



Getting Income Protection on the shelf.

We're a bit obsessed with

- ♥ Products
- ♥ Processes
- ♥ Price
- ♥ Regulation
- ♥ Commission

The comparative time, thought and money we invest in **promoting** income protection is tiny



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Because of this, the reality is ...

Most people don't know

- ♥ What income protection is
- ♥ What it does
- ♥ Why it would benefit them
- ♥ How to buy it



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And when we do try and speak to customers

The message isn't often really relevant

- ♥ From just 17p a day
- ♥ Just 5 simple questions
- ♥ 5 star rated product
- ♥ Birthday mailings
- ♥ Guaranteed premiums
- ♥ No standard exclusions

"Peace of mind"

"If the worst were to happen"

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How would the protection industry 'do' i-phone?

- ♥ 411Mhz ARM processor
- ♥ Corning Gorilla Glass
- ♥ Oleophobic Coating
- ♥ TFT Capacitative Touchscreen
- ♥ Accelerometer and Proximity Sensors
- ♥ 5* rated phone
- ♥ From just £1.16 a day
- ♥ Only available through advisers
- ♥ No marketing budget



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How did Apple 'do' iphone?

In 30 seconds on TV they showed ...

- It neatly fits in the palm of your hand
- You can control it by touching the screen
- It knows where you are
- It has maps on it
- You can watch movies and listen to music on it
- Oh, and you can use it as a spirit level...



They did 'Relevance' ...



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Getting IP to the 9/10 who don't have it.



Income Protection: relevant / meets clear need.

- ♥ Anyone with an income will usually suffer financial consequences by losing it
- ♥ Anyone can suffer an accident or ill health at any time
- ♥ It's a living benefit – you don't have to be dead to claim it!
- ♥ Because it benefits the self – altruism is not required
- ♥ It protects people's ability to pay for all the stuff they care about in life



But we don't sell it to 9/10 customers.

Advised or group are only real routes to market	Too few people have advisers Too few have group IP option
Complicated	Summary & conditions 50+ pages. Quotes are complicated.
Risks – may not get what you pay for	Sick pay is deducted so have to pick the right deferred period. Based on income can lead to over-insurance.
Underwritten	Have to get a quote. What you have been quoted may change. Loadings/declines/exclusions. 2 stage process – not instant. Lots of declined occupations. Definitions of incapacity.
Price	Narrow market: can be expensive for manual workers, older customers, smokers, people with health conditions.





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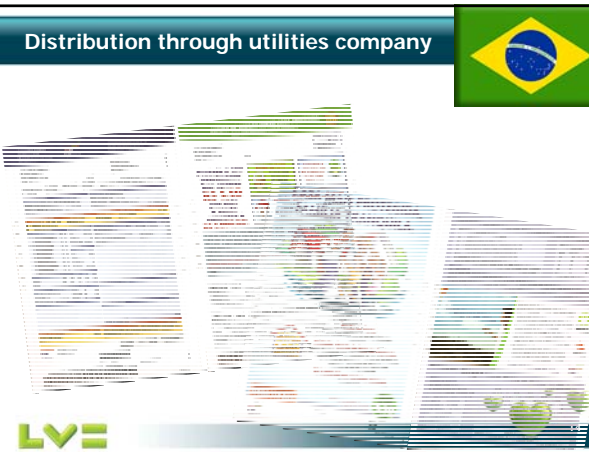
A couple of examples of engaging customers in a relevant way from round the world



Insurance in a convenience store



Distribution through utilities company



Insight: online buying trends

- ♥ Self purchase / service
- ♥ Commoditisation
- ♥ Simplicity
- ♥ Speed
- ♥ Convenience
- ♥ Intuitiveness
- ♥ Instant gratification

Watch TV programmes & films anytime, anywhere. Only £5.99 a month.

