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iPipeline Quarterly

IPIPELINE QUARTERLY | SEPTEMBER 2023

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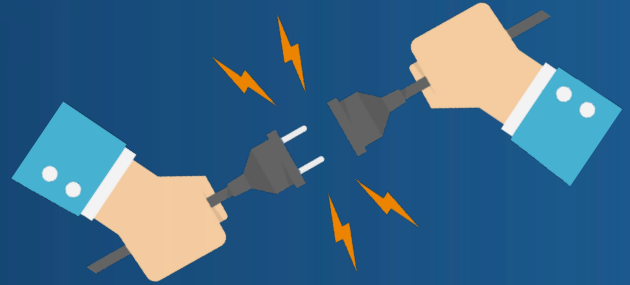
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Recharged and ready to go!



By Ian Teague
UK Group Managing
Director, iPipeline



Welcome to the latest edition of iPipeline Quarterly. I hope that you've had a chance to recharge your batteries as you will need the energy to handle the constant changes we face!

The Summer months can feel like they're on the go-slow with colleagues' staggered holidays, however at iPipeline we have been focussed on and excited for the opportunities in hand and ahead.

With the growing role of annuities again in the spotlight as demand maps rising interest rates, improving access to products and legacy technology is vitally important to providers. We are therefore delighted with the addition of the Standard Life Pension Annuity to our service. Read more on the annuities debate in Standard Life's article on page 5.

Back in March I talked about our goal to continue to improve the efficiency of the protection advice journey. One such example which you will have read in the news recently is our **enhanced relationship with SimplyBiz** whose goals to innovate and improve the provision of protection advice among its members will be supported through our **SolutionBuilder** technology. Our **InsureSight** service will also supply powerful data insights through a range of predictive services to keep SimplyBiz informed and looking to the future.

In our Summer edition we announced the launch of our annual customer survey, 360 feedback which is crucial for us and keeps us close to our customers – thanks to everyone that took part.

I'm delighted to share that at the time of closing, we had nearly 1,000 respondents with our highest ever Net Promoter Score of 57 (Bain & Co, the source of the NPS system, suggests that above 50 is excellent). This is a fantastic result, and we continue to focus on improvement opportunities, creating even better outcomes. So, what happens next? There is a vast amount of data which we have collated from your surveys around our products, services, accessibility, Consumer Duty and more which gives us valuable insights to help us improve what we do and how we can help you. The great news is that we are adding huge value to our advisers with 98% saying we are important in driving their protection growth. For a summary and to find out the winner of this year's survey, turn to page 20.

And finally, no edition (at least during 2023!) would be complete without mention of Consumer Duty. On page 17, Mike Allison of Paradigm summarises where we are now – the 'reporting phase'. We will share more on Consumer Duty in our final edition of the year, it's great to have this important contribution from Mike, who continues to be a source of great wisdom related to the Duty.

So, as the nights begin to draw in, thoughts turn to another important period in the financial services calendar. We look forward to seeing many of you at key industry conference events and awards over the next quarter, it's always great to re-connect, share insight, opinion, and opportunity – exactly the same as we try to achieve in iPipeline Quarterly. I confess I'm especially excited to be at the Irish Pensions Awards this year and proud that iPipeline are shortlisted as Pensions Technology Provider of the Year – more on this to follow.



AI and financial advice. Friend or foe?

Paul Yates, Director of Product Strategy, iPipeline



I recently wrote the last in a series of articles for Professional Adviser, adding my take on what has been a growing debate on the use of AI in financial services, more specifically advice. Now, it's been a busy summer at iPipeline HQ, so I was tempted to prove (or disprove) the power of AI along with its growing grasp over language by simply asking Chat GPT (other AI assistants are available) to do the hard work for me. I'm sure I wasn't alone in considering this (time saving) approach.

In the end, I decided that the adviser audience who read my piece would, on this occasion be more interested in what I had to say, rather than the learnings of a robot. Partly because of my long history in fintech, partly because this topic is just so central to the future of advice and indeed the future of financial planning.

So here goes. No AI was harmed in the writing of this article...

Access to advice

Advice is crucial to successful financial planning. Financial services, from protection to pensions, is complex, so people need and benefit hugely from the advice, recommendations and planning of experts. We know just how important it is too. Proper financial planning is crucial to families building true financial resilience for now and the future.

However, for too many people, proper financial advice is an aspiration they're unable to access. Changing regulation and adviser remuneration amongst other factors have resulted in an advice market which serves a relatively small (but very valuable) proportion of the UK population. Anyone with free assets to invest of less than £100,000 is unlikely to be a prime candidate for investment advice today, or pensions advice for tomorrow.

The outcome of this is huge and the advice market is unable to reach its total potential target, having less impact on families and society as it could. Advice should be a force for good.

Tech to drive change

That's where technology and specifically AI can help. Technology, AI in particular, if deployed correctly makes advice businesses more efficient. In theory, more efficient businesses can reach a wider target market and do so more affordably.

Whilst access to regular, bespoke, 'human' face-to-face advice may remain a service reserved for the smaller segment of asset rich customers, AI offers a potential mass market a less sophisticated advice solution. AI could be the transformation that brings advice to the masses, brings pensions and investment advice to the mainstream, gives protection the cut through to truly grow the market.

But this is not a new concept or indeed ambition for financial services. Robo-advice has long been discussed and indeed tested as a potential game changer in advice and to date it has never been proven to work at scale to deliver the required outcomes and minimise any risks associated with deploying advice in this way.

However, new platforms such as Chat GPT and Bard have moved the goalposts on AI as they are able to process vast amounts of data and generate natural-sounding language far more effectively, taking away one of the big limitations of past technologies. This is only going to improve as AI platforms evolve and learn. What we have seen already is far from the endgame in terms of potential. That's an exciting and somewhat bewildering thought, one which has clearly got some spooked.

