

INCOME FIRST.

A guide to selling
income protection.



Let's start with some startling facts...

40%

of households can't survive a month without income.

Source: www.finder.com/uk/brits-using-savings-in-lockdown

5 million

self-employed workers don't get sick pay.

Source: www.ons.gov.uk

75%

of all long-term work absence is caused by illnesses not covered by critical illness policies.

Source: www.cipd.co.uk

As you can see, all this evidence suggests that income protection isn't just a big priority but it's also a big opportunity.

However, it remains overshadowed by the more commonly bought life or critical illness cover.

A hand wearing a yellow sweater holds a wooden sign. The sign is light blue with a yellow horizontal line near the bottom. The text on the sign is in bold, dark grey letters, arranged in three lines: 'PUTTING INCOME FIRST', 'IS THE BEST POLICY', and '#jointherevolution'.

**PUTTING INCOME FIRST
IS THE BEST POLICY
#jointherevolution**

The question is why?

At The Exeter, we believe it's because of a lack of awareness.

So, we're starting a revolution and arming advisers with all the tools and knowledge they need to ensure income protection finally gets the recognition it deserves.

It's time to turn up the volume.

Let's face it, income protection doesn't get enough airtime.

So we've put together a six point manifesto to help you demonstrate why income protection should always be considered first.

The income protection manifesto

01. Like all good ideas, it's a simple one

You'll be amazed how many clients have never heard of income protection. So it's always worth starting by explaining the principle:

If you're too ill to work for any reason, income protection will pay you up to 60% of your pre-tax income until you're well enough to return to work.

02. Illness is your clients biggest risk

Many advisers still focus solely on protecting people against the financial consequences of their death.

Now, there is no doubt life insurance plays a valuable role in protecting families, but when you consider illness is a bigger risk, it should rarely be prioritised over income protection.





03. It protects savings as well as income

It can take years for clients to save even a modest rainy-day fund, and the last thing they want to spend their hard-earned savings on is everyday bills because they are too ill to work.

However, with an income protection policy in place, their savings are safe. So they can look forward to spending their savings on the good things in life.

04. It keeps on paying out

You never know how long an illness will last. Which is why, unlike critical illness cover (which pays out a single lump sum that could run out), income protection can pay a monthly benefit until your client is well enough to return to work.

Also, once your client recovers, the policy stays in place so that if, at some point in the future another illness prevents them from working, they can claim again.

**PROTECT INCOME
PROTECT SAVINGS
#jointherevolution**

A hand holding a sign that reads "PROTECT INCOME PROTECT SAVINGS #jointherevolution".

Our manifesto continued...

05. It covers any illness, not just critical ones

To protect against illness, you could recommend a critical illness policy, which pays out if your client is diagnosed with a serious illness defined by the insurer.

But, an illness doesn't need to be critical to stop your client from earning – and that's the beauty of income protection. It pays out if your client is too ill to do their job, (not just any job) irrelevant of the cause.

Think of it as fully comprehensive illness protection.



**EVERY
ILLNESS IS
CRITICAL**
#jointherevolution



**TALK TO ME
ABOUT INCOME
PROTECTION**
#jointherevolution

06. It's affordable

Cost is a barrier to any protection sale. Which is why income protection is designed with several options to help you shape the cover to fit your client's budget:

Choice of premium options.

Your client can select level guaranteed or age-costed premiums. Level guaranteed premiums stay the same for the life of the policy whilst age-costed premiums offer the flexibility of a lower starting price which increases over time.

Choice of claim period.

A long-term claim period means a claim could potentially pay out for the entire term of the policy. Or you could recommend a cheaper, limited claim period of either two or five years meaning that each individual claim pays out for a shorter period of time.

Choice of waiting period.

This is the length of time after becoming too ill to work that your client will wait before they receive their monthly benefit.

The options range from one day to one year. The longer the waiting period, the lower the premiums will be.

Demonstrating value for money.

**Most people can protect the majority of their monthly income
for a fraction of their monthly income.**

For example, a 35 year-old non-smoker earning £35,000 a year, could pay...

Less than **£10**
A MONTH **FOR** **£1,750***
OF MONTHLY BENEFIT

Or put another way they can protect 60% of their gross monthly income for less than 1% of their gross monthly income.

*based on age-costed guaranteed premiums, a retirement age of 65, with a two-year claim period and 26 week waiting period.

The income protection toolkit. A revolutionary resource.

A revolution needs actions as well as words so we've built you an online income protection toolkit.

It brings together all the tools and information you need to launch a successful sales campaign and includes our income risk calculator.



THE INCOME RISK CALCULATOR

A key element of our online toolkit, it allows you to create personalised client reports that bring the value of income protection to life right in front of their eyes.

It's a powerful way to start the income protection conversation and enables you to:

- Visualise the risk your client faces from illness or injury
- Build a picture of the financial consequences of illness
- Explain how income protection works
- Highlight their income shortfall and income protection needs
- Calculate premium examples based on a range of product options
- Download a complete report as a PDF.



Our income risk reports are now available to create and download at <https://www.the-exeter.com/adviser>



03. Income protection prevents illness leading to debt

If you're too ill to earn you may think you can just tighten your belt. But even if you just limit your spending to the essentials, debts can soon mount up. If your monthly expenses continue of £2,170 your accumulated debt after any company sick pay ends could reach **£18,000** within 12 months.



