations' which will be announced over the coming months.

Kevin Purvey, Head of Intermediaries, said: 'Our intermediaries are our number 1 priority and everything we do is geared towards listening to feedback and finding new ways to make placing business with us easier.'

Our pledges set the standard in the industry. They're an outward demonstration of the importance we place on our intermediaries and we're committed to delivering them. Celebrating the 10 year anniversary is going to be a fun and interesting way of thanking our intermediaries for their support.'

OVER

£53

BILLION

IN

ADVANCES

224

PRODUCT UPDATES

LAUNCHING

5847

★ PRODUCTS ★

To find out more about our pledges, go to [thecoventry.co.uk/pledges](http://thecoventry.co.uk/pledges)

#### FOR INTERMEDIARY AND PROFESSIONAL FINANCIAL ADVISOR USE ONLY.

Our mortgages are provided by Coventry Building Society and/or Godiva Mortgages Limited. The Coventry for intermediaries is a trading name of Coventry Building Society, Coventry Building Society. Principal Office: Economic House, PO Box 9, High Street, Coventry CV1 5QN. Godiva Mortgages Limited. Registered Office: Oakfield House, Binley Business Park, Harry Weston Road, Coventry CV3 2TQ.

**ALL THE INFORMATION YOU NEED IN ONE PLACE  
– FOR JUST ONE DAY**

# MORTGAGE SHOWCASE MIDLANDS

In association with



**Heart of England Conference & Events Centre**  
Meriden Road, Fillongley, CV7 8DX

**Thursday 13th July 2017**  
Start: 09.00 – Close 15.00

**Ensure you are better informed than your competitors by attending our one day showcase event, designed specifically for advisers providing mortgages.**

We are bringing together lenders and providers in our Mortgage Showcase Midlands event to allow you to not only engage on a one-to-one basis but also giving you the opportunity to:

- hear about what's new in the market,
- get to know the thoughts of expert panels on complex topics,
- plus, learn more about supporting services that can help provide additional value to your proposition, whilst also creating an additional income stream for your business.

The last regional event we held in North London attracted over 100 brokers and we received excellent feedback. As a direct result of this feedback – we've gone one step further to bring the popular format to more Members across the Midlands region.

This summer event will give you access to over 40 exhibitors, including some of the names you may expect but also by giving those that are new to the panel the opportunity to refresh existing relationships and to find out more from lenders and providers that can help support your business further.

Our conference segment attracts unstructured CPD hours.

To register to attend, please visit the main events page on the website and select Mortgage Showcase. Alternatively, email the team on [mortgages@simplybiz.co.uk](mailto:mortgages@simplybiz.co.uk) with the name and details of the company representative wanting to attend.

To date exhibitors include:

- Accord
- APS
- Barclays
- Bluestone
- Bright Star
- Chorley Building Society
- Coventry
- Crystal
- Fleet
- Fluent
- Higos
- Hinckley & Rugby Building Society
- Hodge
- Ipswich Building Society
- Leeds Building Society
- Lloyds Banking Group
- MetLife
- Mortgage Brain
- Nationwide
- NatWest
- New Street
- Nottingham Building Society
- Paymentshield
- Platform
- Precise
- Santander
- Source
- The Mortgage Lender
- The Mortgage Trading Company
- Uinsure
- Vida





# Equity release and estate planning

When advising clients on their mortgage requirements, the manner in which they own the property often needs to be considered i.e. as 'joint tenants' or tenants in common'. This is particularly relevant for their estate planning purposes, which may involve the intention to use equity release in later life.



**IVAN WILLERTON**  
MIPW DipFA

Training & Productivity Manager  
**APS Legal & Associates**

Equity release plans – also called lifetime mortgages, home reversion or home income plans – are a way of releasing cash from owned residential property. These schemes essentially allow the individual to borrow money against the value of their home, with the debt being repaid from the sale proceeds after their death. In later life, people who manage on a pension and limited savings can also be living in properties which could be worth a great deal of money, and they may wish to release some of this equity. As always, the suitability of these products needs to be thoroughly assessed and the client's circumstances and financial objectives and aims taken into account before any advice is given.

While there are different equity release schemes offering lump sums and/or regular income, they all work on the same principle: they lend a part of the property value, in return for a share of the proceeds on death and a charge is placed on the house to secure the value of the loan made to the client. Although each equity release product has



differing criteria, in most cases, the client or clients need to be at least 60 years old, have no outstanding mortgage (or they will need to use the equity release money to pay off the existing loan), and own a property in reasonable condition.

### Why tenancy status can make a difference

When clients own a property as joint tenants, upon the death of the first, it passes automatically to the survivor. From an equity release point of view, provided the clients' circumstances and the property meet the relevant equity release company criteria, then equity release would seem likely to be granted. This criteria applies whether it is applied to joint tenants, or subsequently by the sole survivor, as the equity release provider will have their charge satisfied from property sale proceeds.

However, the situation could be different if the clients own the property as 'tenants in common'. Many clients do this so they can leave their share of the property to whoever

There are now so many other considerations, particularly in today's society where there may have been more than one partner and children from previous relationships to be considered.

they wish in their will or to avoid their property share being used to pay for their care fees in later life. In these circumstances, on first death, that owner's share will pass into the trust; equity release provision would be affected in these cases, as now part of the property is held in trust for someone else. The equity release provider would now almost certainly be unwilling to consider lending to the survivor, as they will be concerned over the risk that the other 'owner' (trustees of the trust) has equal rights of ownership, possibly occupation and possibly disposal.

In summary, owning a property as tenants in common alone does not prevent equity release being provided whilst both owners are alive. Equally, by estate planning and the inclusion of a Property Protection Trust in their wills will not prevent equity release being granted, again while they are both alive. The problem of equity release not being available arises after the first death of one of the co-owners, if held as tenants in common.

You will need to talk to your clients about some sensitive subjects and pose some difficult questions during these discussions, for example, whether in the longer term (i.e. after first death) they wish to protect their property against potential risks such as being used to fund their care, or whether they feel they might need extra capital by way of equity release after first death.

The business of providing a mortgage is not always just as simple as finding a home and making the repayments. There are now so many other considerations, particularly in today's society where there may have been more than one partner and children from previous relationships to be considered.

Estate planning is a very useful string to your bow of services and at APS, we aim to encourage advisers to become more involved so that your clients are able to be fully educated regarding their options for the future. You could also consider the provision of wills and probate to your own business and as we know you are busy, we've made it as easy as possible for you to introduce this service.

**To find out more, please request an information pack from us by emailing or call and speak to a member of the team on 01909 531751.**

# A next generation website for next generation clients

Once upon a time, it was simply a case of having an online presence, somewhere where a client – or would-be client – could go online to check out your credibility and credentials.

**RICHARD ARDRON**  
Marketing Director  
The SimplyBiz Group



Fast forward to today and with the developments we have seen in technology and the emergence of social media – a simple ‘brochureware’ site is no longer enough.

Today’s consumer is media savvy and information thirsty, with a desire to access everything **now!** We all do; from booking your seats at the cinema, to ordering the weekly shop, we all use the internet to transact our day-to-day activities, more often than not whilst we are on the go.

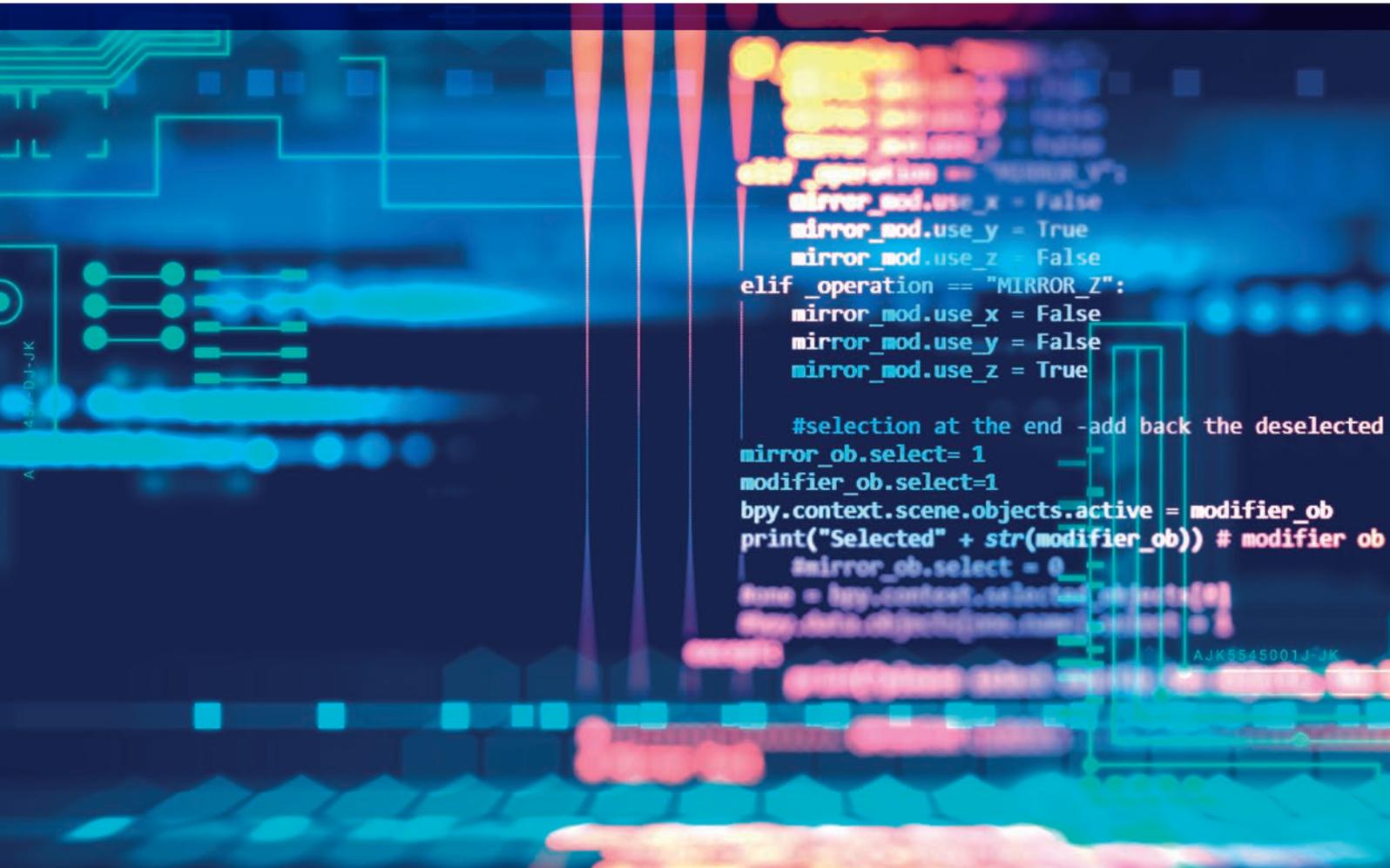
You can now add to this; looking for the best mortgage deals, getting quotes and purchasing insurance and switching our energy supplier – all now done online.

So, if consumers want to transact business in this way and are already doing it, and the technology exists to support it – what’s stopping you getting in on the act?

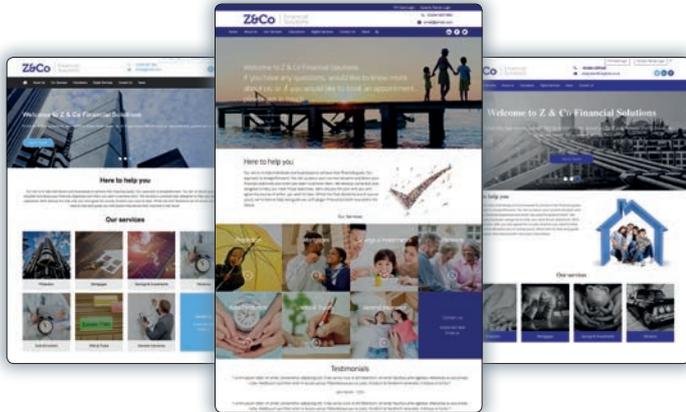
## Introducing NextGen SimplySites

*“To enable you to tap into these changing consumer needs and demands, whilst further strengthening your relationships with your clients, we have launched a new web service – NextGen.”*

- A new web solution built on new technology
- Your own website designed around your business
- Constantly evolving designs
- Pre-written and pre-checked content
- Tools and calculators
- Innovative digital tools



As well as looking the part, your new website can benefit from the integration of a number of great new tools, including...