So, where could AI based automated advice be deployed in the future?

Perhaps the most obvious area of financial advice and planning to benefit from a robot intervention is around simple investments. With the cost-of-living crisis still biting hard, it could be easy to dismiss investments as the last thing on people's minds, but research indicates that interest in investing is growing amongst the young. Leading asset manager **Abrdn** found that 69% of 16-24 year olds were interested in investing, during 2022, compared to 38% of over 45's. This is an ambition that right now most must meet alone, without expert help – AI could help change that.

However, let's not end our ambition for AI powered advice with investments. Pensions planning and protection both offer other potential avenues for this powerful technology to make an impact and secure family finances for the future. For example, our PreQuo tool has been using AI and predictive analysis to risk profile customers for years, often placing a strong need for protection which didn't already exist.

So, whilst it is clear that many challenges lie ahead in deploying AI ethically across all markets – ensuring efficacy, accuracy and longevity – there are potential huge gains for the advice sector, and potential huge gains for household finances as a result.



Standard Life

Part of Phoenix Group

We need to talk about Annuities



Claire Altman, Managing Director for Individual Retirement, Standard Life

There's been a lot of discussion and debate about annuities recently.

With significant improvements to the rates on offer, they've become a much more attractive proposition for those who are approaching retirement. At the same time, the ongoing cost of living crisis and market volatility has increased demand for solutions that can offer greater financial certainty.

These two forces have ultimately combined and triggered a new era for retirement income planning. Despite this, our latest research shows that, even within the advised population, there's still a lot of work to be done to help educate those who are approaching retirement about annuities, while also dispelling some of their long-standing myths.

What advised consumers are thinking

We spoke to 2,000 adults who are over 50-years old about their views on annuities and retirement. This included more than 200 consumers who currently pay for professional financial advice.¹

What's immediately striking is that, while almost all advised consumers (99%) say that income security in retirement is at least somewhat important to them, less than half (41%) believe that annuities are the best option for guaranteeing an income for life.

It also appears that the recent media coverage around improved annuity rates hasn't fully filtered through. Indeed, almost half the advised population (48%) still associate annuities with being expensive and offering poor value for money. This is in spite of the fact that annuity rates have improved by 20% since June last year (and have jumped a massive 48% since the beginning of 2022).²

In monetary terms, the improvements over the last 12 months mean that a healthy 65-year-old male with a pension pot of £100,000 could now expect to pocket over £25,000 more over the course of their lifetime.



A new age. A new advice conversation?

While advised consumers are notably more knowledgeable about pension matters when compared to those who go without professional financial help, there are still sizeable numbers who are unsure about how annuities work and the benefits they can offer.

For instance, more than 3 in 10 (34%) advised consumers believe that annuities must be purchased at the point of retirement, while around the same number (30%) aren't sure whether they'd need to use all of their pension savings to buy one. Interestingly, 4 in 10 (40%) don't know they can buy an annuity to work in combination with income drawdown.

By raising awareness and understanding around annuities, it could lead to a deeper advice conversation. A good start would be amplifying the fact that managing your retirement income doesn't have to be a 'one and done' decision.

In fact, many consumers may actually enjoy a better outcome if they were to combine the flexibility of drawdown with the security of an annuity, and then regularly review the balance between the two. This could see them gradually turn more of their unsecured pension savings into a guaranteed lifetime income as they grow older or their needs change.

If you'd like to show your clients the value of having an annuity as part of their retirement income mix, our annuity tracker actively monitors the average rates on offer across the market. It can also show you what the latest developments mean for expected lifetime incomes. You can find out more on our [website](#).

Sources

¹ Research was commissioned by Standard Life and conducted by Opinium, with a nationally representative sample of 2,000 adults aged 50+ between 6 - 14 March 2023.

² Annuity rates data provided by AMS Retirement. Accurate as of June 2023.



Saving and planning for tomorrow, or just surviving today?



Jon Finley, Business Development Director,
iPipeline

It's a difficult world out there right now, and almost no one is immune.

With interest rates on a seemingly never-ending upward curve, along with food and fuel prices at near all-time highs, surviving the month has become the priority for many – planning for the future has taken the very rear of back seats.

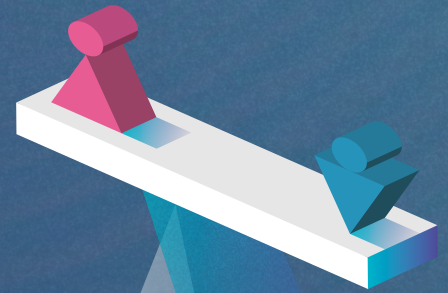
For those already in retirement, many of whom will have executed long-term financial goals, the challenge is great too. As prices increase, so does pressure on their pension pots. Planned trips around the world (to places not too hot or too wet, difficult to find these days) will be shelved, little luxuries will be foregone. It's hard.

However, the challenges don't begin and end with consumers. For businesses, the economic outlook presents huge questions and hurdles to overcome. As consumer priorities change so will their behaviours. Sales figures will come under pressure, as will attrition rates.

But set against what may be fluctuating demand, there are also a whole host of other hurdles providers are trying to overcome. Advisers have for some time now been highly critical of the standard of service delivered by providers across the wealth market, with a focus on annuities – a currently buoyant sector on account of rising interest rates.

Whilst there are two sides to every story, there have clearly been issues and a breakdown of trust between providers and the advisers who recommend their products and services. This lost trust is, I believe retrievable, but providers need to make positive steps – and quickly – to regain market confidence.





