



## Vitality: There's more to life! Protection can't just be about death

Given the plethora of protection needs clients face, there's never been a more pressing need for a holistic approach to protection planning, writes Justin Garbutt, Director of IFA Distribution at Vitality.

To borrow a famous phrase, nothing is certain in life apart from death and taxes.

None of us know what the future holds, but what is also true is that **we can make provisions to mitigate the curveballs that life might throw at us.**

The trouble is, when it comes to facing uncertainty and perceiving future risks, **people tend to take an overly optimistic view and believe things won't happen to them.** One in two people get cancer during their lifetime, it'll happen to the other person most clients will think.



### A multitude of health and financial challenges

Overconfidence, especially when it comes to our health and morbidity, means that people often get their priorities wrong, or worse do nothing at all.

This is concerning when we consider the economic and health environment we're living in, **where the need to address the multitude of risks people face has never been greater.**

Whilst the cost-of-living crisis, driven in part by rampant inflation and the consequences of an unforeseen pandemic, has eased over the past year, many households are still feeling the pinch.

**Financial vulnerability also remains high**, even amongst those that wouldn't think of themselves as vulnerable. According to research carried out by the Resolution Foundation, one in three working age families in the UK lack a basic emergency fund of at least £1,000 in savings they could fall back on<sup>1</sup>.

**As a country, we're also grappling with major health challenges**. According to The Office for National Statistics, the number of people out of work due to long-term sickness remains at record highs<sup>2</sup>. Meanwhile, almost a quarter of working-age adults in England are expected to be living with major illness by 2040<sup>3</sup>.

### Protection isn't just for life cover

Talk to most people outside of the industry about protection insurance, though, and the chances are they'll immediately think of **Life Cover**.

Which is perhaps unsurprising, given that historically the industry has been very good selling cover for the one event in life that's a nailed-on

certainty - even though it's least likely to happen given that **premature death is the least likely to occur for someone of working age**.

Even today, sales of Life Cover outstrip other forms of protection insurance<sup>4</sup> and unfortunately this is leaving lots of people without adequate cover for the risks that are likely to arise, especially serious illness and sickness absence from work.



## A more holistic approach

In this context, it's clear that a holistic approach to advice that prioritises other forms of protection insurance – including **Income Protection** and **Serious Illness Cover** (not just Life Cover) – is what's needed.



**In light of Consumer Duty**, it's arguably not securing a good outcome, nor are we avoiding foreseeable harm, if the financial consequence of early death is the only risk that's been discussed with the client.

Conversations around protection insurance must also be more than just a tick-box exercise, where product considerations are driven by cost alone, rather than broader considerations of quality or breadth of cover.

## The tide is turning

Encouragingly in the last few years, we've seen sustained growth in sales of income protection<sup>4</sup>, thanks in no small part to the efforts of groups like the Income Protection Task Force, who Vitality is proud to support. We've also seen more **multi-benefit plans** and standalone Serious Illness Cover being recommended and sold.

Meanwhile, protection products like **Vitality Optimiser** are making a big difference in supporting more holistic advice and driving better outcomes for consumers and advisers alike.

**Because Optimiser enables advisers to protect their clients with high-quality, comprehensive cover for a lower initial premium**, it helps to free up more budget that can then be used to arrange the broadest cover possible.



And the reality for most clients is that they will have multiple needs, such as **mortgage** or debt repayments, childcare costs or wider household bills, that cannot be catered for with one single type of protection cover.

As a result, **we see that Optimised members are 78% more likely to take out Income Protection or Serious Illness Cover alongside Life Cover** and, on average, cover amounts are 31% higher.

In other words, Optimiser helps advisers produce a blended protection product recommendation, without having to compromise on the breadth and quality of cover.

This means clients can be better protected with the unparalleled flexibility, certainty of benefits and post-claim rehabilitation support afforded by Vitality's Income Protection Plan. Or the ability to claim multiple times, including in full and for a wider range of conditions, through Serious Illness Cover.

At a time when clients are more discerning about how they spend their money and their expectations on insurers are far greater, it also means they get better value as well, outside of having to make a claim.

This is because not only does Optimiser help clients' make upfront savings on their insurance premium, but it also unlocks access to all the tangible **rewards and benefits of the Vitality Programme\***.

And because Optimiser and the Vitality Programme are intrinsically linked, through the **positive promotion of behaviour change**, it also drives up higher levels of **client engagement**, which in turn helps drive persistency. In fact, our most engaged members are up to 46% less likely to cancel<sup>5</sup>.

So, when selecting Optimiser not only does the client benefit from comprehensive cover that helps to address more of their protection needs, through engagement in the Vitality Programme, they also get rewarded for adopting healthier lifestyle choices, helping them to live longer and in better health. Ultimately, this means everyone wins because it's more likely to lead to the best possible outcome for all involved as part of a more holistic approach to protection planning.

\*Minimum premiums apply for Vitality Plus (£45pm for Single Life plans and £60pm for Joint Life Plans)



**Find out more about how Vitality Optimiser can help you offer more comprehensive protection for your clients:**

[More on Optimiser](#)

1. 'Precautionary tales: tackling the problem of low savings among UK households', The Resolution Foundation, February 2024
2. **2.81m economically inactive due to sickness (covermagazine.co.uk)**
3. 'Health in 2040: projected patterns of illness in England'
4. **Record number of individuals take out income protection insurance to safeguard finances | ABI**
5. Vitality Life Claims and Benefits Report 2024.

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