## MortgageBrain B2C

### Best Buy Table and Mortgage Search plug-in

These interactive plug-ins enable visitors to your site to search for a mortgage or view today's best mortgage deals.

- Fully optimised – work on phone, tablet or computer
- Automatically updated products
- Capture leads from potential clients
- Fully integrated with the Key

## Source

The Source has created a client-facing quote-and-buy general insurance facility. If you elect to have this functionality added to your NextGen site, visitors can click to find out more about the service. They can then enter The Source site where they complete some basic information before receiving a number of quotes for buildings and contents insurance from leading providers. If the visitor is happy, they can click to buy right there and then!

What's more, you will be remunerated for each piece of business written, as we will provide you with a unique link to The Source via your site.

## Live cover from NextGen sites

Providing your clients with cover to financially protect them and their loved ones in the event of a death is the cornerstone of all good advice. So how about offering them the chance to get cover straight from your website? NextGen offers you two options here:

- A solution that will provide them with peace of mind with cover from a household name that they will know and trust or
- Access to a whole of market quote-and-buy engine



**ZURICH**<sup>®</sup>

### Life Assurance Quote and Buy

We are delighted to offer you Zurich's Life Assurance quote-and-buy facility through NextGen sites. Clients can go from your site to a dedicated Zurich quote-and-buy site, which is uniquely linked to you. That means a great service for your client and efficiency for you.

## directlife

Our exclusive whole of market life quote-and-buy facility provides you with:

- Your own branded quote comparison and apply capability for simple life and critical illness solutions
- A solution for clients to simply compare and buy life insurance and CI products online, through your site
- An added dimension to your business, allowing non-advised protection sales online to help you develop new digital capabilities and provide choice for some of your clients
- Access to all the major UK insurers

### Cost?

We will build your NextGen site for FREE and now offer monthly running packages starting from £10pcm (plus VAT), with all the tools mentioned above included in our £20pcm (plus VAT) package and above.

There are no additional costs for the tools referred to above apart from Mortgage Brain which requires a direct subscription. However, with the NextGen subscription there is an inherent discount included for Mortgage Brain.

### Interested?

If you are interested in making the move to NextGen SimplySites, you can find out more about the new solution, look at example sites, check out the new packages available and register your interest at our new website: [www.nextgensites.co.uk](http://www.nextgensites.co.uk).

If you are an existing SimplySite user, we can move you over in a matter of hours. If you have never had a site with us, we just need a little information from you before we commence build.

If you have any further queries, please email [simplicities@simplybiz.co.uk](mailto:simplicities@simplybiz.co.uk).

We will build your NextGen site for free and now offer monthly running packages...





**NEW**

# Online CRM Client Portal

- **Secure document exchange, case tracking and messaging**
- Enhances your service to your customers
- Provides greater control and transparency
- Saves time for both you and your client
- Protects all sensitive information
- Clients can keep up-to-date with progress
- Easily accessible on any mobile device
- **Additional functionality at no extra cost**

For a FREE 30 day trial of the Key  
please call 0208 665 3289 or  
email [sales@mortgage-brain.co.uk](mailto:sales@mortgage-brain.co.uk)

# When the computer says no to your client...

...speak to your mortgage distributor for an experienced guide through the lending criteria of the specialist market



## Finally, the man versus machine debate enters the specialist mortgage arena.

As we progress through this year, we are seeing constantly changing lending criteria in this increasingly competitive area of the market-place.

Traditionally, mortgage brokers have contacted packagers and distributors for assistance in this area of the market to utilise the expertise and experience. With brokers now having more access lenders, many now choose to submit their business directly to avoid any additional fees for their clients.

However, with new lenders launching on a regular basis it is virtually impossible for you to keep up-to-date with the 'niche areas' of policy, where each of these new lenders will offer a unique solution for your customers.

A reluctance of the majority of brokers to utilise the knowledge of your distributors is creating more of a reliance on mortgage sourcing software which, whilst providing a good guide for general criteria, doesn't provide the knowledge and experience of this ever-changing landscape to ensure that your client is obtaining the best available solution for their needs.

More than ever, we find introducers needing guidance through the minefield of income and expenditure assessment. Some lenders credit score, whilst others individually assess cases. Lenders have different stress test policies for their affordability, whilst others penalise borrowers with lower incomes, some continue to count historic adverse credit as current, dramatically reducing borrowing levels. There is also a massive discrepancy in the levels of overtime and bonus lenders will consider when assessing the application. There can be a large difference in income multiples of between three and five times income between specialist lenders.

Many of the above criteria niches wouldn't be outlined clearly through an automated process.

Buy-to-let is a growing sector of the market for new enquiries as lenders and clients are adapting to the recent taxation law changes. Criteria amendments in this area of the market have been widespread with the introduction of new stepped and manually calculated affordability assessments. Whilst computers are able to provide a black and white answer to your criteria requirements the human touch allows you to look at ways to maximise your client borrowing by utilising

enhanced calculations and applicant earned income which again aren't clearly outlined within the standard systems.

There have also been numerous recent improvements to adverse credit criteria. For example, changes to the levels of defaults which can now be ignored and major enhancements to debt management criteria. It is now possible to complete a new purchase and to continue with a performing debt management plan. However, once again caution should be exercised and there are many different ways that lenders calculate the current debt management against affordability and it is vital that the correct lender is selected in this instance. Lenders will continue to look at minor enhancements to adverse criteria as it remains difficult to make radical changes due to the influence of both the funder and regulator.

With the average number of enquiries increasing across all areas of the mortgage market, it is vital that you use all available tools to source the best products. There are now more reasons than ever before to form a mutually beneficial relationship with a specialist distribution partner. Let them help you source the correct product for your client and provide a time-saving exercise for you.

### Average number of enquiries per quarter 2016 for individual advisers

Source: Mortgage Solutions 2017



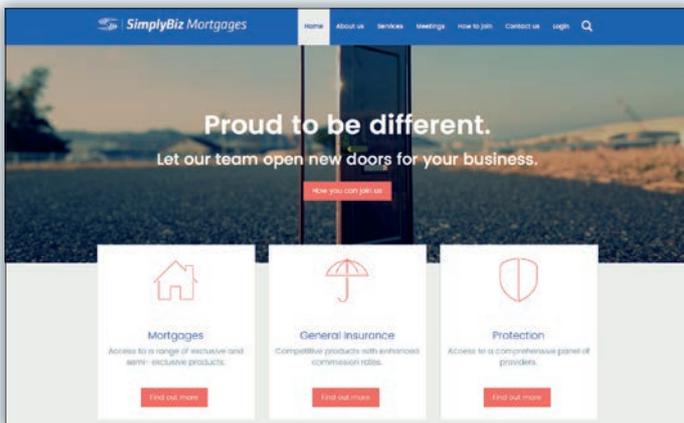
Mortgage Trading  
0113 200 8768  
sales@mortgagetrading.co.uk



# SimplyBiz Mortgages

## Under construction... watch this space

Towards the end of last year, those advisers who access the mortgage site through the public SimplyBiz Mortgages site will have noticed that we introduced a new version with an easy to navigate and well-presented format.



We moved our attention to the larger project of reviewing the Members' site, which had grown in content over a number of years. Feedback from Members was it has become difficult to navigate and they couldn't easily find what they required.

So, we started with a clean sheet of paper and recreated the areas you've told us you use most and want to access. They now feature prominently and are easy to find.

### Mortgages

The first tab is still **Mortgages** but when you click on to this area you are now presented with four simple options which hold the information you need for a mortgage:

- Criteria
- Procurement fees
- Affordability and income
- SVRs and exclusive rates

All of these areas are logically what you would expect to find in a simple and easy to navigate format.



**Complex** is our next tab and within this section you can find everything you need to tackle the ever increasing area of complex scenarios that your clients present you with as they move through various financial requirements:

- Complex lending
- Secured loans
- Conveyancing and debt management
- Large and overseas lending



The next tab – **Equity Release** – has seen this area fully reviewed and rationalised and now holds the information broken into easy to use areas:

- Lender information
- Procuration fees
- Referral partners
- Solicitors



**General Insurance** has a sleek, rationalised new look with four key areas featuring:

- **Your GI** – the new home for everything that you need to offer your clients general insurance including details on product areas including Genius, B&C, commercial, HNW, income protection, landlord, payment protection and niche provider information
- **Referral Partners** – details of advisers specifically dealing with GI on your behalf
- **Comparison Tools** – to support your decision process
- **Sales and Marketing Support** – holding the information you need to support and develop your advice provision



## Protection

Our protection tab has previously just been a click link to the Protection Hub, holding considerable information to support your protection advice. We've reviewed this area to take you straight to the area you need:

- Direct access to **SimplyProtect**
- **Compliance Support** for your protection proposition
- **Tools and Support** that make giving advice easier
- **Training** that can help develop your protection advice provision



## Support

This new section is dedicated to helping you and your business develop and also pulls together existing and new support for those looking to further develop their advice and their propositions.

In the **Training Hub**, you have access the Training and Competency scheme, Q&As and the New Model Business Academy, which works to develop practices and the individual:

- **Events** are now listed here, so that will include Mortgage and Protection Meetings, MasterClasses and our regional Mortgage Showcase Expos.
- **Marketing Support** features a new Marketing store, NextGen SimlySites and access to support material that you can use to market your own business
- **Magazines, Publications and News** holds the pdf versions of our publications, so should you miss one, you can download a copy and read it your own time. This includes MI magazine, and Special Delivery which is packed full of the latest lender and provider updates.
- **Tools and Services** does what it says on the tin and is the home for the range of support tools you can access from mortgage sourcing tools, through to Synaptic's Weblines and also holds access to PII, Competent Adviser and our extensive referral panel, plus much more. Definitely worth visit.



Our final tab is **Vision for Mortgages Compliance Documents**. Here we simply make access quicker and easier for you by providing two simple links – one to the advice journey to support your client processes and the other to the Business Compliance Hub, to ensure your practice is compliant at all times.

[www.simplybizmortgages.co.uk](http://www.simplybizmortgages.co.uk)

# Understanding limited company buy-to-let

From the tax year 2020/21, higher and additional tax rate paying landlords who personally own BTL property will only be eligible to claim tax relief on finance costs – including mortgage interest – at the basic rate of 20%, instead of at their highest marginal rate.



**PHIL RICHES**  
Head of Sales  
Keystone Property Finance

**T**his change will be phased in over four years starting in 2017/18, when one quarter of interest costs will be subject to the restriction. This restriction will also hit landlords whose total income including BTL income (before deducting finance costs) is sufficient to push them into a higher tax bracket. Effectively, landlords who operate their portfolios in their personal names will have to pay tax on turnover (after deducting certain operating expenses), rather than profit and consequently, in some cases tax will be greater than profit before tax.

The tax changes do not affect landlords who own their BTL property in a corporate vehicle as limited companies pay Corporation Tax, not Income Tax, and as such are not affected by the changes to tax relief on finance costs for individuals. However, the owners of the company will then need to extract the net income from the company at which point income tax on salary and/or dividends will be due.

As a result, for many landlords, taking out a BTL mortgage via a limited company is now more tax efficient than borrowing personally – although landlords should always seek professional tax advice before they make any property investment decisions. Also, limited companies are not subject to the stricter affordability checks on personal BTL borrowing which were introduced by the PRA on 1 January 2017. This means that, in general, they can borrow more against a subject property than a landlord borrowing personally.

