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As we now embark on the challenges that come with another year, those working in the mortgage and protection market know that the metaphorical 'counter' has been set to zero and the hard work of developing new business over the next 12 months begins in earnest.

That being the case, and with all that is happening around GDPR and GI compliance in 2018, there is the potential for advisers to take their eyes off the ball. If, however, you can drive forward then this is potentially a very exciting time for protection and GI sales with the latest figures released by Equifax Touchstone indicating that protection product sales have reached a five-year high. Total sales were up 1.4% in the third quarter of 2017 and 7% year-on-year; it appears as though there may be some real momentum developing in a market that has seen limited overall growth in recent years

In order to look ahead, let's first review 2017 and the five key areas of growth we have seen – via Paradigm Protect members – which look set to continue in 2018:

Impaired Lives

Since the removal of impaired life products by Just there has been something of a gap in the market. Most calls coming in to the underwriting helpline at Paradigm focus on BMI, Diabetes 2 and Stress/Heart conditions. While certain providers have tried to stretch underwriting criteria to help fill the gap there doesn't at present seem to be an overall solution. The Exeter has announced an extension to its innovative, response life cover – Managed Life. The mutual protection specialist is opening up cover to impaired lives – people with serious or multiple health conditions, or those who have been declined cover in the past. The number of clients who may benefit from this extended cover is greater than advisers might think - there are over seven million people living with a heart condition in the UK and one in two of us will suffer from cancer during our lives.

Funeral Plans

Funeral plans may be a great new source of income for advisers while offering a great service to clients. They say that the only things you can be certain of in life are death and taxes. Despite this, a recent survey found that 48% of deceased people had made no provision to pay for their funeral. When you consider there are 23 million people aged over 50 in the UK, it adds up to a huge potential market for pre-paid funeral plans. The cost of an average funeral is now £4,078, that's a jump of 112% since 2004; and a faster increase than any other costs such as petrol, electricity, house prices and weekly wages. At that rate, in another 10 years, the average cost of a funeral could be over £7,200.

General Insurance

GI Sales increased within Paradigm in 2017, both self-written and introduced, and there is nothing but positive moves ahead for 2018. Insurance has been a somewhat labour-intensive product purchase but, in the age of digital disruption, businesses are offering customers experiences beyond what they have traditionally come to expect from insurers and comparison sites. However, the tediousness of obtaining a home insurance quote has not changed. In some cases, the process has become longer. Opportunities are being missed to help consumers have better customer journeys and allow customers to focus more on what they are buying, rather than whether they disclosed correct information. A number of GI providers are waking up to this fact and are developing engines to minimise input but still producing competitive pricing ahead of the traditional aggregators, and by making processes easier it can turn GI sales in to a profitable income stream

Income Protection

One of the largest areas of growth in 2017 for Paradigm firms was in income protection. Providers have been busy developing products to better meet customer needs, especially within the short-term claims pay out area which has had a positive effect on pricing and therefore affordability. The further development of IT products such as Solution Builder to make the quotation process simpler has had a major effect on volumes and those taking advantage of our free Solution Builder offer have seen dramatic rises in the uptake of sales.

Simple Group Risk

Paradigm has worked closely with a leading provider of Group Risk Business, UNUM, to develop Simplicity. It is a modern employee benefits solution for 'new to market' customers and is a proposition that fills an important gap in the employee benefits sector. Simplicity has been introduced to Paradigm members in order to reach to employers who may not yet have thought about, or seen the value in, traditional group risk products. The easy-to-understand offering is designed for workforces of three or more people and is targeted specifically at the micro-SME employer market (companies with under 20 employees). Unum has introduced the 'Simplicity Quote Tool' to help Paradigm members generate quotes in three easy steps. The Simplicity Quote Tool will automatically generate a quote for all three Simplicity products. To then proceed with a quote, you just need to copy and paste the pre-populated 'data entry' tab on the Simplicity Quote Tool and email this to Unum who will then set up the policy on your behalf.

All in all, 2018 should present a plethora of opportunities in the GI and Protection space – even if your penetration rates have not been what you would wish in recent times, there is plenty of resource and support to help advisers move in the right direction. Support, such as we offer, is ready and waiting to be accessed – make sure 2018 is the year when you make the most of what's available.

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