# IndustryVoice

Analysis, commentary and trends for the UK mortgage and protection industry | Edition 16 Spring 2024

# Protecting the Future

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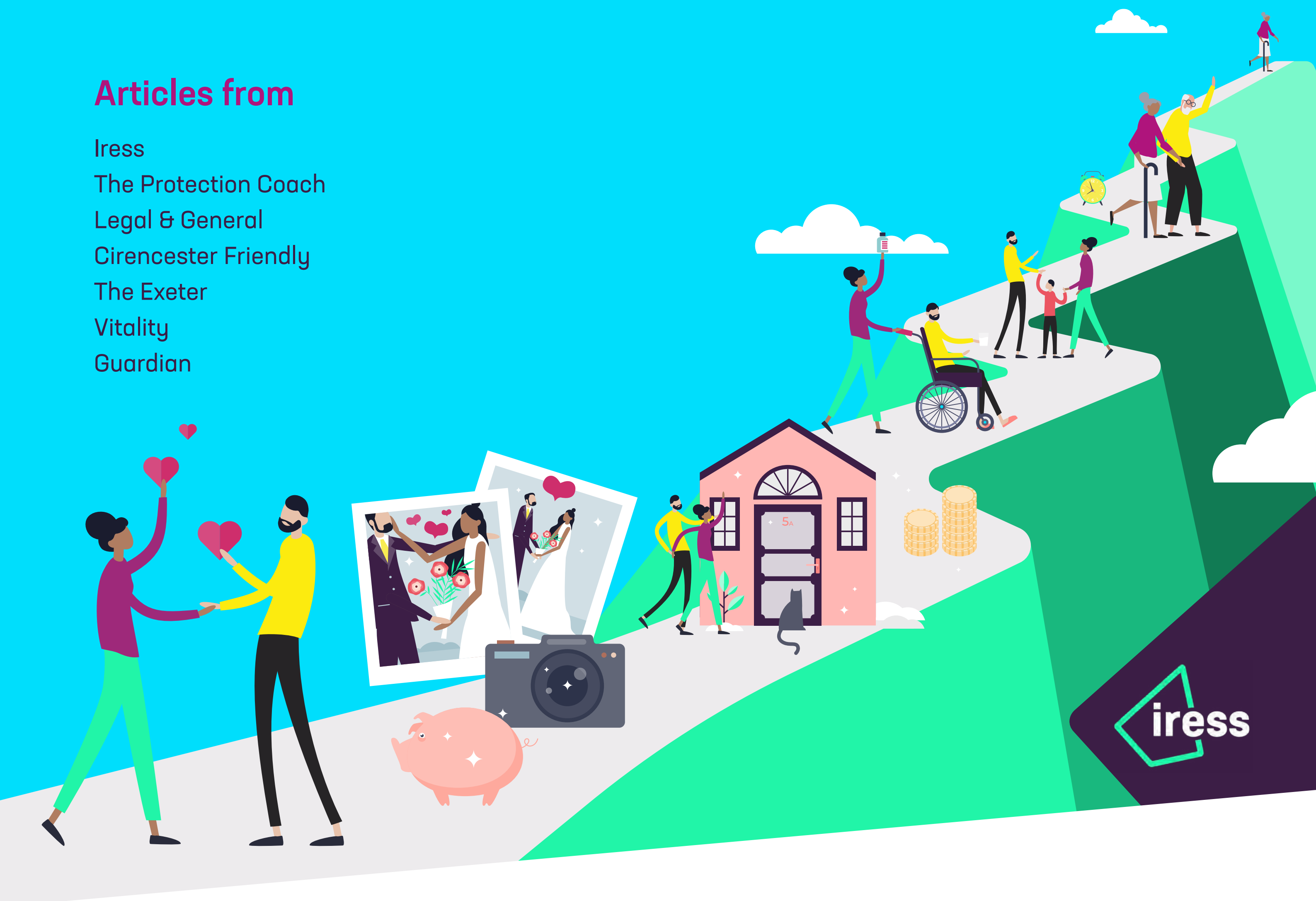


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# Welcome

**"Protecting the Future" is the theme for this edition of the Industry Voice and in this issue we've asked several leading providers for their viewpoints and what this means to them.**

We're also seeing several providers increase their focus on education, starting conversations earlier and making clear the benefits of protection and the positive impact that protection products can and do have on people's lives. In this edition we take a holistic view of the industry including in-depth research and new perspectives on how to create positive change and to make protection more relevant for everyone.