Income shortfall after 12 months could reach £18,000

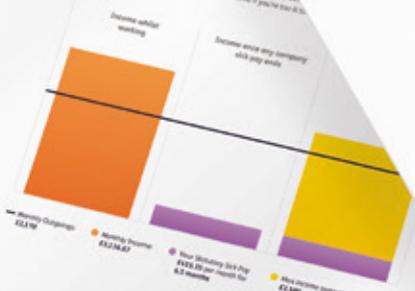
A note about your savings.
If your outgoings continued at the current level, without income protection your hard-earned savings of **£16,000** would last just **31 weeks** after any sick pay entitlement.

A note about sick pay.
After paying any contractual sick leave your employer will only pay statutory sick pay of **£95.85** per week for **28 weeks**.

A note about benefits.
After statutory sick pay you'll receive minimal help from the government - and if you have over **£18,000** in savings you'll receive nothing.

02. Income protection provides tax income while you recover from illness

Even if you're not eligible for company sick pay, income protection can provide you with tax-free income while you're unable to work. This means you can continue to pay your mortgage and other bills without having to dip into your savings.



To meet your monthly outgoings during the **6.5 months** you are entitled to Statutory Sick Pay, you require an additional income of **£1,755 per month** (this is the equivalent to 42% of your monthly salary before tax).

06. Policy options help keep premiums affordable

With a range of policy options, you can choose the level of cover that suits your needs and budget.

- Health cover:** Covers you for up to 12 months of illness, providing you with a replacement income of up to 80% of your gross salary.
- Income cover:** Provides you with a replacement income of up to 80% of your gross salary for up to 12 months.
- Waiting periods:** The time between the start of your illness and when you start to receive your replacement income. Options include 14, 28, 56, 84, 112, 140, 168, 196, 224, 252, 280, 308, 336, 364, 392, 420, 448, 476, 504, 532, 560, 588, 616, 644, 672, 700, 728, 756, 784, 812, 840, 868, 896, 924, 952, 980, 1008, 1036, 1064, 1092, 1120, 1148, 1176, 1204, 1232, 1260, 1288, 1316, 1344, 1372, 1400, 1428, 1456, 1484, 1512, 1540, 1568, 1596, 1624, 1652, 1680, 1708, 1736, 1764, 1792, 1820, 1848, 1876, 1904, 1932, 1960, 1988, 2016, 2044, 2072, 2100, 2128, 2156, 2184, 2212, 2240, 2268, 2296, 2324, 2352, 2380, 2408, 2436, 2464, 2492, 2520, 2548, 2576, 2604, 2632, 2660, 2688, 2716, 2744, 2772, 2800, 2828, 2856, 2884, 2912, 2940, 2968, 2996, 3024, 3052, 3080, 3108, 3136, 3164, 3192, 3220, 3248, 3276, 3304, 3332, 3360, 3388, 3416, 3444, 3472, 3500, 3528, 3556, 3584, 3612, 3640, 3668, 3696, 3724, 3752, 3780, 3808, 3836, 3864, 3892, 3920, 3948, 3976, 4004, 4032, 4060, 4088, 4116, 4144, 4172, 4200, 4228, 4256, 4284, 4312, 4340, 4368, 4396, 4424, 4452, 4480, 4508, 4536, 4564, 4592, 4620, 4648, 4676, 4704, 4732, 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What else will you find in our income protection toolkit...



REASONS WHY EDITOR

Our reasons why editor contains all the relevant paragraphs you require to help you create suitability letters to back up your recommendations. Simply select the relevant reasons from our online interface and copy and paste into your recommendation report.



RESEARCH AND PRODUCT KNOWLEDGE

Online you'll find our latest CPD learning materials including research and insights to help support you in your client conversations. You can also remind yourself of the key benefits of our income protection product by downloading our product guide.





A CLIENT GUIDE TO INCOME PROTECTION

Whether you're looking for a client leave behind, or a PDF brochure to attach to an email to capture your client's imagination, our client guide does the job perfectly. Simply download it from our website.



OBJECTION HANDLING NOTES

You always need to be prepared for a client to question the value of protection. Our online objection handling notes provide you with compelling counter arguments for all the usual objections. It's well worth a read before meeting a client.



APPROACH LETTER/EMAIL TEMPLATES

It can take time to draft a persuasive approach letter that unpacks the value of income protection. So we've pre-prepared an initial draft that you can simply copy, paste and edit to meet your exact needs.



ONE-TO-ONE PRODUCT BRIEFINGS

If you'd like one of our Adviser Account Managers to talk you through our income protection product personally, simply request a product briefing by submitting the form online.

And lastly, a few words on underwriting.

At the Exeter you can expect a truly efficient experience:

- It takes less than 15 minutes to complete and submit an application
- Referred applications are reviewed by an underwriter within 24 hrs
- And we even offer delegated underwriting via email.

To arm yourself with everything you need to seize the income protection opportunity visit: [**the-exeter.com**](https://www.the-exeter.com)

Join the revolution
the-exeter.com



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You matter more.