

iPipeline Quarterly

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It ain't what you do, (It's the way that you do it)



By Ian Teague
UK Group Managing
Director, iPipeline

Welcome to the first edition of iPipeline Quarterly 2022. Looking back at last year's first edition, the opening message was very similar, and most would agree, we're not sorry to see the back of last year!

Despite the ongoing challenges we faced during 2021, there were good news stories too and we continue to focus on the positive. We're determined that 2022 is going to be different – and better! It's been a strong start to the year for protection activity across iPipeline with 4% YoY growth in new business sales in January and our second-highest month on record in February. We've also had a number of record new business application days during February.

So how will 2022 be better? It's not just what we do, but the way that we do it, and as the song goes, that's what gets results. We must introduce changes and challenge ourselves to work smarter and more collaboratively as an industry.

Our focus as always is building innovative technology to drive insurer and adviser efficiency, enabling market growth and ultimately making the UK more financially resilient.

We're also influenced by ongoing industry and global themes. Of these, the new Consumer Duty consultation from the FCA is sure to attract a big focus this year. This consultation has different impacts dependent on your business and perspective, but for advisers (and I would argue us all), it presents a great opportunity to put the protection conversation in focus although it does increase the need to evidence them.

At its core, Consumer Duty will shine a light on industry best practice and highlight areas that can be improved. Of course, there is a huge role tech can play here. Whether it is assessing product premiums, quality and value through [SolutionBuilder](#), or automating and documenting protection reviews through [AlphaTrust](#), our solutions can help.

Similarly, our Environmental, Social and Governance (ESG) activity continues in earnest too. It is important that we can prove our activity in this area and the savings to our customers such as the efficiencies and environmental benefits of using [AlphaTrust](#).

Together we can make a difference and achieve more.





By Jeff Woods
Head of Intermediary Development,
Legal & General



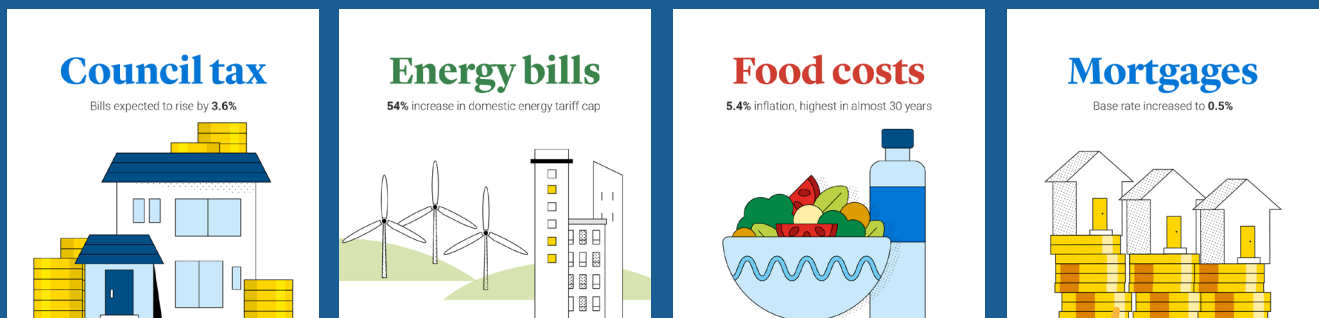
Helping your clients navigate the **'year of the squeeze'**

This year has been dubbed the 'year of the squeeze', with just about every major household expense expected to go up. In fact, think tank The Resolution Foundation predicts that families will take an average £1,200 hit to income as a result of rising energy bills and tax increases – that's before factoring in the rises to mortgages, council tax, and groceries.¹

The Office for National Statistics found the average weekly spend to run a family home was £587.90², and the average household had £2,729 in savings³ and this was conducted before the cost of living crisis became so pressing. With wages stagnating and no growth expected until Q4⁴, weekly spend is likely to go up, and savings could decrease.

Therefore, 2022 is likely to create a perfect storm of financial vulnerability for many of your clients.

What are the cost of living rises your clients are likely to face this year?



Council tax⁵, energy bills⁶, food costs⁷, mortgages⁸

The Mortgage Affordability Challenge



Are they going to choose between Netflix or Protection?