I talk to lots of brokers who are still learning about BTL lending to limited companies, so I have answered some of the most commonly asked questions below;

## Does it take longer to process a limited company application?

Always err on the side of caution and allow extra time. Applications made by individuals and newly established SPV limited companies take a similar time to process, as the background checks are only carried out on the individual applicant/director(s) of the SPV. SPVs with existing properties and trading limited companies take longer to process because checks must be carried out on the company as well as the individuals.

...taking out a BTL mortgage via a limited company is now more tax efficient than borrowing personally.



### Are BTL mortgages for limited companies more expensive?

Many mainstream BTL providers do not lend to corporates and thus some of the best mortgage rates are not available to limited company borrowers. Currently there are 15 lenders with 266 different mortgage products for limited companies – compared with four times that number of products for individuals. Limited company BTL mortgage applications generally take more time and require a higher level of underwriting skill, not all lenders pass the additional costs onto the borrower.

### Why can a landlord borrow more via a limited company than personally?

As a result of the changes to income tax relief on finance costs, on 1 January 2017 the Prudential Regulation Authority (PRA) introduced new guidelines requiring lenders to tighten affordability checks on BTL landlords borrowing personally. Limited companies do not pay income tax so the new guidelines do not apply and consequently lenders can offer them more generous income cover ratios.

### What's the difference between an SPV and a trading limited company?

A Special Purpose Vehicle limited company is a corporate structure set up to hold property only, unlike a trading limited company which is used to run a business. SPVs should have a Standard Industrial Code registered at Companies House from Section L: Real Estate Activities. SIC codes can be found at: <http://resources.companieshouse.gov.uk/sic/>

### What if my company does not have an appropriate SIC Code?

Most lenders require the borrower to have a SIC code from Section L (see above) – but if you need to amend your codes this can be done simply by submitting a new Annual Confirmation Statement (Annual Return) – even if this is not yet due.

### SPV or trading limited company? Does it matter?

From a lender's perspective, applications from SPVs are quicker and more straightforward to underwrite than applications from trading limited companies which require a greater level of understanding from the individual underwriter. Because of this there are more options available for SPVs and the pricing tends to be lower.

### How would a landlord set up an SPV limited company?

They could ask their accountant to set one up or they could do it themselves online at Companies House. Setting up an SPV online is relatively quick, easy and inexpensive, costing about £15. Full details can be found at:

[www.gov.uk/topic/company-registration-filing/starting-company](http://www.gov.uk/topic/company-registration-filing/starting-company)

### Can landlords borrow through a newly created SPV with no accounts?

Yes. The mortgage will be underwritten based on the individuals' (directors and/or majority shareholders) circumstances. All lenders will require that directors and majority shareholders provide personal guarantees which means that they are ultimately responsible for the mortgage if the company is unable to settle mortgage liabilities.

Some lenders require debentures and a fixed and floating charge over the company which will affect the company's ability to trade and raise finance in the future.

### Can landlords transfer personally owned rental property to a limited company?

No. By law, the transaction must be treated as a sale by the landlord to their company and will be classed as a related or linked transaction. The good news is, most BTL lenders who offer products to limited companies, will consider related transactions.

The sale (which must be at full market value) is a taxable event which means the landlord is liable to capital gains tax on the sale as well as stamp duty including the 3% surcharge on the purchase by the limited company. In certain circumstances the CGT can be 'rolled over' into the shares in the limited company, and incorporation of an existing property-owning partnership may be exempt from stamp duty but your client should check these with their tax adviser.

Details on how Keystone helps landlords borrowing via limited company can be found at [www.keystonepropertyfinance.co.uk](http://www.keystonepropertyfinance.co.uk).



## Communication Package

The Communication Package gives you access to a range of materials pre-approved by The SimplyBiz Group O1279 882519 compliance team in PDF, HTML, Word or print format.

It's a highly cost-effective service you can use to keep in regular contact with your clients.

### THE PACKAGE INCLUDES PERSONALISED VERSIONS OF THE FOLLOWING ITEMS:

- 1 **Quarterly newsletters**  
Three versions: Home Finance, Wealth, and Money produced at the beginning of January, April, July and October
- 2 **Quarterly Magazine**  
Your Finance Matters – published mid-January, April, July and October
- 3 **Property Reviews**  
– two versions, the Residential Property Review and the Property Market Review – available monthly
- 4 **Economic Review**  
– available monthly
- 5 **Budget updates**  
– published shortly after each budget
- 6 **Tax guides** – updated each April
- 7 **Specials** – such as the EU Referendum and Election material

### EMAIL SOLUTION

Access to the Email Solution is also included in the package, enabling you to send the content of the materials as a HTML file. You can also access statistics showing the open and click through rates of the email campaigns you have sent.

### COSTS

The cost of the package is £60\* per month or, you can subscribe for the full year and receive two months free at just £600\*. These prices include the PDF, HTML and Word versions of the materials. Printed copies are also available at an additional cost.

There is also a small fee for the Email Solution of £5 (inc. VAT) per campaign you send, plus 1p (inc. VAT) per email address you are sending to.

**We're happy to help!**

To find out more, see samples or place an order, please call us on **01279 882519** or email [simplymarketing@tomd.co.uk](mailto:simplymarketing@tomd.co.uk) or go to [www.simplymarketingsolutions.co.uk](http://www.simplymarketingsolutions.co.uk)



## Topic Guides

In addition to the SimplyMarketing Communication Package, there is a series of topic guides covering

- Mortgages
- Home insurance
- Protection

These can either be bought individually or added to your SimplyMarketing Communication Package.

### COSTS

If bought individually, a personalised PDF costs just £35\* and £60\* for HTML (reduced to £35\* for subscribers to the email solution).

Or for £100\*, all three guides can be added to your SimplyMarketing Communication Package where they will be available in the following formats:

- Personalised PDF
- HTML
- Word

Printed copies are available at an extra cost.

## Client Newsletters

A cost-effective way of keeping in touch with your existing and potential clients.

The newsletters are all A4, four page documents published at the beginning of each quarter (January / April / July / October). There are three versions, each focussed on different financial issues and tailored to suit the needs of different financial groups.

- **Home Finance**  
– mortgage and insurance related content
- **Money**  
– general financial issues
- **Wealth**  
– investment and wealth topics

Personalised with your logo and contact details, the newsletters are available in PDF, HTML and print format.

### COSTS

PDF £35\*

HTML £60\*

Print prices start from £70 (no VAT) for 50 copies. All print orders include a **free PDF version**.

\*All prices are excluding VAT other than the Email Solution send fees.

## Online demos

We're also happy to do online demonstrations for the package – these take about 20 minutes – just call us on **01279 882519** to book a time to suit you.

Making a difference  
and saving you time

# MIP TEAM

making complex simple



Bespoke guidance and consultation is available from the SimplyBiz Mortgages team and our partners, to ensure that you have all the information you need. To arrange an appointment, or to discuss diversifying your proposition in more detail, please contact one of the specialists pictured above or the SimplyBiz Mortgages team on **01484 439160**.

 **SimplyBiz Mortgages**

For the use of mortgage intermediaries and other professionals only.

## Supporting brokers with product transfers for over **10 years**

We're here to support  
you and your clients

By staying with us, your clients can avoid unnecessary costs, and the changes we've made introducing 'Mortgage Enquiry' means the process is easier for you.

For over 10 years now we've been supporting intermediaries by paying procurement fees.

Speak to your Business Development Manager or visit [halifax-intermediaries.co.uk](http://halifax-intermediaries.co.uk) to find out more.



**HALIFAX**  
the people who give you extra

# The role of commercial finance



Forget smokestacks and shoe shops, let's lend on properties

**DAN MORRIS**  
Key Account Manager  
Crystal Specialist Finance

The commercial market is a land of opportunity – it's no longer smokestacks and shoe shops.

When I mention commercial finance to brokers the common response is: "I don't get commercial mortgage leads." If you can identify with this answer then I urge you to read on, because the market is no longer smokestacks and shoe shops.

There is an age-old belief that commercial lenders will only look at factories, shops and offices and, while these are still viable propositions, this misconception now misses one of the biggest markets in the country for brokers; investment properties.

As the market has changed over the last decade, today's commercial lenders have had to adapt and have a much more varied appetite.

For example, they will look at a whole range of property types including HMOs, student-lets, or flats above shops or public houses. In addition, commercial lenders will also look at large or mixed portfolios, professional landlords and larger loan amounts.

Furthermore, recent tax changes, and future legislation, will not be the predicted end for buy-to-let landlords. At Crystal Specialist Finance, we are seeing an increase in demand from investors utilising a limited company to purchase their properties, and this has several benefits.

Commercial lenders are experienced at working with limited companies and offer some extremely competitive products – even

when compared to the mainstream. As an example, we have a case completing at the moment for a £1.6m loan, on a portfolio at 75%, at 4.65% on a full-term interest-only basis.

So, that's not to say there isn't a market for factories, shops and offices, similarly this is very buoyant, but 'commercial' is now a far larger playing field.

## UNUSUAL

Basically, any unusual property applications, or things that may not work with your traditional lenders, can all be considered and packaged by a specialist distributor. They have access to a whole raft of products from numerous lenders and find a solution for literally every application.

The commercial market is a land of opportunity – it's no longer smokestacks and shoe shops.

Crystal Specialist Finance operates across five specialist divisions: Bridging, Commercial, Development Funding, Second Charge Loans and Specialist Mortgages. The business is open to applications on all types of properties in England, Scotland and Wales, with the company having access to over 70 lenders, including exclusive product lines.

For more information on Crystal Specialist Finance's full service offering, visit [www.crystalsf.com/simplybiz](http://www.crystalsf.com/simplybiz).

SUPPORT FROM OUR AWARD-WINNING MORTGAGE CLUB

# Extensive support added this year so far

As an award-winning mortgage club, we are dedicated to the development of our mortgages, secured loans, complex lending/equity release and insurance panels.

The start of the year has been busy and we have been able to introduce a number of new firms to help support your client servicing across a broad range of areas. If your firm is registered with the Mortgage Club, you can now access products from a number of lenders and providers and if you have yet to register – visit the website and complete the registration form.

## MAGELLAN HOMELOANS

**Magellan** offers two product ranges; the Complex Prime range offers an edge in terms of competitive pricing and a manual underwriting approach with flexible borrowing criteria, whilst the Credit Repair range benefits from fixed rate products and greater pricing differentiation for borrowers.

Magellan can help support you with solutions that cover:

- Self-employed borrowers
- Complex incomes
- Impaired credit
- First time buyers
- Lending into retirement
- Credit score declines, bankruptcies or IVAs
- Zero hours, agency and fixed term contracts
- Family undervalue sales (including first time buyers)
- Studio flats, ex local authority flats and blocks over five floors
- Married couples wanting a mortgage in sole name
- Repossessions over 12 months ago with no shortfall (or repayment agreement in place)
- Proc fees applicable – :0.6% gross, 0.5% net (no min or max)

**Magellan appears on the main lender panel of the site.**

## Darlington Building Society

Our latest addition from the Building Society sector is **The Darlington**. Coming with a rich heritage, The Darlington has been serving its members for 160 years and lends on properties in England and Wales.

As with many societies, its approach is different to many of the high street standard lenders. For example, undertaking business with the Darlington offers: individual assessment; one UK office for all your needs; a personal service and an application portal.

Offering a range of discounted and fixed rate mortgages up to 90% LTV (if in Darlington's local area – up to 95% in postcode areas DL, TS, DH, YO, HG and SR postcodes, plus access to help to buy deals. Scenarios considered include:

- Mortgages for older people – will consider both occupational and state pensions
- Buy-to-let lending where the portfolio is three properties or fewer.
- Right-to-buy mortgages subject to a max £60,000 with a max loan to value of 80%
- Individuals paid in foreign currency – up to a max of 75% loan to value
- Court agreed maintenance and some state benefits (e.g. DLA, working and child tax credits)
- Interest only – up to 70% LTV
- Self-employed with two years accounts and projections
- Fixed term contracts – if regular work has been undertaken.
- Help to buy mortgages – in local area only

Use of their online portal will allow you to receive an instant decision on your clients' eligibility to apply for a mortgage, produce a Decision in Principle (DIP) and Key Facts Illustration (KFI). In addition, you can complete and submit an online mortgage application and track the progress of your client's submitted applications.