A special thank you to our partners and contributors for sharing their thoughts about new plans,

## Featured articles




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approaches and driving positive change to the relationships between providers and consumers.

If you would like to get in touch, please contact the Advertising & Sponsorship Manager, Neal Ray.

Visit: iress.com/industry-voice for more perspectives from our provider & lender partners about the issues affecting our industry.


# Contents

# Bridging the **Generation Gap**

**Jacqueline Durbin**
**Global Head of Product - Life, Pensions & Mortgages, Iress**

I recently wrote an article on LinkedIn about my family's, in particular my teenagers, experiences with financial awareness, education and access to information. Primarily for GenZ this of course is online, it's where they get most of their information and influence from given its where they spend a significant proportion of their downtime. In addition to parental advice and limited financial education from School, Social Media and online tools have the opportunity and potential to transform the way a generation thinks about finance and planning for their future.

I was not particularly shocked but I was disappointed with what I found out when asking them directly and also researching directly what information they could get access to via Instagram or TikTok. Most of the time it is unqualified/strongly opinionated advice from someone they might admire or think they should aspire to be like rather than a qualified professional/Professional organisation.

Not just anecdotally, we also know from research conducted by CIExpert in their recently published Critical Thinking Report that the top 3 sources for consumers seeking a critical illness policy would be online (Price Comparison Website, Search Engine, or online to a consumer group). Thankfully social media was bottom of the list overall (although for GenZ this is a higher percentage than other groups).

Even though Social Media might not be the place our younger generations go or should go for financial advice it undoubtedly plays an influencing role in setting the tone around financial planning and how relevant, interesting and useful financial planning could be.

The CIExpert Critical Thinking report also ties into findings in the AMI Viewpoint Perception Gap report which details  trends for buying more Protection online, in that 31% of all consumers would prefer to buy protection via a price comparison website,however younger generations (22% Gen Z and 26% Millennials) are less likely to prefer this route compared to older generations.  So whilst there might be other routes for actually purchasing protection we cannot ignore the importance of social media for information and education.

And yet also according to the AMI Viewpoint report just one in three (34%) advisers say their firm does not have any online presence when it comes to protection. Just 1 in 10 (13%) advisers create protection related content on social media, and TikTok doesn't even make it to the top three social media platforms used by advisers to create protection related content (Facebook (88%), LinkedIn (59%) and Instagram (59%))

These statistics demonstrate to me the clear opportunity to further close the protection gap with demographics who have the appetite to engage - if advisers and technology can get it right in terms of how we engage and communicate to a wider demographic. The outlook is positive and we are seeing change already, indeed according to our own data 70% of all Income Protection applications now come from GenZ and Millenials.

As you will see from this edition of Industry Voice, change is happening in terms of awareness, and education plus in products, tools and services. This change is critical and we must continue to evolve and adapt to ensure younger generations are better protected.

# Protecting the future

**Matt Chapman**
**The Protection Coach**

Education is the key to bridging the protection gap and engaging the next generation of consumers. Think about it; we do not learn about money matters at school. We are not taught how to budget or manage our finances. We are not taught about risk or how credit or insurances work. So, why are we so surprised that the protection gap remains so extensive?

The first and often only time consumers are exposed to protection products, or meaningful advice in this area, is when they buy a home and apply for a mortgage. And the quality of the advice they receive, and the protection products they end up with, is very much dependent on the adviser's own bias, knowledge, confidence, experience and attitudes in this area.

From my perspective, we are stood at a crossroads. A pivotal point in our future. I genuinely believe that the ongoing survival of the industry and our ability to close the protection gap relies on our ability to both understand and meet the needs of the next generation of consumers. We must create and deliver solutions that are highly engaging and fully relevant to their needs.

There are only two ways that I can see to grow the protection market and bridge the gap between those who need financial protection and those who have it already.

1. We can either increase the volume and quality of protection advice being given by professionals working in the industry.
2. We can change the drivers of demand at consumer level, moving from a push to a pull model.

Ironically, the second option naturally facilitates the first as many advisers would need to up-skill to meet the demand created if more consumers started actively sourcing protection products.