With mounting pressure on households' finances many will be reviewing their spending. And if they're going to choose between Netflix or Protection, are we confident that they will decide to keep Protection?

Legal & General's Deadline to Breadline research demonstrated that there is a reluctance to cut back on the necessities of life:



68% of respondents said they were unwilling to reduce their broadband



58% impractical to cut back on heating or lighting



51% would try to cut back on food spending



33% choose to cut their media streaming subscriptions

So how do we demonstrate the value of protection especially during these difficult times?

Robert Betts, Market Development Manager at Legal & General, discusses the gap between spending perception and reality, and the prevailing need for a budget planner.

[Read Now](#)

Sources:

- 1 [Year of the Squeeze, The Resolution Foundation](#)
- 2 [Household expenditure, Office for National Statistics](#)
- 3 [Average household savings, L&G Deadline to Breadline report](#)
- 4 [Year of the Squeeze, The Resolution Foundation](#)
- 5 [Rising Council Taxes, Local Government Chronicle](#)
- 6 [Increasing Energy bills, Gov.Wales](#)
- 7 [Inflation rises, The Guardian](#)
- 8 [Interest rate rise, The Guardian](#)



2021 – A Year Like no Other



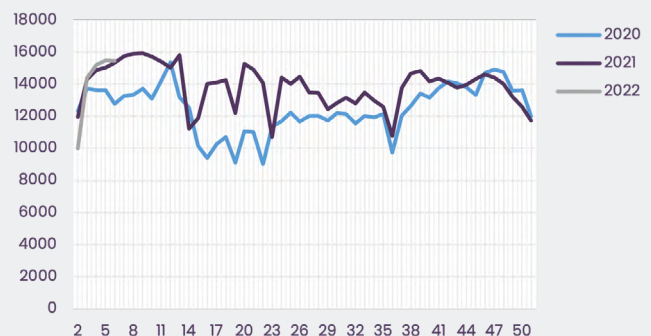
By Luke Harrison
Head of Data Analytics,
iPipeline UK

New business processed through the iPipeline platform was up 11% YoY in 2021. This varied from 18% growth in H1, with a buoyant start to the year and suppressed lockdown volumes in Q2 2020, to 4% in H2–2021. Activity peaked in February 2021 with a new record month, before gradually reducing through the remainder of the year.

Identifying drivers of market activity is challenging, with the mortgage market and evolving Covid restrictions being two key factors last year, leading to a very different profile of activity. With the stamp duty holiday impacting mortgage demand, Bank of England data shows approvals for house purchase lending peaked in November 2020, up 50% on January 2020, and remaining high for much of 2021. Meanwhile, approvals for remortgaging remained down on the pre-Covid position for much of 2021, before picking up in Q4.

Covid cast a shadow across much of the year, with the gradual re-opening of society from April 2021 (which coincided with a lower than usual Easter for protection enquiries) being felt differently across different sectors. New variants caused a stuttering emergence from winter lockdown, with “revenge leisure” competing for the most treasured of commodities: consumer time. Protection enquiries through search engines were at the highest seen at the start of 2021, but by the end of the year had fallen to a 5-year low, with well-documented challenging conditions for lead generation.

Protection New Business Trend – by week



2022 – A Promising Start

There was a great deal of Covid-induced uncertainty at the start of the year, but January has delivered some encouraging results, with overall reported new business up 4% compared with the same period in 2021. Market activity accelerated in the second half of the month, reaching levels last seen during Q1 2021. This trend has continued into February, with the first week of the month being the busiest on record.

Across product lines, the highest growth in January was seen for level Critical Illness policies, up 16% on January 2021. This was followed by Income Protection & Multi-benefit plans, both up 9%. The amount of multi-benefit in the advised channel has reached record highs, with 33% of policy applications made in

January containing two or more benefits. At the other end, there were falls observed for standalone Family Income Benefit (over 70% of this product type is now written as part of a multi-benefit plan) down 23% and Underwritten Whole of Life down 10%.