Kill the weed from the root

For many providers, service issues are at least partially caused by poor, legacy technology which not only inhibits how they interact with customers but can also impact reliability and security. Providers have been reticent to embark upon major technology projects, fearing escalating costs and the risks of migrating to new platforms. However, to cite these risks now feels short sighted to say the least. First, the damage that has already been done to consumer trust isn't sustainable, it needs to be tackled. Second, there are new solutions which can enable providers to onboard and integrate new technologies without the same perceived complication – such as our own [migration tool](#).

Volume Control

Recent issues in the annuities market have no doubt been exacerbated by increased demand. Simply put, this is no excuse. All businesses need to have efficient, scalable models which can cope with the peaks and troughs of day-to-day demand. Efficiency requires simple, repeatable processes and seamless technology to enable it. Again, for many providers, the route to these repeatable processes is hindered by legacy technology.

Digital First

Much of the debate surrounding service has focused on poor response times to requests of many types. In 2023, this seems like a strange debate to be having but sadly one which is all too common throughout the financial services sector. Too many providers are still built on legacy service models where information needs to be requested and processed via their head office administrative functions. Compare this to the new breed of tech led banking brands such as Revolut and Monzo, without the dead weight of old platforms embracing automation and digital first service throughout their customer journey.

The cost-of-living challenges all consumers face today, will, in time, ease. But the demand for providers to deliver better service won't. For providers still constrained by poor technology the time to change is now.



New Trend Emerges: Families planning ahead for later life care



Tracey Funnell, Business
Manager, Legal & General
Care Service



Tracey Funnell, Business Manager for Legal & General's Care Service, says that the use of Care Concierge is indicating a significant increase in the number of unpaid carers accessing care support and expertise at least two months ahead of need, instead of waiting until crisis hits.

Our data shows an increased interest in planning ahead when it comes to later life care of loved ones. Traditionally, it was the case that family members usually sought help around care options and funding only at the point of crisis; the day an elderly relative is released from hospital, for example.

However, Legal & General have found that over half (54%) of calls in to their Care Concierge service, are from those looking for care on behalf of loved ones at least two months in advance of requiring it. Care Concierge, which is included as part of Retail Protection, Home Finance, Group Protection, Workplace Pensions and Retirement Income, provides a direct line to care experts who have a wealth of knowledge on state funding and care options.*

This advance planning represents a very significant change, especially when you consider that **the number of self-funders who had run down their savings to almost nothing increased by over a third (37%) in 2020.**¹

It's difficult to say for sure what is behind this proactivity, but it's likely to be due to a combination of things. For example, there's been a lot of government and media focus on social care of late – particularly around the social care reforms that have now been postponed to October 2025.²

Of course, increased awareness and action could also be largely due to personal experience and life changes experienced during the pandemic.

Carers UK estimate that the number of unpaid carers increased by 4.5 million at the height of the pandemic to 13.6 million.³

With many full-time working carers now being encouraged to commit to hybrid ways of working post pandemic instead of home working, the juggle of caring and work is made ever harder, forcing the need to consider available support options, whether at home or in a care home.

Care Concierge is a free service offered by Legal & General which gives your clients* access to a confidential telephone advisory service to help them understand, find and fund later life care. The team have extensive knowledge in later life care to help your clients navigate the care system and find suitable care options for themselves or their immediate family.

Find out more about the service [here](#).

¹ A year on from the PM's pledge that no one would have to sell their home – 14 people are wiped out financially by care bills each day, Age UK

² Proposed adult social care charging reforms, UK Parliament

³ Unpaid carers worried about the financial strain on top of continued reduced access to support, CarersUK

* Care Concierge is available to all Annuity, Later Life Mortgage, Group Protection and Workplace Pension customers. Care Concierge is only available to Retail Protection customers who have had a protection policy since 20th of July 2023.



Protection pricing is ever more granular. Don't get left behind



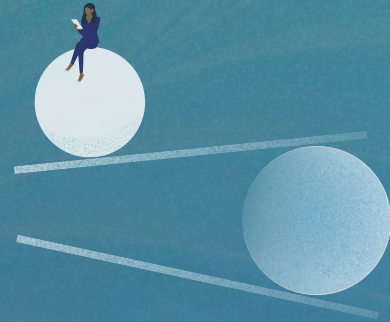
Will Joice, Data Product Manager, iPipeline

The protection market, like many other industries, is continually evolving. For providers, consumer and adviser demand drives how, where and when they need to change their product and service proposition. This demand also drives a key aspect of the competitive market landscape, price competition and elasticity. As price competition has grown, becoming more and more fierce, sophisticated pricing models have been developed. In previous decades protection pricing was often set simply at product or market level only, but with the changing landscape, such approaches are no longer viable.

To stay competitive, businesses are increasingly turning towards pricing strategies that take into account various factors beyond just product or market attributes. This article explores how repricing is becoming more frequent and complex, the benefits of sophisticated pricing models, and how they can start to adapt their pricing strategies to thrive in this evolving landscape.

Pricing becoming more sophisticated

In the past, setting prices in the protection market involved calculations based on the cost of the product, risk, margins and market competition. However, as the market continues to become more competitive and customer preferences more varied, traditional pricing models are likely to fall short of meeting the needs of providers and consumers alike.



Today, the most successful providers in the protection market have shifted towards more sophisticated pricing models that consider a wider range of factors. These forward-thinking insurers now incorporate a broader approach to pricing, taking into account individual characteristics, their positions within the broader market and historical performance.

The competitive advantage of intelligent repricing

Being able to reprice products and services quickly and intelligently provides potential significant competitive advantage within protection.

It allows providers to adapt swiftly to changing market conditions (once trends have been identified), customer preferences and competitor actions. The ability to first identify and then respond promptly to these changes can go a long way to determining an insurers success, at least in the immediate term.