Don't get me wrong, the industry is doing a lot of work to try and increase both the volume and quality of protection advice being offered to consumers. There are numerous initiatives being implemented industry-wide from

> For me, this is not just about securing the future of the industry; it's about ensuring that the next generation of consumers are both enlightened and more financially resilient."

educational conferences and events to provider webinars and teams of development managers providing support to their adviser clients.

As a coach myself, I am recruited by firms that wish to improve adviser competence, drive better outcomes, and maximise every protection opportunity.

But the problem remains that we are still trying to engage and convince consumers far too late into their financial life journey. Many already have negative perceptions and are blissfully unaware of the financial risks associated with not having protection in place.

The Coronavirus pandemic went some way to creating a greater level or need and interest in products such as Income Protection. For the first time in living memory, millions of us were unable to go to work and generate an income. We came face to face with our own income vulnerability. The furlough scheme was the logical solution and provided the industry with a contextual and relatable argument for the need to protect one's income sources.

But it still hasn't addressed the core issue that stops most consumers from taking out financial protection, a lack of education and awareness.

A campaign to change the drivers of demand at consumer level is perceived to be a hugely costly exercise and one that would require the collaboration of everyone in the industry.

But I am not so sure that it needs to be. We just need to work to bring financial matters to the very forefront of the educational agenda and engage with younger consumers as early as possible.

We have a whole generation of new potential consumers who don't suffer from the same inherent mistrust of insurances that older generations do. But we need to learn how best to engage with them and we need to act quickly if we want to sustain our current distribution models.

Younger consumers are digital natives who value convenience, transparency, and authenticity above all. They are also more socially and environmentally conscious. Traditional marketing messages typically fall flat with these types of audience, who often prefer purpose-driven narratives and educational content over sales pitches.

The industry must commit to educating consumers in a way that is both engaging and easily digestible. This includes creating content that explains the basics in layman's terms, utilising video, infographics, and interactive tools to break down complex concepts.

For me, this is not just about securing the future of the industry; it's about ensuring that the next generation of consumers are both enlightened and more financially resilient.

# Leading the great protection shift

**Hazel Johnston**
**Business Development Director, Legal & General**

There are several barriers to clients taking or keeping their protection policy – cost, uncertainty over payouts and the belief that ‘it’ll never happen to me’.

Ensuring better outcomes means making sure your clients have the right financial protection in place. It all starts with meaningful conversations, understanding their needs and building trust.

But there’s an opportunity for change; a change called ‘the great protection shift’ in our 2022 AMI report. It’s a call to move away from the ‘one and done’ sales mentality that’s given protection a bad rap. The mentality perpetuates the selling of, rather than the buying of protection, making it an impersonal exercise that leaves long-term customer trust and loyalty on the table.

Instead, the focus of the protection shift is on relationships. It’s about getting to know your clients, understanding their needs, and becoming familiar with every aspect of their lives and what matters to them.

### Why we need a shift

For many financial advisers, ‘one and done’ isn’t part of their remit. But why should those who take this approach be inclined to change?

Firstly, protection should be considered as part of a broader, holistic financial plan. It should be embedded in every financial conversation you have with your client, exploring how it fits in with their needs both now and in the future. Without relevance, clients are more likely to cancel their policy.

This approach means that the important aspects of your client’s life can become secured by an appropriate, personalised safety net that isn’t just a rubber stamp, but a genuinely useful and potentially life-changing resource if something should happen. For the client, this creates trust, loyalty and a sense that their adviser had the foresight to help them at a tough time.

Wayne Griffiths of One Financial Solutions talked about his approach in episode 13 of our Just Covered podcast: “Sometimes advisers go in saying this client is an investment client and they won’t talk about protection. For me, it’s about being nosy. What have you got? Why have you got it? Let’s talk about it.”

> Listening to clients, tailoring advice, and building trust are essential in delivering the best outcomes for clients and advisers alike."

### The benefits of client relationships

Advising with a focus on relationships doesn't just meet the evolving needs of your clients and keep them and their families protected. It can help you grow through repeat business and win new business through word of mouth. It can also help position you as the go-to for financial information and guidance.

"Remember, protection advice is a people industry," says Amy Whittingham of St James' Place. "Listening to clients, tailoring advice, and building trust are essential in delivering the best outcomes for clients and advisers alike."