It is said that forecasting is difficult, especially when it concerns the future. Market data from InsureSight provides a continuous forecasting model using the latest performance information. On current conditions, we are forecasting 6% year-on-year growth for the first half of 2022. Of course, this is highly dependent on external factors; **understanding timely and accurate data points will be more important than ever.**



Five things you might not know about Serious Illness Cover



Vitality's Serious Illness Cover (SIC) covers significantly more conditions than any other provider and stays in place for longer. **Here are five interesting facts.**

As verified by Defaqto, [Vitality Serious Illness Cover](#) covers all heart attacks, strokes and more cancers¹- and significantly more conditions³ – than any other insurer. Here, we unpack five facts about a product which provides comprehensive severity-based coverage designed to stay in place for longer.

1. Your clients are more likely to receive a pay-out on Serious Illness Cover²

Rather than paying out an arbitrary amount, Vitality SIC pays out based on the impact each condition will have on lifestyle. Paying out appropriate amounts for less severe conditions allows Vitality to offer more comprehensive coverage over time, rather than just a full lump sum for a more severe diagnosis later down the line.

2. One in 12 claims for SIC were for conditions only covered by Vitality

Rather than paying out a set amount for a limited number of conditions, Vitality's Serious Illness Cover pays out a severity-based payment across a broader set of conditions allowing more comprehensive cover and increased likelihood of claim. One in 12 of all claims paid last year were for conditions only covered by Vitality³.





Five things you might not know about Serious Illness Cover



Vitality

3. Pulmonary Embolisms was the most common unique condition last year

Pulmonary Embolisms was the most claimed upon unique condition in 2020. This was followed by moderately severe inflammatory bowel disease without the need for surgery (such as Ulcerative Colitis and Crohn's Disease) and surgery for cardiac arrhythmia (irregular heartbeat)³. It wouldn't be unreasonable for most people to expect to be covered for one of these conditions. Even if they were expecting a pay-out, they would only get one if they had Vitality [Serious Illness Cover](#).

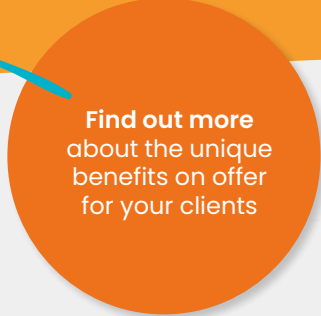
4. Almost 10% of SIC claimants had claimed previously on their plan

With SIC, any plan can be claimed on an unlimited number of times, up to three times the level of the initial cover selected. This helps ensure cover stays in place for longer, while preventing members from becoming financially vulnerable if an illness recurs or they suffer an unrelated secondary condition. Last year, one in 11 claimants had claimed previously on their plan and one in 20 were making their third claim or more².

5. Serious Illness Cover can pay out multiple times for cancers, heart attacks and strokes

Many advisers understand the value of severity-based cover – on the basis that smaller, sequential payments over time, based on impact provide more comprehensive coverage that stays in place for longer. This is important given that one in five cancers reoccur⁴ and one in four strokes⁵ are repeats. One in five people who have suffered a heart attack will be hospital within a year with another one⁶. These conditions will still have a financial impact on clients and therefore should be protected against.

Why Serious Illness Cover?



Find out more about the unique benefits on offer for your clients

Sources:

¹ Defaqto verified Competitor Comparisons, Nov 2019

² Defaqto, Apr 2021

³ Vitality Claims & Benefits report 2021

⁴ National Cancer Institute, accessed 2021

⁵ NICE guidelines, May 2019

⁶ American Heart Association, 2019

A version of this article originally appeared on [Vitality Insights Hub](#)



Bridging the gap

Ah, the 'protection gap'. The UK's £2.4Tn plus shortfall in protection. I'm tired of this statistic hanging over our industry.

We can demonstrate that protection is required by virtually everyone. There are also numerous studies which identify that interest in protection has increased since the pandemic hit. But we can see from the stubborn growth of that damned gap and relatively low direct purchase levels, consumers generally do not wake up and take the initiative to understand and initiate purchases of life, critical illness and income protection solutions.

We constantly talk about the reasons; lack of knowledge on risks, lack of trust, complexity, lack of publicity, limited on-going communications ... Simply put, protection is not an easy proposition to sell into consumers. We must get people to consider the perils they don't want to consider. Not only this, but they may also not happen, and they will have 'wasted' money, triggering the dreaded 'loss aversion' considerations.