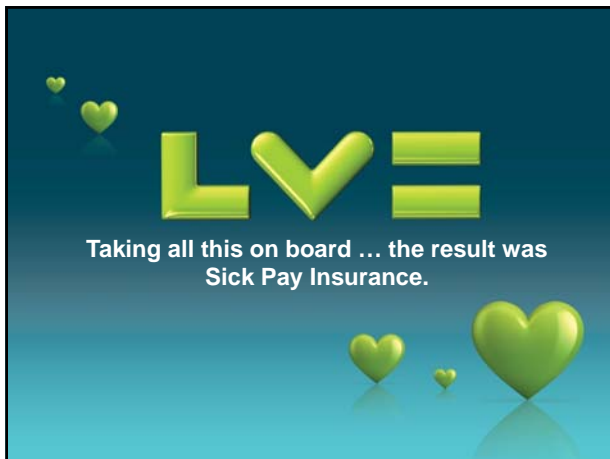
amazon

ebay

TESCO

NETFLIX





Product: simple to understand

♥ Simple to grasp what it is and does in short space of time

Home What you get What you don't get When we'll pay out Do I need it? FAQ Contact us

Sick Pay Insurance – the facts


- ♥ Choose £500 to £1000 a month spending money.
- ♥ It's yours, tax free, to spend on anything you want.
- ♥ You only have to be too unwell to work for 4 weeks.
- ♥ We'll pay you for as long as you're ill, for up to 12 months.
- ♥ Covers any type of sickness or accident, apart from things you've had in the two years before you took it out.
- ♥ You can set it up if you're 17 to 45.
- ♥ Keep it up to age 70, or until you cancel.
- ♥ Available if you're working at least 16 hours a week.
- ♥ The price will stay the same for at least 5 years. After this the cost may change as you get older.

Here's what it costs

Spending money we'll give you each month	Monthly cost to you	Available if you're working
£500	£10	16+ hrs
£700	£14	30+ Hrs
£1000	£20	30+ Hrs

Fixed price = no quote required.

- ♥ £1,000 a month insurance costs £20 a month
- ♥ £500 a month insurance costs £10 a month
- ♥ You don't 'get a quote' – you buy it
- ♥ Makes it a one stage process
- ♥ Can market the price – not market get a quote
- ♥ It's what people are used to!



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About the pricing.

About my costs

Can the cost of my Sick Pay insurance change in the future?

No matter what happens, the price you pay when you set up your Sick Pay Insurance is fixed and guaranteed not to change for at least five years.

After five years, we expect the monthly cost to be the amount we have set out in the table below.

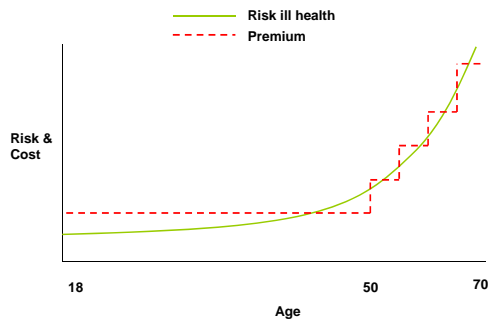
The cost is based on your age at that time and how much spending money you choose. As we've shown, we expect it to stay the same from age 17 to 51, then it will go up as you get older. This is because the risk of ill health increases as you get older.

- ♥ Priced to remain level to age 51 then goes up with age
- ♥ Future prices shown in rate table in literature
- ♥ Rate table is guaranteed for 5 years
- ♥ Allows us to market at fixed price to age 17-45 year olds



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A high level visual.



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No underwriting

- ♥ One stage process – 'buy now'
- ♥ Scaleable – no underwriters needed
- ♥ No declines / loadings / exclusions
- ♥ Keeps costs down



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The typical approach to pre-existing conditions / exclusions

- any condition, injury, illness, disease, sickness or related condition and/or associated symptoms whether specifically diagnosed or not, which you knew about (or ought reasonably to have known about) at the policy start date, or, for which you sought or received advice, treatment or counselling from any doctor during the 12 months immediately before the policy start date;

a self-inflicted injury;

ionising radiation or radioactive contamination from nuclear fuel, waste or equipment.

Your Disability arises from medical operations or treatments which are not medically necessary, including cosmetic or beauty treatments; or

being under the influence of, or being affected by, alcohol or drugs unless prescribed by a doctor (other than prescribed for the treatment of drug addiction or alcohol dependency);

any condition arising from HIV (Human Immunodeficiency Virus) and/or any HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and/or mutant derivatives or variations thereof however caused;

any periods while You are outside the United Kingdom for more than 30 consecutive days.