**Darlington appears on the main lender panel of the site.**

## SHAWBROOK BANK

Second charge mortgage panel, enhanced with the addition of **Shawbrook Bank**.

Shawbrook Bank's personal approach has ensured that over the past three months, on average, 73% of referred second charge mortgage cases were approved and this multi-award winning team takes the time to review the merits of each case. Product range highlights:

- Loans up to 95% LTV
- Loans from £3,000 to £1 million
- Rates from 3.99%
- Flexible terms from three to 25 years
- No Early Repayment Charges on any of their plans – either variable or fixed rates
- Valuation by-pass schemes and AVMs on certain plans up to £300,000
- They instruct valuations and other third party references where required

Submitting an application couldn't be easier using Shawbrook's broker hub 'DJ', their in-house tool designed specifically to meet the needs of brokers.

**Shawbrook Bank appears in the secured loans section of the website.**



**Keystone** is a specialist buy-to-let lender offering buy-to-let products, short-term finance and commercial mortgages. The team is particularly suited to helping brokers with clients who are incorporating their buy to let portfolios as they are able to cater for both SPVs and trading limited companies. They offer the same competitive rates to companies and to those investing personally and are quick to issue AIPs, often within a couple of hours, plus instant mortgage illustrations for brokers to send out to their clients and retain for record keeping requirements.

Applicable proc fees for Keystone are as follows:

	Gross	Net
Classic	0.70%	0.65%
Solutions	1.10%	1.05%
Short term finance	0.60%	0.55%
Commercial	0.85%	0.80%

**Keystone appears on the main lender panel of the site.**



**Higos Insurance Services** is an award-winning independent insurance broker with access to 280 global and niche insurers. For over twenty-five years, Higos has provided personal and commercial insurance solutions, with excellent levels of cover at a competitive price, supported by high levels of service.

Its highly qualified team is on hand to provide advice on insurance protection for businesses of all shapes and sizes, from one-man bands to the largest of corporate entities. For the larger risks their corporate account executives can provide full support nationwide and can arrange joint client visits with you, should you wish to be present?

Higos also provides a full range of personal insurance products including home, motor and travel insurance, as well as dedicated teams for specialist types of cover, including non-standard property, thatched or listed property, unoccupied property and bespoke cover for high net worth clients.

- Excellent retention levels averaging over 90% across all products.
- Specialist schemes and comprehensive policies offering excellent levels of cover.
- In-house claims department to support your clients should they need to make a claim.
- Commercial and personal insurance products – the introducer service allows you access to the whole range of GI possibilities without the need for CPD as they take responsibility for all the advice.
- Tracker service keeps you up-to-date with the status of all leads submitted.
- No minimum support requirement – just use them when you need them.
- Dedicated agency department, providing office and field based support.
- Excellent enhanced commission rates

**Higos appears in the insurance section of the website.**

## Specialist and Complex Lending Panel

As life becomes increasingly complex, the beauty of a simple solution can often be out of our reach. This is something we have seen reflected in conversation with Members, where it soon becomes clear that some of the biggest challenges are the ever-increasing number of complex cases. Rather than being the odd exception, this is becoming prevalent. However, the firms operating in the UK's mortgage market are dynamic and resourceful and if there is a problem, then somewhere, there is a solution: It can be just that time taken to source that solution is a drain on the time that you simply don't have – particularly when time is money.

We already had good relationships with a couple of lenders and providers that were able to offer support in non-mainstream areas, but not for all circumstances. Therefore, our challenge was to create a panel that met a wide range of requirements and that made sourcing quick and easy. In response, we've brought together a team which offers solutions under our Complex and Specialist Lending section. Here you will find a choice of lenders that will be able to support your client conversations and advice provisions thus saving you the time.

You now have direct access to eight firms in:

- **AToM**
- **Brightstar**
- **Crystal**
- **Fluent**
- **The Lending Channel**
- **Loan.co.uk**
- **Mortgage Trading**
- **TFC Homeloans**

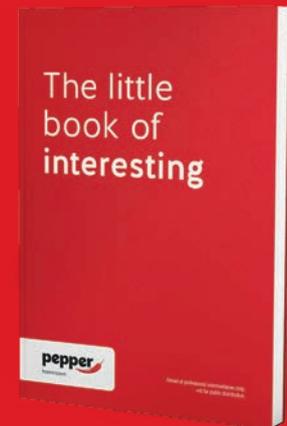
## Our commitment to our Members

We will continue work to ensure you have access to the lenders and providers that best meet your and your clients need. New panel members are announced by email to registered mortgage members and details are held in the relevant areas of the SimplyBiz Mortgages website. However, the team is on hand to offer assistance and guidance if you need support so feel free to speak with our mortgage helpdesk or the MIP team on 01484 439160 if you have a difficult case to place.

# Interesting case? We're interested.

We love the cases often described as 'difficult' or 'unconventional'. To solve them, we have to focus on the people: individual circumstances, not credit scores. That's what makes them interesting.

- ✓ Credit blips
- ✓ Young credit history
- ✓ Self employed
- ✓ Complex income
- ✓ Previous financial difficulties



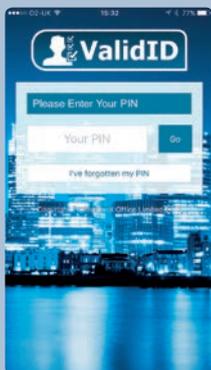
Call **03333 701 105** or visit  
[peppergroup.co.uk/interesting](http://peppergroup.co.uk/interesting)

## Hot off the press

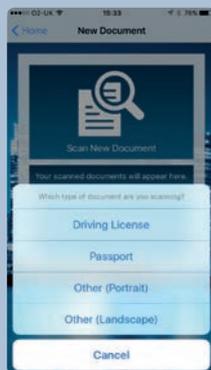
Find out more and request your free copy of **The little book of interesting**

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**DOCUMENT  
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## SanctionsSearch.com featuring the new ValidID iOS app

### No need to leave your client's house with half a rainforest anymore.

The ValidID iOS app captures documents, encrypts them for safe keeping and then sends them to your SanctionsSearch.com account. This means there is no need to waste money returning valuable and sensitive paperwork back to the client.

Once in your account our system will read the passport and driving licence and pre-complete checks ready for you when you get back to your PC.

The app is completely free to use you only pay for any ValidID checks if you require them. ValidID checks are not conditional for use of the iOS app.

There is no limit on the number of documents or type you can collect. No data is stored on the phone, once a document is captured it is encrypted and no longer available to the phone or user.

**For more information please visit [www.SanctionsSearch.com](http://www.SanctionsSearch.com)**





# The role of the hybrid lifetime mortgage

It is a fact that people are increasingly living longer in the UK, with the Office for National Statistics estimating that the over 65s are expected to represent 25% of the total population by 2034<sup>(1)</sup>.

As this population grows, it is therefore inevitable that their borrowing needs will also evolve. In the past few months, we have seen increasing provision of mainstream mortgages to older borrowers, which sits alongside existing equity release products. However, what we have yet to see is the development of a meaningful market for hybrid lifetime mortgages to fill the gap between the mainstream and equity release markets.

## What is a hybrid lifetime mortgage?

In the early years, hybrids look like a standard interest-only mortgage. The ability to afford the interest payments is tested at outset, and LTVs available are typically higher than those available on traditional equity release plans.

At specified points in the future, the borrowers have the option to convert the loan to a roll-up basis, and once in roll-up, a no-negative equity guarantee applies. The roll-up options become exercisable at older ages, and are designed to kick-in when issues related to ageing such as infirmity or loss of capacity unfortunately take hold.

The loan term lasts for life, becoming repayable on the death or permanent entry into long-term care of the longest-surviving borrower.

Because of the roll-up option and loan term, these mortgages are classed as lifetime mortgages and the required qualifications are needed in order to advise on them.

## Why recommend a hybrid lifetime mortgage?

As the older population grows, we will no doubt see a growing range of demands and needs from this customer base, reflecting a broad range of personal circumstances. Some will delay retirement while others may be fortunate to be able to choose a phased retirement involving part-time work. The current generation of retirees are also fortunate enough to benefit from defined benefit pensions.

Given this broad range of circumstances, customer segmentation will become an important discipline to ensure that the right customers receive the right products. This segmentation should cover two elements:

- **Affordability:** The customer's ability to service the loan would typically favour mainstream or hybrid lifetime mortgages over equity release;
- **Risk appetite:** People's attitude to risk typically reduces as they age. For mortgages, products suited to lower risk appetites would typically involve product safeguards. Equity release mortgages are a good example of safeguarded products, offering the no negative equity guarantee and the security of tenure for life, but these guarantees can be expensive. Hybrid products can also be a good option, where these guarantees kick in later during the mortgage term, thus reducing the overall cost to the borrower.

Hybrids can therefore be particularly effective options for borrowers who can demonstrate affordability, but do not wish to carry the repossession risk associated with mainstream mortgages across the entire term of the loan. They are therefore a particularly effective 'transitional' product as older borrowers move from the mainstream market towards equity release.

For more information, please visit the Hodge Lifetime website at [www.hodgelifetime.co.uk](http://www.hodgelifetime.co.uk).

Source: 1. ONS, 2015

# Compliance update

## Insurance renewals from April 2017

The FCA, as the financial services regulator, has a statutory objective of promoting competition within the market.



**LIZ COYLE**  
Compliance  
Policy Manager  
The SimplyBiz  
Group

Competition generally works well in insurance markets when consumers shop around before arranging an insurance policy, however, research carried out suggests competition may not be best served at the time of renewal, often driven by consumer inertia. Therefore, as the regulator, it was duty bound to address this indifference.

Without wanting to publish a timeline of events, this is now why we have now received Policy Statement 16/21, with the catchy title *Increasing transparency at renewal in general insurance markets*. The changes made by this policy statement apply to the renewal of all personal lines insurance policies.

### The sales process

There are no separate rules within the sales process for renewal insurances. Whenever a renewal is arranged, it is subject to the ICOBS rules as for concluding a new contract. There are generally two distinct methods of carrying out a renewal where an intermediary is involved.

- The firm will review the demands and needs of a client and propose a suitable policy or renewal of the existing.
- The firm will receive the renewal notice from the insurer and act as a 'post box' by forwarding this to the client.

Within either of the above examples, the firm must disclose the service they are providing to the client.

### Disclosure

As stated above, the firm must disclose the nature of the service to the client. This can be provided through issue of the firm's disclosure document but with careful consideration to any difference in the renewal service proposition.

A requirement of ICOBS 6 is the disclosure of product information, both pre and post conclusion of the contract. The responsibility of this is for the insurer to produce the information and for the intermediary (where one is involved in the sales process) to provide the information to the policyholder. The added responsibility for the intermediary is to ensure, to the best of their knowledge, the information is correct.



## Additional disclosure requirements as of 1st April 2017

These requirements apply to policies that have a term of ten months or more, but do not apply to group policies.

To ensure consumers benefit from competition, rules have been made that require firms to disclose the previous year's premium (accounting for any mid-term changes) when quoting the new premium. In addition to this, a message must be included for the policyholder to check the cover is still suitable for their needs and if they wish, they can compare cover and prices offered by alternative providers.

Where the policy renews for a fourth consecutive time and for each renewal thereafter, the following must be included:

"You have been with us a number of years. You may be able to get the insurance cover you want at a better price if you shop around."

### What is a renewal?

The definition of a renewal in the FCA handbook is:

"... 'renewal' means carrying forward a policy, at the point of expiry and as a successive or separate operation of the same nature and duration as the policy, with the same insurance intermediary or the same insurer."

The Policy Statement expands on the above and states:

"We (the FCA) include within this renewal where the intermediary changes the insurer behind the policy but the features

...research carried out suggests competition may not be best served at the time of renewal, often driven by consumer inertia.

and exclusions of the policy are so similar to the previous one that from the consumer's perspective they have renewed their policy."