It's also about asking the right questions. Founders of Bates Wilcox, Natalie Wilcox and Charlotte Bates say it's crucial to focus on your client's specific situation and goals. You don't need to know about every type of policy and its definitions. Instead, you need a good understanding of your client's needs and be able to match them to an appropriate solution.

Listening to your clients and sharing your own relevant experiences can be powerful, too. Nicola Crosby of Moran Wealth Management says this can help clients feel less alone and more willing to talk about their own problems and concerns. "I do really find clients tell me an awful lot about their life, and the more they tell me the more I can help them."

### Be the change

Meeting your client's best interests can't be achieved without getting to know their needs. Relationship-first advice isn't just a nice to have, it's a need to have. Not only can it reap rewards for your own business, but it can also be a step-change in improving public perception of our industry and its reputation.

For more insights from industry peers, listen to all episodes of Just Covered now.

Tech as a facilitator and accelerator has helped drive efficiencies in researching, delivering quotes and submitting new business. Quote portals, insurer processes and third-party analysis tools have simplified much of the work or advisers and para-planners. But our engagement level with new and existing consumers remains low, despite requirements to identify business regulatory risks and with one of the requirements of Consumer Duty to avoid foreseeable harm.

Embedding new culture within an organisation is hard - but when thinking about Protection a simple mantra could help all businesses. **Raise it, Write it, Refer it.**

Build an understanding of the protection requirements so at a minimum you can discuss a range of protection solutions. If you don't write it, signpost to a specialist, who will bring a depth of knowledge that only an expert can.

Don't fail your customer by ignoring Protection.

**Neil McCarthy, Chair - Protection Distributors Group**

We are seeing increased engagement with our products and services from younger demographics and it is essential that we continue to design solutions that address their needs both now and into the future. To attract and meet the needs of younger audiences', advisers require customisable solutions that can adapt to their customers ever-changing needs, enabling them to demonstrate their expertise, the value they bring to the advice process and build trust with the next generation.

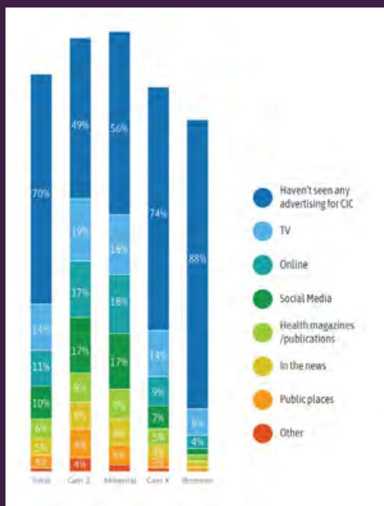
**Louise Colley, Director of Retail Protection, Zurich**

The Critical Thinking 2024 report delved below the surface to find out what 5000 consumers understand about critical illness plans and highlighted a huge number of misconceptions.

It illustrates that the vast majority of consumers are unaware that CIC plans exist and those that do don't understand the basics such as guaranteed premiums with a large percentage refusing to approach an adviser for fear of having to pay a hefty fee. Another shock was the low esteem in which advisers are held, with many considering them untrustworthy and unable to add value.

Conversely once aspects such as additional payments, children's cover or added value services are explained consumer attitudes shift dramatically.

**Where have you seen advertising for CIC recently?**




The research also showed that paying off the mortgage clearly is no longer the prime driver for purchase, demonstrating that a complete rethink to refine the products and communications to match evolving consumer needs. A must read for advisers. https://ciexpert.uk/critical-thinking-report-2024/

**Alan Lakey, Director CIExpert**

It’s important that insurers and intermediaries alike don’t forget the need for protection in the younger market. In the past, the industry has focused its messaging on middle aged professional families, but what about the self-employed 19-year-old renter with no savings? Young people often don’t have the financial safety nets in place that previous generations have had, and social media is a great tool to start conversations about insurance needs and engage young adults. For example, influencers who share financial content can educate their audiences on protection and simplify insurance jargon which will resonate with their followers. The interactive nature of social media platforms allows for direct engagement with users. Insurers and intermediaries can use features like live streams, Q&A sessions, or interactive polls to address common misconceptions or concerns. If they understand the financial risks they face as young person this can help prompt them to take out the protection they need.

**Joel Brown, Business Development Manager**

Building digital trust is important in meeting the needs of the modern insurance customer.