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Being clear about when we'll pay out



What You Don't Get

Medical conditions you already have may not be covered.

- had symptoms of, or treatment for a specific medical condition?
- been told, as the result of medical investigations or tests, that you are at risk of developing a specific medical condition in the future?

If your answer to either of these is 'yes', then you won't be covered for that specific medical condition straight away, but will be covered for all others from day one.

And the good news is that we'll cover you for that specific medical condition too once you've had your Sick Pay Insurance for 2 years or more, and go 2 years without any symptoms, treatment or follow up appointments.



What you get

Our promise to you.

We promise if you get ill and need to claim we will only ask your doctor or specialist about the specific condition you're claiming for. We don't take into account things like:

- general family history discussions;
- any genetic tests where you didn't already have symptoms of the medical condition; or
- general medical advice like 'you should give up smoking' or 'you should lose some weight' or 'you should get more exercise'.



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We added examples of claims we would and wouldn't pay

Example 1: Stuart - depression claim

A year before setting up his Sick Pay Insurance, Stuart was diagnosed with depression and put on ongoing medication. A year after setting it up he discovered medication that stopped him from working. He hadn't had any depression in the two years before he set up his Sick Pay Insurance.

Would the claim be paid?
No, Stuart would not be covered for his depression as being diagnosed with depression in the two years before he set up his Sick Pay Insurance.

Example 2: Maria - breast cancer claim
A few months before setting up her Sick Pay Insurance, Maria presented to the doctors because although she felt fine she was worried that her older sister and aunt had both suffered from breast cancer. The doctor said there was some concern because of her family history, but after repeating her test her doctor said she had no symptoms of breast cancer or obvious reason to be concerned.

A year after setting it up, unfortunately Maria found a serious lump which needed to be removed as well as ongoing ongoing treatment for several months which meant she couldn't work.

Would the claim be paid?
Yes, she wouldn't take into account the fact that Maria was told she was at more risk of breast cancer because of her family history. Stuart had no symptoms before she set up her Sick Pay Insurance, and Maria didn't have any symptoms before she set up her Sick Pay Insurance, and Maria didn't have any symptoms before she set up her Sick Pay Insurance, and Maria didn't have any symptoms before she set up her Sick Pay Insurance.

Example 3: Robin - repetitive strain injury claim
Robin is a carpenter, and is generally good health. A year before he set up his Sick Pay Insurance he suffered from repetitive strain syndrome - a condition that caused pain in his hands through repetitive hand movements. She took anti-inflammatory drugs and anti-inflammatory and rest the condition improved. But 10 months after setting it up, her right hand symptoms returned.

Would the claim be paid?
No, Robin had symptoms of his condition for repeat hand syndrome in the two years before he set up his Sick Pay Insurance. Unless she went 2 years without symptoms, treatment or follow up appointments after she set it up, she would not be paid. However she would have been covered for any other illness or accident.

Example 4: Martin - bad back claim

Four years before setting up his Sick Pay Insurance, Martin had serious back pain due to slipped discs in his back, which meant he had to have an operation to remove the discs. The operation worked and Martin had no more symptoms or treatment. There a few months after setting up his cover for, developed further back problems meaning another serious operation and several months off work.

Would the claim be paid?
No, Martin's doctor confirmed to him when he claimed that he had not had any symptoms of, or treatment for, a bad back in the two years before he set up his Sick Pay Insurance. So he would receive his spending money as his last symptoms had been four years ago.

Example 5: Chloe - lung cancer claim
Chloe had smoked 20 cigarettes a day most of her adult life. When she visited her doctor for contraception advice a few weeks before setting up her Sick Pay Insurance, her doctor noticed her smoking is seriously bad for her health. 12 months after setting it up, Chloe suffered a cough that wouldn't go away and she also started coughing up blood. She was found to have lung cancer, and she couldn't work for 7 months while she had treatment and recovered.

Would the claim be paid?
No, she wouldn't take into account general advice that her GP had given her to stop smoking, and she had no symptoms of lung cancer in the two years before she set up her Sick Pay Insurance.