Our understanding of this broad statement would have the effect on the following scenarios:

1. A policyholder keeping with the same insurer at the time of the new start date would be a renewal.
2. A policyholder retaining the same insurer but selecting additional additions to the policy at the time of the new start date would be a renewal.
3. An intermediary that designs an insurance product and markets this to consumers, which is underwritten by insurer A, then changes the insurer underwriting the scheme to insurer B, would be renewing a policy at the time of the new start date.
4. An intermediary that arranges an insurance with insurer A and at the end of the policy starts an identical policy with insurer B would be a renewal.
5. Changing separate buildings and contents policies to a combined policy would not be a renewal.
6. Where the insurer changes, similar to 4 but the new insurer has, for example, a lower level of excess and higher levels of cover, it would not be a renewal.

### Responsibilities for producing and providing the new disclosure information at renewal

Where the renewal of a policy is proposed through the same insurer, that insurer will have a duty to produce the information required by the rules at the time of renewing. The intermediary must ensure this information is within the renewal information but does not have to produce the information again under its own name. The intermediary will have the responsibility for providing this information to the consumer.

Where the insurer has not provided the information as required on renewal (see example 3 and 4 above), the intermediary will have the responsibility to produce and provide the required information to the customer.

Where a firm has to produce this information, or in instances where a firm wishes to provide the information in addition to the

insurer, it may also confirm the nature of the service it provides i.e. how it acts in the customer's best interests by carrying out a review based on a fair analysis of the market. In doing so, it must not detract attention from the required regulatory messages.

### Prescribed and example wording

At renewal (up to third consecutive renewal) wording similar to:

- Your new annual premium is £XXX.
- Your previous annual premium was £YYY.
- You should check that the level of cover offered remains appropriate for your needs and if you wish, you can compare prices and levels of cover offered by alternative providers.

On fourth or subsequent renewal:

- Your new annual premium is £XXX (or similar wording).
- Your previous annual premium was £YYY (or similar wording).
- You have been with us a number of years. You may be able to get the insurance cover you want at a better price if you shop around (prescribed wording).

### Reports

We have a range of reports for general insurance products within the SimplyBiz and Compliance First websites, which have been updated to reflect this policy change. However, the search engines that provide price information, usually produce a report to accompany the sale of a policy. Either of these types of reports will provide a firm with suitable demands and needs statement and where relevant, a statement of suitability. It is also our understanding that where the renewal is received from a research engine, it is likely to include the required information.

For more information, please don't hesitate to get in touch with us at [policyteam@simplybiz.co.uk](mailto:policyteam@simplybiz.co.uk) or on 01484 439120.



# Giving peace of mind with PMI

## Why PMI?

Whilst you may be used to selling insurance and protection products to your clients, such as life, critical illness and income protection to name a small few, you may be less familiar with the intricacies of setting up private medical insurance (PMI) policies whether it's for your individual or corporate clients.

By being able to offer PMI to your clients you are adding even more value to your existing relationship, thereby increasing your client's engagement and the likelihood they will keep their business firmly within your practice.

## Who is buying PMI?

Historically, the demand for PMI grows as people get older with the majority of policies being written for those clients in the 45 - 60 age bracket<sup>(1)</sup>. However, with continued financial pressures on the NHS and stories appearing frequently in the press about waiting times and issues with decreased staffing levels, PMI is becoming more attractive to younger clients. As an adviser in the protection field, this offers you a larger potential market that, for the most part, remains untapped with only 10.6%<sup>(2)</sup> of the UK population currently having a private health insurance policy.

PMI is also increasing in popularity with corporate clients who are keen to offer their staff additional benefits as part of their employment. Corporate policies accounted for just over three-quarters (76.3%) of total market volume demand, representing 3,070,000 subscribers at the end of 2015<sup>(2)</sup>.

## Access to immediate treatment

With over 9,000 people waiting six weeks or more for key diagnostics tests on the NHS<sup>(3)</sup>, private healthcare cover can play an important role in helping your clients get the diagnosis and treatment they need

quickly by removing the uncertainty of NHS waiting times, which can often cause further anxiety during a health crisis. In a typical scenario, PMI will cover the costs associated with accessing diagnosis and treatment for eligible conditions in private hospitals and often with a choice of specialist at a time and location convenient to your client.

## Need more information?

Our chosen PMI partners; Aviva, AXA PPP healthcare and Vitality offer flexible healthcare plans which can be tailored to your clients' needs as well as their budgets whether they are looking for individual, family or corporate plans. Stop by our PMI panel, located in the Protection Hub for partner information, dedicated training guides, downloadable sales aids and videos as well as links through to provider sites.

## Don't forget...

If you'd prefer to take a 'hands-off' approach and refer your PMI cases, our dedicated referral-only partner, Medisurance has a wealth of experience in the PMI industry and can provide your clients with advice on, what can be, a complicated product. As they specialise in and only advise on PMI, you can rest assured that you are not only leaving your clients in the safe hands of experts, but also that you have no concerns about the cross-selling of other products.



Visit the Protection Hub for more information.

Sources: 1. Analysis of Personal Business by Age, ABI 2014.  
2. Laing Buisson Health Cover 13th Edition Market Briefing, January 2017.  
3. NHS Diagnostic Waiting Times and Activity Data, April 2017.



# The new GI rules



Any financial intermediary will tell you the secret to getting a good deal is to consider all the products on offer. Only by seeing what else is out there can you be sure that you've got the best product for your needs.

**MARK HUTCHINGS**  
Head of Sales & Distribution  
**Uinsure**



The exact wording is as follows:

**For customers whose policy has renewed less than four times, the below statement will be included:**

"Have you checked that your insurance cover still meets your needs? Have you considered shopping round to find the best deal for the cover you want?"

**For customers who are renewing for the fourth time or more, the below statement will be included:**

"You have been with us a number of years. You may be able to get the insurance cover you want at a better price if you shop around."

So, what are the implications of this? Well, on the whole it's a good thing. Consumers deserve the best deals and it's important they're given the chance to make proper comparisons and find best solutions for their situation.

However, there is one possible downside to the new rules and that is there is a danger it will encourage consumers to prioritise price over everything else.

Those of us in the financial services industry are well aware that price is not the be all and end all when it comes to financial products. Headline rates do not always give the full picture and the fact is the cheapest product is not always the best. In the case of insurance this is particularly true.

By cutting corners and opting for the cheapest products, consumers can leave themselves open to risk. An insurance policy that is cheap but does not cover all your needs is not worth the paper it is written on.

And this is where brokers come in. It is essential that you encourage your clients to prioritise quality over price. The new rules will mean consumers are more savvy when it comes to shopping around but it's your expertise that will be needed to guide them towards the right product.

[www.uinsure.co.uk](http://www.uinsure.co.uk)

And it's this concept which forms the basis of a major shake up in the General Insurance market, which came into effect this month.

The new GI regulation centres around two key changes. Firstly, providers now have a duty to disclose last year's premium at each renewal. This means the customer is given the chance to compare their current premium with their renewal offer. All too often customers will automatically renew their policy, accepting whatever price is offered to them and this is primarily because consumers don't make the comparison and don't notice the difference in price.

But, as you read in the Compliance Update on pages 34/35, not only will customers be given the chance to clearly compare their renewal premium with their current premium, they will also be actively encouraged to shop around.

Consumers deserve the best deals and it's important they're given the chance to make proper comparisons and find best solutions for their situation.

Sometimes you're just looking for one, then seven come along together



## When it comes to selecting Home Insurance, defaqto ratings are important, right?

At Genius, we believe in choice.

That's why we have more Home Insurance products than any other provider.

But, whilst size is important, so is quality, and we're pleased to say that we're top of that chart too.

So, if its choice and quality you want for your clients, do the smart thing and get on the bus with Genius today!

Go to [geniusgi.co.uk](http://geniusgi.co.uk) or call **01273 407775** and put us to the test.

	5 STAR	4+ STAR	4 STAR
<b>GENIUS</b>	<b>7</b>	<b>5</b>	<b>1</b>
Halifax	1	0	0
Legal & General	1	0	0
Paymentshield	1	0	0
Select & Protect	0	0	0
Source	0	4	4
Uinsure	1	0	0

Quote & Buy at [www.geniusgi.co.uk](http://www.geniusgi.co.uk)

Call us on 01273 407775



The home of smarter insurance

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Notes/Assumptions: 1. We have only shown policies receiving 4 and 5 star ratings from defaqto as at 26/5/2017.  
 2. We've combined defaqto's rating for buildings and for contents into a single rating: 5 star buildings and 5 star contents = our 5 star rating, 5 star buildings and 4 star contents (or vice versa) = our 4+ star rating, 4 star buildings and 4 star contents = our 4 star rating.  
 3. Rating is based on a contents sum insured below £75k (some products will score differently if over £75k).  
 4. Where the rating changes depending on the optional extensions, we've assumed they're included.  
 5. The number of provider's unique products have been counted, not the number of insurers on their panel.

## EXCLUSIVE MEMBER &amp; CLIENT PACKAGE

# Value your business premises, whether office or home, and insure it properly with Genius

Helping you to obtain good value insurance cover for your own business premises is an important part of our Member and Client services, whether you have a dedicated office or work from home.

We've been working closely with our own-brand GI provider, Genius, using its influence and experience in order to improve and formalise our offering to you. As a result, we feel that our Members and Client Firms fall into three distinct areas regarding premises and we are pleased to inform you that we will be able to assist across all three.

You now have access to the following services:

## Scenario one: Working from a dedicated business office

If you have dedicated office premises, you'll need cover for **business contents, public/employers liability and possibly the buildings, if you own or are responsible for the property.**

Genius will assess your requirements in two phases:

- **A Fully-brokered Commercial Insurance Service** - Genius will obtain multiple quotes using its extensive insurer panel, doing everything possible to find you the right price. Once they've found it, they'll then reduce it further by rebating 15% commission.
- **The 3-0-5 Product** - Just in case phase one doesn't secure the business, there's a further safety-net in place. If you've held office insurance on your business for at least three years and have had zero claims, Genius will guarantee to beat your renewal quote by 5%\*, and then reduce it further by rebating 15% commission.

## Scenarios two and three: Working from an office in your home

Again, Genius will assess your requirements dependent upon your needs:

- **True 'Working from Home' Cover (two)** - If you have staff working with you, have clients that visit, or are holding large amounts of specialist stock or machinery, then you'll need a special 'Working from Home' policy.
- **Standard Home Insurance Cover (three)** - If the particular circumstances at two don't apply, then your clerical duties can be covered simply under a standard home insurance product.

Whichever type of policy is required, Genius will search an extensive panel of insurers and products in order to find you the right price. Once they've found it, they'll then reduce it further by rebating commission (which may vary depending on the insurer/product type).

## What you need to do

Whether you are arranging cover for the first time or approaching renewal of an existing policy, for all your requirements in the first instance, contact Nick Campbell, SimplyBiz Group PI Manager, on 01484 443877 or email him at n.campbell@simplybiz.co.uk.

- For business office premises - call or email to request a pre-proposal questionnaire
- If working from home - call or email to arrange a quote

## If your renewal date is some way off?

Still call or email Nick with your renewal date and he'll arrange for Genius to contact you again around four weeks before renewal

So, however and wherever you're working, the SimplyBiz Group can now help provide you with the premises insurance cover you need at a competitive price that's worthy of your consideration.

**Please don't hesitate to contact Nick and his team on the number above, or email in your own time should you need further information or assistance.**

Terms and conditions apply



The home of smarter insurance



# Protection made easy

Any keen reader of the industry press will have seen the growing body of research highlighting the so-called protection gap in the UK, where potentially millions of individuals do not have adequate cover in place to protect themselves and their families against the threat of hardship in times of difficulty.

...we launched our seventh version of SimplyProtect, which further strengthened an already solid core of providers, with the addition of three well-known and highly respected partners.



As an adviser, you have an unparalleled knowledge of your client's financial affairs, both now and when planning for the future, and should also be aware of any potential risks. Protection advice is key to the financial stability of most of your clients where a change in circumstances could not only have a massive effect on their lives, but also impact their financial plans for the future. If, for example, you are putting in place plans for a sound and secure retirement or for a family's future security, it is essential that you protect them from those unplanned interruptions that can occur and lay waste to the fruition of those plans.