Addressing the Evolution of Pricing Strategy

To successfully adapt to the evolving protection market and embrace sophisticated pricing models, providers need to consider the following steps:



01

Data is key

To make truly informed pricing decisions, insurers need access to vast amounts of data – of both internal and external origin. This data will build a picture of pricing changes within the market, the frequency of these changes and the potential impact they could have on market share. Analysing and leveraging data is the single, core foundation of any sophisticated pricing strategy.

02

Agility in Action

Having access to data alone is not enough; providers must be able to convert this insight into action. And quickly. Without the ability to adjust and deploy new premiums rapidly, the valuable data gathered becomes less impactful or in some cases, useless. Timely action is crucial in leveraging insight effectively.

03

Daily Monitoring & Quick Response

With pricing dynamics in the protection market changing rapidly, insurers must monitor price changes on a regular basis, daily as a minimum. It isn't unusual for pricing teams to monitor pricing hourly. This enables them to react promptly, gain or maintain their competitive edge.



Products & Services Offered



In the face of this changing landscape, it is clear that providers of many shapes and sizes need an approach to enhance their pricing strategies. There are numerous options open to them, but you can broadly summarise into two categories:

OPTION 1

Self Build: Insurers can choose to invest significantly in developing their pricing infrastructure. This option allows them to have full control over their pricing models and data analysis. It also ensures that they develop the skills and experience they need to analyse data and deploy revised pricing for the long-term.

However, this cannot be done effectively in a vacuum. Acquiring vast raw market data is crucial to building a robust pricing infrastructure. This data forms the foundation for sophisticated pricing models that capture market trends, customer behaviour and competitor actions. It requires substantial investment and time, often taking upwards of a year to implement.

CONCLUSION

The protection market's evolution towards more sophisticated pricing models is happening, offering significant benefits by tailoring strategies to individual characteristics and gaining a competitive edge. To succeed in this changing landscape, providers must prioritise using data intelligently, putting gained agility into action and responding quickly to market changes. Whether choosing data service partners or investing in self-built solutions, they can position themselves at the forefront of delivering innovative products and services to customers while staying ahead in the ever-evolving protection market.

For streamlined and rapid implementation of pricing models driven by raw data insights, iPipeline's data service expertise provides a compelling solution, accelerating towards market success – speak to us today to revolutionise your pricing strategy.

OPTION 2

Partner: As an alternative, businesses can collaborate with third parties, like iPipeline who constantly evolve their predictive and prescriptive data services and can offer end-to-end solutions. Our data services that can accelerate adoption times compared to self-built systems and are built off hundreds of millions of lines of raw data, captured through portals which account for 50% of all adviser protection new business in the UK.

In addition, providers who utilise our SSG Digital platform benefit from the ability to deploy new pricing in real time. No more waiting for the next release, SSG Providers are empowered to manage their pricing there and then – without any third-party support.



WE'VE ADDED A **NEW** ROUTE

to your client's journey

1 SITUATION

Assess your client's situation to make sure financial resilience resonates with them.



2 SIGNPOSTING

Introducing the need for income protection at the start of the conversation.



3 SIMPLICITY

Keep the product simple and avoid jargon to help your client understand what income protection is.

4 LONG-TERM

Our long-term income protection contract is designed to support your client until their selected retirement age.



5 SHORT-TERM*

A short-term benefit **option**, with a maximum claim period of 2 years, per incapacity.

*My Earnings Protected contract only





Breaking Bad: The Reality

The lengths we take to protect our families

Scott Machin, Senior
Product Manager, iPipeline



As I continue to struggle to find any new decent TV shows or films to watch, I recently decided to rewatch the excellent and multi-award-winning series Breaking Bad and although around a decade old, I would still highly recommend it. For those that do not know this series, let me give you a brief synopsis.

Breaking Bad tells the story of a middle-aged chemistry teacher who is diagnosed with Cancer and in an effort to pay his medical expenses and provide a nest egg for his family, he chooses to manufacture and sell illegal drugs. Throughout the series he partakes in more and more dangerous criminal activities as he gets dragged deeper into the dark underbelly of society.

Now what struck me while watching the program is that the moral of the story is not the age-old ones - crime doesn't pay, karma or the bad guy always gets caught etc. The real story is a 5 series epic advertisement for the consequences of not having adequate Life & Critical Illness protection.

Although this is an extreme example, the emotions that were demonstrated are going to be the same for millions of others and their families when put in a similar financial burden - stress, fear, and insecurity. Unfortunately, these pressures can then also manifest themselves in vulnerability, abuse and violence.

It is vitally important that advisers and product providers ensure they are keeping in touch with their clients on a regular basis to ensure they can identify any changes in circumstances that would require a conversation to ensure their current protection products are sufficient or if there are any new requirements that need to be addressed.

Using Breaking Bad as an example, which is set over the period of 3 years, the following life events occur that should require their adviser to assess their protection cover - health issues, new child, separation/divorce, job loss, moving house. Given all these events happened within 3 years, waiting for the end of any claw back period of a previous policy would have left this client without contact and with the incorrect level of protection they required. The new Consumer Duty regulations stipulate how critically important it is to improve the level of communication financial service professionals have with their clients, and the many lost sales opportunities as a result of not contacting this client.





Life Update Form

We are committed to delivering an exceptional ongoing service to our clients. A key element of this is ensuring that all the planning and protection remains appropriate to your needs and take account of any changes in your personal circumstances.

This form is designed to identify any change in your personal or finance circumstances over the past 12 months, or to highlight any potential changes that may occur over the next 12 months.

Personal

	YES	NO	Notes
Additional education?	<input type="checkbox"/>	<input type="checkbox"/>	
New financial dependants (children or parents etc)?	<input type="checkbox"/>	<input type="checkbox"/>	
Changes to your state of health?	<input type="checkbox"/>	<input type="checkbox"/>	

Employment

	YES	NO	Notes
Changes to your employment status?	<input type="checkbox"/>	<input type="checkbox"/>	
Is employment changed (employer or job role)?	<input type="checkbox"/>	<input type="checkbox"/>	

Property

	YES	NO	Notes
Is selling, has your rental status changed?	<input type="checkbox"/>	<input type="checkbox"/>	
Purchase new property?	<input type="checkbox"/>	<input type="checkbox"/>	
Are mortgages changed (mortgage rate or your existing loan)?	<input type="checkbox"/>	<input type="checkbox"/>	

Other changes which you want us to/believe we should consider?