Customers expect their digital interactions to be easy and convenient. Individuals’ reactions towards trust in digital products and services depend on their own behavioural frames of reference (including a combination of social, cultural, and economic factors) which may not always be rational. Understanding and acknowledging some of these barriers to trust can help advisers overcome them.

**Joanna Scott, Technical & Industry Affairs Manager, Swiss Re**

Income protection has seen significant growth in the last few years. To sustain that growth and ensure more people have essential protection they need in the event they cannot work due to illness or injury, we need to focus on engaging younger generations and make available services that go beyond financial coverage. Support they can really relate to and value. This year for the first time, The IPTF is actively involving young professionals in the industry to share their views and experiences, recognising their importance in shaping the future of IP

One key area of emphasis for our industry is ensuring that Millennials and Gen Z have heard of and understand the importance of IP. The IPTF’s Instagram and TikTok account, ZiggyMoneyMoves, aims to reach and communicate with young consumers with engaging content and relatable messaging.

If we encourage more collaboration within the industry, we’ll ensure that IP evolves to meet the changing needs of society, offering not only financial security but also valuable support and financial resilience to individuals of all ages.

**Vicky Churcher, Co-Chair IPTF (Income Protection Task Force)**

# What does **work mean to you?**

**Rebecca Hill**
**Senior Manager - Marketing & Communications,**
**Cirencester Friendly**

CIRENCESTER FRIENDLY

What work is and why it's important has changed enormously since Cirencester Friendly was founded back in 1890. Back in the Victorian era, the farm workers we were founded to protect worked long, exhausting hours, usually six days a week. Many were born into the tradition, following those who had worked the land for generations. Work was not about a career, but a straightforward necessity, required to feed and clothe their families.

Fast forward to 2024 and work is a very different proposition. While earning money is still a vital part of work, there is so much more attached to it. People take so much more into account when choosing a job than the wages. Top of the list are a healthy work/life balance, benefits to support their health and wellbeing, organisational values they can identify with and a culture where they can be themselves. Work is about so much more than money.

Work plays a significant role in defining who we are as people. When we meet someone for the first time, one of the first questions we generally ask is "What do you do?" The answer helps shape a picture of who we are and what motivates us.

If you are not part of the working world because of illness, an injury or any other reason, it can feel like you're removed from society, not fully seen or appreciated. So much of our self-worth is tied up with being able to earn a living, being a useful contributor rather than a drain on resources. When someone can't work, it can make them feel lonely, isolated and a burden to those around them.

**Income protection is so much more than a financial benefit**

The motivation to take out income protection is mostly around safeguarding something that is precious. The purchase of a new home or the birth of a child are two of the main drivers for people to consider getting cover. They want to know the things that they worked so hard to achieve will be protected no matter what happens to their health.

Very often they just consider the financial side; having enough money each month to cover the essentials. They don't consider the impact not being in work will have to their mental wellbeing.

Income protection can not only provide the vital resources to keep people financially secure, but the additional benefits that come with it can offer essential support to aid the road to recovery and help people get back to the life they had before.

## Making the most of additional benefits

The pressures on the NHS have been well documented. Waiting lists are growing longer and even getting an appointment to see a health professional is becoming harder and harder. If you are ill or injured, having someone to talk to about your worries and fears over and above your condition can really help your recovery.

A service like Friendly Voice, a confidential phone line that provides that emotional support, and therapy if required, can offer that vital lifeline to the outside world. Having an objective person to confide in can help put everything in perspective. It offers vital emotional support when people often feel at their most vulnerable.

## Getting your life back

If the income protection market is to grow, reaching those that need help the most, it's important that we talk about the full benefits of having cover. We need to demonstrate the whole value of the package, highlighting the importance of additional services that support the emotional wellbeing of claimants when they need help the most. We need to find a way to clearly articulate the full impact of being away from the workplace and how we do more than protect the essentials, we help them get their lives back on track.

# Are your clients missing out on **valuable added benefits?**

**Jamie Page**
**Head of Protection Distribution, The Exeter**

The latest edition of our Health and Financial Fears report shows that only about half of policyholders with health and protection cover know about the value added benefits that are available alongside their policies.

Many providers offer a range of health and wellbeing services in the form of member benefit apps. These services can be an incredibly useful benefit to clients, our recent member benefits report shows that usage amongst our members has increased by a staggering 131% year-on-year[1].