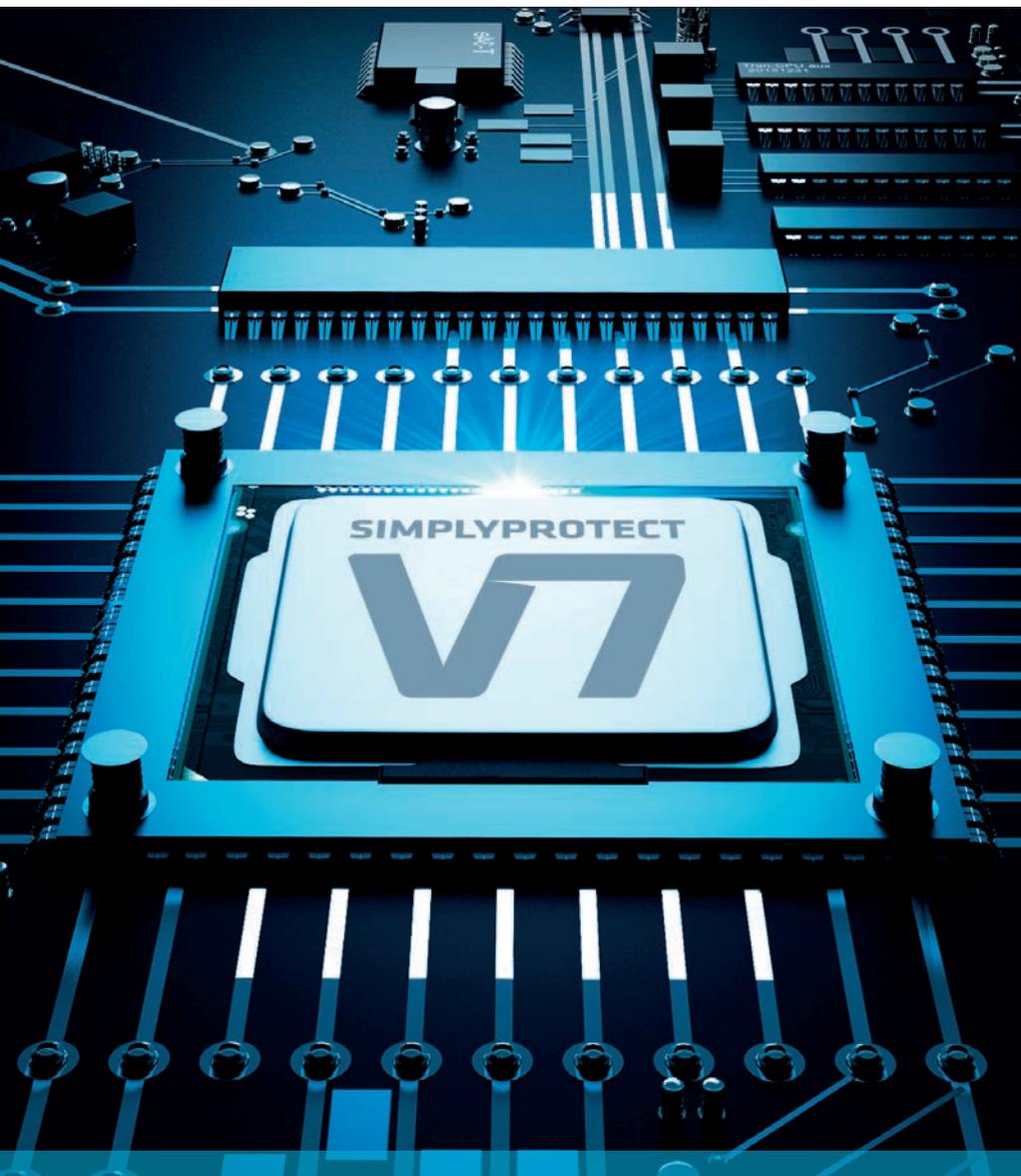
Protection products have moved on so much in recent years and many now come with a whole host of additional benefits such as enhanced medical treatments, more illnesses covered and flexible plans that encourage policyholders to tackle possible future issues. Protection has become more about supporting clients in remaining healthy, rather than just keeping fingers

crossed that difficult times don't arise.

We often hear advisers say that they simply don't have time to offer protection to their clients, that the return isn't worth their time and that they don't really need to be bothered with the compliance side of protection. However, the flip side to that argument is that the financial benefits can be significant to your firm and the time involved is minimal. When it comes to placing that business, you are protecting your client's future and, to a certain extent, your own, and the compliance side – well, we can take care of that!

## PORTAL

SimplyProtect is a portal, which works in tandem with Synaptic Weblines, giving you access to eight protection providers. Back in January, we launched our seventh version of SimplyProtect, which further strengthened an already solid core of providers, with the addition of three well-known and highly respected partners. Each offers market-leading products, many featuring specialisms across a variety of areas, providing advisers with a highly comprehensive protection



proposition. With such choice, you are able to quickly and easily search and set live your clients' policies without having to visit a variety of sites to find what you need.

The past two years have been a time of great change in the industry, with a number of mergers occurring that have taken with them some recognisable names. At the core of Version 7 sit Aviva, Legal & General, Royal London, Vitality and Zurich, and we are very pleased that they are continuing to support SimplyProtect. Joining them on the panel are AIG, LV= and Scottish Widows all of which bring solutions and expertise that further strengthen your protection proposition. These providers have agreed to provide enhanced commission that will clearly benefit your bottom line.

For example, a £50 per month policy purchased through the usual whole of market channels would return commission of £1,093. Whereas, just by registering to be a user of SimplyProtect, that commission can increase to £1224, which reflects and uplift of £131 on just one policy and you haven't needed to change your processes, or do any additional work.\*

Whether protection already plays a key role in your business, or you are looking to grow your advice in this area, our enhanced SimplyProtect proposition can provide you with a solution. In addition, we also provide access to a specialist team that is available to offer advice and guidance, whether you need support in starting your own protection proposition from scratch, or support placing a complex case – then help is just a phone call or email away. The key features of SimplyProtect are as follows:

- Enhanced commission rates from eight leading protection providers
- Maintain your whole of market status
- No change to the way you quote and submit protection business
- Quick and easy registration providing immediate access to the portal
- No joining fee to access SimplyProtect
- Complimentary access to Synaptic Webline provided to all SimplyProtect users

We've previously mentioned some of the reasons advisers state for not bringing protection up in conversation with their clients but there are a number of common questions we've been asked at recent events in relation to SimplyProtect and the new Version 7.

**Q I have not registered for SimplyProtect before but can see the benefits – where do I start?**

A New users just need to visit the website and under the Mortgages, Protection and GI tab sits SimplyProtect. Complete the registration form and submit. The main contact at your firm must be the one to complete the initial registration and additional users may do so once the initial set up is complete at firm level.

**Q I have been a SimplyProtect user in the past – do I have to upgrade to Version 7?**

A As Version 7 features new partners, we have had to make slight amendments to our terms and conditions. In order to get access to these new providers we need you to sign the revised terms of use to set your relevant agencies. To access the revised terms, go to the SimplyProtect area of the site, select the Terms of Business form and submit.

Registering for SimplyProtect is quick and simple but if you have any queries, why not give our team a call on 01484 438160. Our resident protection specialist, Gary Harrison, will be happy to speak with, or visit interested firms who want to either increase their protection business or add the proposition to their firm's services. Our Protection Hub contains information that is relevant to both personal and corporate protection scenarios.

\* Figures quoted have been based on the following calculations: A £50 policy using the same whole of market rates using the providers seen on the SimplyProtect panel will earn you an average £1093. Using SimplyProtect rates the same policy will earn an average of £1224. Monthly premium x 12 (annualised premium) by 100 multiplied by either WOM 182.226% or SP 204.039%.

SimplyProtect – brought to you  
by SimplyBiz Mortgages

 **SimplyBiz Mortgages**

# Are telematics helping to revive life cover?

**VitalityLife Deputy CEO, Deepak Jobanputra, believes his company's pioneering use of technology to set fairer premiums has led to members re-evaluating their relationship with life insurance.**

Since life insurance policies first appeared around 300 years ago in the UK, the business model has more or less remained unchanged. You have an initial health assessment through the underwriting process, to fix a starting premium. From then on, in the case of typical guaranteed premium policies, you simply pay the same fixed monthly premium all the way to the end of the term.

The issue many people have with this approach is one of basic fairness. Given that risk increases with age, it would seem more appropriate for starting premiums to reflect the significantly lower risk a younger person represents. At the other end of the scale, fixed premiums also don't take into account the way that risk rises with age. Most of all, fixed premiums completely fail to recognise any efforts people may make to minimise

their risk factors, such as having regular health checks, taking regular exercise and eating well.

With massive advances in data technology and the growing relevance of behavioural science, it really needn't be like this. It's true that in recent years we've seen car insurance adopting the ever-greater use of telematics to measure risk factors more accurately and reward careful drivers. But why can't life insurance work in the same way? After all, we know healthier people are less likely to fall ill or die early—40% of cancers are lifestyle related<sup>(1)</sup>. More to the point, why shouldn't you get something in return for your premiums? What's wrong with wanting to be rewarded for a healthy lifestyle?

Tell that to the UK protection market, which has been highly reluctant to adopt similar technology, with one notable excep-



tion. Since 2013, VitalityLife has been the first and only UK insurer using telematics to price its premiums more fairly, by first discounting starting premiums and then giving members the opportunity to track their activity levels. As a result, members have the power to control their premiums and earn regular rewards, in return for taking steps to safeguard their long-term health. With one in seven UK adults now owning some sort of wearable tech<sup>(2)</sup>, the use of telematics to record weekly activity levels makes perfect sense.

#### INNOVATION

Our most recent innovation, Wellness Optimiser, takes this even further. As well as rewarding members who track their activity levels, it also incentivises them to keep an eye on key health measures – like cholesterol or blood sugar – that helps keep them healthier for longer.

This combination of activity tracking and biennial health checks enables fairer upfront pricing – by better aligning premium to risk – and dynamically adjusting the premium each year to reflect ongoing risk.

In the long term, this leads to better health, fairer premiums and regular re-

Since 2013,  
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levels.

wards for policyholders, as well as a lower-risk insurance book for the company – a perfect illustration of the company's 'shared-value' model.

Perhaps more importantly, Vitality has shown how introducing technology has helped revitalise and give renewed relevance to the life insurance sector in general. Instead of being viewed as a grudging necessity, consumers can now see a direct link between engaging with their policy, their premiums and their rewards. Good news for customers, good news for financial advisers – through the upselling opportunities big upfront premium discounts present, as well as the increased persistency engagement brings – and good news for Vitality.

Visit [adviser.vitality.co.uk](http://adviser.vitality.co.uk)  
to find out more.

Sources: 1. [www.bbc.co.uk/news/health-30602994](http://www.bbc.co.uk/news/health-30602994)  
2. [www.telegraph.co.uk/men/active/three-million-fitness-bands-were-sold-in-britain-last-year-so-wh/](http://www.telegraph.co.uk/men/active/three-million-fitness-bands-were-sold-in-britain-last-year-so-wh/)

**Vitality**

HEALTH AND LIFE INSURANCE



## Now with even more added goodness

At LV= we believe every working person should be supported with quality financial protection that pays out when it matters. That's why we've updated our Income Protection product to cover your client against more eventualities.

- ✓ **Fracture cover as standard**  
Automatically included at no extra cost
- ✓ **Death benefit as standard**  
Part of the contract, not 'discretionary'
- ✓ **Unemployment payment holiday**  
Clients don't have to pay their premiums for up to six months if made involuntarily unemployed
- ✓ **Max cover 60%**
- ✓ **Teachers sick pay guarantee**
- ✓ **No minimum cease age**

Go to [LV.com/superfresh](https://www.lv.com/superfresh) or speak to your LV= account manager to find out more





# Superfresh IP

## Covering more than just your client's income

As a specialist in income protection, we've been helping people to protect their incomes for many years with our award-winning products. So, when we recently refreshed our Income Protection proposition, we wanted to make sure we delivered even more added goodness for you and your clients.