Client Signature _____ Date _____

POWERED BY AlphaTrust

As part of FCA Consumer Duty, there will be a lot of emphasis on providers and advisers to engage regularly with their clients, ensuring the needs are met for their circumstances. Life Update is a simple way to help overcome this challenge.

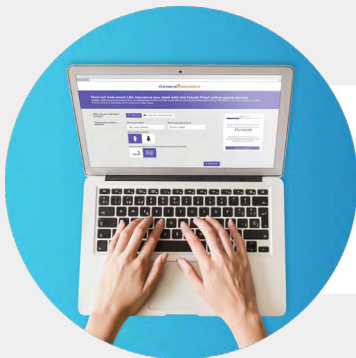
72% of consumers haven't reviewed their protection cover in the last 12 months, with 19% saying they have never reviewed their protection cover.

iPipeline has built a simple, jargon free form and workflow process using AlphaTrust, which is our digital process and e-signature solution. This Life Update Form asks a handful of easy to answer questions to understand if there have been any fundamental changes to your clients' circumstances and therefore a need to be contacted to explore further. It

provides evidence that you are making contact with clients and also warm leads that can result in improved sales.

This example demonstrates how easily and effectively AlphaTrust can help digitise and automate your business processes. Find out more about it [here](#).

PreQuo
...Lead Gen



Drive protection conversations via your website



Easily educate your clients on the protection they need



Furthermore, iPipeline's PreQuo Risk Reports can provide an easy to digest report that can be given to clients to illustrate their personal risk ratings for mortality, critical illness and loss of income, along with premiums to cover those requirements. The reports help to raise the awareness of their protection needs, highlighting that the cost is probably not as much as they anticipated. PreQuo is a suite of products that can help educate clients on their protection

needs and also ensures your business conforms to the requirements of Consumer Duty. More details can be found [here](#).

I hope this article doesn't lead me to try and find more connections in films to the financial services industry. Perhaps I need to get out more...



There's still a need to talk about income protection



Co-chairs:
Jo Miller,
Katie Crook-Davies &
Andrew Wibberley

2023 has seen IPTF continue to work to raise the profile of income protection across a number of initiatives and the culmination of this work will be Income Protection Awareness Week (IPAW) which runs between 18th and 22nd September this year.

According to the latest market analyses from Swiss Re and Gen Re, we are seeing growth in the IP market, more so than with other protection products, which is a very welcome development but given that IP sales have trailed behind their protection counterparts for some time, the starting point is low and the growth much needed over a sustained period. This is one of the reasons that IPAW will return for a third consecutive year.

The need for growth in the market is not the only driving force behind IPAW though. It is coupled with a need for increased adviser awareness of income protection and, more than that, an understanding of the role that advisers play in building financial resilience for their clients. There are of course regulatory drivers which undoubtedly encourage a greater interest in income protection as a solution for clients, but in addition to this, the current context of a cost-of-living crisis means that people are more financially vulnerable to income shocks and financial advice plays as important a role as it ever has. In line with protecting clients from the now oft cited "foreseeable harm", advisers have a responsibility to help clients assess how robust their plan B really is and income protection is an obvious conversation point here.

All of which means there is more need than ever for IPAW which returns with a slightly tweaked format this year. Instead of different days dedicated to different types of

advisers, this year there will be something for everyone every day as we follow the role of the adviser throughout the week considering a different aspect of the role each day. Starting with building a client base on Monday, across the week, the IPTF will also consider how best to prepare for client meetings, how to overcome common objections in client conversations, how to navigate IP underwriting as smoothly as possible and finally how to continue to add value for clients even once their cover is in place.

IPAW is an online event taking place at the same time each day (12 noon – 1pm) and each session will qualify for an hour of CPD for those who tune in to attend. All you need to do to be part of IPAW is register for each of the sessions and the links to do this can be found on the [IPTF website](#).

Those interested in the content IPTF are producing are also encouraged to follow IPTF on LinkedIn and sign up for their newsletters via the website. This year IPTF are encouraging participants to share the impact IPAW has had on them by sharing a short video on LinkedIn using the hashtags #LetsTalkIP and #IPAW2023.





Consumer Duty – is it a huge protection opportunity for adviser firms?



Shelley Read, Senior Intermediary Development & Technical Manager



Shelley Read, Senior Intermediary Development and Technical Manager at Royal London, considers where advisers can find the protection opportunities within the Consumer Duty.

A colleague shared a Thomas Edison quote a few weeks ago, which I think sums up perfectly my thoughts on Consumer Duty in the adviser market:

“Opportunity is missed by many because it is dressed in overalls and looks like work “

Not all, but for many firms Consumer Duty will bring some extra work, some anxiety and possibly even some dread. The more I study Consumer Duty, the more I firmly believe it brings a massive opportunity to advisers and their firms. Focusing on good customer outcomes and showing we've done that will no doubt avoid risk, increase reputation, aid customer retention and increase revenue.

Let's look at an example of each of these....

First avoiding risk. Consumer Duty will help to avoid risk for both adviser and client. I think the focus on avoiding foreseeable harm and good outcomes will mean advisers must look at all eventualities that could cause harm or hinder their clients reaching their financial goals and objectives. This will encourage conversations around a possible solution and, in the protection space this could mean adding Critical illness, Family Income benefit or Income Protection Cover to their protection planning – or discussing features such as flexibility, underwriting niches or even indexation.