Let's take a closer look at why clients are engaging more with these services.

### Getting seen sooner

The Exeter's own consumer research suggests two good reasons why many people might welcome the chance to use these services through an insurance policy. As the cost of living crisis continues and the NHS struggles to meet demand, more than half (58%) of consumers say they are worried about paying household bills; while nearly three-quarters (74%) have experienced difficulties when trying to access NHS treatments[2].

Among the value-added services accessed via our members in 2023, the most popular was remote GP appointments - as pressure on NHS GP surgeries reached record levels. November 2023 was the busiest November ever for those surgeries, with 31.9 million appointments delivered across the country, according to the most recent NHS data, published in January 2024[3].

Many NHS GP appointments are scheduled within wide time windows during weekday mornings, creating practical difficulties for working people or those with school age children. Remote GP services can play a key role in helping clients manage their own and their family's health, while managing busy schedules.

Using a remote GP service can offer greater flexibility, and more than half (55%) of the remote GP appointments arranged by our members led to an onward referral, a prescription or a fit note.

Common conditions our members sought support for included musculoskeletal problems, women's health issues, digestive disorders and back and neck problems.

But it is concerning that not everybody with health or protection cover in place is aware that they have these benefits available to them.

**All forms of care**

In our Health and Financial Fears research, nearly 3 in 10 people (68%) claimed their mental health had been adversely affected by cost of living increases or being unable to access the NHS. It is perhaps not surprising that mental health services were the second most used service, with usage more than doubling (111%) during 2023.

Usage of the third most popular option, physiotherapy support, increased by 135%. According to NHS England, over 20 million people in the UK have a musculoskeletal condition[4], so having fast access to trained physiotherapists is incredibly valuable. Clients can seek support for what can be very painful and disruptive musculoskeletal conditions quickly and easily, beginning a journey towards further treatment if necessary.

**Ensuring your clients are seeing the value**

We encourage advisers to dedicate time to understanding the full range of these additional benefits. While their main focus will naturally be on securing the very best cover for their client's individual needs, many of these perks are simply too good to leave out of the conversation, especially as they can be used without making a claim or incurring any adverse effects on policy terms or price.

With our research indicating that only half of policyholders are informed of the valuable benefits that come with their cover, it is vital that we help clients bridge this knowledge gap. Fully leveraging the support available through their health or protection policy really is too good an opportunity to miss.

[1] https://www.the-exeter.com/adviser/member-benefits/healthwise-2023-report/
[2] https://the-exeter.com/adviser/knowledge-centre/cpd/health-financial-fears-2023-research
[3] https://www.rcgp.org.uk/News/General-practice-busiest-November-2023
[4] https://www.england.nhs.uk/elective-care-transformation/best-practice-solutions/musculoskeletal/

# Continuous CI cover has never been more needed

**Justin Garbutt**
**Director of IFA Distribution, Vitality**

Due to a range of external factors, there's never been a greater need for cover to remain in place for longer after a claim has been paid, writes Justin Garbutt, Director of IFA Distribution Vitality.

Thanks to major improvements in both the detection and treatment of illness, conditions that would have once been fatal are now far more survivable.

40 years ago, when the first critical illness products were introduced, only one in four cancer patients survived and the average life expectancy was just one year. Today, that number has doubled[1], and life expectancy has increased 10-fold[2].

With these medical advancements though has come the increased likelihood of illnesses returning or new conditions arising.

One in five cancers now are recurrences[3] and one in five people who are hospitalised as a result of a heart attack, are readmitted again within five years with a second heart attack[4].

More of us are also now living longer, but often in poorer health and with a growing burden of later life care needs as a result of conditions like Dementia and Alzheimer's.

### Shifting consumer needs and expectations

At the same time as these trends, we've seen a shifting of consumer needs and expectations.

Recent research highlighted that over 60% of consumers would expect their critical illness cover to continue after making a claim and over 65% said they'd expect the pay-out to match the severity of their illness[5].

Despite it also being a product that's still overwhelmingly pitched by advisers as mortgage protection, 44% of consumers said they used pay-outs to cover medical expenses or lost income[6].

There's also a growing concern from consumers around later life care funding, with almost 50% of consumers either extremely or very concerned about conditions such as dementia and Parkinson's Disease[7].

