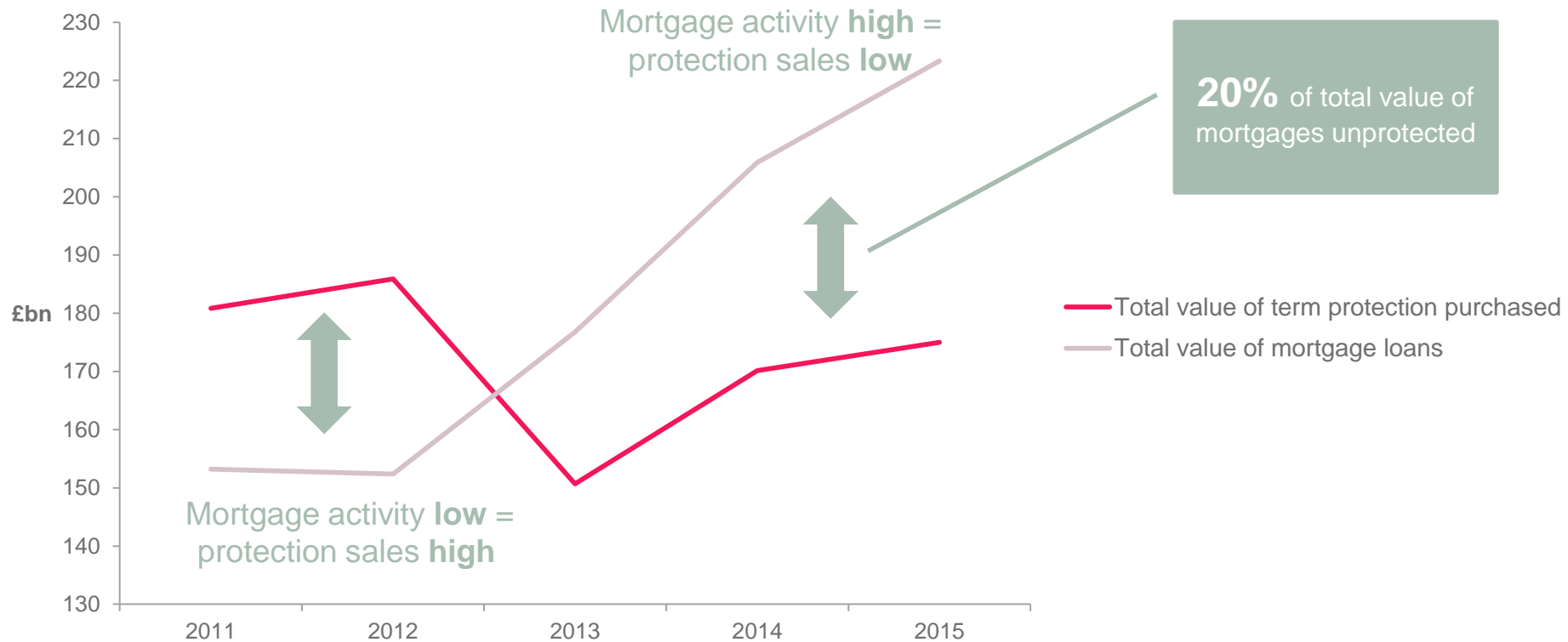


# Mortgages and Protection: How can we make it work?



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Protection Review 14<sup>th</sup> July 2016

## THE RELATIONSHIP BETWEEN MORTGAGES AND PROTECTION



Mortgages perceived to provide more value for advisers than protection

Source: Swiss Re Term & Health Watch 2016, MLAR June 2016

## So what can we do?

The following is intended to invoke debate amongst the panel and audience rather than specific views or opinion.

## WHAT COULD WE ALL DO TO INCREASE PROTECTION SALES?

### INSURERS

- Create relevant protection products that consumers value
- Simplify the application process
- Develop commission structures which appropriately reward advisers
- Support intermediaries to develop their businesses

## WHAT COULD WE ALL DO TO INCREASE PROTECTION SALES?

### LENDERS

- Reduce procurement fees to make protection sale more attractive?
- Compulsory for customers to take protection alongside a mortgage?
- Further stress testing reduction in income?
- Lower mortgage interest rates/lower fees when protection taken?

## WHAT COULD WE ALL DO TO INCREASE PROTECTION SALES?

### GOVERNMENT

- Tax relief on protection premiums? (LAPR)
- Government subsidy on protection premiums?
- Greater consumer awareness?

## WHAT COULD WE ALL DO TO INCREASE PROTECTION SALES?

### NETWORKS/ ADVISERS

- Protection forms part of mortgage compliance process?
- Advice process changes to make protection a theme throughout mortgage sale?
- Include protection cost automatically in mortgage payments?
- Avoid future mis-selling complaints?
- Become sales people?
- Give professional advice

## WHAT COULD WE ALL DO TO INCREASE PROTECTION SALES?

INSURERS	LENDERS	GOVERNMENT	NETWORKS/ ADVISERS
<ul style="list-style-type: none"><li>• Create relevant protection products that consumers value</li><li>• Simplify the application process</li><li>• Develop commission structures which appropriately reward advisers</li><li>• Support intermediaries to develop their businesses</li></ul>	<ul style="list-style-type: none"><li>• Reduce procurement fees to make protection sale more attractive?</li><li>• Compulsory for customers to take protection alongside a mortgage?</li><li>• Further stress testing reduction in income?</li><li>• Lower mortgage interest rates/lower fees when protection taken?</li></ul>	<ul style="list-style-type: none"><li>• Tax relief on protection premiums? (LAPR)</li><li>• Government subsidy on protection premiums?</li><li>• Greater consumer awareness?</li></ul>	<ul style="list-style-type: none"><li>• Protection forms part of mortgage compliance process?</li><li>• Advice process changes to make protection a theme throughout mortgage sale?</li><li>• Include protection cost automatically in mortgage payments?</li><li>• Avoid future mis-selling complaints?</li><li>• Become sales people?</li><li>• Give professional advice</li></ul>



## THE VALUE OF A MORTGAGE AND PROTECTION SALE

Time vs. Reward vs. a Professional Job

	Mortgage only sale	Mortgage and protection sale
Time per case	4 hours	5 hours
Reward per case	£800	£1,332
Cases per month	10	8
Reward per month	£8,000	£10,656

Focussing on a fully protected mortgage



Thank You