Finally, for a significant minority of applicants, we take them through an opaque and sometimes lengthy process, further triggering the 'fear of the unknown' (for client and adviser alike). This is made worse in many direct processes where virtually the first questions asked is how much 'cover' you want and for how long. How the hell do I know that (unless I have talked to an expert)? To quote Ren Huichuan of China's Tencent and their WeSure insurance platform in a recent McKinsey interview:

“Insurance is a low-frequency purchase, but the internet is a high-frequency place”.¹



By Paul Yates
Product Strategy Director,
iPipeline UK

The good news. We have tens of thousands of highly qualified and competent advisers who can help use their advice skills to nudge people to consider how to protect themselves if disaster occurs. The problem is how can we get more advisers to have the right protection conversations when they are needed – as the bedrock of financial advice, rather than as an 'optional' add-on. In 2021 it was clear that as advisers became busier advising and writing mortgages, the % conversion to protection fell.

iPipeline is committed to growing the protection market – to ensuring more people are financially resilient in an uncertain world. To this end we are working with great adviser firms, further developing our solutions in 2022 to help:



Improve efficiency – see more people, less application related admin



Improve productivity – more effectively advise on and sell a fuller range of solutions



Keep in touch with your clients' changing circumstances – driving better engagement and lifetime value – especially with younger generations that have new demands



Attract more advisers into our industry and retain them



And, of course, **help meet the needs of Consumer Duty**

Let's maximise the great resource we have in front of us and build a better, more resilient population.

Source:

¹ <https://www.mckinsey.com/industries/financial-services/our-insights/insurance-of-the-future-an-interview-with-ren-huichuan-of-tencent>



Furlough has ended – time to prioritise income replacement strategies

When the government took unprecedented action to protect public health, it quickly set up its Coronavirus Job Retention Scheme – allowing employers to continue paying most of their employees' wages while they were unable to work due to coronavirus restrictions. At its peak, this helped support 8.9 million¹ people.

But with this financial safety net no longer available, are people more interested in how they'd survive financially if something more personal stopped them working?

It appears so – during the pandemic the industry saw an increase in demand for income protection.

While critical illness protection covers serious conditions like cancer, stroke and heart attack, income protection (IP) offers protection for all these conditions – and more! Think mental health conditions and joint problems, which often aren't covered by lump sum alternatives.

Although furlough sounds like IP, it's not the same. Furlough **only** protected against being unable to work due to coronavirus. Whereas IP protects clients' income when they can't work due to any accident or illness (including coronavirus).

It's more affordable than you think

Income protection can be cost-effective too. Opting for 2-year IP over full-term cover can halve the cost. While longer deferred periods can also help improve affordability. And clients don't have to choose between 2-year and full-term options – they can mix and match both.

Family income benefits should also be considered. When discussing wills, especially guardianship, clients probably know who they'd like to care for their children should the worst happen. But have they considered how these guardians would pay for this?

Income replacement solutions can also be easier for clients to relate to their everyday costs – helping provide financial security in exactly the way they need it.

Source:

¹ Coronavirus Job Retention Scheme: statistics, House of Commons Library, December 2021



Aegon offers a full suite of family income benefits and recently improved its IP solutions.



Fracture cover included with personal IP at no additional cost – providing more comprehensive cover.



No routine financial underwriting requirements for employed clients, and only routinely needed for self-employed clients looking for cover above £150,000 a year.



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Plus, all Aegon protection policies include Policy Plus – providing additional support even if your clients don't need to claim on their policy.

With exactly what you need for protection, your Aegon protection sales representative can help you get the right cover in place for your clients.

Visit [Aegon's website](#) to find out more.





Income Protection Task Force 2022 Plans

With three new co-chairs and six workstreams announced as part of a focus on outputs, the Income Protection Task Force (IPTF) had plenty to keep members occupied in 2021. This year's planning process, perhaps inevitably, focuses on building on last year's success while maintaining our ambition to be bold in our mission to raise the profile of income protection both within the industry and beyond.

The workstreams forged new relationships across the industry and reached out to advisers and consumers. Mid-way through the year we decided to test our promise to be bold and hold the first Income Protection Awareness Week in September.