For the client having these robust protection conversations, over and above basic life cover whilst considering the risks they and their families face, will give them information to make an informed decision on how to protect their family, their home and their lifestyle.

Looking at increasing reputation, engaging clients and building a bespoke protection portfolio that evolves as their families, their jobs and their housing evolves, must increase adviser reputation. Not only amongst clients and their families but also amongst other professionals they will liaise with, such as accountants, lawyers and wealth advisers.

Advisers who also take the trouble to discuss the benefits of placing a plan in trust will most definitely put their advice head and shoulders above the majority.

That really leads me onto customer retention. Clients who are engaged, fully understand the value and reasons they took out their protection portfolio are also less likely to cancel their cover.

It seems to me that clients may be more likely to prioritise the importance of a protection plan that includes solutions that go beyond cover if they die prematurely – like diagnosis with a serious illness, injury from an accident or being unable to work long term due to ill health – and therefore maintain those premiums.

Once again policies written in trust may have a higher chance of staying in force for the duration of the plan. I think frequent reviews, and importantly ones that the client comes to expect, will also almost certainly aid customer retention.

And finally, increase revenue. We've heard much about signposting with regard to protection advice over recent months. Whether advisers choose to give that protection advice themselves, refer to a protection expert within their company or refer to a protection expert within their network or business community – this can result in more revenue generated. The new duty may also lead advisers into areas of protection they have done little in before, such as business protection or inheritance tax planning, once again creating a possible new stream of income.

To understand more about the Consumer Duty, what it means for your firm and the steps you must take to meet its requirement, visit our [Consumer Duty Hub](#).



Consumer Duty: They think it's all over... it most certainly is not!



Mike Allison, Director of
Protection, Paradigm



Whilst the implementation phase may be over, Consumer Duty was always going to be something of a 'Paradigm shift'. Now we find ourselves in the 'reporting phase', which brings a host of ramifications to large and small firms alike.

We need to remind ourselves of the enormity of the change that Consumer Duty is due to bring about – indeed, it has a reported maximum implementation cost of £2.4bn. We haven't really seen costs like this since the RDR, giving an indication of the sheer scale of the project and demonstrating its importance to the FCA.

As a reminder, the basics are to:

- Ensure that Principle 12 (A firm must act to deliver good customer outcomes for retail clients) and the obligations in the Principles of Business chapter are reflected in the strategies, governance, leadership and people policies, including incentives at all levels.
- Ensure retail customer outcomes are a central focus of the firm's risk control management and audit process.

Effectively, the new regime means a wholly customer-centric approach in absolutely everything a firm does, from initial contact to ongoing support post-sale.

In the reporting phase, the Regulator tells us that at least annually a firm must:

- Review and approve the firm's report on the outcomes being received by retail customers.

- Confirm whether it is satisfied that the firm is complying with its obligations under Principle 12 and that the firm's future strategy will also meet these obligations.

The firm's implementation plan will then be used as a baseline to test their effectiveness in delivering the Consumer Duty across the four outcomes and the cross-cutting rules. Assessing the spread of products is a good reporting measure, for example if an adviser recommends 100 mortgages and only 5 protection policies, that could be up for scrutiny. The file may show that the client didn't need protection, that they were arranging protection elsewhere or that protection wasn't mentioned or discussed, and that the risks weren't outlined. The latter would be concerning, as under the cross-cutting rules firms are required to avoid causing foreseeable harm.

Clearly, this applies across all propositions offered and in key areas, such as vulnerable customers; firms may want to review how many were identified in each product area, look at numbers of complaints or amounts of positive feedback in each channel, and then perhaps adapt their processes accordingly.

Whatever happens, firms should not take a "fingers crossed" approach to getting it right, and should seek support from both technology for risk reporting, and from skilled Compliance Consultants to ensure they're on the right path. Paradigm have a team of experts who can support you in all aspects of compliance, including Consumer Duty, and would be delighted to [discuss further with you](#).



Adding the value to value added services



Nicola Reynolds,
Marketing Consultant,
The Exeter

With one in nine on a hospital waiting list for treatment ¹, we recognise the increasing pressure on the NHS. With only 13% of the UK population with healthcare ², now is the time for your clients to make the most out of the value-added-services available with their insurance policies.

How often do you discuss the monetary value of value-added-services with your clients? HealthWise, our free member app gives quick and convenient medical advice and treatments worth up to £1,800 per year. Now that's worth shouting about!

Our top three services in 2022 were:

Remote GP Appointments

"One word – accessibility... the quality of the GPs calibre is very high."

– Michael La, General Practitioner,
Square Health

With HealthWise, members can book a video or telephone consultation with a UK-based GP who can issue prescriptions and make referrals to specialists if required. In 2022, remote GP appointments accounted for over 61% of overall usage with 82% of appointments being held digitally. This gives your clients peace of mind as it takes away the wait of accessing a GP appointment.



Mental Health Support

"The biggest benefit is people don't have to be on a waiting list... they can sometimes even book on the same day"

– Cathy McAllister, Psychotherapist,
Square Health

With approximately one in four people in the UK experiencing a mental health problem each year ³, it's not surprising mental health support was the second most used service in 2022. HealthWise provides members with trained experts via video or telephone call, and they can receive treatment and personal support for a wide range of conditions. Clients can access up to six sessions of mental health support each year*. In 2022, mental health services accounted for 16% of overall usage with the top three conditions being anxiety, depression, and stress.

Physiotherapy

"You can get in touch with us in days"

– Mark Laurens, Physiotherapist,
Square Health

Over 20 million people – almost a third of the population have a musculoskeletal condition such as arthritis or back pain ⁴. HealthWise provides members with access to a network of physiotherapists who can diagnose and treat a wide range of musculoskeletal conditions. In 2022, physiotherapy accounted for 15% of overall usage with the top three conditions being back, neck & shoulder pain, hip, knee, ankle and sprains. 95% of these appointments were held virtually.