Designed to appeal to more of your clients and cover them against all eventualities, we've introduced some exciting improvements – we call this Superfresh IP!

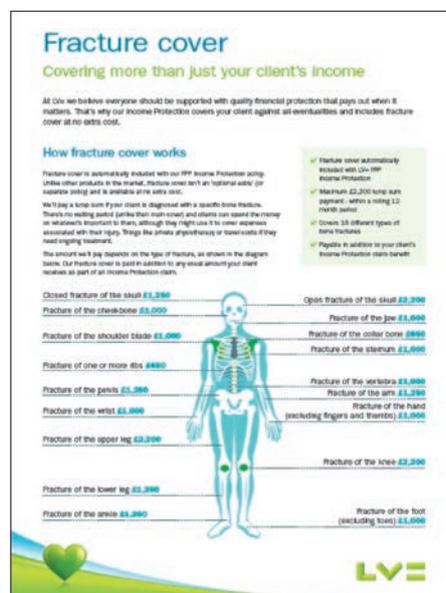
### What's new?

#### Fracture cover as standard

We automatically include fracture cover with our FPP Income Protection policy. Importantly, it isn't an optional extra, or a separate policy and your clients won't pay a separate premium.

There's also no waiting period, which means that if your client is diagnosed with a specific bone fracture, they'll get their money quickly and can use this to cover a shortfall in income, pay some bills, or spend it however they choose.

*Tip: Check out the handy payment chart to show what your client will get for each type of fracture (up to a maximum of £2,200) within a rolling 12 month period at [LV.com/adviser](http://LV.com/adviser).*



#### Death benefit as standard

We've added a life cover element to our income protection policy. This means we'll pay a lump sum if your client dies before the end of their Income Protection policy and again, it's included as part of our contract.

*Tip: It's easy and straightforward for you to explain to your client – if your client dies within four years of their policy start date, we pay £5k*

*and if your client dies four or more years after their policy start date, we pay £10k.*

#### Teachers sick pay guarantee

Clients working in the public sector, including teachers, don't always have straightforward sick pay arrangements. They might get paid 100% of their salary for a defined number of months, followed by 50% of their salary, and when they get paid also depends on their length of service.

With the LV= sick pay guarantee, as long as your client is a teacher and chooses a 12 month waiting period, we'll pay out to fit alongside their employer sick pay arrangement (as long as they match those offered by the local education authority). And we'll pay out early depending on their length of service.

*Tip: This helps to remove the need for complex split waiting periods and makes sure your clients get their money when they need it.*

#### Unemployment payment holiday

As long as your client has held an LV= policy for 90 days, if they are made involuntarily unemployed, they won't have to pay their premiums for up to six months.

The 'payment holiday' can be used more than once throughout the lifetime of their policy, but is limited to six months in total during the policy term.

*Tip: This applies to their Income Protection policy, as well as their whole menu plan premium; if they took out Income Protection alongside our Life & Critical Illness policy.*

#### More added goodness...

To help you recommend LV= to more clients, we've also increased the maximum cover available to 60% of earnings (a maximum £12,500 a month) and removed the minimum cease age.

Don't forget the existing features that come as standard too including own occupation for all the jobs we insure to age 70, £1500 benefit guarantee and no standard exclusions to name a few.

We're passionate about our Superfresh IP – how it protects more than your client's income, provides greater certainty for all eventualities, and covers more of your clients.

**Go to [LV.com/superfresh](http://LV.com/superfresh) or speak to your LV= account manager to find out more.**





## KEY3

AIG launches two new simplified critical illness plans:

Key3 Critical Illness Insurance and Key3 Critical Illness with Life Insurance covering:



Cancer



Heart attack



Stroke

## Simple.

**EASY**  
TO UNDERSTAND  
AND EXPLAIN

Key3 is easy to explain to customers without needing to use complicated jargon or definitions.

## Affordable.

**MEETS THE NEEDS**  
OF YOUR CLIENTS

Key3 can help advisers work within their clients' budgets by providing a more affordable option for those who may not be able to afford a comprehensive solution.

## Essential.

**COVERS THE KEY3 CRITICAL ILLNESSES WHICH = 80% OF ADULT CLAIMS<sup>1</sup>**

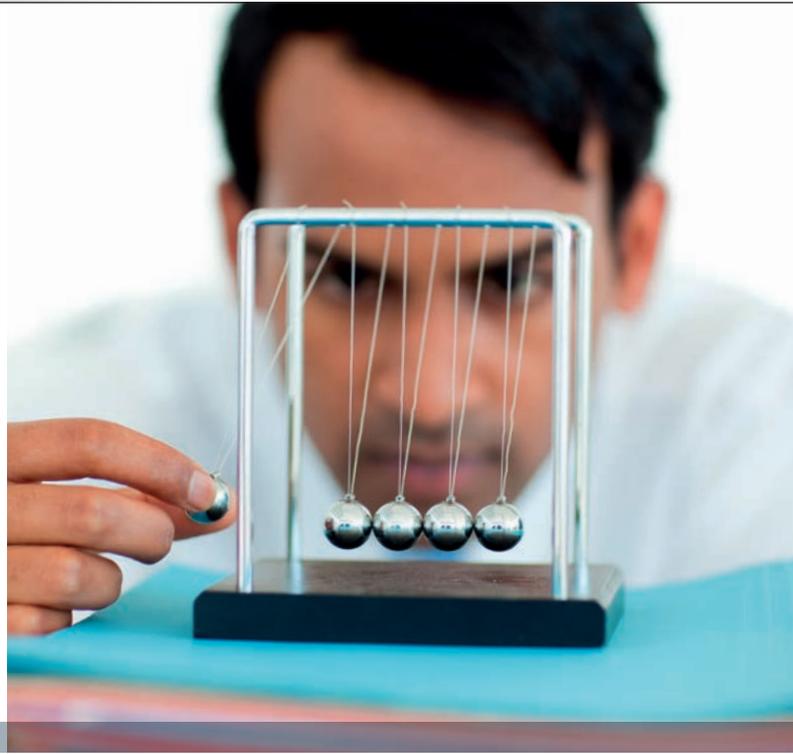
Key3 covers the critical illnesses - heart attack, stroke and cancer.

## The main features of Key3 Critical Illness Insurance:

- It can be taken out on single life, joint life (first event) or life of another person/s basis;
- It can be bought on a level, decreasing or increasing basis;
- It includes optional Waiver of Premium (WoP);
- It comes with access to our Claims Support Fund which can provide additional help for the person covered or their family if your client has a potentially valid claim. It may pay up to £300 for services such as physiotherapy, counselling or the cost of taking taxis to attend hospital appointments;
- Both plans provide access to the Best Doctors medical opinion service which can be used by the policyholder/s and their immediate family. The person covered can continue to use the service for three years after their claim has been paid;
- Key3 Critical Illness with Life Insurance (accelerated option) includes Terminal Illness Benefit provided up to the last day of the policy, Accidental Death Benefit during the application stage and access to the Winston's Wish childhood bereavement service;
- Policies for Key3 Critical Illness with Life Insurance can be easily written into trust using our signature-free, online tools.

If you would like to find out more about our Key3 Critical Illness Insurance visit our website: [e1.aig.com/key](http://e1.aig.com/key) which is packed with different tools and sales aids or speak to our Sales Team on **0345 600 6829**.

# Complete control of client applications in just two clicks!



We're always looking for ways to help make your work life easier. The latest OLP Connect (OLPC) developments provide you with a one-stop shop to manage your individual protection business with Legal & General. In fact, in just two clicks you could have complete control of your client's application.

In this latest phase of OLPC improvements we have streamlined the process of applying for a protection policy, removing the need for you to chase for updates or be left wondering exactly what items are outstanding; helping you to achieve customer satisfaction.

## So what are the changes?

OLPC now has new pipeline management tools and an application tracking functionality that makes it easier to manage your client's applications. With the aim of giving you greater control, this latest upgrade also incorporates a new Application Summary page that allows you to quickly see the status of an application and, for example, whether there is any outstanding information needed to progress it.

This means that, through the new two-click process you are able to answer client queries much more quickly and without the need to call a Legal & General representative – which could save you time. In this latest change, we've also incorporated:

- Online 'ready to start' letters reducing paper correspondence**  
 We're not changing our process but we are changing the New Business 'Ready to Start Policy' letters to emails.
- Increasing cover letters**  
 Where customers have indicated that they want a digital journey, the existing letter that is sent as a result of the Retail Prices Index review will be replaced by an e-mail and notification.
- New face lift**  
 New more modern sleek, aesthetically pleasing screens have been developed, taking OLPC into the next chapter of its life.

The new enhancements to OLP Connect have been designed to make life easier for you and your clients. We believe this latest tranche of changes will streamline applications and give you a truly versatile, intuitive system with which to help keep clients protected.

The screenshot shows the 'ADVISER CENTRE' interface for 'OLP Connect'. The main heading is 'OLP CONNECT - MAKING YOUR LIFE EASIER.' Below this, there are several sections: 'NEW FOR 2017' listing updates like 'Protection Portal renamed to AGENTHUB', 'Enhanced pipeline management through the Progress section', and 'Simplified application tracking'. There is also a 'PIPELINE TRACKING' section and a 'QUOTE AND APPLY' button. The interface is clean and professional, with a red and white color scheme.

Mark Holweger, Managing Director, Partnerships comments: "We always strive to make life that little bit easier for advisers and their clients, and OLPC is no exception. Though already a market-leading case management tool for our intermediary partners, there is always more we can do to improve systems and to bring applications into the digital era as part of our drive to help close the protection gap.

And this latest enhancements to OLPC continue to make the process of applying for protection an easier, more streamlined process. We firmly believe that technology like this has a key role to play in growing protection sales, and updates like these make it just that little bit easier for advisers to manage their protection cases and in turn help their clients."

## Support for you

To help you make the most of the changes, we've developed a step-by-step guide and a new video. To access these and for more detailed information on the enhancements visit – [www.legalandgeneral.com/olpc](http://www.legalandgeneral.com/olpc).



# Setting the record straight on income protection



When it comes to insurance, we're often quick to protect our cars, houses or contents as the consequences of not doing so can be serious. However, some of us don't think about insuring the very thing that allows us to afford these things, our financial wellbeing, meaning many remain unprotected.

On the front line of the UK's 'protection gap', I'm sure you're fully aware of the lack of awareness amongst consumers about their situation should they be unable to work long-term. Nowhere is this clearer than with Statutory Sick Pay (SSP). Our 'Workplace Wellbeing' research found that employees grossly overestimated the value of SSP (which was £88.45 as of April 2016) by an average of 62%. Three quarters (76%) of employees thought SSP was £100 or more per week, and 15% even thought it was over £200. Once these employees were aware of the reality of SSP, three-quarters of them said they would only last at most one month before having to cut back on monthly outgoings. This is where income protection comes in to play, helping to provide the financial security families need by paying out a monthly benefit should they be unable to work due to an accident or long-term illness.

Without such a policy in place, and in many cases without the savings to provide a financial safety net, managing a household financially can turn into a cause of constant stress.

Within the industry, we know both the importance of income protection, but also the difficulty in raising the protection conversation with consumers. As we know, lengthy mortgage applications, for instance, can deter many people from taking the time to also discuss protection. However, I believe that it's so important that you initiate these conversations with your clients and as a duty of care. That means making them fully aware of the reality of the challenges they could face if left unprotected, as well as discussing suitable policies that could provide the safety net they need.

There are several myths about protection policies that can hamper the work you do to help close the protection gap. Perhaps the most common of these is that a provider won't pay out. In 2016, Legal & General paid out on 94.4% of all income protection claims, to a total value of £1.2 million.

There are also misconceptions about the cost of income protection, which customers can sometimes view as expensive and

unnecessary, yet Legal & General offer a range of different policies to help meet the needs of customers, including our lower cost, two year income protection plan. It's important that your clients consider the financial impact a loss of income could have on their lifestyle should they stay unprotected.