So what's next for the IPTF in 2022? Our mission and values remain unchanged: we believe fundamentally in the value of income protection and its value to the wider protection proposition. We believe that it is not being talked about enough by advisers and consumers and aim to produce informative and engaging materials to help educate and provide insight on the need to protect income and in so doing protect other financial plans and wider life ambitions.

Our end of 2021 reflections led us to the conclusion that our two biggest outputs last year were the creation of the consumer facing brand Ziggy's Money Moves and Income Protection Awareness Week (IPAW) so it is perhaps no surprise that both will continue in 2022.

The team working on Ziggy's Money Moves will continue to produce consumer facing content in the form of blogs and Instagram posts and stories aimed at 18-35 year olds. In addition, the group will also spend time considering other key organisations and touch points for consumers and how the IPTF can collaborate to raise awareness and provide useful information on income protection.

IPAW will be back, bigger and (hopefully) even better than in 2021. Planning has already begun so look out for announcements and news. This year we will be aiming to "bang the drum" for more than a week in September and to involve as many viewpoints as possible. The inaugural IPAW event left a lasting impression with our members and beyond with more organisations seeking to join us this year as a result and the aim will be an engaging, informative and thought-provoking week which helps move the industry (and sales of IP) forward. All involved with this event are determined to reach as far outside the usual Protection enthusiasts as possible – so if that's you or someone you know then please do get in touch with us as we'd love to get you involved.

In addition to Ziggy and IPAW, we'll continue our work to remove barriers to sales of IP. Work underway is challenging why more men than women buy income protection and what can be done to encourage more women to consider protecting their incomes. As well as tackling the difficult conversations, IPTF will also look to stay informed on wider industry developments that help or hinder our cause with a focus on raising the profile of income protection.

Benjamin Franklin is oft quoted as saying "Nothing is certain but death and taxes". Having completed our planning, we'd like to add another couple of certainties to that list: it will be a busy year for IPTF and you'll be hearing plenty more about income protection!



By co-chairs:

Jo Miller, Katie Crook-Davies, & Andrew Wibberley

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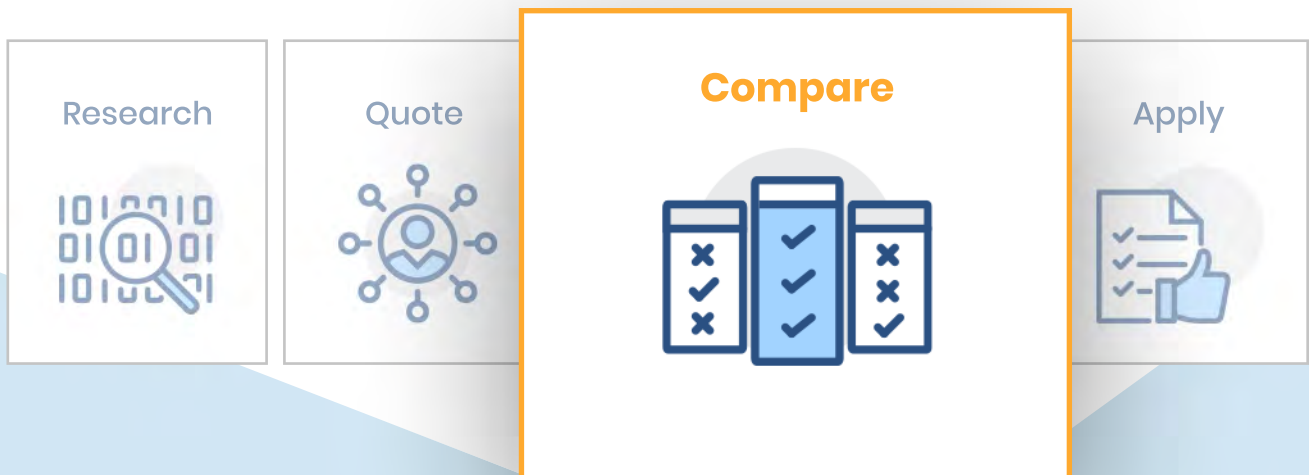
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Adviser Learning – how has it changed during COVID?



By **Chantel McGill**
Senior Trainer,
iPipeline UK

As Senior Trainer at iPipeline, I used to spend most of my working days travelling to and from adviser firms to deliver training face to face. But COVID turned our jobs, where we do them and indeed our lives on their heads overnight.