In addition, HealthWise also provides members with access to:

Second Medical Opinion

HealthWise provides access to a second medical opinion, where a diagnosis can be assessed and analysed by a second expert pair of eyes. It could recommend a different treatment plan or just valuable reassurance.

Dietitian Consultations

Members can access one-to-one consultations with a HCPC registered dietitian who can help improve health and wellbeing, including working with special dietary needs due to health conditions such as coeliac disease, Crohn's and diabetes. In 2022, 69% of members were repeat users of the service.

Lifestyle & Nutrition Consultations

Members can access lifestyle and nutrition coaching, which is designed to take a holistic view across a range of areas that can affect health, wellbeing, and happiness. Our lifestyle and nutrition consultants can help members with stress management, improving sleep and motivation to exercise.

You Matter More

At The Exeter, we understand that value means more than price. By considering the detail in value-added-benefits, you can ensure your clients get peace of mind and the best possible coverage from their policy needs. Making customers aware of the services that are available to them, and how to access them, strengthens the provision of fair value and supports vulnerable customers. All of which links to the new consumer duty regulations, good client outcomes and allows you to showcase the value of your advice.

To find out more visit

www.the-exeter.com/member-benefits

- [Waiting List Tracker \(lcp.com\)](#)
- [Health insurance statistics \(finder.com\)](#)
- [Mental health statistics - MHFA England](#)
- [NHS England » Musculoskeletal health](#)

Remote GP appointments can be used by children if accompanied by their parent.

Mental health support, physiotherapy, registered dietitian consultations, and lifestyle and nutrition consultations are not available to under 16s, unless they are referred in-app after a remote GP appointment.

The HealthWise benefits available depend on the policy held

HealthWise is provided by Square Health

iPipeline 2023

Customer Survey results



From the winner of this year's Survey:

I have been a Mortgage and Protection Adviser for 5 years now. SolutionBuilder is so easy to use and I would highly recommend it to other advisers. The layout makes it easy to submit the business and makes all levels of cover easy to understand. It's also easy to share your screen with the customer in front of you. **My business would be lost without it!**

Chris Brown, Simpli Financial Solutions Ltd



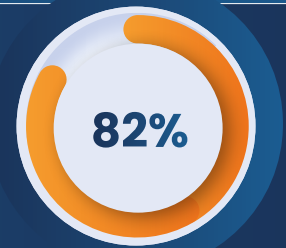
57 NPS score



I've always used iPipeline with this company, and the previous. Excellent website, and brilliant information, **would never consider anything else.**

82%

of respondents recognised the significant role of iPipeline's services in driving the growth of their protection business.



78%

of respondents emphasised the importance of iPipeline in their **Consumer Duty** plan



Without this tool I would have to spend hours sourcing options from multiple providers, this enables me to be **quick and precise**. This allows growth"





Discover how **Aviva** **individual protection** went **above** and **beyond** in 2022.



Visit our protection claims hub to download
a copy of our latest claims report

For adviser use only. Not for use with customers

It takes Aviva.

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[aviva.co.uk](https://www.aviva.co.uk)

PT151148 05/2023

How Aviva's individual protection went above and beyond in 2022



For adviser use only. Not for use with customers.



Protection products are the cornerstone of any financial plan, and last year, Aviva paid over **£1.07 billion across 50,595 individual protection claims**. It's consistently settled more than 98% of claims over the last three years, paying over £1bn each year to a total of 155,889 claims.

But this crucial financial support only tells part of the story. It's also about expertise, service and commitment. It's about the efforts of teams who go above and beyond to make a difference to people when they need help the most.

In 2022, Aviva:

Improved its critical illness cover to pay more claims, more quickly.

Increased the amount it pays out under additional benefits within its upgraded adult critical illness cover, to put more money in the pockets of your clients at the most challenging times.

Offered health and wellbeing services through **Aviva DigiCare+**.

Sent hundreds of **thoughtful gifts** to children and their families going through a critical illness, hoping to brighten their day.

Continued its partnership with Macmillan Cancer Support to better support your clients living with cancer and for some to benefit from a smoother, faster claims process.

Offered **early intervention and rehabilitation** to help support a return to normality for your income protection clients.

By putting your clients at the heart of everything, Aviva not only supports their financial needs with protection products, but also gives them practical and emotional support from day one of their policy.

[Find out more about individual protection claims at Aviva in 2022](#)

If you have any questions, please contact your usual Aviva contact.

Provided by Aviva Life & Pensions UK Limited. PT151343 06/2023



Protect Z – The Power of Young Voices



Claudie Francis, Junior Product Manager, iPipeline



On the 5th of July, I had the opportunity to attend Protect Z, hosted by Protection Review, a brand new conference tailored for the under 30s, with all speakers under the age of 30. In an industry often stereotyped as being dominated by middle-aged men in grey suits with grey, (possibly balding...) hair, this event was a breath of fresh air!

As a 26-year-old who joined the industry just shy of 3 years ago, it was inspiring to see a room full of people who looked a lot like me. Individuals who are passionate about protecting our peers and eager to have their voices heard.

Protect Z's mission was clear – to drive the industry towards closing the protection gap and better safeguarding the younger generation. With only 5.6% of protection applications in June coming from 16–24 year-olds, it is clear that far more needs to be done to address the needs of this demographic.

The conference consisted of three engaging panels, each delving into essential topics relevant to the protection industry. The first of which centred around technology – which of course pricked up my ears.