> "We need to provide more certainty, both that a claim will be paid and that the client won't lose their cover after having successfully claimed."

### Rethinking traditional forms of critical illness cover

All of this means that traditional forms of critical illness cover must move with the times and better reflect the needs of today's clients.

It's no longer enough for a clients' to be covered entirely on an 'all or nothing' basis, where if they meet a definition wording the policy pays out in full and then finishes, leaving them uninsured and uninsurable.

We need to provide more certainty, both that a claim will be paid and that the client won't lose their cover after having successfully claimed.

There's increasingly also a need for cover to continue beyond the normal term of the plan, to provide financial protection later into the client's life for any care needs that may arise.

### Exploring the evidence and real-life cases

Vitality's claims evidence highlights why this is so important, with 1 in 12 claims paid in 2022 for individuals that were claiming for a second or third time[8].

It's also brought to life through real-life case-studies, such as 'Hayley's Story'.

For young mum Hayley, it was a no brainer to take out the most comprehensive cover, but she never expected to claim on it, let alone twice before the age of 40.

At just 36, she was rushed to hospital with a pulmonary embolism. Then, just two years later, she went through it all again after being diagnosed with cancer and having to undergo major, potentially life-threatening surgery to remove a tumour.

Despite Hayley's Serious Illness Cover plan paying out twice, including in full, her and her partner David both still have cover in place.

"It's hugely helped and knowing I'm still covered, even after claiming twice, has made all the difference."

### Prioritising quality and value

All of this highlights why it's essential advisers prioritise quality over merely price when considering recommendations for your clients.

Against the backdrop of changing consumer needs, wider trends shaping our world and a new regulatory landscape, there is a real opportunity for you to deliver a less transactional form of advice and ultimately better outcomes for your clients.

### Supporting your client conversations

Vitality have developed a range of resources and tools to help you when explaining their Serious Illness Cover and demonstrating the value of the product to your clients.

View resources

[1] Cancer Research UK, accessed 2024
[2] MacMillan, Living after diagnosis, median cancer survival times, accessed 2023
[3] National Cancer Institute of America. Accessed 2024
[4] American Heart Association. Accessed 2024
[5] CIExpert Critical Thinking Report, 2024
[6] CIExpert Critical Thinking Report, 2024
[7] CIExpert Critical Thinking Report, 2024
[8] VitalityLife Claims and Benefits Report 2023

# Creating better life insurance outcomes for unmarried couples

**Rachael Welsh**
**Head of Marketing, Guardian**

The trend of unmarried couples living together is growing and looks set to continue. According to ONS data, the proportion of couples who were cohabitees in 2020 accounted for more than one in 3 (37%) couples under 45 and more than one in 4 (26.4%) couples under 65[1]. The 2021 ONS census data confirms this upward trend, with a greater proportion (27.6%) of couples under 65 reporting they were living as unmarried cohabitees one year on[2].

This trend poses a challenge for our insurance industry when it comes to making sure life insurance payouts reach the right person, especially where that person is an unmarried partner.

The challenge is to do with probate. As advisers who deal with life insurance will know, probate is the legal right to deal with someone's property, money and possessions (their estate) when they die. This estate includes the life insurance payout, unless measures are put in place to keep it separate. The problem is that, without a will, unmarried partners are not 'entitled' to receive the payout under intestacy rules. These are the rules that relate to who inherits the estate if someone dies without a will. The rules decide how the estate must be shared amongst the most 'entitled' people. These are the closest living relatives, starting with the husband or wife or civil partner. Unmarried partners are not 'entitled' and so the life insurance payout won't come to them – unless their partner's relatives are generous enough to make a gift of the money to them.

This leaves a big problem for our industry under Consumer Duty. As Swiss Re points out in its 2023 Life Claims: a beneficial direction report, "it's hard to identify a more important consumer outcome than the payment of a death claim that is not only timely but is to the intended person". The reinsurer estimated that "one in three couples taking life cover could be at risk of the money intended for the partner not reaching them, if some means of directing it to them is not put in place."[3]

For unmarried couples taking out life insurance, it's therefore really important to either write the policy in trust, or put in place beneficiary nomination, to make sure the money goes to the person they want it to.