I remember how COVID really entered my consciousness, when back in March 2020 my children were abruptly sent home from school to isolate because my daughter had a raised temperature (turned out it was a dodgy thermometer) and then the following day, the Government announced school closures. The disruption from this new virus was only just starting to unfold. I watched in surprise as providers removed waiting periods for Income Protection products, amended claims processes and added COVID related questions to application forms.

Advisers were desperately searching to uncover the changing information they needed to deliver their advice effectively. The medium by which many deliver their advice and recommendation process had changed overnight, so these changes were doubly hard to accommodate.

Advisers needed a simple solution, a way to connect with a changing product and service landscape. We had the tools, we just had to make it happen.

So, the day after the first lockdown began (March 24th 2020), we ran our first online adviser training session supported by Adam Higgs of Protection Guru. We created the perfect platform to showcase what had changed and it was immediately clear the demand was there; 358 advisers attended this session.

This was just the beginning of a new programme of online content; a programme which shows no signs of slowing.

In the first year we covered topics as diverse as Universal Credit (in partnership with Policy in Practice & LV=), Non-Medical Underwriting Limits, Product Masterclasses and Top Tips for the Protection



Conversation – all devised as a direct result of adviser feedback.

In 2020 alone we provided live webinars to 5,971 attendees, plus 3,000 views of the recording.

Having direct feedback has been fundamental to driving the training we provide our advisers. They sculpt and shape the programme through their input. We have been fortunate to be able to partner with a number of providers along the way, to give extra insight when required.

In 2021 we hosted nearly 200 live webinars, again on a wide range of topics. The success was phenomenal as advisers continued to see the benefits and convenience of online training; a 15.8% increase in attendance during 2021 was testament to that.

So what does our training look like for 2022?

As the world begins to look more 'normal' we continue to push ourselves to deliver a programme that is anything but. We strive to add real value to advisers; tackling the topics important to them, filling the knowledge gaps they know they have.

We have learnt so much from our advisers about their training needs and have built up a strong picture of how they build and structure conversations with their clients. With this in mind, this month, we are presenting a series of webinars on The Protection Conversation – including rental clients, outcome based conversations and much more.

Find out more and register here:

