



Three tips for crafting the ultimate protection strategy

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It's been a year since Consumer Duty came into force. Reflecting on its cross-cutting rules for supporting good client outcomes, we've put together three tips for crafting the ultimate protection strategy.

1. Memorable advice drives positive outcomes

Recent research from The Association of Mortgage Intermediaries found that, although 99% of advisers are raising the subject of protection, only 50% of clients can actually recall having the conversation.¹

When asked why, customer feedback suggested that putting protection into context with more personal stories and real-life examples would make these conversations more memorable. The key takeaway? If firms offer advice that leaves a lasting impression, customers are more likely to act on the advice they've been given and drive positive outcomes.

Advisers should carefully consider their language, when the subject is raised and how much attention is given to ensuring clients clearly understand the benefits.

If you need help with memorable stories to playback to your clients, [see our latest case studies](#).

2. Holistic protection that should consider all risks

It's foreseeable that many clients will suffer some form of disruption to their working life before retirement. For example, one in two people will experience cancer in their lifetime.² But, without seeing the future, it's impossible to know which protection policy they might need.

Take a 35-year-old female non-smoker. Before retirement at 67, she'll have a 4.1% chance of dying and a 13.5% chance of serious illness. This may sound relatively low, but current statistics suggest that she'll still have a 46.3% chance of requiring at least one month off in her working life, due to injury or illness.³

Any of the above risks could have a devastating impact on the individual and her family. Advisers should seek to understand each customer's existing arrangements and budget to craft a holistic solution that provides the most-valuable protection for whatever happens.

3. Income underpins financial objectives

Naturally, many clients will approach advisers with a clear focus on their long-term financial objectives or mortgage. But it's important to help clients understand how protecting income can underpin many areas of financial planning. Without reliable income, their mortgage can't

be paid, and their retirement savings or investment contributions might have to stop. They may even have to sell their home, break into savings or retire early.

In this way, Critical Illness Cover is more than just about preserving clients' current lifestyle or immediate financial stability. It's also about giving them the best chance of hitting their goals.

Find out about our recent [critical illness changes](#).

A final thought

Consumer Duty is arguably one the biggest regulatory changes we've seen from the FCA in recent years. As advisers, we should be focusing on having engaging and passionate protection conversations that go further than just explaining what products do. Solid, tailored advice must highlight any gaps in a client's existing arrangements, make them aware of their individual risks and prioritise their long-term financial objectives. This way, we can always put each customer's needs first.

For more insights, [watch our on-demand webinars](#).

References;

¹ <https://www.a-m-i.org.uk/wp-content/uploads/2023/11/AMI-Protection-Viewpoint-2023-The-Perception-Gap.pdf>

² <https://www.nhs.uk/conditions/cancer/#:~:text=The%20cancerous%20cells%20can%20invade,of%20cancer%20during%20their%20lifetime>.

³ <https://www.legalandgeneral.com/adviser/protection/adviser-toolkit/tools-calculators/risk-reality-calculator/>