So, what is beneficiary nomination? Beneficiary nomination is the process of naming the people you want to benefit from the life insurance payout within the policy application process. It uses contract law to make sure the money goes to those named people and it means the payout can bypass probate. The end outcome is much the same as a trust, in that the named beneficiaries receive the payout, but with beneficiary nomination the implementation is easier.

So how does it work? The process of beneficiary nomination takes place as part of the application. The policyholder can add a number of named beneficiaries and often can specify the percentage of the payout they want to go to each person in the application form. The beneficiaries can be updated at any time, which makes it flexible for the long-term.

We suggest clients review their beneficiaries every year to make sure their choice is still appropriate and details are up to date. Payout Planner will also be superseded by a trust if one is set-up at a later date.

Because of its ease, flexibility, and most importantly – its vital role in ensuring the money goes to the right person, particularly when those people are not married – we suggest that there is a strong argument to say that beneficiary nomination is the right default choice to consider in terms of ensuring good consumer outcomes. This is true even if the client intends to put a trust in place in future.

In terms of our own experience, at Guardian we're encouraged to see that so many advisers recommending our products are already on board with this concept. 68% of all our life policies sold to date have used our beneficiary nomination, Payout Planner[4]. With 5 years of trading and claims data behind us, we can also see it's having a positive impact at claim, making it easier and faster to pay the intended recipient of the policy.

Linked to this idea is the concept of dual life. This is relevant whether the couple are unmarried or married. By setting up 2 single life policies (or dual life) advisers can make sure they're not just setting up a policy that suits the policyholders' lives right now but are making sure that it is going to be fit for clients no matter how their lives change in the future. Which we believe can only benefit consumers.

Discover more about Payout Planner here https://adviser.guardian1821.co.uk/probate-payout-planner/

[1] ONS Q1, 2020 data, shared in Swiss Re, Life Cover Payout- under the microscope, February 2023
[2] ONS census data for England and Wales, 2021, shared in Swiss Re, Life Cover Payout- under the microscope, February 2023
[3] Swiss Re, Life Cover Payout- under the microscope, February 2023
[4] Guardian Payout Planner usage (5 years), 1 January 2019 - 31 December 2023

In the dynamic landscape of protection, we're witnessing an encouraging shift: Millennials and Gen Z are showing a growing interest in insurance products. This marks a pivotal moment for the industry as we look to evolve to meet the distinctive needs and preferences of these younger generations.

Engaging with them goes beyond traditional methods; it requires innovation, transparency, and adaptability. Technology presents a golden opportunity to redefine how we communicate, offering personalised, straightforward, and accessible information.

This is not just about selling insurance anymore; it's about adapting protection products and approaches to align with the ever-changing lifestyles and values of younger consumers. By doing so, we can transform insurance from a grudging purchase into a desirable, proactive choice. Our mission is clear: to ensure that protection products not only meet the needs of today's customers but resonate deeply, inspiring a new era of informed, empowered policyholders.

**Jane Irwin, Senior Product Manager, Iress**

As a software provider we are constantly encouraging people to "embrace technology". And the same should be said of embracing the life insurance conversation. When the recent AMI report suggested 50% of people recall protection being discussed with mortgage brokers it was an improvement yet nowhere near good enough. We need to realise the trigger points and discuss insurance at the right time to get maximum impact.

**Warren O'Connell, Head of Business Development - Sourcing, Iress**

In the latest AMI Protection Viewpoint - The Perception Gap, we saw some interesting gender variances in the responses.

Women see the peace of mind afforded by having the right protection products as more important than their male counterparts. 36% of female consumers versus 28% of men that used a mortgage adviser said they trust a mortgage adviser to advise on protection more than a protection only adviser. Importantly, 49% of females that didn't get asked about protection insurance when they were getting their mortgage would have been interested in their mortgage adviser talking about protection insurance in comparison to only 10% of men.

This indicates that female consumers could be more open to discussions about protection, particularly to deliver "peace of mind" and seem to prefer the options available to be sign-posted early in the advice process. Advisers should think about tailoring their advice journey to incorporate this.

**Robert Sinclair, Chief Executive, AMI**

# Get in touch

Industry Voice is shared with an audience of over 15,000 people in the UK mortgage and protection industry. We produce four editions a year and target an online audience of mortgage and insurance brokers, product providers, financial advisers and individuals with a vested interest in Industry Insight.

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