Example 6: Jonathan - heart attack claim
6 months before setting up his Sick Pay Insurance, Jonathan had chest pain, which was investigated at the hospital and diagnosed as angina. The doctors warned him that he was at an increased risk of having a heart attack in the future and put him on medication. Unfortunately 10 months after setting it up, Jonathan suffered a heart attack and was too unwell to work for 20 weeks.

Would the claim be paid?
No, Jonathan in the two years before he set up his Sick Pay Insurance, Jonathan was told he was at an increased risk of a heart attack because he had angina. Jonathan was not covered for his heart attack as he had been told that he had an increased risk of a heart attack when he set up his Sick Pay Insurance. Jonathan was not covered for his heart attack as he had been told that he had an increased risk of a heart attack when he set up his Sick Pay Insurance.



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Unambiguous and engaging question: when we'll pay out

We added an 'understanding' question to help people understand what they are covered for.

The question also provides reassurance / clarity.

Understanding when we'll pay out

The following question is just to help you understand what you're covered for. Whenever your answer, you can still set up Sick Pay Insurance and your answer won't be reviewed when you claim.

In the last 2 years have you:

- ▼ Had symptoms of, or treatment for a specific medical condition?
- ▼ Been told, as the result of medical investigations or tests, that you are at risk of developing a specific medical condition in the future?

☒ Yes I have ☐ No I haven't

What this means for you

Your Sick Pay Insurance will not cover that specific medical condition(s), until you've been symptom or treatment free, and you've not needed a follow up appointment, for two years after your cover starts.

However, the good news is you're still covered for all other medical conditions or accidents, from day one!

Any worries? To read "Our Promise" about claims. [Click here](#)

You can also read examples of claims we would and wouldn't pay out for. [Click here](#)

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Jargon Free language and literature.

Jargon free language is especially important with no adviser involved

- ▼ 15% of the adult population have literacy skills of a child aged 11 or under
- ▼ 25.8% have literacy equivalent to GCSE grade D-G
- ▼ Not written by Compliance, with everyday, jargon free, more engaging language
- ▼ 'Premium' becomes 'The price'. 'Income Protection' becomes 'Sick Pay Insurance'.
- ▼ 'The benefit' becomes 'Your spending money' ... and so on
- ▼ Summary AND conditions reduced to 12 sides total vs 50+ sides for traditional IP

Direct language (you / we)

No glossary / defined terms

Short, straightforward sentences

You only have to be free yourself to work for 4 weeks to qualify for your spending money.

After you have done this yourself to work for 4 weeks (28 calendar days), you'll start to qualify for your monthly spending money. We want you to get the spending money you pay for, so we'll still pay you even if you are getting sick pay from your employer, other insurance payments or receiving state benefits.

The extra money can help you concentrate on getting better without adding into your savings or getting into debt and helps you keep the things you are used to.

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We acted on over 40 pieces of feedback.

Research Actions									
1	2	3	4	5	6	7	8	9	10
1	It was discussed that adding in questions and the existing questions will not help put customers' minds at ease. It was they told us if you have to have not seen their GP since the past 3 years, we can use this question to educate the customer based on the response. At this point we will provide the GP phone number if they still concern.								
2	It was also agreed we should explain more without adding the journey about how the claim process works.	Review	C3/M3	1.5m					
3	Discussed that we should highlight the common claims e.g. stress-related, depression to remove expanding claims and other common claims to stress related.	Review	C3/M3/Y1	1.5m					
4	Discussion to the expanded list, as to how it get out of hand at present.	Review	MS	1.5m					
5	Need to make clearer in case of working.	Review	MS	1.5m					
6	Add in wording to explain there must have been symptoms - not general advice.	Review	MS	1.5m					
7	Add more examples in	Review	MS	1.5m					
8	Need to clarify	Review	MS	1.5m					
9	Review to be able to get a better understanding of how this should operate online.	Review	MS	1.5m					
10	Re-word 'pre-...' to 'Conditions you've experienced in the last 2 years please'	Review	MS	1.5m					
11	Decide on how to present this in the customer journey. New tabs on home page about go as in particular.	Review	MS	1.5m					
12	Re-work the existing containing question and answer format.	Review	MS	1.5m					
13	Provide more examples of how we could and would not pay out based to go as section.	Review	MS	1.5m					
14	Highlight common claims and experience on website and literature.	Review	MS	1.5m					
15	Remove 'type of person with claims	Review	MS	1.5m					
16	Inclusive 'person with illness - unrelated.	Review	MS	1.5m					
17	Re-word 'to work	Review	MS	1.5m					
18	Re-word 'to work	Review	MS	1.5m					
19	Review 'medical advice' - use specific words 'prescription and treatment etc. Be clear to general advice.	Review	MS	1.5m					