You can play a key role in closing the protection gap by addressing these myths and misconceptions about income protection and by explaining the realities of maintaining a current lifestyle on SSP. To help you with this, we've updated our range of income protection sales tools and literature, including a new pre-appointment checklist and budget planner tool. You can find these by visiting [www.legalandgeneral.com/ipb](http://www.legalandgeneral.com/ipb).



# Short on time?

## Let us do the work for you

At Royal London we want to make sure that our marketing material is full of powerful arguments that you can use with your clients to help you make the case for protection, help develop your client base and increase referrals.



If you're looking for a quick and easy way to impress your clients, look no further than our marketing studio:  
**adviser.royallondon.com/studio**

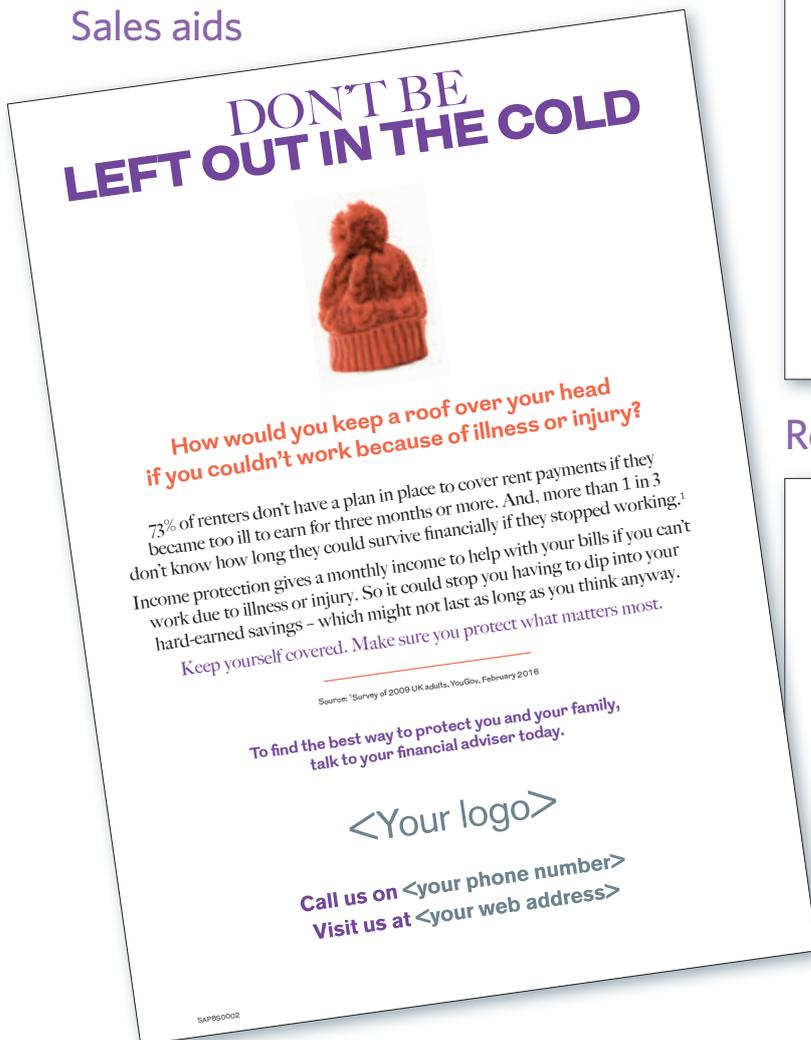
You can brand all the material with your own logo and contact details:

- **Sales aids** – tackle objections with a range of options to suit your clients
- **Posters** – choose the right message for your clients... and we'll even print them for you
- **Risk summary reports** – open your clients' eyes to their own risks of death, critical illness and long-term sickness
- **Income protection and critical illness reports** – show your clients the difference protection could make to their individual circumstances, and how much it might cost them

Why not get started on marketing studio today, and see the benefits for yourself?

Here are just a few examples of the marketing materials available...

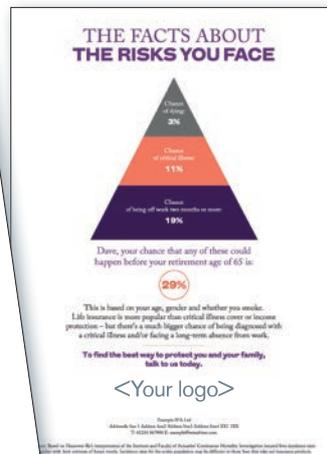
### Sales aids



### Posters



### Reports



### Forms



Register now at **adviser.royallondon.com/studio**





**PETER HAMILTON**  
Head of Retail Partnerships  
Zurich



# Great Expectations...?

“Boys is wery obstinit, and wery lazy, gen’lmen, and there’s nothink like a good hot blaze to make ‘em come down with a run. It’s humane too, gen’lmen, acause, even if they’ve stuck in the chimbley, roasting feet makes ‘em struggle to hextricate theirselves.” *Oliver Twist* - Charles Dickens

Conditions in the workplace have improved since the time of Dickens (the scene above appears in *Oliver Twist*). Boys are no longer sent up chimneys and employers are keener to look after their employees, providing a range of benefits from pensions to on site head massages.

Some though, are more generous than others. Few employers cover income for more than six months. And the self-employed will be relying on the State or hoping that something will turn up. State benefits

are designed to protect against poverty, not maintain a standard of living.

Income protection should be the answer, but there’s a question as to how we create the right expectations. Mr Gradgrind, in *Hard Times* focuses on facts: “Now, what I want is, Facts. Teach these boys and girls nothing but Facts. Facts alone are wanted in life. Plant nothing else, and root out everything else.”

There are important facts we can share – Employment Support Allowance currently stands at £73.10 a week (for the first 13 weeks if you’re 25 years or older),



for example, compared with the Office of National Statistics' average salary of £528 a week. But we need more than facts.

The '7 Families' initiative has raised the profile of Income Protection, focussing as it has on the stories of people living with disabilities, and if somehow you've missed it, you can find a wealth of material on [www.7families.co.uk](http://www.7families.co.uk).

With the 7 Families work I was reminded of the story of Kerry, sister of a colleague in a previous role. I've lost touch but I hope her condition is improving.

### TOO ILL

When I came across her story a few years back, Kerry was 40 and had been suffering from ME for a number of years. She was often too ill to get out of bed, let alone even think about trying to find a job. She described her condition as feeling like a combination of the worst possible flu, chronic jet lag and the mother of all hang-overs.

At the time of contracting her illness, which appears to have developed from a series of viral infections, she was well established in her dream career as a long-haul stewardess. She kept exceptionally fit, was in a happy relationship and enjoyed a good social life. Indeed when her energy levels were sufficient to demonstrate a sense of humour she reflected that she had just about everything apart from income protection.

If her brother had already been involved in the protection business at the time,

Benefit payments from an income protection policy would have proved invaluable towards these ends and, more importantly still, might have enabled her to enjoy access to a range of treatments that might have enhanced her a chance of recovery.

things may have been quite different, but, seven years younger, he was still at university.

Her employer had been exceptionally supportive towards Kerry and kept her job open until it became evident that she was not going to be able to resume her flying duties. But eventually her contract was terminated and since then, having made no significant recovery, she had to try and get by on a combination of State benefits and a very small ill health early retirement pension.

One message that she spelt out very clearly is that someone in her position can never replenish savings. Having to replace a major item like a fridge can therefore constitute a huge ordeal and there is only so much that family can do to help.

ME, or related syndromes such as Chronic Fatigue Syndrome or Post Viral Syndrome can affect sufferers to varying degrees. Kerry was severely affected. She was rarely well enough to travel by public transport and therefore normally needed to pay for a taxi when she went out. She needed someone to do her cleaning, washing and shopping and if her parents were unable to help she had little option other than to pay for assistance. Kerry's social life was reduced to a small nucleus of loyal friends.

### INVALUABLE

Benefit payments from an income protection policy would have proved invaluable towards these ends and, more importantly still, might have enabled her to enjoy access to a range of treatments that might have enhanced her a chance of recovery.

The NHS is willing to provide ME sufferers with advice on how to manage their symptoms and pace themselves, but these programmes are not necessarily geographically widespread. Recovery may be possible if the patient is in a position to explore more easily accessible private treatments, but they don't come cheaply.

When we talk about Income Protection, by all means present the facts, but as the 7 Families work proves, the lives of the characters can make a much more compelling story.

**To find out more about how Zurich could be right for your clients, phone your Zurich consultant on 08085 546 546 or visit [www.zurichintermediary.co.uk](http://www.zurichintermediary.co.uk).**

We may record or monitor calls to improve our service.

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# Aviva: facts and figures

## Start engaging your clients with IP now

According to our latest Protecting our Families report, only 13% of UK parents (with dependent children) currently have an income protection product yet, nearly half (45%) could not support their lifestyle for a month if the main breadwinner was unable to work.



Whether it's a question of perceived affordability, not seeing the need for the product or a lack of understanding of what IP does, as an adviser you can help clients see why income protection shouldn't be overlooked.

### Target market

But which clients should you be talking to about income protection? In reality, anyone that has a job – regardless of whether they are full time, part time, self employed or an employee may benefit from having some kind of income protection. With our Protecting our Families report showing that families spend an average of £2606 per month, and the amount of state benefits available being capped, could your client keep up their rent or mortgage payments or even enjoy the lifestyle they are used to should they lose their income?

...as an adviser you can help clients see why income protection shouldn't be overlooked.

### Critical illness cover vs income protection

When faced with a family taking out a mortgage how do you approach the protection conversation? Life insurance... critical illness insurance... income protection? Often by the time you've started to mention IP your clients may be worrying about how much their cover could cost and if they can afford it. Our handy CI vs IP guide has been designed to help you re-frame your protection conversations by showing the differences between the two types of cover offered by Aviva.

In an ideal world, clients would take out comprehensive protection that matches their needs. However, we know that isn't always the case. By looking at the guide together; you should be able to help your client decide what's most important to them.

### The reality

The claims to cover ratio on IP is perhaps higher than you think and the top two reasons why customers claim<sup>(1)</sup> on our individual income protection are:

1. Psychiatric conditions – 30%
2. Musculoskeletal conditions – 28%

In the majority of cases, clients would not be able to claim on their critical illness policy for psychiatric and musculoskeletal conditions however, they may still be unable to work and could therefore face a loss of income.

We've created some infographics to help you to form discussions around the most claimed for conditions and the impact that being out of work could have. In case you missed it last time, our video also helps to sum up the importance of discussing IP with your clients.

### How long could your client's savings last?

Although we can do a lot to help get your client back to work, our average IP claim still in payment at the end of 2015 was for 108 months (9 years!), so although your client may have savings to last them in the short term, how long would that money last?

Find out more at [www.aviva-for-advisers.co.uk](http://www.aviva-for-advisers.co.uk).

Source: 1. According to Aviva's 2015 claims statistics (based on claims still in payment at the end of the year).

**For adviser use only. Not approved for use with customers. Article written by Aviva.**

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Firm Reference Number 145452.  
AL52019 04/2017.





## Get **plugged in** to Income Protection

### **Switch on** your client conversations

Complicated, time consuming, expensive... These are just some of the misconceptions that clients sometimes have when it comes to Income Protection. Let us help you bust the IP myths and provide the bite-sized stats and information to highlight the value of Income Protection and start useful conversations with your clients.

Visit  
**[Aviva-for-advisers.co.uk](http://Aviva-for-advisers.co.uk)**  
to find out more



# THERE'S A LENDER THAT PAYS FOR PRODUCT TRANSFERS

We understand the value you bring to our business when you introduce your clients to us. That's why we pay a procurement fee for product transfers, not just new business. Because after all, fair's fair.

**There are partnerships and  
there are Virgin Money partnerships**

To find out more, get in touch  
with your dedicated BDM, or visit  
[virginmoneyforintermediaries.com](http://virginmoneyforintermediaries.com)



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