Predictably there was a focus on Artificial Intelligence (AI). Love it, hate it, or fear it, AI's growing influence is undeniable and the use of LLM (large language model) powered, generative AI, like ChatGPT, is met with some resistance – most significantly among the older generation. Concerns surrounding compliance and red tape within financial services were raised, questioning whether bots can be

trusted in such a highly regulated environment? It certainly challenges the ethos of the FCA's Consumer Duty which came into force for advisers at the end of July.

However, it was inspiring to witness the young voices at the conference embrace the inevitable integration of AI and present innovative ideas on working collaboratively with technology.

The consensus was a hybrid approach, combining human expertise and AI's efficiency, could be the way forward. Instead of replacing human interaction, AI could serve as a 'co-pilot', enhancing client experiences whilst maintaining an authentically empathetic approach.

One intriguing ethical debate centred around the use of generative AI for online therapy, without the end user's knowledge. This raised moral questions about transparency and integrity, such as if the client was satisfied, does the source even matter? It's a topic that certainly warrants further exploration and discussion, and one that left many in the room pondering its implications, particularly when suggested uses of AI in our industry have leaned towards underwriting and claims processes.



The second panel explored social media, influencer marketing, and celebrity advertising. It came as no surprise that Martin Lewis, the industry's biggest name, came into question, with all panellists in agreement that the accuracy of his advice was up for debate and the question if he even resonated with a young audience.

Opinions on this subject varied among the panellists, but the consensus leaned towards the need to target relevant influencers instead of relying solely on mainstream celebrities. Influencers like Jessie from "**How I Fund This**," Chelsea Fagan from "**The Financial Diet**," or **Patricia Bright** appear to have an impact, particularly when catering to younger audiences.

The responsibility for educating customers also came under intense scrutiny. Providers often claim budget constraints, but the focus should be on allocating resources effectively. Interestingly, the panellists were challenged on whether financial advisers would be willing to forego their commission in a bid to encourage greater advertising efforts from providers. It's no surprise that the responses were not unanimous!

Regardless of the marketing approach, the key to resonating with younger audiences lies in the content itself. Human stories are immensely powerful, and platforms like TikTok are ready and waiting to be utilised.

The final panel focused on how we make protection more appealing to the younger generation. Among the strategies discussed, the emphasis on value-added services (VAS) stood out with one panellist stating that in her experience, a whopping 85% of policies sold have been swung by VAS.

Embedding VAS into products rather than treating them as add-ons could be a game-changer, attracting younger customers seeking more value, especially in areas like mental health services. A survey run by AIG found that young people were prepared to pay a premium of up to £35 monthly for VAS alone!! In a cost-of-living crisis where budgets are being scrutinised and protection is often the first thing to go – product innovation is more important than ever. The younger generation want to be reaping the rewards of their policies long before claim.

How we can attract fresh, young talent into our industry was also a significant focus area. It was concluded that this ultimately hinges on exposure and representation. When younger individuals see themselves represented at all levels, it becomes easier to envision a future within the industry. Whilst it is argued that the industry's age is decreasing, young voices need to be heard in the decision-making processes. Having a seat at the table is essential for shaping the industry's direction and fostering an inclusive environment for growth.

Overall, Protect Z was a resounding success, and really showcased the power and potential of young voices in shaping the future of the protection industry. The passion and dedication put forward was truly inspiring and I look forward to next year's event and many more like it, because us young 'uns have things to say!





News you may have missed

Hot Topic: Annuities

Read Paul Yates' views in [Money Marketing](#) and why insurers must improve their legacy technology.



"Advisers are already highlighting concerns with life company systems, and we expect providers to find the noise will only increase and become intolerable. Much of these service woes are caused by outdated technology many insurers still use, some of which is decades old."

The third **Income Protection Awareness Week (IPAW)** will be taking place from 18th – 22nd September with the aim of promoting the need for income protection.

Check out the online event schedule [here](#) and register for each session you'd like to attend.



Why not sign up for one of our webinars today? There are many to choose from or you can catch up on a past webinar at a time that suits you.

[Click here to register](#)

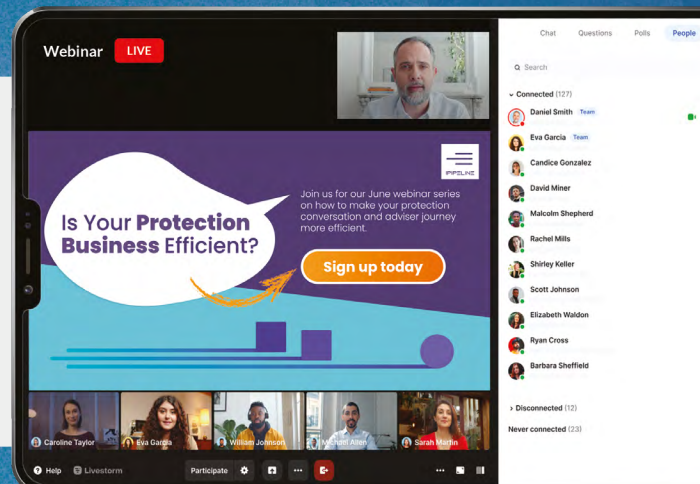


On 6th September, iPipeline hosted guests at **Guardian's Life United charity lunch**, an opportunity for the protection community to come together to raise money for Young Lives vs Cancer and we're very proud to support this worthy cause.



We are delighted to announce the appointment of **Jon Finley as Business Development Director**.

With more than 30 years of industry experience, Jon will lead the company's SSG Digital platform in the UK across the Pensions, Savings, and Investments markets, as well as in already well-established Protection market. Read the full story [here](#).





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Our business is to accelerate and simplify advice, sales, compliance operations and customer support. We automate processing for every stage of the business – from pre-sales, new business and underwriting to policy administration, point-of-sale execution, post-sale support and data analytics. Within the UK, our unique and powerful aggregated community of providers, financial adviser networks and independent financial advisers, is dedicated to enabling customers to secure the financial futures for their families.

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