Simple Amazon-style online buying journey

- ♥ Pick amount needed > read what you get > name/address > bank details > buy!
- ♥ No medical or financial questions
- ♥ Buy your sick pay insurance in a few minutes



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Simplicity - not based on income

- ♥ Not based on income: based on hours worked
- ♥ If working 16-29 hours a week can have £500 a month insurance
- ♥ If working 30+ hours a week can choose £500-£1000 a month insurance
- ♥ Keeps it simple:
 - ♥ No financial questions at start or at claim
 - ♥ No percentages to worry about
 - ♥ No risk of over-insurance if income falls
 - ♥ Easier where evidence of earnings (eg. self employed) is an issue



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Get what you pay for – no deductions.

- ♥ We don't deduct any other income
- ♥ Including sick pay, other insurance, state benefits
- ♥ Keeps it simple
- ♥ Always pays out after 4 weeks – no over-insurance

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Stability - long term contract.

- ♥ Pays out for up to 1 year per claim
- ♥ Long term contract automatically runs to age 70 (not GI)
- ♥ Customer can cancel any time – we can't cancel on the client
- ♥ We can't change the T&C
- ♥ Price guaranteed for 5 years – priced realistically for future sustainability

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Distribution

Imagine the distribution opportunities

Wherever someone spends their money

- ♥ Utilities and service providers
- ♥ Retail
- ♥ Banks and building societies
- ♥ Affiliates
- ♥ Estate agents / Rental agencies
- ♥ Radio
- ♥ TV
- ♥ Social Media
- ♥ New parents – nurseries, baby packs etc
- ♥ Parents of new starters at private schools
- ♥ Membership groups / Clubs



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So before we continue, a quick 'commercial break'

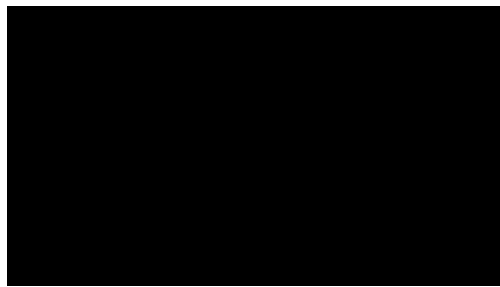
Example of marketing Sick Pay Insurance in a relevant way...

- ♥ Aimed at parents
- ♥ Theme of paternity
- ♥ Filmed internally with staff – no cost
- ♥ Used in marketing campaign with Kidstart
- ♥ Fun and engaging
- ♥ <http://youtu.be/FyF1dlU85BM>



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Test and learn ... distribution

1. D2C test of various activities to LV= customers
2. Launched with a number of non-advised IFA firms (who have never sold IP)
3. Launched with a number of affiliate sites
4. Testing social media: YouTube
2. Household name 1 – summer 2014
3. Household name 2 – late 2014/early 2015



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Early claims experience.

Key causes of claim since launch

1. Broken bones
2. Other musculoskeletal conditions
3. Skin conditions
4. Mental illnesses
5. Cancer

No concern over claims experience.

Monitoring business mix – monthly meetings.



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And finally back to promotion.

- ♥ So we'd like to finish where we started ... promotion ...
- ♥ Example of a video we have created for YouTube
- ♥ Targeted ad that appears for certain demographic before clips
- ♥ Designed for YouTube to feel like YouTube
- ♥ Engaging and humorous – 'product-lite'



<http://youtu.be/TT4ai0JPrNc>



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