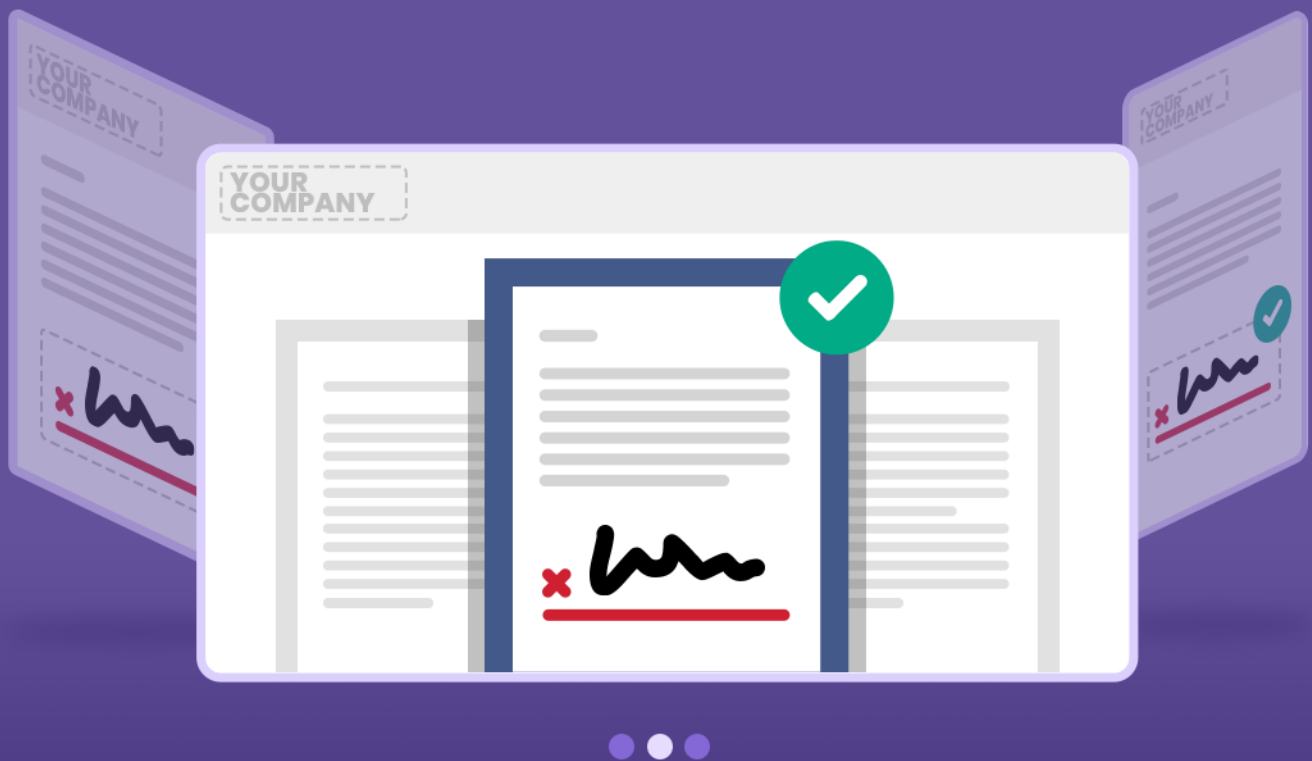
Upcoming Webinars

If you have any questions or requests for future content, please get in touch: uk.training@ipipeline.com



Operate more efficiently

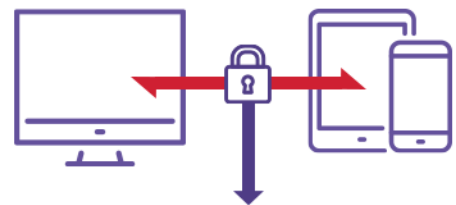
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News you may have missed

COVER

We're really looking forward to the [COVER Women in Protection & Health Awards](#).

Congratulations to **our finalists** who deserve recognition for all their hard work in helping to improve access to insurance for women and their families across the marketplace.

Winners will be announced at the awards event on 28th April. Good luck to everyone!



Congratulations also go to [Alisa Wallington](#), [Kate Buckley](#) and [Stephanie Hydon](#) who have been nominated in the [Professional Adviser Women in Financial Advice Awards](#). We look forward to the awards event on 6th July!

money marketing

In case you missed it, you can read [Paul Yates'](#) latest article, '[Fueling the protection market](#)', in Money Marketing. It's focused on the lessons learnt following recent global events and making advisers more efficient through advanced technology.

Inspirational Leader of the Year:
Kate Buckley

Mentor of the Year:
Kate Buckley

Most Inspiring Returner:
Charlotte Harrison

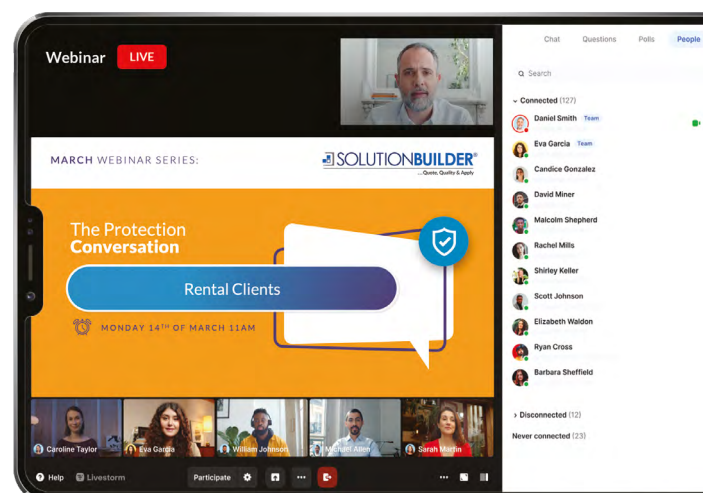
Women of the Year – Intermediary Support:
Chantel McGill

Women of the Year – Technology:
Neha Agarwal

Women of the Year – Technology:
Stephanie Hydon

Now available! We have a new series of webinars on 'The Protection Conversation'. Is there a more important conversation through the entire financial planning process?

Register today for one or all of these or to catch up on any webinars you may have missed [here](#).





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